

ANNUAL REPORT
2022-23

ENRICHING LIVES,
WINNING AS

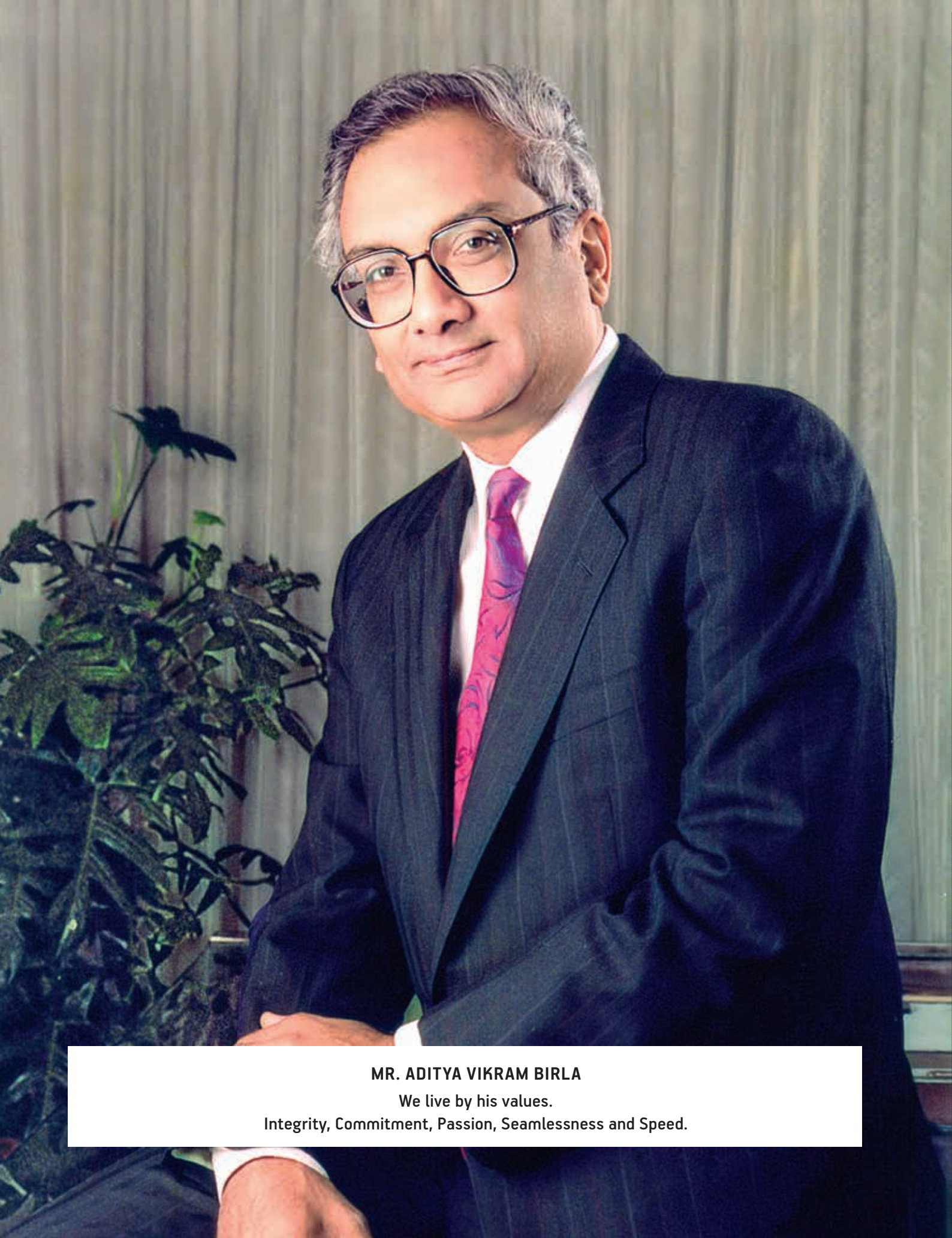


PROTECTING INVESTING FINANCING ADVISING



**ADITYA BIRLA
CAPITAL**

adityabirlacapital.com



MR. ADITYA VIKRAM BIRLA

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.



Group chairman's message to shareholders

Making our mark in the new age

Dear Shareholders,

The foundation of our Group rests upon a philosophy of trusteeship, which imagines corporations as institutions that drive collective prosperity. This philosophy has played an integral role in shaping our actions for generations, guiding us in our quest to enrich lives. Over the years, this purpose, though unstated, has been our unwavering anchor.

In FY23, we formally put to words our group's purpose statement. At its heart is the commitment **to enrich lives by building dynamic and responsible businesses and institutions that inspire trust**. Every day, we strive to honour this commitment through our brands, products, services, solutions, actions, relationships, and institutions.

Our purpose statement stands both timeless and fresh against the backdrop of our extensive history. In a world of increasing opportunity, and also accelerating uncertainty, our purpose statement is meant to act as a talisman and remain at the core of our business decisions.

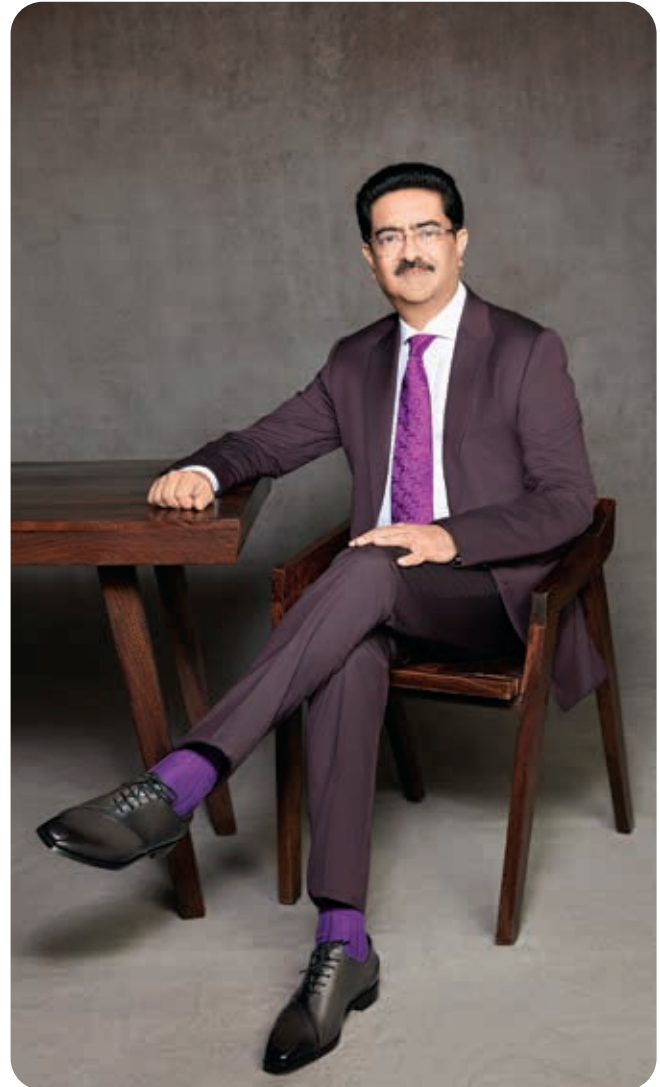
Our purpose offers us a unique lens with which to view the world, to bring perspective to it, and to thrive in it. Guided by this unique perspective, we navigate the evolving global landscape with resilience and foresight. As we turn our attention to the current state of the global economy, it is evident that we are charting a course through a 'new normal'.

GLOBAL ECONOMY: FINDING A NEW NORMAL

The global economy continues to pull itself out of the pandemic-triggered shock. It does so amid a complex environment marked by the ongoing conflict in Ukraine, geo-economic fragmentation, soaring interest rates, and looming risks of a banking contagion. Reflecting these concerns, the International Monetary Fund (IMF) expects global economic growth to dip from 3.4% in CY22 to 2.8% in CY23. Developed countries are predicted to experience a more pronounced deceleration, their aggregate growth stumbling to just 1.3% in CY23 - the slowest pace in a decade, excluding the pandemic-impacted CY20.

On the brighter side, China's economy marches towards normalisation following the lifting of its Covid-related restrictions. Both China and India are set to significantly contribute to global economic growth in CY23, providing a much-needed stimulus as developed economies grapple with challenges.

Meanwhile, global supply chain pressures have largely normalised, helping ease commodity prices and peak



inflation levels in most economies. Central banks, led by the US Federal Reserve, appear to be nearing the end of their rate-hiking phase, signaling cautious optimism for the global economy and financial markets. However, vigilance remains crucial in the face of potential risk events in this fragile environment.

INDIA: THE SHINING STAR

India's economic narrative paints a much brighter picture. With a government-led push to infrastructure investments and pragmatic policies such as the production-linked incentives scheme, private capex has seen a surge.

Group chairman's message to shareholders

This rise triggers a multi-year boom, providing valuable support to economic growth in the face of softening global demand.

A decadal reshaping of supply chains is underway. As global corporations start to look at countries across Asia as part of their China + 1 strategies, India is well-positioned to benefit. Supported by the dynamism of its tech-based 'new economy' enterprises and the expanding digitisation across sectors, India's growth momentum continues to strengthen.

The Reserve Bank of India (RBI) projects India's economy to grow at 6.5% in FY24, demonstrating the nation's resilience amidst subdued global economic conditions. Inflation seems to have peaked globally and in India. Easing inflation, robust foreign exchange reserves, and improving bank assets' quality provide a sizable cushion against potential destabilising events in global markets.

A key component of the rise of any industrial ecosystem is the presence of a confident and skilled workforce. This year, India surpassed China in population, and already has the largest and youngest working age population globally. The lessons learnt from the transformations of other economies through the last few decades point to the importance of this demographic dividend.

In the grand theatre of global economic evolution, India stands not as a mere spectator, but as a charismatic lead.

ADITYA BIRLA GROUP IN PERSPECTIVE

As India takes centre stage in this grand narrative, the Aditya Birla Group finds itself in a unique position to contribute to this monumental journey. Our enduring success amidst global uncertainties stems from our unyielding commitment to purpose, anchored in principles that are much more than just words.

And therefore, the articulation of purpose was just the first step. We cultivated a deep understanding of our purpose across the depth and breadth of the Group including the last mile. To transform Purpose from a concept to an embodied experience, approximately 600 of our senior leaders and managers took the initiative to receive training and facilitate introspective dialogues on Purpose. This facilitated their teams to internalise, personalise, and actualise our Purpose in a manner that was both unique and authentically representative of their roles within our dynamic group.

Driven by purpose, the FY23 stands testament to the breadth

and scope of entrepreneurial ventures we have embarked upon. We are exploring uncharted territories, backing our conviction with capital and talent. Our robust platform serves as a launch pad for new initiatives, allowing us to tap into opportunities across traditional and sunrise sectors.

This year, we've emphasised the implementation of our 3-year HR Strategy, guided by our Purpose Principles. This approach has enabled us to build enduring bonds with our stakeholders, including key employee segments, like early professionals, and attract high-quality talent across traditional and digital businesses.

As we continue to expand, our employer brand has empowered us to attract over 11,000 employees in FY23 - a diverse pool of new skills and capabilities. Furthermore, our commitment to diversity is evident in the increasing representation of women in our workforce. Culture champions have been instrumental in fostering an inclusive and collaborative environment where every employee feels heard, valued, and respected.

Amidst shifting market dynamics, Learning and Leadership Development continues to be a key pillar, helping us equip over 35,000 employees with the skills necessary to drive business outcomes. Over 400 senior leaders, encompassing CEOs, CXOs, and Unit heads, have bolstered their capabilities in fields such as geopolitical analysis, interpretation of complex megatrends, inspirational leadership, and agile leadership methodologies. Our adaptability was made apparent in our diverse learning approaches, both in terms of design and implementation. Beyond the traditional classroom environment, we provided learning in various accessible forms - including bite-sized modules, self-paced curricula, and certification courses - thereby benefiting 87% of our management cadre employees.

With two-thirds of our workforce under 35, our attention is concentrated on equipping early career employees to fulfill their evolving aspirations and needs. Through a unique program titled 'CareerAbility', these employees have engaged in a series of self-guided learning bytes, self-assessments, psychometric evaluations, and leadership-led career guidance sessions. This diverse range of resources has been utilised more than 40,000 times.

Our commitment to the identification and cultivation of talent has remained resolute. We have recognised over 900 pivotal roles within our Group for which a robust succession pipeline is firmly in place. An avant-garde journey of learning



is presently being undertaken to equip our future C-suite leaders, encompassing roles such as CFOs, CMOs, CIOs, and CHROs with the skills and insights required for leadership in a rapidly evolving business landscape. This focus has significantly enhanced our internal versus external hiring ratio for leadership positions.

This shift is facilitated by our integrated approach to talent identification, development, and internal mobility. Over the past three years, we have seen 14% of our employees and 27% of our talent pool members transition into new roles, bringing our vision of 'A World of Opportunities' to life and fostering enduring bonds within our organisation. This represents our steadfast commitment to talent growth and mobility, crucial for building a resilient and adaptive organisation.

YOUR COMPANY PERFORMANCE

Your Company delivered a strong performance in FY23, leading to accelerated growth momentum and improved profitability across businesses.

The revenue grew by 27% y-o-y to ₹29,999 Cr in FY23 and consolidated profit after tax, excluding the fair value gain related to Health insurance business, grew 33% y-o-y to ₹2,057 Cr in FY23. The strong momentum across businesses led to a 40% y-o-y growth in the overall lending book (NBFC and HFC) to ₹94,364 Cr as on March 31, 2023 and a 28% y-o-y growth in the gross premium (Life and Health Insurance) to ₹17,787 Cr in FY23.

Your Company has been bolstering its digital base to build an integrated portfolio of digital assets to serve customers in a frictionless manner and across channels of their choice. It took its digital and customer value proposition higher by incorporating a wholly owned subsidiary Company, Aditya Birla Capital Digital ABCDL to develop an omni-channel direct-to-customer (D2C) platform for serving existing customers, acquiring new customers, and acting as a one stop-solution to deliver Protecting, Investing, Financing and Advising solutions to customers. It launched a comprehensive digital platform for the MSME ecosystem, "Udyog Plus", which offers a paperless digital journey for business loans along with a host of value-added services for MSMEs.

Your Company takes great pride in the strong and unique business model and the valuable franchise, built over the years, which received further backing from marquee investors

in two of its large businesses. The globally diversified investment institution, Abu Dhabi Investment Authority (ADIA) invested ~₹665 Cr for a 9.99% stake in Aditya Birla Health Insurance business. The capital infusion would be utilised to drive ABHI's growth in the health insurance market.

Your Company continuously evaluates its strategic opportunities for businesses with a long-term objective of creating stakeholder value. With this view, your Company has divested its entire stake of Aditya Birla Insurance Brokers Limited ABIBL for ₹455 Cr to one of India's leading private equity firm, Samara Capital Group.

CONCLUSION

In conclusion, I hold the conviction that our Purpose broadens our perspective, enabling us to pursue even greater horizons. It serves as the bedrock that propels us towards the future, emboldening us to venture into more significant commitments and pursuits.

As we grow, we expand our capacity to receive by enhancing our absorption of talent, technology, and capital. Indeed, with each stride in growth, we deftly weave in more threads of insights and capabilities, enriching the tapestry of our collective endeavour. This, in turn, enables us to increase our ability to give back, create impact, and enrich lives. This virtuous cycle is at the heart of being a successful purpose-driven organisation.

Your Company doesn't just pride itself on being a purpose-driven entity— it embodies it, living out this ethos in every endeavour, every relationship, and every venture. This commitment to purpose is what continues to steer us towards an even brighter, more impactful future.

Regards,

Kumar Mangalam Birla

Chairman

Aditya Birla Group

Chief executive officer's letter to shareholders



₹ 2,057 Cr

Consolidate PAT¹

33% ▲

¹Excluding fair value & stake sale gain



**'ONE ABC ONE P&L' APPROACH,
TO FOCUS ON A BUSINESS
STRATEGY THAT REVOLVES
AROUND THE THREE LEVERS OF
ONE CUSTOMER, ONE EXPERIENCE
AND ONE TEAM** ”

Dear Shareholders,

It is my honour to present the 16th Annual Report of your Company.

I am humbled to write my first letter to you, our valued shareholders, as CEO of Aditya Birla Capital, a Company, that is uniquely positioned to capitalise on the vast opportunities, available in the financial services space in India.

Aditya Birla Capital Limited or “ABCL” or ‘your Company’, is a leading, diversified financial services group, that operates in several businesses, including non-banking finance, housing finance, life insurance, standalone health insurance, asset management, stock and securities broking, and other financial services such as wealth services and asset reconstruction.

Backed by the unique architecture and strong parentage, your Company embarked on a growth journey to piece together the various building blocks of the franchise, and leveraged the power of data, digital and technology (DDT) to build accelerated, risk-calibrated growth momentum and improved profitability for its stakeholders in the long-term.

It envisioned the **‘One ABC One P&L’** approach, to focus on a business strategy that revolves around the three levers of **One Customer, One Experience and One Team.**



One Customer - Your Company enjoys a strong presence across Protecting, Investing, Financing and Advising, that is PIFA offerings. Focusing on a customer-first approach, it has adopted the 'One Customer' philosophy to build a deeper understanding of the customer profiles and maximising the customer life cycle value. I strongly believe that our relentless pursuit of customer-first mindset and building our success metrics around the needs of the customer and its ecosystem will help us capture lifetime value in the long run.

One Experience - ABCL embarked on an omni-channel distribution strategy for its customers, businesses, and channel partners, to bring the power of 'One ABC' to them and create long-term stakeholder value. With both physical and digital channels made available, your Company aims to provide its customers with a unified 'One Experience' across channels and enhance seamless delivery of its products. Leveraging data, analytics, and technology, your Company is continuously endeavouring to understand its customers better and re-imagine solutions to create a winning experience for them.

One Team - Through its strategy of 'One ABC One P&L', the different businesses of your Company have been working together as One Team to deliver the full solution stack to the customer and its ecosystem. This approach will help accelerate the growth trajectory and build scale for your Company.

THE YEAR THAT WAS

It has been an exciting start to a new journey and our businesses showcased stellar growth in FY23. Your Company reported a strong financial performance with accelerated growth momentum and improved profitability, across each of its core businesses. ABCL achieved the highest ever consolidated PAT (excluding fair value and stake sale gains), growing it by 33% year-on-year to ₹2,057 Cr in FY23. There was significant traction across all the businesses in terms of profitability metrics. Some of the key performance highlights of the year were:

- Revenue grew 27% y-o-y to ₹29,999 Cr
- Consolidated Profit after tax, excluding fair value and stake sale gains, grew 33% y-o-y to ₹2,057 Cr
- Overall, AUM across asset management, life insurance and health insurance stood at ₹3,59,922 Cr
- Gross Premium across Life and Health Insurance grew to ₹17,787 Cr, up by 28% y-o-y
- Overall lending book (NBFC and Housing Finance) stood at ₹94,364 Cr, up by 40% y-o-y.

To widen its geographic presence and deepen penetration into Tier 3 and Tier 4 markets, and new customer segments, your Company added around 247 branches, thus strengthening its franchise with a total of 1,295 branches, and over 2 Lakh channel partner networks, across the country, as of March 31, 2023.

Aimed at servicing its customers seamlessly with 'One Experience', your Company brought all its products under one roof, through a network of 584 co-located branches, across 155 pan-India locations. It also introduced dedicated customer service managers for cross-sell opportunities.

Your Company remains steadfast in its commitment to expanding its presence of co-located branches and ensuring that more customers have access to the dedicated support and services of your Company.

During the year, Aditya Birla Health Insurance Co. Ltd., ABHI, raised capital from the globally diversified investment institution, Abu Dhabi Investment Authority ADIA, with a capital infusion of ~₹665 Cr for a 9.99% stake in ABHI.

Your Company also divested its complete stake in its insurance broking business, Aditya Birla Insurance Brokers Limited ABIBL, for an enterprise value of ₹455 Cr to Samara Capital Group. The transaction is subject to regulatory approval.

Chief executive officer's letter to shareholders

DIGITAL-FIRST INITIATIVES

India is shining bright in the global landscape as one of the fastest growing fintech ecosystem with widespread adoption of digital payment solutions. The growing global interest in adopting India's digital frameworks is strengthening our country's position as a leader in digital technology. As, we bear witness to the remarkable digital disruption unfolding before our eyes, we are presented with an extraordinary opportunity. It is within our grasp to wholeheartedly embrace this paradigm shift and respond to it with great passion and a sense of urgency.

Your Company formulated its strategic approach with a focus on driving digitalisation and innovation in product offerings, direct acquisition, frictionless customer experience and superior service delivery across its businesses. The fiscal year 2023 has been a momentous period for ABCL, marked by a significant transformation shift, as each of its businesses embraced digital reinvention and broadened their digital assets and capabilities.

To reflect upon some of the key milestones in the digital transformation journey of your Company:

- ABCL incorporated a wholly owned subsidiary, **Aditya Birla Capital Digital Limited, ABCDL**, dedicated to building an omni-channel Direct-to-Customer (D2C) platform for delivering PIFA solutions to its customers under one roof. The D2C platform would be integrated with various touchpoints such as mobile app, website, branch, and Virtual Engagement Channel (VRM) to serve existing customers and acquire new customers. The VRM channel of the platform went live in March'23 and the website and app are expected to go live by the second half of FY24.
- The future of lending business lies in the convergence of technology and finance, and your Company aims to remain at the forefront of this digital transformation. It launched '**Udyog Plus**', a comprehensive digital platform to provide a completely digital journey for business loans and loan disbursement of up to ₹10 Lakh to the MSME ecosystem. The platform went live in March'23 and garnered more than 2,500 registrations within the first month of its launch. Udyog Plus offers a wide range of solutions, including financing, protection, investments, advisory and other value-added services to help the MSMEs manage



ABCL INCORPORATED A WHOLLY OWNED SUBSIDIARY, ADITYA BIRLA CAPITAL DIGITAL LIMITED, ABCDL, DEDICATED TO BUILDING AN OMNI-CHANNEL DIRECT-TO-CUSTOMER (D2C) PLATFORM FOR DELIVERING PIFA SOLUTIONS TO ITS CUSTOMERS UNDER ONE ROOF. ”

and grow their businesses. The platform has been integrated with government e-commerce websites via Open Credit Enablement Network (OCEN) and with private e-commerce websites to provide credit facilities to sellers on these platforms.

- In lockstep with India's continued march to dominate the global digital payments space, your Company has also steadfastly moved ahead with its widespread adoption of technology and introduction of newer digital modes for customers and partners alike. Your Company signed an MOU with the **National Payments Corporation of India** NPCI to develop and promote a complete stack of digital payment methods through subsidiaries to its customers. The payments handle would enable your Company to acquire new customers and increase brand recall. It would also be made available to the MSME ecosystem.
- Your Company launched **Infinite**, its flagship start-up engagement programme, to co-create solutions with tech-driven start-ups for enhancing customer journeys and increasing operational efficiencies.
- Your Company also launched '**One Verse**', a virtual branch to deliver an immersive and interactive experience to customers in the Metaverse. Through this new digital channel, customers could access financial products, schemes, and the various digital self-service channels such as WhatsApp, Bot, and Web portal, as well as receive personalised financial advice from customer care representatives, in a secure and interactive space.



OUTLOOK

The Indian economy demonstrated remarkable resilience and long-term stability to the deteriorating external environment. India's strong macroeconomic fundamentals placed it in good stead, compared to other emerging markets. It emerged as the fastest-growing economy in the world, having clocked 5.5% average gross domestic product growth, over the past decade. The world is eagerly looking at India to become the third-largest economy by 2027, surpassing Japan and Germany. Undoubtedly, the next decade is poised to stand out as India's shining decade of growth.

I am personally excited about this growth momentum and the opportunity it offers to a Company like yours. I believe that your Company, with its strategic growth roadmap, is well-positioned to leverage these opportunities. Its strong parentage further provides it with seamless access to capital, both equity and debt, and the extended ecosystem of Aditya Birla Group ABG and Aditya Birla Capital Limited ABCL will provide your Company with multiple prospects to accelerate its growth objectives.

In a fast-evolving environment, with customer preferences shifting at lightning speed, consistency and speed of execution remains increasingly important for your Company.

Looking to the future, your Company will continue to follow the **'One ABC One P&L'** approach to grow and build scale in each of its key businesses and build a culture of excellence that embodies unwavering customer-first mindset, fosters seamless processes and champions speedy execution and teamwork.

Our **people** have always been our greatest asset. They hold the key to unlocking our future growth potential and together, we are united by our shared purpose of enriching lives and building dynamic and responsible businesses and institutions that inspire trust. We continue to help our people advance their well-being, fulfil their learning and development needs, and inspire them to grow their career aspirations within the world of One ABC and One ABG opportunities.

FY23 has been a year full of high aspirations and significant milestones, and I strongly believe that our collective, collaborative, and committed efforts towards enhancing the value for our stakeholders will make us win as a Team.

I am grateful to our shareholders for their unwavering faith and confidence in our strategy. I would like to extend my gratitude for the generous support, motivation and guidance received from our Chairman and the Board. I would also like to thank our regulators, esteemed partners, and our customers for placing their trust in us. Finally, I would like to thank my colleagues and their families for their resolute commitment to ABCL, which helped us deliver on our collective goal of 'One ABC One P&L'.

Regards,

Vishakha Mulye
Chief Executive Officer
Aditya Birla Capital





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www.adityabirlacapital.com

Enriching lives, winning as ONE

We are a financial conglomerate, a one-stop shop for all your financial needs throughout life's various stages. Our commitment lies in making a profound and positive impact on the lives of all our stakeholders.

We enrich lives through a comprehensive suite of financial solutions from insurance, asset management, wealth services, lending and more, empowering individuals and businesses to transcend their goals and aspirations. We elevate financial well-being, unlock growth opportunities, and foster overall prosperity for our customers.

However, our commitment to enriching lives extends far beyond financial services. We recognise our responsibility to contribute to a better world by embracing a broad spectrum of corporate social responsibility initiatives addressing social and environmental challenges and uplifting communities.

At Aditya Birla Capital, we work together with a shared purpose and vision in pursuit of sustainable success. Our collective approach emphasises internal synergies. We foster a culture of shared success, where individual achievements are celebrated as collective triumphs. This ethos inspires excellence, integrity, and a perpetual commitment to improvement within our organisation.

We as one entity are positively transforming lives!



Performance highlights

Accelerating growth momentum



Financial performance

₹ 29,999 Cr

Revenue¹

27%▲

₹ 2,057 Cr

PAT²

33%▲

₹ 17,787 Cr

Gross Premium³

28%▲

₹ 94,364 Cr

Lending Book⁴

40%▲

1,295

Branches

24%▲

~38 Mn

Active Customers

8%▲

▲ y-o-y

¹ Segment revenue which includes Asset Management, Health Insurance and Wellness business. For Ind AS statutory reporting purpose Asset Management, Health Insurance (w.e.f. October 21, 2022) and Wellness business are not consolidated and included under equity accounting

² Excluding gains from stake sale in ABSLAMC in FY22 and fair value gain in FY23 as ABHI ceases to be a subsidiary and has been accounted as a joint venture

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

⁴ Includes NBFC and HFC

About us

Diversified financial services



ADITYA BIRLA GROUP

A global conglomerate, the Aditya Birla Group is in the League of Fortune 500. Anchored by an extraordinary force of over 185,000 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. With over seven decades of responsible business practices, its businesses have grown into global powerhouses in a wide range of sectors.



ADITYA BIRLA GROUP

Strong Brand name & Parentage resonating Trust



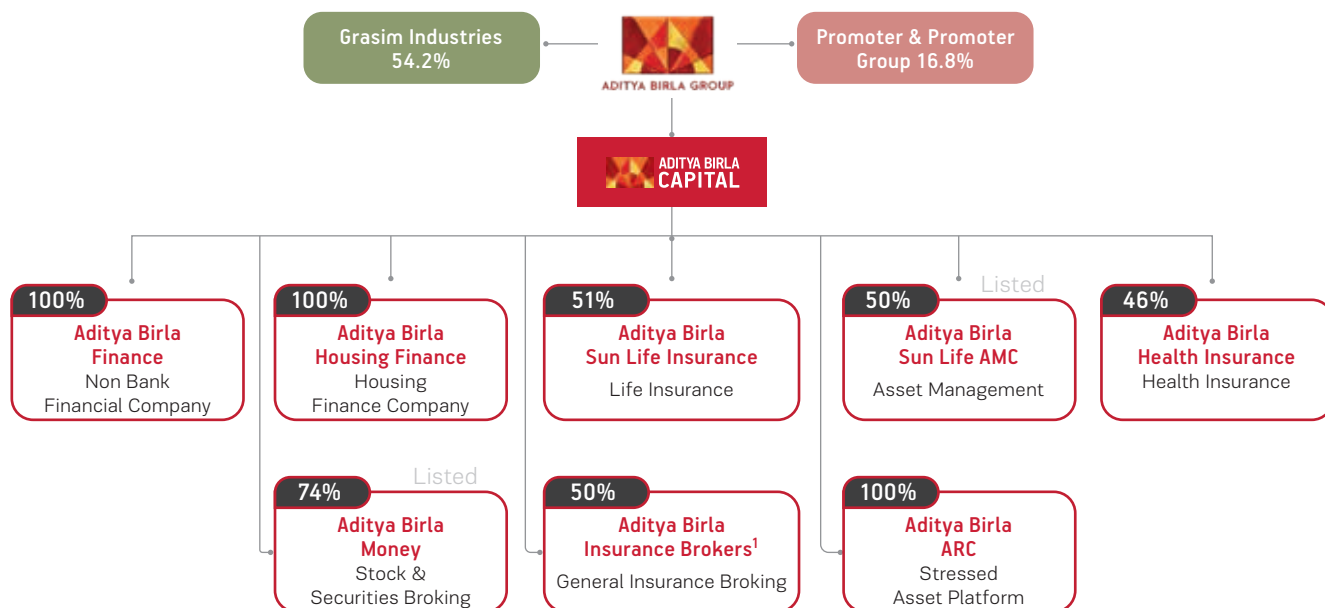
Seamless access to Capital



Large growth opportunities within the ABC and extended ABG ecosystem



Diversified Financial Services Platform from a Trusted conglomerate



Above is not intended to show the complete organisational structure and entities therein. It is intended to describe the key businesses of Aditya Birla Capital.

¹ The Board of Directors of Aditya Birla Capital at its meeting held on 27th March, 2023 has approved the sale of its entire stake in Aditya Birla Insurance Brokers Limited (ABIBL) subject to requisite approvals.

Shareholding as of 31st March, 2020



About us

Who we are

We are prominent financial services conglomerate in India that aims to provide a hassle-free experience for our customers through our integrated brand and service platform. We are a one-stop shop offering complete suite of financial solutions to meet the diverse financial needs of our customers. Our offerings include protecting, investing, financing, and advisory services.

34,000+

Employees

1,295

Branches

~38 Mn

Customers

₹ 2 Lakh+

Channel Partners

PROTECTING

Life Insurance
Health Insurance
Insurance Advisory

INVESTING

Mutual Funds
Wealth Management
Stocks & Securities
Portfolio Management Services
Pension Funds
Mortgage Finance

FINANCING

Home Finance
Personal Finance
SME Finance
Mortgage Finance
Loan Against Securities
Corporate Finance
Debt Capital Market & Loan Syndication
Asset Reconstruction
EMI Solutions

ADVISING

Money for Life Planner



Key Strengths

NBFC

One of the leading AAA rated NBFCs with well-diversified granular portfolio of ₹80,556 Cr

HFC

AAA rated HFC with a loan book of ₹13,808 Cr focusing on affordable & prime segments

AMC

Largest non-bank AMC with AUM of ₹2,71,418 Cr

LIFE

One of the leading private life insurers with total premium of ₹15,070 Cr & EV ₹9,014 Cr

HEALTH

Fastest growing SAHI player driven by a Unique "Health First" Model with GWP of ₹2,717 Cr



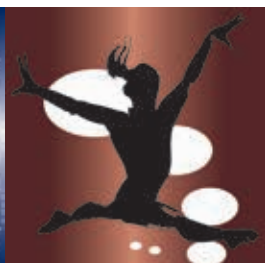
Vision

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

Core Values



INTEGRITY
Honesty in every action



COMMITMENT
Deliver on the promise



PASSION
Energised action



SEAMLESSNESS
Boundary less in letter and spirit



SPEED
One step ahead always



Our approach

One ABC one P&L

We are a diversified financial services group and operate in a number of businesses that include non-banking finance, housing finance, life insurance, standalone health insurance, asset management, stock and securities broking and other financial services such as wealth services, insurance advisory and asset reconstruction.

We are committed to driving profitable growth by leveraging data, digital, and technology capabilities. Through our “One ABC One P&L” approach, we focus on a business strategy that revolves around three pillars: “One Customer”, “One Experience”, and “One Team”





One Customer

By adopting the “One Customer” approach, we strive to develop a deeper understanding of our customers’ profiles and offer them customised solutions tailored for their needs. Our objective is to maximise the total life-cycle value of our relationship with our customers and our One ABC platform aims to serve existing customers, acquire new customers and act as a one stop-platform to deliver our Protecting, Investing, Financing and Advising PIFA solutions to our customers.



CUSTOMER PROFILING

Customer preferences
(DIY, assisted)



Customer life stage (Progressive, full nester/empty nester)



Ecosystems (salary, NRI, merchant, rural)



COMPREHENSIVE SOLUTIONS ACROSS PIFA

Intuitive journeys
(convenience of usage)



Customised (driven by customer insights)



Seamless delivery



MAXIMISE CUSTOMER LIFE CYCLE VALUE

Our approach

One Experience

Enhancing customer experience is paramount to us. We are dedicated to delivering a seamless user experience across all channels. Our omni-channel architecture across our branches and our digital channels enables our customers to interact with us through their preferred mode in a flexible and convenient manner.

ONE EXPERIENCE: Omni Channel Architecture with consistent experience



1,295
Branches



2 Lakh +
Channel partners

One ABC locations

- 584 co-located branches across across 155 locations
- Continue to increase presence of One ABC locations
- Introduced dedicated customer service managers for cross sell



Direct to customers (D2C)

- VRM Channel live from March 2023
- Collaboration with NPCI to develop digital payments
- App and Website to go live in Second half of FY24



Business to channel partners (B2D) platform

- Channels partners can grow business volumes, enhance customer servicing and track status of applications
- Increase product penetration and expand customer base



Udyog Plus-B2B platform for MSME

- Launched comprehensive platform for MSME ecosystem in March 2023
- Integrated with private and government ecommerce websites
- Integration with ABG group entities in first half FY24



COMPLETE FLEXIBILITY TO CHOOSE PREFERRED CHANNEL OF INTERACTION





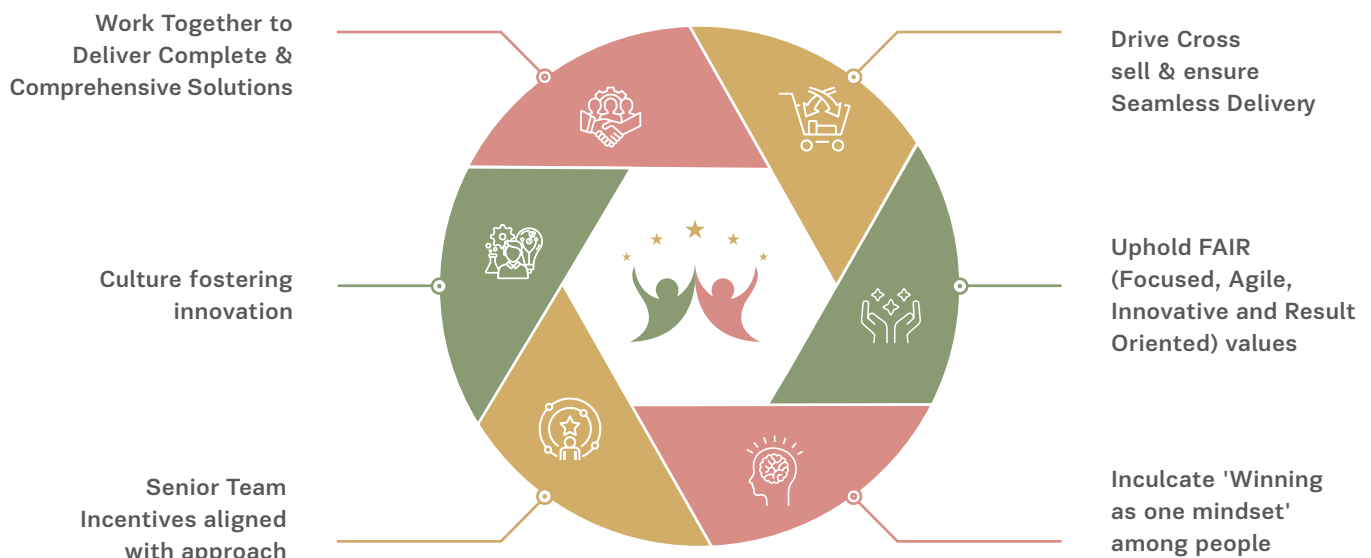
One Team

Collaboration lies at the core of our operations

We deliver our products and services as "One Team," and harness cross-selling opportunities to offer holistic solutions to our customers. Our culture of teamwork and cooperation leads to maximisation of our ability to deliver exceptional value at every step. We have also aligned the incentive structure of our senior management team to reflect this approach. This approach has helped us to accelerate our growth trajectory, scale and increase market-share across our businesses.

Our strong parentage provide a seamless access to capital, both equity and debt and extended ABG and ABCL ecosystem, gives us multiple opportunity to accelerate our growth. Going forward, we will follow our one ABC one P&L approach to continue to grow and to scale in each of our businesses.

ONE TEAM: Enriching Lives, Winning as ONE



Key platform

Udyog plus

B2B platform for MSME ecosystem

Through Udyog Plus, we offer lending solutions using traditional and alternate data sources along with value added services for MSMEs, enabling them to manage and grow their business. These lending solutions include a paperless digital journey for business loans of up to ₹1 Million. Udyog

Plus has been integrated with the government and private ecommerce websites to provide credit facilities to sellers on these platforms and we intend to use Udyog Plus to provide channel financing services for dealers of various companies in the Aditya Birla Group.



Cash flow backed lending by using traditional and alternate data sources along with value-added services for MSME ecosystem to manage and grow their business

KEY OFFERINGS

Finance

Loan

- Paperless digital journey for loan sanction in 24 hours
- Secured Business Loans
- Personal Loan

Eco-system based Loan

- Loan for merchants and resellers on government and private ecommerce websites

Business Solutions

E-commerce

- Offline to Online Discovery

Networking

- Explore new connects
- Industry Forums

Content

- Knowledge forums

Banking

- Current account

Accounting

- Accounting tool
- Payroll mgmt

Business Solutions

- Tax filings GST
- Business travel

Opportunities in ABG ecosystem

- **Channel financing for dealers:** Digital journeys for dealer onboarding, limit drawdown and repayments

- **Secured lending for dealers:** Loan against property





Direct to customer (D2C) platform

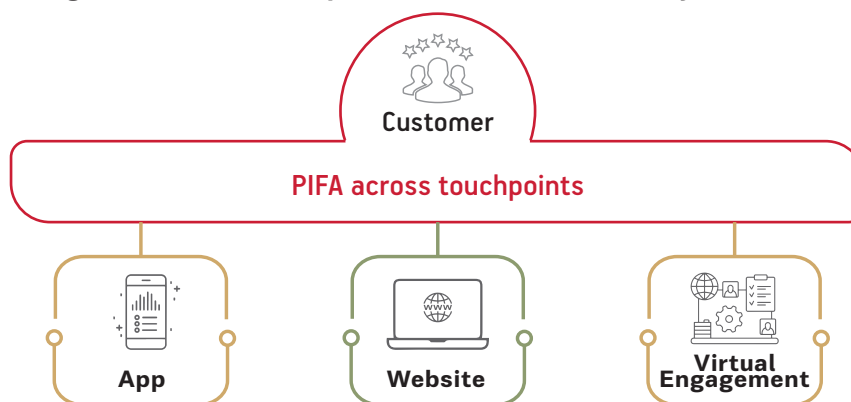
D2C platform creating customer value

We have recently formed a wholly owned subsidiary, Aditya Birla Capital Digital, which will develop an omnichannel D2C platform. This platform will have various touchpoints such as web, app and virtual engagement. It will serve existing customers, acquire new customers and act as one stop solution to deliver PIFA solutions to all our customers. The virtual engagement channel of this platform has gone live in March 2023.

The app and website will go live by December 2023. We have recently collaborated with the National Payments Corporation of India (NPCI) to develop and promote digital payments through our subsidiaries to our customers. We have recently launched an Omnichannel collections platform for merchants through payment gateways. It can be integrated to promote support payments during e-commerce and in-app purchases at merchants digital properties.

D2C PLATFORM OFFERING PIFA PRODUCTS

Serve existing customers and acquire new customers directly in a seamless manner



Laying foundational elements for execution

Company set-up

ABC Digital - A wholly owned subsidiary of ABCL incorporated

The new entity will distribute financial products across protecting, investing, financing

Team composition and structure

Multi-skilled team across Products, Tech, Marketing, Data Analytics, Payments and Strategy in place

Structure enabling agile approach for speedy execution

Products

Collaboration with NPCI to mark entry into payments space, envisaging faster adoption of new technologies and further promoting digital payments

Value added services will be offered In addition to traditional FS products

Key platform

INFINITE

Digital Start-up Engagement

We have recently launched INFINITE - our innovative digital start-up engagement platform. We aim to partner with start-ups and co-create solutions, for enhancing customer journeys, and increasing the operational efficiencies across our businesses. From this partnership, our goal is to achieve:

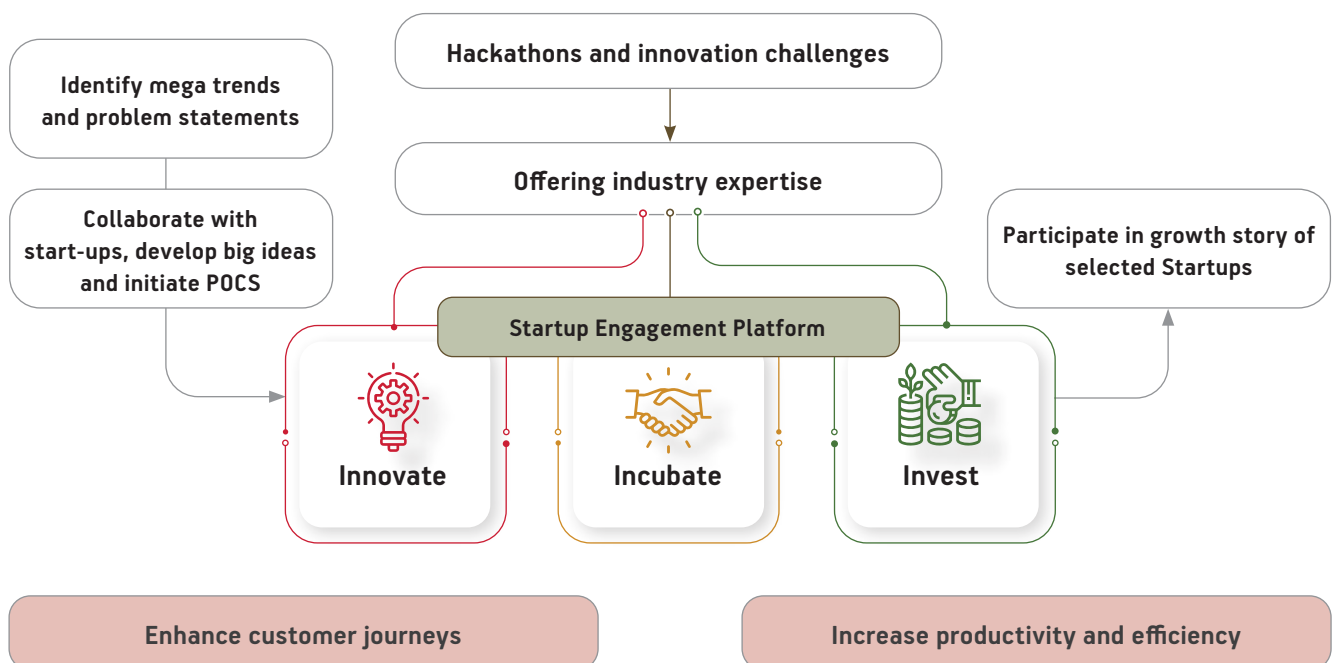
- Accelerating an innovation led culture
- Continuous scouting for emerging/transformational technologies
- Partnerships/investment in digital capabilities/Fin techs to ensure competitive edge
- Startup engagement platform



We leverage technology in various customer related functions.



A PROGRAMMATIC ENGAGEMENT WITH START-UPS





One ABC location

We have 584 co-located branches across 155 one ABC locations. Our ABC locations have branches of two or more subsidiaries located at the same location and provide personalised assistance to our customers, helping them achieve their financial goals and helping us leverage potential cross-selling opportunities across our product suite.



Business to channel partners (B2D) platform

We have more than 2 Lakh channel partners and we deeply value the vital role that they play in distributing our products. We will be rolling out a B2D digital integrated platform for our channel partners which will provide them opportunities to grow their business volumes and enable them to fulfill the life cycle needs of our customers. It will help our channel partners to enhance their customer servicing and track status of their applications, business volumes and payouts. It will help us to increase our product penetration among existing customers and also provide us with opportunities to expand our customer base.

Key performance indicators

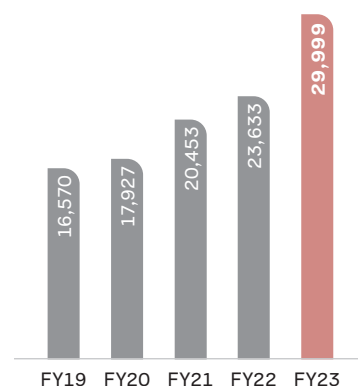
Scaling new heights



Revenue¹

(₹ in Cr)

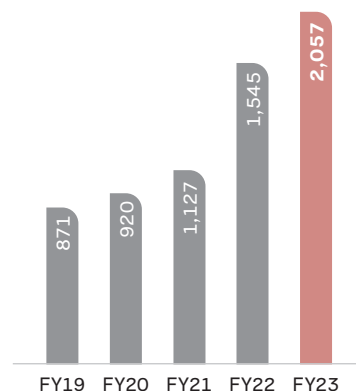
27% ▲



Profit After Tax²

(₹ in Cr)

33% ▲



Asset Under Management (AUM)³

(₹ in Cr)

(3)% ▼



Gross Premium⁴

(₹ in Cr)

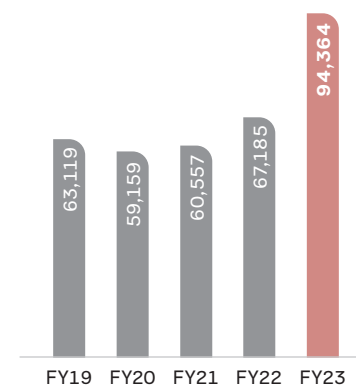
28% ▲



Lending Book⁵

(₹ in Cr)

40% ▲



▲ y-o-y

¹ Segmental Revenue for FY19, FY20, FY21, FY22 and FY23

² Excluding Fair value gain & Stake sale

³ Average asset under management for AMC, Life and Health Insurance

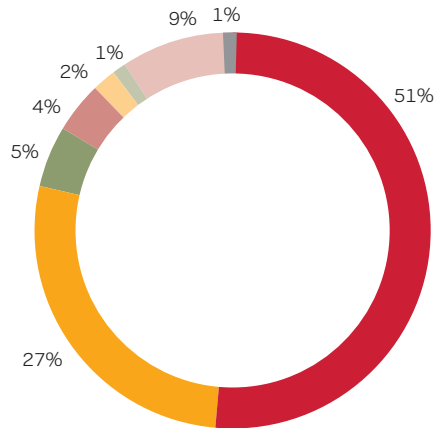
⁴ Includes life insurance and health insurance gross total premium (as per IRDAI reporting)

⁵ Includes NBFC and Housing businesses



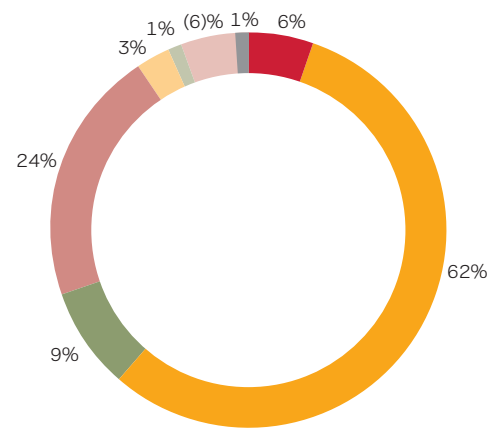
Segment Revenue

(%)



Segmental PBT

(%)



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



Business overview

Strong performance with accelerated growth momentum across businesses

During FY23 we saw strong momentum with increasing market share across our businesses.

Overview of key businesses

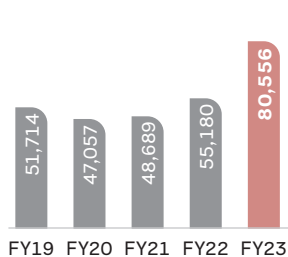
Aditya Birla Finance Limited (ABFL)

ABFL is among the top 5 well-diversified NBFCs in India. It is AAA rated and has a granular portfolio of ₹ 80,556 Cr. The gamut of services offered include working capital and term loans, developer financing, loan against property, loan against shares, business loans, supply chain financing, business overdraft, personal loans and check out financing. ABFL has been classified as an “Upper Layer” NBFC under the scale based regulatory for NBFCs by RBI. Udyog Plus, comprehensive digital platform for MSME ecosystem, offering paperless digital journey for loan sanction and VAS launched in March 2023.

Lending Book

(₹ in Cr)

46% ▲



Profit After Tax

(₹ in Cr)

40% ▲



₹ 11,426 Cr

Net worth

16% ▲

5.7 Mn

Active customers

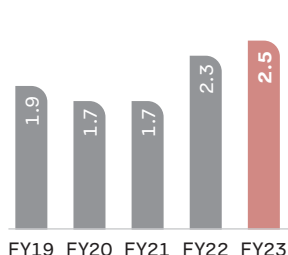
323

Branches with 76% presence in Tier 3/4 cities

Return on Assets

(%)

15 bps ▲



Return on Equity

(%)

289 bps ▲



▲ y-o-y

WAY FORWARD:

- Focus on building granular portfolio by growing personal, consumer and secured & unsecured business loans
- Build differentiated offerings for MSMEs, scale up Udyog Plus to acquire new customers
- Tap into the ABG ecosystem
- Expand branch footprint



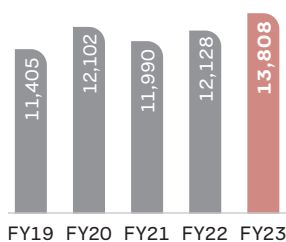
Aditya Birla Housing Finance Limited (ABHFL)

ABHFL is a AAA rated HFC with a loan book of ₹ 13,808 Cr focusing on affordable & prime segments. It offers affordable home loans, prime home loans, loans against property and construction finance. During FY23, it launched Finverse, a digital loan management and sourcing platform for enhancing transacting experience and reducing turnaround time.

Lending Book

(₹ in Cr)

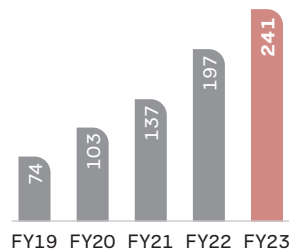
14% ▲



Profit After Tax

(₹ in Cr)

22% ▲



₹ 5,300 Cr

Disbursements

42% ▲

₹ 1,968 Cr

Net worth

14% ▲

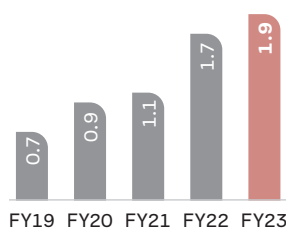
128

Branches with 68% presence
in Tier 3/4 cities

Return on Assets

(%)

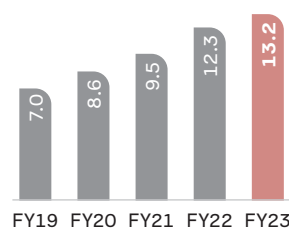
22 bps ▲



Return on Equity

(%)

90 bps ▲



▲ y-o-y

WAY FORWARD:

- Accelerate growth across both prime & affordable segments with focus on quality of origination
- Growth to be augmented by ABG ecosystem
- Drive data analytics & digital capabilities for seamless customer onboarding & servicing
- Sourcing driven by micro-market penetration strategy

Business overview

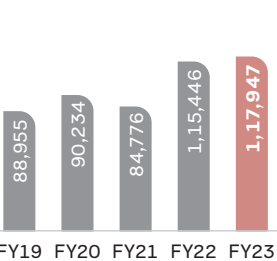
Aditya Birla Sun Life AMC Limited (ABSLAMC)

ABSLAMC is the largest non-bank AMC (excluding ETF) with AUM of ₹ 2,71,418 Cr, average for Q4 FY23. During FY23, ABSLAMC continued to grow its retail franchise with healthy growth in monthly SIP flows and individual assets under management. ABSLAMC has a strong distribution network over 290 locations comprising over 72,000 mutual fund distributors and over 270 national distributors.

Domestic Equity AAUM

(₹ in Cr)

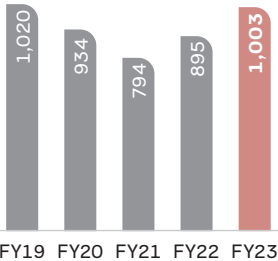
2% ▲



SIP Book

(₹ in Cr)

12% ▲



72,000+

Mutual Fund Distributors

270+

National Distributors

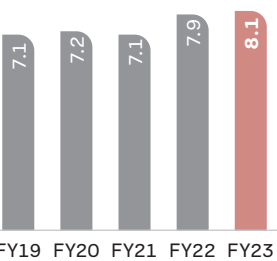
290+

Locations

Investor Folios

(in Million)

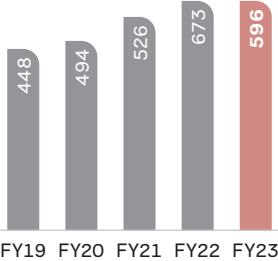
2% ▲



Profit After Tax

(₹ in Cr)

(11)% ▼



WAY FORWARD:

- Scale up retail franchise & drive growth in SIP Book
- Increase equity market share
- Increase presence in passive & alternative market segments

▲ y-o-y



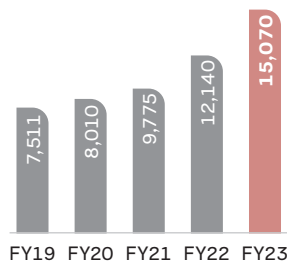
Aditya Birla Sun Life Insurance Limited (ABSLI)

ABSLI is one of the leading private life insurers with total premium of ₹ 15,070 Cr & EV ₹ 9,014 Cr. Its offerings comprises protection solutions, children's future solutions, wealth with protection solutions, health and wellness solutions, retirement solutions and savings with protection solutions. ABSLI has an established pan-India presence with over 340 own branches, over 64,000 individual agents, 8 bancassurance tie-ups. It continues to outperform the industry growth and increase is its market share in both individual and group segments.

Total Gross Premium

(₹ in Cr)

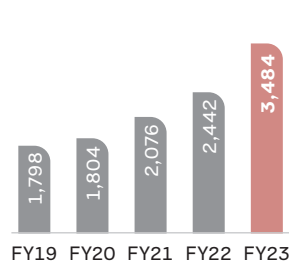
24% ▲



Individual FYP

(₹ in Cr)

43% ▲



4.4%

Market share Individual FYP

+40 bps ▲

23%

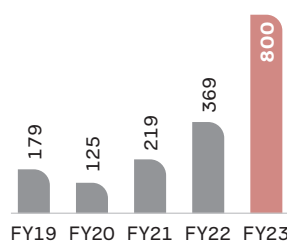
VNB Margin

~801 bps ▲

Net VNB

(₹ in Cr)

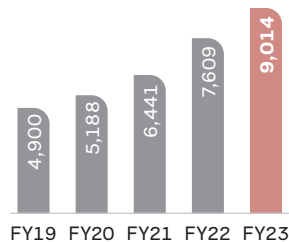
117% ▲



Embedded Value*

(₹ in Cr)

18% ▲



₹ 70,051 Cr

AUM

15% ▲

WAY FORWARD:

- Grow traditional segments including protection
- Focus on diversifying distribution mix & increase productivity
- Improve persistency across cohorts

* Market Consistent Embedded Value (MCEV)

▲ y-o-y

Business overview

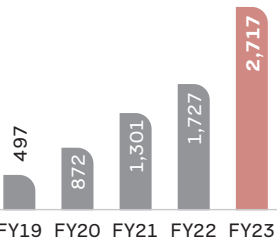
Aditya Birla Health Insurance Limited (ABHI)

ABHI is the fastest growing Stand Alone Health Insurer (SAHI) player with Gross Written Premium (GWP) growth of 57% y-o-y. It has a Unique “Health First” incentivising wellness model. ABHI provides services in over 4,800 cities with over 200 branches. It had over 85,000 agents and over 10,500 hospital partners across India. During FY23, Abu Dhabi Investment Authority (ADIA) picked up a 9.99% stake in ABHI via a preferential allotment.



Gross Written Premium
(₹ in Cr)

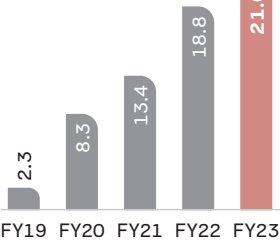
57% ▲



▲ y-o-y

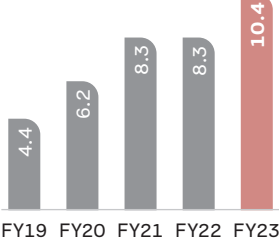
Lives Covered
(in Million)

11% ▲

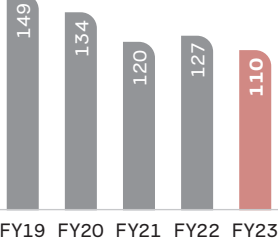


SAHI Market Share
(in %)

208 bps ▲



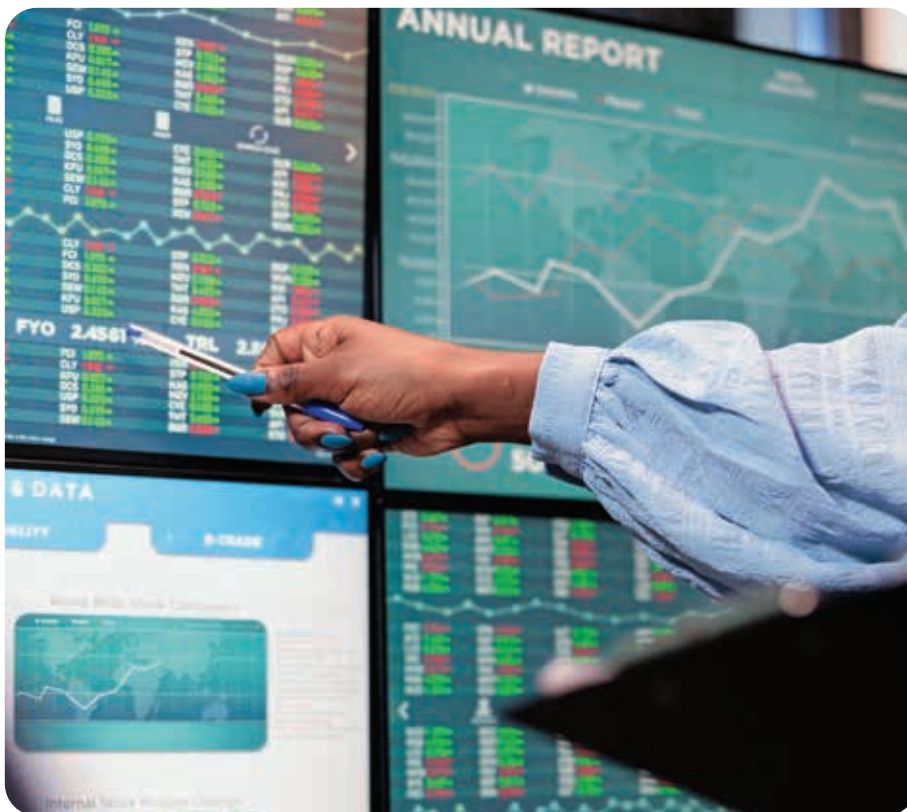
Combined Ratio
(in %)





Other Businesses

Other businesses include general insurance broking, stock and securities broking and asset reconstruction Company.

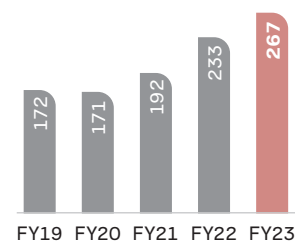


Stock and Securities Broking

Revenue

(₹ in Cr)

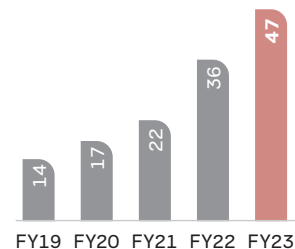
14% ▲



Profit Before Tax

(₹ in Cr)

31% ▲



General Insurance Broking

Revenue

(₹ in Cr)

11% ▼



Profit Before Tax

(₹ in Cr)

13% ▲

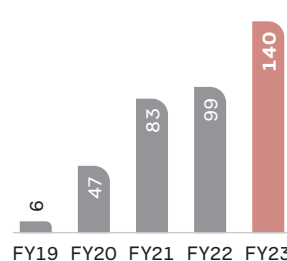


Asset Reconstruction Company

Revenue

(₹ in Cr)

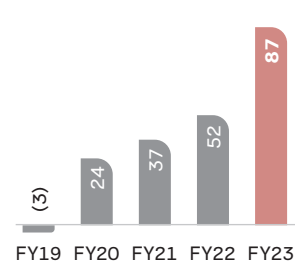
41% ▲



Profit Before Tax

(₹ in Cr)

68% ▲



▲ y-o-y

Environment

Inspiring new paradigm of responsible business practices

As a leading industry player in Aditya Birla Group, we acknowledge our responsibility to the planet and are committed to conducting our operations in an environmentally responsible manner while prioritising the interests of our diverse stakeholders. In line with our sustainability strategy, we are implementing multiple measures to mitigate the impact of our activities on the climate and environment with the aim of safeguarding the planet for future generations.

Focus areas



Energy and emission



Waste management



Water management

SDGs linked



OUR COMMITMENT TO THE PLANET

Our sustainability strategy focuses on environmental responsibility, climate protection and ensuring the protection of our planet's resources. The environment has a direct impact on the health and well-being of our customers, our employees and our communities. It is therefore important that we strive to mitigate our own impact and where possible, influence positive environmental practices.

Energy and emission

Our two-pronged approach for energy efficiency involves promoting behavioural changes among associates by encouraging them to save energy and smart management of lighting, heating and cooling requirements. Most of our offices are installed with LED lights, making them energy efficient. ABCL and its subsidiaries is reducing its year-on-year emissions by increasing its renewable energy portfolio and by implementing energy efficiency projects.

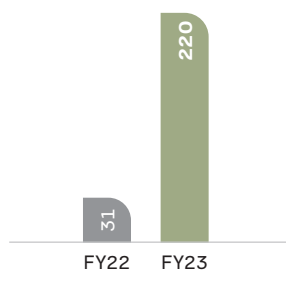


SOLAR ENERGY

We have installed 20kW solar in the Pune branch and 41kW in Noida branch at a capex of ₹9.85 Lakh and ₹17.5 Lakh respectively. For Pune in a period of 5 months, we saved ₹1.31 Lakh in electricity cost, granting us an ROI of 26% and in Noida in two months, we saw a saving of ₹1.03 Lakh in electricity costs. We plan to have more of Solar Panels installed at larger office areas which have the possibility of using the renewable resources and conserving energy at the maximum.

Energy consumption from renewable sources

(GJ)



APGC SYSTEM

Auto Power Generated and Conserved System (APGC) has been installed in urinals replacing old battery-powered sensors. APGC is an innovative solution where the power required to operate an automatic urinal flushing system is auto generated by the flushing system itself.

	FY2021-22	FY2022-23
Scope 1 Emissions	4 MT	3 MT
Scope 2 Emissions	3,743 MT	4,825 MT
Total	3,747 MT	4,828 MT

Waste management

In any industry, effective waste management and minimisation should be a priority. Our strategy aims to reduce the amount of waste we generate and ensure that what we do produce is reused or recycled, whether for the same purpose or for a secondary use.

DRY WASTE

ABCL has tied up with ViaGreen for waste management and recycling initiatives. ViaGreen acts as an intermediary between corporate waste management initiatives and local/ small waste collectors (scrap dealers)/waste business owners. In exchange for waste collected, ViaGreen awards points (Swachh Bharat Points - SBP) which can be exchanged for environment friendly office stationery made of recycled materials, contribution towards charitable causes and tree plantation drives, or cash.

2,29,071

SBP earned



Environment

Reducing plastic

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

53,903 Kg
Dry Waste Recycled

177.05 MtCo₂
GHG Emission avoided

Sanitary Waste

ABCL is the first one within the ABG Group to adopt the recycling of hygiene pads through the only menstrual hygiene management Company that recycles pads through their patented innovation called 'PadCareX' that recycles pads in our major Mumbai offices. In the past, the pads were incinerated, releasing asphyxiants and toxic dioxins via smoke in the atmosphere. The 'PadCareX' is more sustainable solution that prevents landfill pollution and incineration that causes air pollution saving on a massive carbon footprints.



32,159
Pads Recycled

16,079 litres
Landfill waste saved

1,70,443
Carbon credits

Wet waste

At our Mumbai offices, the WET waste especially the food waste from the cafeteria has been composted by the property team and has been composted by the Organic Waste Compost Machine (OWC).

Waste collected and recycled in FY2023 (Quantity in kgs)

	Paper/ Tissue	Cardboard	Plastic	Metal	Glass	Total
FY23	45,331	7,047.3	1,027.5	424.45	73	53,903.25
FY22	9,291	5,629	2,072	976	78	18,045
FY21	1,666	2,358	617	378	164	5,183
FY20	23,370	4,540	320	500	11	29,700

Water management

As climate change continues to contribute to environmental degradation, India is confronting a pressing issue of freshwater scarcity. In order to combat the depletion of this invaluable resource, water conservation becomes imperative. The challenge of accessing fresh water is progressively mounting in certain regions globally. Hence, we prioritise meticulous management of our water consumption and discharge practices.

WASH pledge

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

1.92 (96%)
WASH Pledge Self-assessment compliance



Social

Building a better world

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

Focus areas



Healthcare



Education



Women empowerment and sustainable livelihood



Sports

SDGs linked



1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION

Vision

To actively contribute to the social and economic development of the communities in which we operate. In doing so, 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

₹ 52.09 Cr

CSR spend

₹5.5 Lakh

Lives impacted

35

Project Implementation partners

49

Projects implemented





Our Program Focus:



Women Centric Programs: Life Cycle Approach

Healthcare

In healthcare we are engaged in facilitating and supporting projects centred on Mother & Child Health, Mental Health, Cancer Care, Paediatric Care and differently abled both in mental and physical space.

MATERNAL AND CHILD HEALTH CARE

A comprehensive maternal and child healthcare programme to address immediate and midcourse needs of pre-natal, post-natal care, immunisation, and nutritional support to women and children in Tamil Nadu, Orissa, Maharashtra and Rajasthan is yielding excellent outcomes.

Beneficiaries



52,224

Women



64,742

Children



86,600

Mental health beneficiary

MEDICAL FACILITIES IN RURAL AREAS

We helped upscale 70 PHCs (Primary Healthcare Centres) in Rajasthan. They were accorded with better labour room facilities and trained to implement standard operating procedures for improvement of service quality delivery, as defined by the government. We have equipped hospitals with 40 tablets installed with Prasav Watch app. Through this, critical and high risk labour conditions are timely identified and red flagged.

Alongside 6 Mobile Medical Units and 24 Tele-medicine centres operating in remote rural areas of Tamil Nadu, Orissa and Maharashtra in 7 districts attend to health care needs of 1,46,771 populace.

MENTAL HEALTH INITIATIVE

To address the issue of mental health and eradicate the taboo associated with it, a focussed program intense sessions were conducted in Jalna district of Maharashtra in close association with PHCs and hospitals.

The large-scale screening and awareness sessions encouraged people to come forward and take the counselling and psychiatric services provided through the program. The project also provided counselling and tele-psychiatric medical support to the Central Industrial Security Force engaged in Mumbai and Delhi airports.

OTHER HEALTH CARE INITIATIVES

40	1,987	5,687 women	1,715 girls	
Cochlear implants surgeries	Children benefitted in paediatric cancer care	Benefited through Comprehensive Menstrual Awareness Program	Received HPV vaccination for prevention of Cervical cancer	
2,424	19	38,158	50,797	4,477
Community Awareness sessions	Children operated for Congenital Heart Surgeries done	Adolescent Girls benefitted from Anaemia Control Program	Children Immunised	Frontline health workers trained

Govt. Dialysis ward upgraded with advance dialysis machine in Navi Mumbai

Education

In the domain of education, we work closely with low income/ Government schools to better the academic as well as infrastructural facilities.

SCHOOL AND ANGANWADIS UPGRADATION

We upgraded government schools in Bihar, UP and Rajasthan. Our intervention included upgrading classrooms and libraries, refurbishment/construction of toilets, providing safe drinking water facilities, hand wash stations, solar panels etc. To stoke the desire for learning, curiosity, and experimentation, 71 schools in UP were upgraded with digital classrooms and smart content. A move welcomed by students and teachers alike. 39 Anganwadi centres were renovated for better service delivery towards early childhood education and improved nutrition programs were carried out in Muzaffarpur, one of the aspirational districts of Bihar. Over 1360 children were the beneficiaries.

To enhance the students understanding of science concept, facts by demonstration and hands on experience model, 4 Mobile Science Labs, catering to 71 schools for std 6th to 10th grade students in and around Mumbai and Thane were put into action. More than 22,029 students enjoyed the process. The upgradation of 10 schools with science labs formed part of this initiative.

204	39
Schools upgraded in Bihar, UP, Rajasthan	Anganwadi Centres uplifted
75,996	866
Students benefitted	Teachers, angandwadi sevikas trained
2,672	
Scholoaships to students from under-priviledged background	



Women empowerment and sustainable livelihood

Our sustainable livelihood initiatives are woven around Women-Water and Wealth. These pan out to in 6 districts of Rajasthan and MP. These have helped 63,744 women farmers collectivise into groups like SHGs and farmer groups. Structural measures for water and soil conservation were carried out along with training on package of practices for better crop productivity and improvement in crop cycles, all of which have added considerably to their income.

Natural Resource Conservation is at the core of this initiative. Development of soil and water resource is done through structural barriers and afforestation that arrests surface run-off. The restored farmlands and water tables influence the Agri produce and enable water security of the community. The project created a water harvesting capacity of 2.29 Billion litres, afforestation with 49,219 trees, restored farm land of 3,272 Ha and encouraged organic and water efficient Agri practices. This was done by building 191 watershed structures and 128 farm ponds.

TRAINING FOR LIVELIHOOD

1,143 women received training on setting up micro enterprise activities in Rural Bangalore. They were aided with handholding and credit linkage facilities. The enterprises comprised largely of small shops, making and selling products, animal husbandry etc. A mobile training academy reached to 10,395 economically disadvantaged women at their doorstep to impart financial literacy training on personal finance.

A vocational training program trained 1,645 youth on employable skills that would hold them in good stead. The trades extended to taking on jobs as Front Office Associate, sewing machine operator, and F&B Services Associate etc.

76,944
Beneficiaries for
improved livelihood

5,239
Women collectives
strengthened

14,867
Women trained on financial literacy

Sports

30 athletes were honoured with Athlete scholarship, Training equipment's, apparel and gear, physiotherapy, strength and conditioning, sports medicine and injury management, nutrition and mental health formed the scholarship deliverable. These athletes participated in various national and international sports tournaments. They have made our nation proud. Their record over a six-year period has been impressive.

100
National Medals
won

34
International
Medals won

83
Gold won

Accolades/Awards received

National CSR Awards (Government of India) for national priority area: Sports

We have come this far because of the unflinching support of our Chairman, our Board of Directors, our Management, leadership teams, our CSR people, partner NGOs, local community & leadership, each and every colleague from Aditya Birla Capital. All of them are a source of constant stimulation to aim even higher.

Governance

Building bridges of trust

ABCL is devoted to improving the long-term value for all stakeholders by actively adopting the highest ethical and good governance standards. Our values steer our dealings with all the stakeholders. Acting responsibly is an essential component of our culture. We are dedicated to upholding highest standards of business ethics and integrity, as evidenced by our corporate governance practices that harmonise the interests of all stakeholders.

Governance philosophy

We firmly believe in upholding sound and effective practices in corporate governance through full and fair disclosure. Our Board of Directors and Senior Management conduct themselves with the highest levels of transparency, creating a culture of responsible decision-making and ensuring adherence to applicable laws.





GOVERNANCE FRAMEWORK

We have established a corporate governance structure founded on a competent and impartial Board responsible for supervising the implementation of our strategies to ensure a viable future. The Board operates through diverse Committees formed to oversee specific functions. Our senior management regularly provides the Board with comprehensive reports on the Company's performance. Key features of the structure include:

- **Effective corporate governance:** An effective and independent Board with a supervisory role separated from the Senior Management team.
- **Board Committee Structure and Operations:** Constitution and functioning of Board Committees.
- **Senior Management Reporting:** Senior Management provides detailed reports on the Company's performance and key regulatory developments to the Board and Committees periodically.
- **Company Performance and Material Developments:** CEO presents the Company's performance and material developments on a quarterly basis and seeks feedback on operating metrics.
- Ensuring the integrity of accounting and financial reporting systems, including independent audit.

TRANSPARENCY AND DISCLOSURES

At our Company, we prioritise transparency and effective communication with all stakeholders to build trust and establish a fair business environment. We take a proactive approach to upholding the highest standards of corporate governance while-adhering to regulatory guidelines. To ensure transparency and accountability, we provide timely and transparent disclosures about our performance and business operations, including quarterly investor presentations and publishing earnings call transcripts. We also promptly disseminate event-based updates to our stakeholders.

BOARD COMMITTEES

Our corporate governance structure is fortified by various Committees established by the Board, each with well-defined charters and delegated monitoring responsibilities. All key Committees are chaired by Independent Directors to ensure impartiality, and the Chairperson of the Audit and Risk Management Committee are distinct. The Board is kept apprised of key proceedings and decisions taken by the Committees through regular reporting. This reinforces our commitment to upholding the highest standards of corporate governance and transparency.

BOARD EXPERTISE AND FIT AND PROPER CRITERIA

Our Company is led by a diverse and determined Board adhering to the norms of Fit & Proper Criteria and having relevant expertise. We prioritise the highest level of suitability for Directors through due diligence processes, evaluating qualifications, technical expertise, track record, and integrity. The Board's commitment to maintaining the highest standards of corporate governance is reflected in the regular review and prompt updates of this information. Our leadership's unwavering focus on expertise and integrity continues to guide our Company toward a successful future.

INDEPENDENT DIRECTORS MEETING

The Independent Directors of our Company meet separately without the presence of the Management team to evaluate the quality, quantity, and timeliness of information flow between the Management and the Board. Through this evaluation, they are able to review the performance and functioning of the Company and the Board as a whole and provide valuable feedback to the Chairman. Their unwavering focus on accountability and transparency helps to maintain our high standards of corporate governance, and their efforts play a critical role in steering our Company towards future success.

Governance

The key Committees that assist the Board and their attendance during the year

	Meetings	Attendance	Members	Independence
Audit Committee	6	95.83%	4	75%
Nomination, Remuneration and Compensation Committee	7	100%	4	75%
Stakeholders' Relationship Committee	2	83.33%	3	33%
Risk Management Committee	3	100%	3	33%

GRIEVANCE MECHANISM FOR INVESTORS

The Company Secretary serves as the Compliance Officer and is in charge of handling investor complaints. To submit a query, investors can use the "Queries" option available on the website of the Company/RTA, which will provide them with a grievance registration number. After 24 hours investors can use the "View reply" option to check the status or response to their query using the registration number. Investors can submit additional queries regarding the grievance until they receive a satisfactory response.

(in Nos.)	Received	Closed	Open
Shareholder complaints	42	41	1*

*pending as on 31st March 2023 which stand resolved subsequently.

CODE AND STANDARDS

Our Company is dedicated to conducting all business activities with transparency, ethics, and integrity. We understand the importance of building trust with our stakeholders and maintaining our growth and expansion, and believe that these values must be deeply ingrained in the Company's culture in order to fulfill our commitment to acting with integrity.

CODE OF CONDUCT

To ensure fairness and transparency in all aspects of the Company, we have developed a comprehensive Code of Conduct, which applies to all employees, including senior executives and the Board. Awareness about the Code of Conduct and its implications are provided through various modes of communication to management and employees.

The Code of Conduct is an essential part of our employee onboarding process, and new hires are required to affirm to it as part of their employment agreement. We also provide strong oversight to ensure accountability for any wrongful behaviour. These measures are put in place to create a culture of integrity within our organisation and prevent any misconduct.





WHISTLE-BLOWER POLICY OR VIGIL MECHANISM

We have established a vigil mechanism for our Directors and employees to report any concerns or instances about unethical behaviour, suspected or actual fraud, or violations of the Company's Code of Conduct. We have put in place measures to protect those who use the mechanism against any form of victimisation, and they also have direct access to the Chairperson of the Audit Committee.

The policy for this mechanism is consistent with our Company's vision, values, and Code of Conduct, and it is available for public access on our website. We are committed to creating a culture of transparency and accountability, and we believe that providing our employees and Directors with a platform to report any unethical behaviour or concerns is essential to maintaining this culture.

COMPLIANCE

The Company is registered with the RBI as a Core Investment Company. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 ("RBI Directions"), as amended from time to time, and it does not carry on any activity other than those permitted by the RBI for CICs.

Compliance framework plays an integral part in effective governance, along with the internal control and risk management processes. The Company has laid down policies and procedures to ensure strict observance of all statutory

and regulatory requirements applicable to the Company. As part of the overall framework there are adequate processes for ensuring compliance of regulatory/supervisory directions in both letter and spirit in a time-bound and sustainable manner. The process inter alia includes monitoring of deviations, if any, and reporting to the Audit Committee/ Board of Directors periodically.

SUSTAINABILITY GOVERNANCE

Aditya Birla Capital Limited (ABCL) recognizes the paramount importance of sustainability governance in shaping its business operations and societal contributions. Committed to fostering a sustainable future, ABCL has embedded environmental, social, and governance (ESG) principles at the core of its organisational strategy. By implementing a comprehensive sustainability framework, the company actively strives to minimise its ecological impact, promote social inclusivity, and maintain the highest standards of ethical conduct. With a strong emphasis on board-level oversight and executive accountability, ABCL ensures that sustainability considerations are deeply integrated into its decision-making processes. Through transparent reporting mechanisms, the company shares its progress and challenges, strengthening stakeholder engagement and building investor confidence. ABCL's proactive approach to sustainability governance not only safeguards its reputation as a responsible corporate citizen but also contributes to creating a sustainable and resilient financial ecosystem in India.



Our people

Nurturing minds, igniting success

We, ABCL along with the subsidiaries, relentlessly aspire to provide an environment and workplace that attracts, nurtures, retains and empowers talent. Our vision is to be a leader and a role model in a broad based and integrated financial services business and foster a culture that is purpose driven and gives meaning to our people.

Focus areas



Talent
management



Succession
planning



Employee
wellness and
engagement



Learning and
development

SDGs linked



We ignite purpose, amplify connections, and cultivate a profound sense of belonging. We focus on creating an inclusive work environment that celebrates diversity, fosters meaningful relationships, challenges boundaries, and unlocks limitless growth opportunities based on meritocracy.

34,000+

Employees along with
subsidiaries

69%

Millennials

29%

Women in workforce

Talent Management & Succession planning

Building a strong future-ready talent pool and cultivating robust leadership succession are paramount in our Talent Management strategy. We prioritise the identification and development of high-potential employees, employing holistic and future focused development interventions. Our emphasis lies in creating well-rounded leaders with a zeal for customer value creation and execution excellence. Additionally, focus on building team well equipped to handle tomorrow's challenges in the areas of Digital, Technology, Risk and Analytics has been ongoing for last year through various initiatives and partnerships with global organisations.

570+

Identified successors
moved into their
destination roles

70

Members in middle
management covered
in flagship leadership
development programme

55

Leaders underwent a bespoke
comprehensive leadership development
journey curated in partnership with
Harvard Business Publishing.



Employee wellness and engagement

Our commitment to fostering a joyful, vibrant and engaging work environment remained steadfast throughout the year. We prioritised supporting employees as they returned to work, providing assistance and flexibility to help them settle back comfortably. Revitalising a culture of connection and camaraderie was a significant focus, achieved through various events, townhalls, leadership sessions, and milestone celebrations. Our leaders actively worked on enhancing employee engagement, utilising feedback from our engagement survey.

At ABC, employee health and wellbeing are paramount. We believe that a focus on wellbeing yields a happier workforce, which in turn drives customer satisfaction and retention. As a people-oriented organisation, we proactively design and implement tailored wellness solutions across our business units, prioritising the wellbeing of our employees as responsible employers year after year. Our framework prioritises Integrated and Holistic Wellbeing, encompassing Physical, Emotional, Financial, Intellectual, and Social aspects. We provide timely medical support through onsite and on-call consultations with doctors and counsellors.

5,000

Employees benefited from digital wellness app

10,000

Employees engaged in various health initiatives

300

Diagnostic centres facilitating preventive health check ups



Learning and development

With a firm commitment to continuous learning and growth, we prioritise providing every employee with valuable opportunities. This includes leveraging an AI-enabled learning app that offers personalised content, along with a comprehensive range of courses, videos, and webinars available on our Gyanodaya Virtual Campus (GVC). Additionally, our employees have access to a diverse selection of e-learning courses, video-based modules, micro-learning resources, and sustainability courses, enabling flexible and self-paced learning. For our large frontline sales force distribution teams, our AB Capital app learning library offers courses on induction and regulatory training, ensuring that all new hires receive the necessary foundation to be successful in their roles.

31K+

Courses, videos and webinars hosted on GVC

3,000+

E-learning courses

350+

Courses for sales staff through ABcapital app

Risk management

Mitigating risks and ensuring resilience

In today's rapidly changing business environment, managing risks has become an essential part of our business. As a conglomerate, we recognise that uncertainty and potential disruptions can arise from a variety of sources, including economic, regulatory, technological and environmental factors. Therefore, we have implemented a comprehensive risk management strategy to identify, assess and mitigate potential risks that could impact our operations, financial performance and reputation.



OUR RISK MANAGEMENT APPROACH IS AIMED AT ACHIEVING THE FOLLOWING:

- Proactive approach aimed at protecting organisational assets and maintain continuity of operations.
- Adherence to regulatory requirements
- Provide an aggregated and integrated view of risk
- Facilitate better strategic decision-making by identifying opportunities available in internal and external environment.
- Define the risk appetite and appropriate policies to ensure risks are within our risk appetite
- Continuous Control Monitoring for effective real-time monitoring
- Information Security and Data Privacy
- Sustainability & Resilience of our Operations



Key elements of risk management approach

CAPITAL MANAGEMENT	Internal Capital Adequacy Assessment Process (ICAAP)	- Stress test the lending businesses on their individual and aggregated risks emanating not only from Credit Risk, but also from Pillar 2 risks such as Market risks, Operational risks, Technology Risks, Strategic Risks, Reputation risks, Liquidity Risks etc. in order to determine the impact on the capital under different levels of Stress and to ascertain the sufficiency and adequacy of capital. - Assessment of Capital on the basis of forward looking business plans
	Solvency Management in Insurance Businesses	- Actuarial testing of the Asset-Liability position and its impact on shareholder equity and Regulatory solvency capital - Assessment of Guarantees and reserving requirements for determining capital.
CREDIT AND UNDERWRITING RISK	Credit Underwriting	Wholesale Lending: Committee-based approach with focus on rigorous credit appraisal and cash flow analysis and security
	Retail Product Programme Based	- Retail Lending: Lending to Small and Medium Enterprises (SMEs), Retail and digital lending using robust programmes, systems and analytics - Enhanced use of behavioural scorecards and data analytics for customer selection
	Insurance Underwriting	Life and Health Insurance: Effective Reinsurance Programme - Insuretech technology platform backed up by predictive data analytics - Fraud Bureau alerts - Propensity AI/ML model - Wellness platform and wearable device technology for active health management
EXPOSURE MANAGEMENT	Group Level Exposure Management	- Aggregate exposure limit set for borrowers and groups, monitored continuously centrally - Exposure concentration across borrowers and groups are managed through defined exposure risk appetite and risk tiering

Risk management

MARKET RISK	Interest Rate Risk	Managing interest rate risks through duration management, spread re-sets, forward rate agreements for hedging and risk management
	Liquidity Management	Continuous oversight on ALM and liquidity ensuring diversification and adequate liquidity management through a robust Liquidity Risk Management (LRM) Policy and Governance around Liquidity Risk
RIGOROUS MONITORING OF ASSET QUALITY	Lifecycle Monitoring of Exposures Early Warning Triggers	Automation of identified triggers for key exposures to monitor early warning signals - System driven alert mechanism to identify signs of incipient stress - Adoption of AI-based early warning system in lending business for enhancing portfolio monitoring approach
INFORMATION SECURITY AND CYBER RISKS	Protecting Business Assets	- Standardised approach to risk mitigation - Information security triggers monitoring at the Group level with a quick response team in place - Strong data protection environment to enable work-from-home and mitigate cyber threats arising from remote working scenario
REPUTATION RISK	Sales Conduct	- Verification checks at onboarding stage - Alert monitoring and checks - Code of conduct and whistle blowing governance framework
	Customer Grievance	- Proactive management of Customer complaints - Active Social media monitoring - Regular feedback process - Root cause analysis of customer issues



LEGAL AND COMPLIANCE RISK	Legal and Compliance Risk	• Zero-tolerance approach to non compliance across every subsidiary, all compliances regularly tracked • Strong focus on legal risk and litigation managed by robust legal teams and processes in each business • Active monitoring of Regulatory changes and aligning Business strategy to these changes.
	Proactive Approach	• Early identification of operational risks and building an effective control framework to minimise frauds and operational losses • Risk Control Self Assessments to identify potential Risks. • Data-driven approach to proactively identify operational risks. Drive automation in processes and build automated controls in new systems being implemented
OPERATIONAL RISKS	Managing Fraud Waste and Abuse in Health Insurance	• System triggers to manage claim incidence rate and to optimise average claims cost • Institutionalised ML-based fraud-detection model • Multi-factor model in real time to predict the likelihood of fraud
	Product Risk	• Comprehensive Pre-launch Product Risk Assessment Pre-launch • ALM framework driven investment strategy and hedging mechanism
	Third Party Risk Management	• Strong Due Diligence process • Vendor Risk Assessment Programme • Ongoing Evaluation and Review
	People Risk	• Robust Performance management system • Investing in Training and Development • Long Term retention programme for High performers • Employee Engagement programmes
SUSTAINABILITY RISK	ESG Risk	• Focus on Robust governance practices and Social impact • Integrating ESG into strategy and operations • ESG compliant infrastructure lending and renewable "Green" financing

Board of directors

The Board of Directors carries the vital responsibility of providing strategic direction and ensuring the long-term sustainable success of the Company. With a diverse and resolute leadership, possessing expertise in key functional areas, the Board navigates the organisation towards its goals while promoting a desired culture and maintaining an effective risk management framework.



MR. KUMAR MANGALAM BIRLA
Chairman and Non-Executive Director



DR. SANTRUPT MISRA
Non-Executive Director



MR. P. H. RAVIKUMAR
Independent Director



MR. S. C. BHARGAVA
Independent Director



MR. SUSHIL AGARWAL
Non-Executive Director



MR. ARUN ADHIKARI
Independent Director



MRS. VIJAYALAKSHMI IYER
Independent Director

100%

Board is non-executive

30 years+

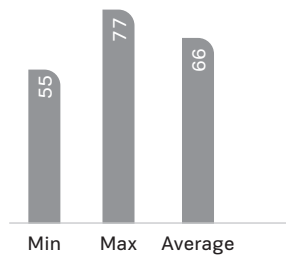
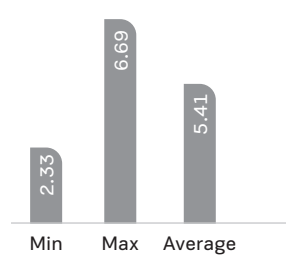
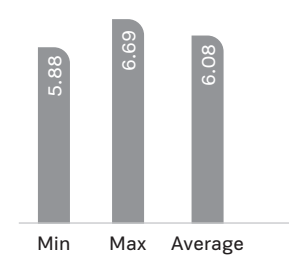
Average experience of Board



MR. ROMESH SOLT
Non-Executive Director (Nominee)

**Age of the Board**

(Years)

**Tenure on the Board****Tenure of Independent Directors of Board****Committees of the Board**

Name of the Director	Committees of the Board							
Dr. Sanrupt Misra								
Mr. P. H. Ravikumar								
Mr. S. C. Bhargava								
Mr. Sushil Agarwal								
Mr. Arun Adhikari								
Mrs. Vijayalakshmi Iyer								
Mr. Romesh Sobti								

Chairperson

IT Strategy
CommitteeAudit
CommitteeNomination, Remuneration and
Compensation CommitteeStakeholders Relationship
CommitteePIT Regulations
CommitteeRisk Management
CommitteeCorporate Social Responsibility
CommitteeAsset-liability Management
Committee**BOARD MEETINGS**

Our Board of Directors holds the primary responsibility for guiding the organisation and establishing its strategic direction. Its duties include setting the Company's long-term goals, promoting the desired culture, and implementing an effective risk management framework to ensure sustainable success. The Board comprises experienced and diverse leaders who provide valuable expertise across key functional areas, allowing them to effectively steer the Company towards success.

10

Meetings

88.75%

Attendance

8

Members

50%

Independent

Leadership team



MS. VISHAKHA MULYE

Chief Executive Officer,
Aditya Birla Capital Limited

Business CEOs



MR. RAKESH SINGH

Managing Director and CEO,
Aditya Birla Finance Limited



MR. A BALASUBRAMANIAN

Managing Director and CEO,
Aditya Birla Sun Life AMC
Limited



MR. KAMLESH RAO

Managing Director and CEO,
Aditya Birla Sun Life Insurance
Limited

ABCL Management



MRS. PINKY MEHTA

Chief Financial Officer,
Aditya Birla Capital Limited



MR. MUKESH MALIK

Chief Operating Officer,
Aditya Birla Capital Limited



MR. SUBHRO BHADURI

Chief Human Resources Officer,
Aditya Birla Capital Limited



MR. PANKAJ GADGIL
Managing Director & CEO,
Aditya Birla Housing Finance
Limited



MR. TUSHAR SHAH
CEO-Infrastructure & Structured
Finance, Aditya Birla Finance
Limited



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



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



MR. VIJAY DESHWAL
Chief Strategy Officer & Head
Investor Relations,
Aditya Birla Capital Limited



MR. RAMESH NARAYANSWAMY
Chief Technology Officer,
Aditya Birla Capital Limited



MS. SANCHITA MUSTAUPHY
Chief Risk Officer,
Aditya Birla Capital Limited

Awards and accolades

Recognised for excellence

During the year, the Company, and its subsidiaries, were lauded with prestigious awards and recognitions by industry leading publications. The awards span the broad categories of Business and Operational Excellence, Human Resource Practices & Sustainability and Digital Transformation & Technology Innovation, across various businesses.



BUSINESS & OPERATIONAL EXCELLENCE

Aditya Birla Finance Limited (ABFL) was recognised as the **'Winner-Large NBFC'** in the lending category at the ASSOCHAM 17th Annual Summit & Awards Banking & Financial Sector Lending Companies.

Aditya Birla Sun Life Insurance (ABSLI) won the Golden Peacock Award for **Risk Management**, 2022.

ABSLI's 2 products - Nischit Aayush Plan won the **Innovative Life Insurance Product of the Year** and Assured Income Plus product won the **Product of the Year Award**, at the UBS Forums' Insurance Summit & Awards, 2023.

Aditya Birla Sun Life AMC (ABSLAMC) won several awards for its investor education programs including:

- **Best Fund House for Investor Education (India)** by the Best of the Best Awards from the Asia Asset Management, 2023.
- **Editor's Choice Award for 'Innovative Approach to Investor Education'** at the Outlook Money Awards, 2023.
- **Investor Education in Mutual Funds Category** by the Leadership Council Award, 2023.

Aditya Birla Health Insurance (ABHI) was recognised as the **Best Health Insurance Co of the Year** and **Best Group Insurance Growth 2022**, at the InsureNext Summit and Awards by Banking Frontier.





HUMAN RESOURCE PRACTICES & SUSTAINABILITY

ABCL was ranked at the top **5 in the BFSI category** for Business Today-Taggd's Best Companies to Work for in India Survey, 2022.

ABCL was recognised as the **L&D Team of the Year** in Gold Category in the TISS - Leap Vault CLO Awards.

ABCL received the **Best On-boarding Team** in the Gold Category at the ET HR Awards.

ABHI was recognised in the **Best Talent Diversity and Culture Initiative, 2022** at the InsureNext Summit and Awards by Banking Frontier.

DIGITAL TRANSFORMATION & TECHNOLOGY INNOVATION

ABFL was recognised with the **Excellence in Personal Loan Journey Award** at the Lentra Digital Lending Transformation Global Summit 2022, in association with ET Edge.

Aditya Birla Health Insurance (ABHI) received the **Best Product Innovation** in the BFSI category at the Dun & Bradstreet's BFSI & Fintech Awards, 2023.

ABHI won the **Product Innovation Company of the Year Award** at the Synnex India Insurance Summit Awards, 2023.

ABHI was recognised with the **Excellence in Claims Service (Insurance)** at the ET BFSI Excellence Awards 2022, for its initiative of claims intimation, registration and tracking via WhatsApp.

ABSLAMC won several awards for its Risk Management, Digital and Tech Innovation initiatives including:

- **Best Technology Initiative of the Year Award** in Financial Services at the Qantic India Annual BFSI Technology Excellence Award, 2022.
- **Security Innovation of the Year Award** at the Krypton BFSI Leadership Awards 2022.
- **Best Cyber Security Innovator of the Year Award** at the Synnex India CISO Summit & Awards 2022.
- **Best Digital Strategy of the Year, Best Digital Innovation of the Year, Customer Experience Strategy of the Year** awards at the DCX's Digital Customer Experience Confex & Awards, 2023.



Corporate information

DETAILS OF COMMITTEES

Audit

Mrs. Vijayalakshmi Iyer
(Chairperson)

Mr. P. H. Ravikumar

Mr. S. C. Bhargava

Mr. Sushil Agarwal

Nomination, Remuneration and Compensation

Mr. Arun Adhikari
(Chairperson)

Mr. S. C. Bhargava

Mrs. Vijayalakshmi Iyer

Dr. Santrupt Misra

Corporate Social Responsibility

Mr. Arun Adhikari (Chairperson)

Mr. S. C. Bhargava

Mr. P. H. Ravikumar

Dr. Santrupt Misra

Stakeholders Relationship

Mrs. Vijayalakshmi Iyer
(Chairperson)

Mr. Sushil Agarwal

Dr. Santrupt Misra

Asset-Liability Management

Mrs. Vishakha Mulye
(Chairperson)

Mr. P. H. Ravikumar

Dr. Santrupt Misra

Mr. Sushil Agarwal

Ms. Sanchita Mustaphy

Mrs. Pinky Mehta

Risk Management

Mr. Arun Adhikari
(Chairperson)

Mr. Romesh Sobti

Dr. Santrupt Misra

Mrs. Vishakha Mulye

(Only Statutory Committee(s)
details covered here)

PIT Regulations

Mrs. Vijayalakshmi Iyer
(Chairperson)

Mr. S. C. Bhargava

Dr. Santrupt Misra

Mrs. Vishakha Mulye

Mrs. Pinky Mehta

IT Strategy

Mr. P. H. Ravikumar
(Chairperson)

Mrs. Vijayalakshmi Iyer

Mrs. Vishakha Mulye

Ms. Sanchita Mustaphy

Mrs. Pinky Mehta

Mr. Mukesh Malik

Mr. Subhro Bhaduri

Mr. Amber Gupta

Mr. Makesh Chandramohan

Mr. Ramesh Narayanaswamy

Key Managerial Personnel

Mrs. Vishakha Mulye
Chief Executive Officer
(w.e.f. 1st July 2022)

Mr. Ajay Srinivasan
Chief Executive Officer
(till 30th June 2022)

Mrs. Pinky Mehta
Chief Financial Officer

Mr. Amber Gupta
Company Secretary

Statutory Auditors

B S R & Co. LLP
Chartered Accountants

Secretarial Auditors

Makarand M. Joshi & Co.
Practising Company Secretaries
(For FY23)

N L Bhatia & Associates
Practising Company Secretaries
(For FY24)

Registrar & Share Transfer Agent

KFin Technologies Limited
Unit: Aditya Birla Capital Limited
Selenium Building, Tower-B,
Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddy,
Telangana, India - 500 032

Registered Office

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

Corporate Office

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

T: +91 22 4356 7000
F: +91 22 4356 7111



Management Discussion and Analysis

OVERVIEW

Aditya Birla Capital Limited (ABCL) is the financial services platform of the Aditya Birla Group. Our Company's subsidiaries have established a strong presence across Protecting, Investing and Financing solutions. Powered by more than 34,000 employees, our businesses have a nationwide reach with 1,295 branches and more than 2,00,000 agents along with several bank partners.

Having built significant scale in the sectors in which they operate, the subsidiaries and associates collaborate closely to maximise synergy benefits and cross-selling.

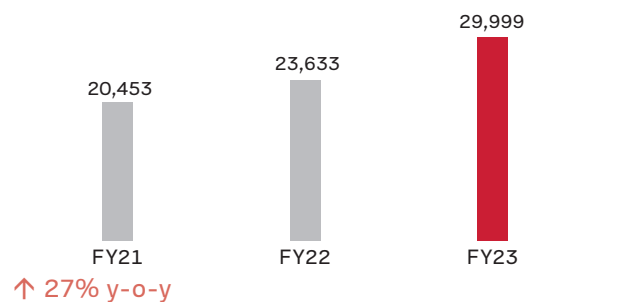
The diversified portfolio of products and services allows our subsidiaries and associates to leverage the extensive opportunities and possibilities in India's financial services sector.

KEY FINANCIALS (FY23)

Consolidated Revenue and PAT

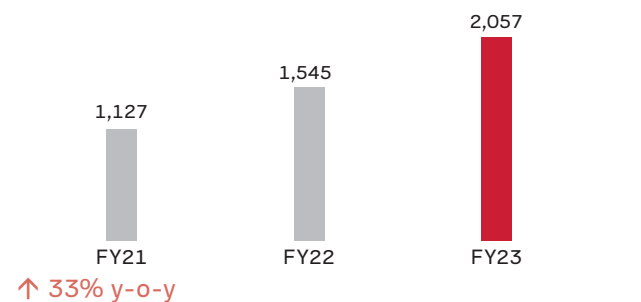
Revenue¹

(₹ in Crore)



Profit After Tax²

(₹ in Crore)



1. Consolidated segment revenue; for Ind AS statutory reporting purpose Asset management, wellness business and health insurance (from October 21st, 2022) are not consolidated and included under equity accounting

2. PAT in FY22 excludes gain (net of tax) of ₹161 Crore on stake sale of ABSLAMC and in FY23 excludes fair value gain of ₹ 2,739 Crore as Aditya Birla Health Insurance ceased to be a subsidiary and has been accounted as a joint venture post preferential allotment of equity shares to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly owned subsidiary of Abu Dhabi Investment Authority ("ADIA")

Backed by a diversified business model, ABCL continues to maintain its track record of consistent growth in profit delivery across market and macroeconomic cycles.

Consolidated segmental revenue:

Grew 27%, y-o-y from ₹23,633 Crore to ₹29,999 Crore

Consolidated profit after tax (excluding fair value and stake sale gains):

Grew by 33% y-o-y to ₹2,057 Crore

Overall lending book (NBFC and Housing Finance):

Grew by 40%, y-o-y to ₹94,364 Crore

Gross premium (Health and Life insurance):

Grew 28% y-o-y to ₹17,787 Crore

Active customer base:

Grew by 8% y-o-y to 38 million

KEY HIGHLIGHTS (FY23)**FY23: Delivery on key metrics across business**

NBFC		ASSET MANAGEMENT		LIFE INSURANCE	HEALTH INSURANCE
1. Loan book		1. AUM Growth		1. Premium Growth²	
₹ 80,556 Crore ¹	₹ 13,808 Crore ¹	₹ 2,86,180 Crore	₹ 1,15,827 Crore	Individual FYP	Gross Premium
▲ 46% y-o-y	▲ 14% y-o-y	Domestic AAUM ³	Equity AAUM ³	▲ 37% y-o-y	▲ 57% y-o-y
		▼ 7% y-o-y	▼ 4% y-o-y		
2. Net interest margin²		2. Margin²		2. Margin & Combined Ratio²	
6.84%	5.08%	Operating profit Margin ⁴	PBT margin ⁵	Net VNB margin	Combined ratio
▲ 60 bps y-o-y	▲ 76 bps y-o-y	24 bps	28 bps	23.0%	110%
				▲ 801 bps y-o-y	(FY22: 126% y-o-y)
3. Profitability²		3. Profitability²		3. Value Accretion	
PBT ₹ 2,090 Crore	PBT ₹ 309 Crore	PBT ₹ 794 Crore	ROE	EV ₹ 9,014 Crore ¹	Fastest growing SAHI player ²
▲ 41% y-o-y	▲ 22% y-o-y	▼ 11% y-o-y	25.3%	22.6% RoEV	● 208 bps in FY23 Market Share
14.8% RoE	13.2% RoE				

1. As of Mar 31, 2023. 2. For FY23 3. Average assets under management for Q4 FY23 4. Operating profit / AAUM 5. PBT/Average AUM

CONSOLIDATED PROFIT & LOSS

(₹ Crore)			
Profit & Loss Statement	FY21	FY22	FY23
Revenue	19,254	22,230	27,416
Profit Before Tax (before share of profit/(loss) of Associates and JVs)	1,277	1,769	2,624
Add: Share of profit/(loss) of associate and JVs	268	341	273
Profit before tax	1,546	2,110	2,896
Less: Provision for taxation	440	610	811
Less: Minority Interest	(21)	(46)	28
Profit after tax	1,127	1,545	2,057
Gain on Sale of AMC stake (net of tax)	-	161	-
Fair value gain ¹	-	-	2,739
Reported Profit After Tax	1,127	1,706	4,796

¹ Aditya Birla Health Insurance ceased to be a subsidiary and was accounted as a joint venture post preferential allotment of equity shares to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly owned subsidiary of Abu Dhabi Investment Authority ("ADIA")



Management Discussion and Analysis (Contd.)

ADITYA BIRLA FINANCE LIMITED (NBFC)

Aditya Birla Finance Limited (ABFL) is among India's leading private and diversified Non-Banking Financial Companies (NBFCs), offering end-to-end financing and wealth services to a wide range of customers across the country. ABFL's product portfolio meets the varied financial requirements of a wide range of customers, such as the salaried and self-employed individuals, High Net-worth Individuals (HNI), ultra HNIs, micro-enterprises, Small and Medium Enterprises (SME), and large and mid corporates.

INDUSTRY OVERVIEW

In FY23, systemic credit showed strong growth on the back of pent-up retail demand from sectors such as housing and auto. Credit demand also grew due to strong demand from NBFCs and the trade segment. Overall credit grew by an estimated 13.3% and systemic retail credit by 19.2%. NBFCs have shown remarkable resilience and have gained prominence in the financial sector ecosystem. Their share in the overall credit pie increased to 18% in fiscal 2023 from 12% in fiscal 2008.

Over the years, NBFCs have consolidated their position as a key intermediary in the Indian financing sector with differentiated offerings such as niche financing, last-mile connectivity and an alternative to bank financing. With respect to liabilities, NBFCs have become increasingly interconnected with the financial system.

The COVID-19 pandemic, the consequent acceleration in the adoption of technology and change in consumer habits, and the increasing availability of data for credit decision-making have supported the further acceleration of retail credit growth. Revival of economic activity, pent-up demand, strong export, and domestic support have strengthened credit growth in the MSME segment. The market share of NBFCs in outstanding MSME loans (including LAP) was 25% in FY 2022 and is estimated to have increased to 27% in FY23. In terms of growth, NBFCs witnessed a CAGR of 21% between fiscals 2017 and 2023, compared to 8% for other players. Going forward,

NBFCs are expected to continue to witness rapid growth and increase their market share in this segment.

PERFORMANCE REVIEW

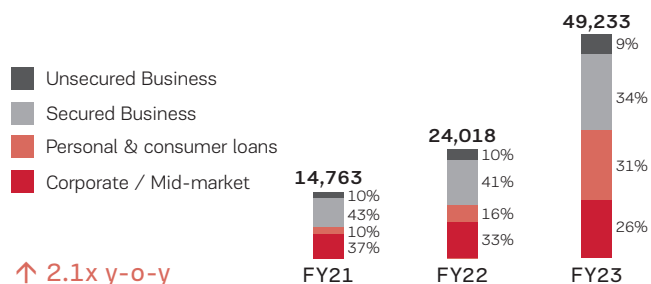
The overall Assets Under Management (AUM) of ABFL grew 46% y-o-y to ₹80,556 Crore on 31st March, 2023 driven by growth across retail, SME and HNI segments. AUM of retail, SME and HNI segments grew 57% y-o-y. The proportion of AUM of retail, SME and HNI segments increased from 62% as on 31st March, 2022 to 67% as on March 31st 2023. Total disbursements doubled y-o-y to ₹49,223 Crore in FY23.

Total secured and unsecured business AUM grew by 36% y-o-y to ₹40,353 Crore as on 31st March, 2023. In the secured business loans segment, which majorly comprises loan against shares, lease rental discounting, loan against property and working capital solutions to self-employed individuals and MSMEs, disbursements increased by 71% y-o-y to ₹16,766 Crore in FY23. Secured business loan book increased 31% y-o-y to ₹31,944 Crore as on 31st March, 2023. In the unsecured business loans segment, which comprises supply chain financing and overdraft facilities to MSMEs and self-employed individuals, disbursements grew by 83% y-o-y to ₹4,468 Crore in FY23. Unsecured business loan book increased by 57% y-o-y to ₹8,409 Crore as on 31st March, 2023. The personal and consumer portfolio, which comprises check-out financing through digital partnerships for point-of-sale purchases and Personal loans, was ₹15,442 Crore as on 31st March, 2023, grew almost 3x the portfolio as on 31st March, 2023. Disbursements of ₹15,263 Crore in the personal loans and consumer loan portfolio in FY23 was more than four times the disbursements in FY22. The mid and large corporate loan portfolio, which comprises structured financing, project financing, developer financing, working capital loans and terms loans to well-established corporates, loan book increased by 23% y-o-y to ₹24,761 Crore as on 31st March, 2023. Disbursements in the corporate and mid-market segments increased by 60% y-o-y to ₹12,726 Crore in FY23.

Robust growth in disbursements and AUM

Disbursement

(₹ in Crore)



Retain, HNI & SME customer

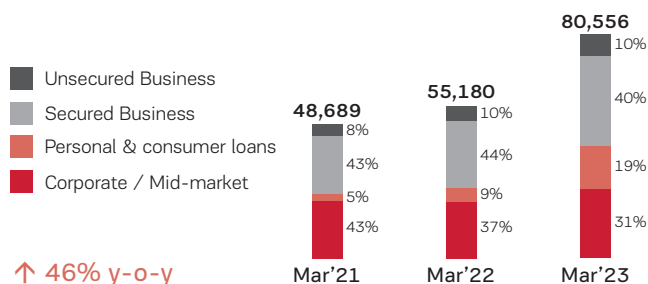
62%

65%

72%

AUM

(₹ in Crore)



Retain, HNI & SME customer

56%

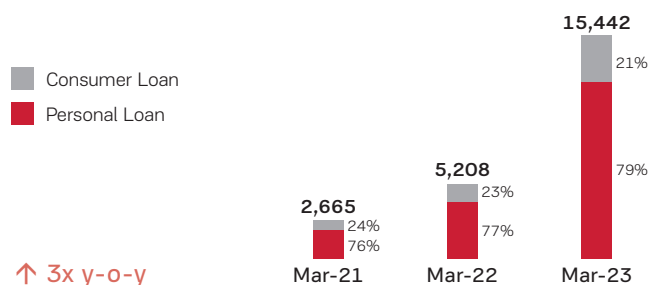
62%

67%

Detailed AUM breakup

Personal & Consumer

(₹ in Crore)



ATS (₹ in Lakh)

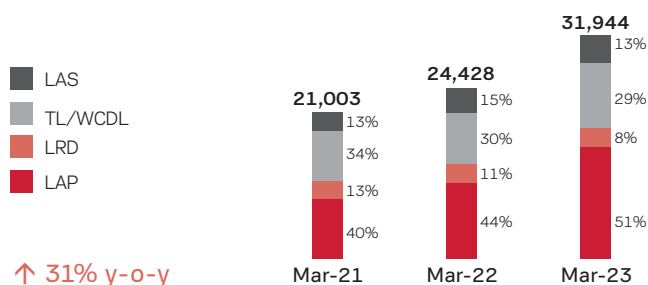
1.5

0.15

0.28

Secured Business

(₹ in Crore)



ATS (₹ in Crore)

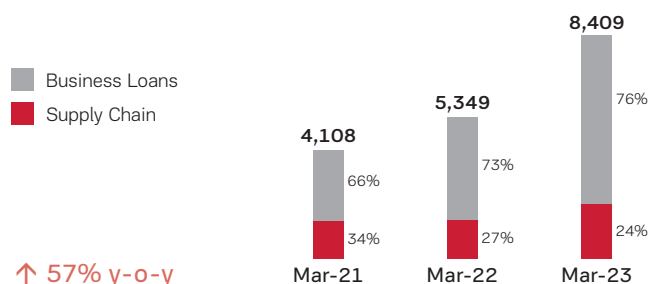
2.69

2.16

1.76

Unsecured Business

(₹ in Crore)



ATS (₹ in Lakh)

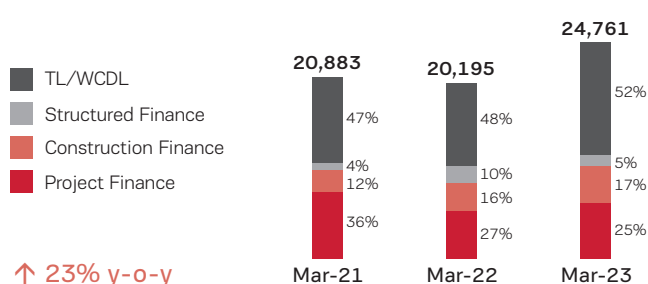
15.41

12.13

10.67

Corporate/Mid-Market

(₹ in Crore)



ATS (₹ in Crore)

54.60

50.49

53.48



Management Discussion and Analysis (Contd.)

We diversified product portfolio

Segment	Personal and Consumer	Unsecured Business	Secured Business	Corporate/Mid-Market
Presence	Semi-urban	Semi-urban	Semi-urban/SME Cluster	Top 6-7 Cities
Sourcing	DSA+Direct+Ecosystem	DSA+Ecosystem	DSA+Direct	Relationship (Direct)
ATS ¹	~₹ 28,000	~₹ 10.7 Lakh	~₹ 1.8 Crore	~₹ 53.5 Crore
Products				
	Salaried Professionals with focus on emerging income segment	Business owner and self employed professionals engaged in small/mid-sized businesses	Business owner and self employed professionals engaged in small/mid-sized business	Pedigreed Group Corporates/ Mid-Market Cos in focus sector/ Cat A/ A+ developers
	Personal Loans	Business Loans	Loan against Property	Capex/WC Funding
	Consumer Loans	Supply Chain Finance	Working Capital Loans	Structured Finance
	Check-out Financing	B2B Digital Platform	Micro-LAP	Developer Financing
	Credit Card	Business Overdraft	Loan against Securities	Project Finance
Cross-Sell	Personal Loan Top Ups & Cross sell, Insurance and Wealth Solution to ABFL & ABC customer ecosystem			

¹ATS as on Mar 31, 2023

The overall active customer base grew by 57% y-o-y to 5.7 million as on 31st March, 2023. To expand reach and distribution, ABFL added 164 branches in the fiscal year 2023, taking the branch count to 323 as on 31st March, 2023.

The net interest income (including fee income) saw a 43% increase y-o-y to ₹4,410 Crore in FY23, driven by strong loan growth and expansion in net interest margin. The net interest margin (including fees) increased by 60 basis points to 6.84% in FY23, supported by an increase in proportion of higher yielding personal, consumer and business loans and increase in lending rates, offset in part by a rise in borrowing costs. ABFL has strong funding access with an adequate surplus and diversified borrowings mix, and this has helped optimise the cost of borrowing in a rising interest rate environment. The cost of borrowings increased by 37 basis points to 7.25% in FY23

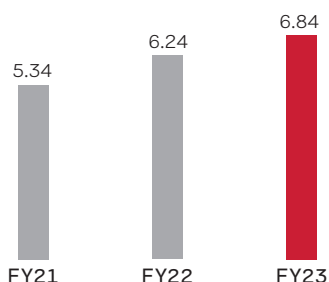
despite a 250 basis points increase in repo rates. Operating expenses increased by ~50% y-o-y to ₹1,417 Crore, driven by increase in branches, costs incurred towards growing the personal, consumer, micro-enterprises and SME business and technology and digital-related expenses. The cost-to-income ratio was 32.1% in FY23. The pre-provisioning operating profit increased by 40% to ₹2,994 Crore in FY23. Credit provisions increased by 38% y-o-y to ₹903 Crore in FY23. The credit cost (provisions as a percentage of average advances) was 1.43% in FY23 compared to 1.36% in FY22. The Profit Before Tax increased by 41% y-o-y to ₹2,090 Crore in FY23. The Profit After Tax increased by 40% y-o-y to ₹1,554 Crore in FY23. The Return on Assets increased by 15 basis points y-o-y to 2.45% and Return On Equity increased by 289 basis points y-o-y to 14.76% in FY23.

Robust financial performance

Net Interest Margin¹

(%)

Increasing margins...

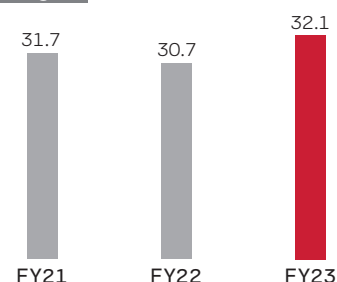


1 Including Fee Income

Cost-to-income ratio

(%)

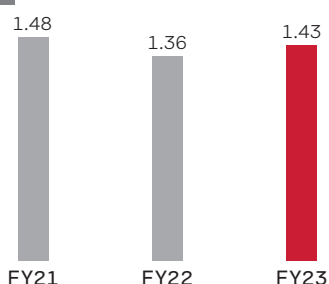
...with healthy operating leverage...



Credit Cost

(%)

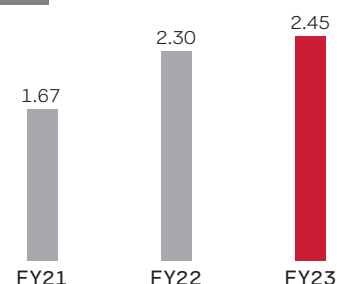
...and sustained credit costs...



Return on Assets (% AAUM)

(%)

...leading to improvement in ROA



The total capital adequacy ratio was about 16.4% as on 31st March, 2023 and Tier 1 ratio at 13.9%. ABFL's total equity expanded by 16% y-o-y to ₹11,426 Crore as on 31st March, 2023.

ABFL's exposure is diversified across sectors, customer segments and products. About 70% of the AUM as on 31st March, 2023 was secured (including 5% through

Government Guarantee Scheme). Gross Stage 2 loans declined by 269 basis points to 2.7% as on 31st March, 2023. Gross Stage 3 loans declined by 46 basis points to 3.12% as on 31st March, 2023. The provision coverage on gross stage 3 loans increased from 39.5% as on 31st March, 2022 to 46.2% as on 31st March, 2023.

Improving asset quality trends

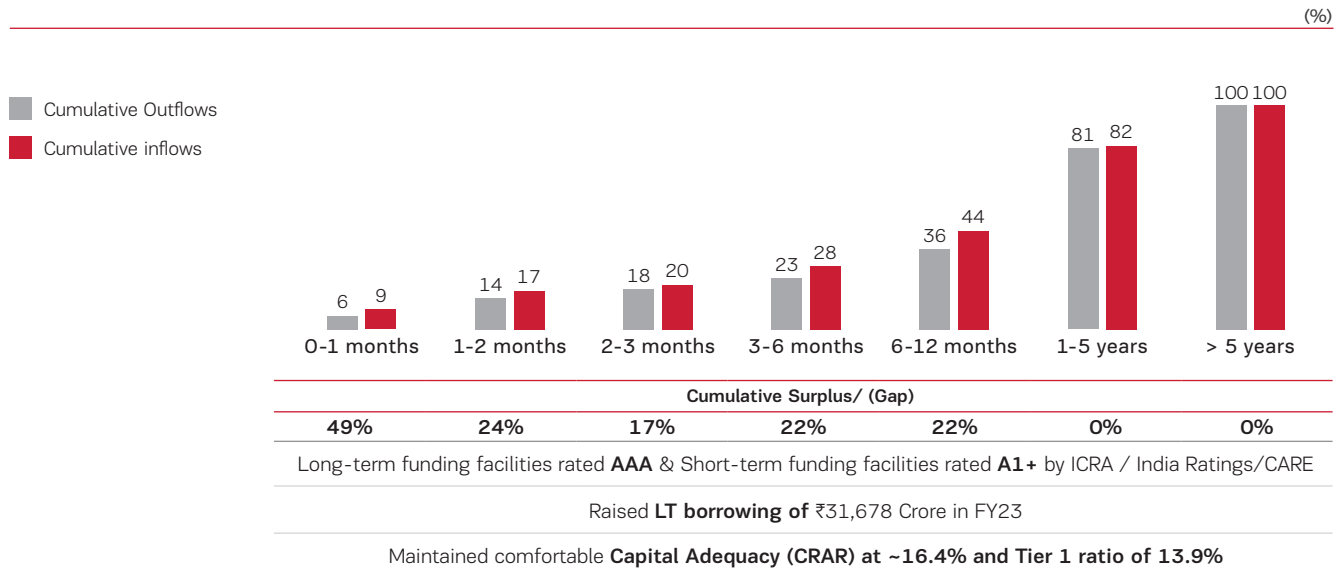
Particulars	Mar'21		Mar'22		Mar'23	
	%	₹ Crore	%	₹ Crore	%	₹ Crore
Stage 1	89.55%	43,537	91.02%	49,770	94.16%	75,758
Stage 2	7.53%	3,659	5.41%	2,956	2.72%	2,187
Stage 3	2.93%	1,422	3.58%	1,956	3.12%	2,507
Stage 2 and 3	10.45%	5,082	8.98%	4,912	5.84%	4,695
Total Loan book	100%	48,618	100%	54,682	100%	80,452
Stage 3 PCR	41.5%		39.5%		46.2%	

ABFL's Asset Liability Management (ALM) is optimised for both liquidity and cost. As on 31st March, 2023, ABFL had an accumulated surplus up to a one-year time frame from the ALM perspective. We raised ₹31,678 Crore long-term borrowing during FY23. Of the total liabilities, 38% have fixed rates and 62% have floating rates. Of the

total assets, 39% have fixed rates and 61% have floating rates. Our long-term funding facilities were rated AAA and short-term funding facilities were rated A1+ by India Ratings, ICRA and Care Ratings. In terms of liquidity, there is significant availability to meet obligations, even under severe stress conditions.

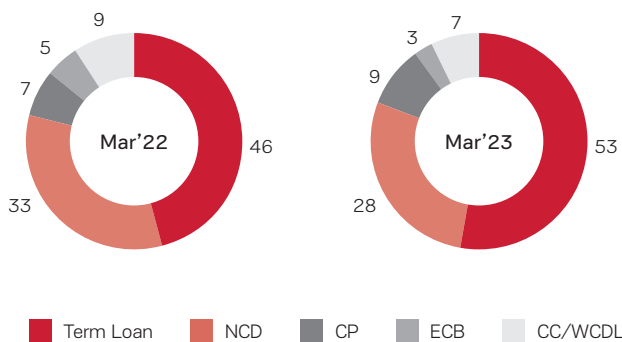


Well matched ALM and diversified borrowing mix



Funding Mix

(%)



Asset Liability Mix

(%)



ABFL follows a digital-first approach for product innovation, customer selection, seamless onboarding and improving service delivery. It has built an agile plug-and-play API tech-stack that facilitates seamless integration with a diverse set of ecosystem partners and drives digital sourcing at scale. These tech capabilities have helped drive exponential volume growth for ABFL.

While these initiatives will continue to be significant growth drivers for the retail segment, ABFL is also focusing on growing its secured and unsecured business loan portfolio. During FY23, it launched Udyog Plus, a comprehensive platform that provides MSMEs lending and value-added services to manage and grow

their business. The platform enables cash-flow linked financing by using alternate data such as Goods and Services Tax (GST) returns and transaction data in addition to traditional data sources to improve turnaround times and customer experience. It offers a paperless digital journey for business loan sanction. Other value-added services include Protecting, Investing, Financing and Advising (PIFA) solutions designed to cover a full ecosystem of promoters, owners, directors and authorised signatories (PODS) of MSME customers. Udyog Plus is integrated with the government and private ecommerce websites via Open Credit Enablement (OCEN) and other e-commerce platforms to provide credit facilities to sellers on these platforms.

OUTLOOK

The credit demand is expected to grow with reducing uncertainty and investment traction going forward. Credit growth of NBFCs is expected to be driven by rising retail consumerism, formalisation of MSMEs, increasing financial penetration and investment focus on India's manufacturing sector.

ABFL will focus on building a granular franchise and lending to retail, SME and HNI customers. In the business loans segment, differentiated offerings for MSMEs and will leverage Udyog Plus platform to acquire new customers, tap into the ABG ecosystem,

focus on ecommerce partnerships and integrate with public infrastructures such as OCEN and ONDC to grow the loan portfolio. In the personal and consumer loan segment, ABFL will deep-mine the existing customer base acquired through digital ecosystems using analytics and drive cross-selling and upsell through scorecard-based Straight Through Process (STP) journeys. Through tie-ups with new partners, ABFL plans, to diversify its digital ecosystem sourcing mix in personal loans and aims to introduce new products such as education loans and two-wheeler loans to increase the wallet share among customers.

Way forward

		
Personal and consumer loans	Business loans	Distribution network
- Deep mine existing customer base acquired through digital ecosystems using analytics and increase cross-sell - Scorecard based STP journeys with zero human interventions - Increase share of emerging salaried segment in personal loans - Tie up with new partners to diversify digital ecosystem sourcing mix in personal loans - Increasing wallet share through new products launch such as Education Loans and 2W Loans	- Scale up Udyog Plus - A differentiated B2B digital platform for MSME ecosystem - Differentiated offerings with digitally assisted assessed income program and STPs, scorecard journeys for small ticket loans - Enhance fee income opportunity through new products and digital delivery channels - Integrate with ONDC & OCEN infrastructure and partner with E-commerce players	- Focus on increasing branches in tier 3/4 cities - Build direct to customer for self-employed segment - Direct to Corporate Channel for Personal Loans distribution done end-to-end digitally - Leveraging ABG/ABC ecosystem synergies across product segments

Key Financial

(₹ Crore)

Profit & Loss Statement	FY21	FY22	FY23
Net Interest Income (Incl. fee income)	2,508	3,088	4,410
Operating expenses	795	947	1,417
Credit provisioning	682	653	903
Profit before tax	1,031	1,487	2,090
Tax	263	379	536
Profit after tax	769	1,108	1,554
Total equity	8,838	9,860	11,426

(%)

Key Ratios	FY21	FY22	FY23
Average yield (Incl. Fee Income)	11.69	11.72	12.76
Interest cost/Avg. Lending book	6.35	5.48	5.92
Net Interest Margin (Incl. Fee Income)	5.34	6.24	6.84
Opex/ Avg. Lending book	1.72	1.97	2.24
Cost-to-income Ratio	31.67	30.67	32.12
Credit Provisioning/ Avg. Lending book	1.48	1.36	1.43
ROA	1.67	2.30	2.45
ROE	9.18	11.87	14.76
Debt-to-equity	4.66	4.66	6.19
Capital Adequacy (CRAR)	22.70	21.77	16.38
Tier-1 ratio	18.43	18.07	13.92



Management Discussion and Analysis (Contd.)

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 and Home Construction Loans, Home Improvement Loans, Loans Against Property, Construction Financing, and Commercial Property Purchase Loan.

INDUSTRY OVERVIEW

The Indian housing finance market clocked a healthy ~12% CAGR (growth in loans outstanding) over fiscals 2018 to 2023, on account of rising disposable incomes and government steps, such as interest rate subvention schemes and fiscal incentives in disposable incomes, healthy demand specially from Tier 2 and 3 cities, and greater number of players entering

the segment. Housing credit-to-GDP remains quite low compared to developed countries but demand for affordable housing continues to remain strong and the government has implemented various initiatives to incentivise individuals and developers. Credit growth momentum is expected to continue for HFCs, supported by increasing penetration beyond tier 1 locations, rising urbanisation and sustaining affordability.

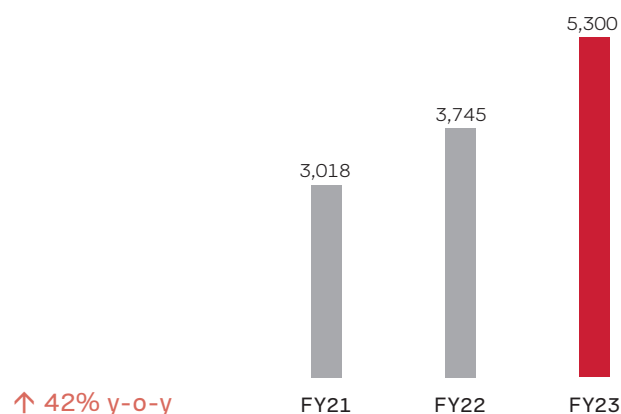
PERFORMANCE REVIEW

ABHFL's disbursements increased by 42% y-o-y to ₹5,300 Crore in FY23. Our focus continues to be on achieving a high quality of origination. About 95% of disbursements were to customers with a CIBIL score of more than 700 or new-to-credit customers. Our loan portfolio grew by 14% y-o-y to ₹13,808 Crore as on 31st March, 2023. Of the total loan portfolio, prime segment was 51%, affordable segment was 41% and construction finance was 8% as on 31st March, 2023. The average ticket size of the ABHFL loan book was ₹25 Lakh as on 31st March, 2023.

Healthy growth in disbursements and book

Disbursement

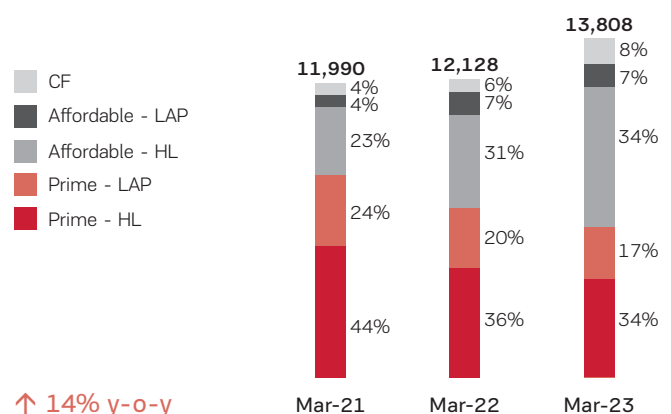
(₹ in Crore)



Net interest income including fee income grew by 27% y-o-y to ₹659 Crore in FY23 driven by expansion in net interest margin (including sourcing costs) and loan growth. Net interest margin including fee income expanded by 76 basis points to 5.08% in FY23. The increase in net interest margin was linked to the increase in proportion of higher yielding affordable segment and construction finance and increase in lending rates, offset in part by an increase in cost of borrowings. The operating expenses increased by 44% y-o-y to ₹278 Crore in FY23 driven by increase in branches, costs incurred towards growing the

Loan Book

(₹ in Crore)



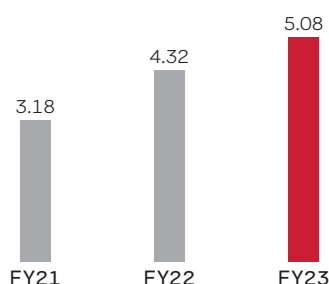
business and digital and technology expenses. Cost-to-income ratio increased from 37.1% in FY22 to 42.2% in FY23. Pre-provision operating profit increased by 16% y-o-y to ₹381 Crore in FY23. Credit provisions were ₹72 Crore in FY23, compared to ₹75 Crore in FY22. Credit costs (provisions as a percentage of average advances) were 58 basis points in FY23 compared to 65 basis points in FY22. Profit After Tax grew 22% y-o-y to ₹241 Crore in FY23. Return on Equity was 13.16% and return on assets was 1.94% in FY23.

Robust financial performance

Net Interest Margin¹

(%)

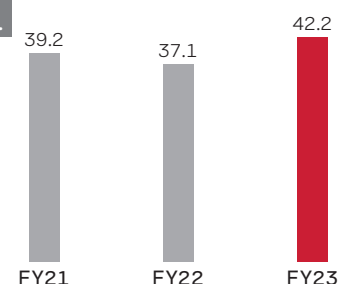
Increasing margins...



Cost-to-income ratio

(%)

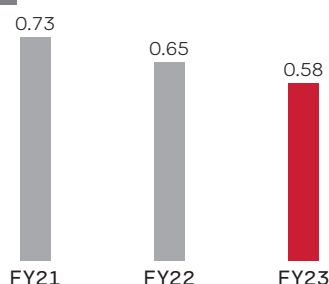
...partly offset by investments in technology...



Credit Cost

(%)

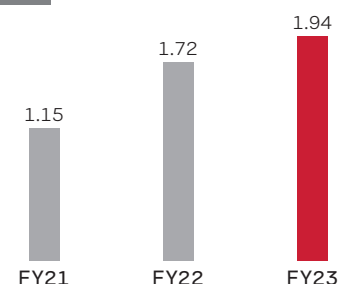
...and declining credit costs...



Return on Assets

(%)

...leading to improvement in RoA



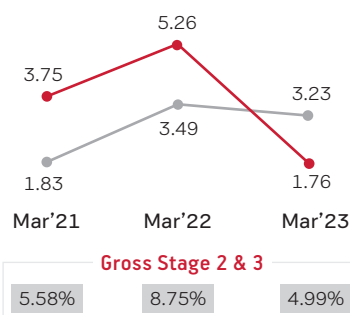
¹ NIM including fee (net of DSA Expenses and Processing Cost)

The Gross Stage 3 loans declined by 26 basis points to 3.23% as on 31st March, 2023. Gross stage 2 loans decreased by 350 basis points to 1.76% as on 31st March, 2023. Provision coverage ratio on stage 3 loans continues to remain healthy at 33.1% as on 31st March, 2023

Asset Quality

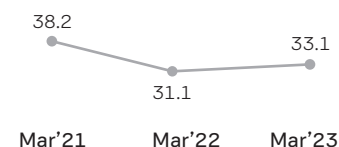
(%)

—●— GS2
—●— GS3



Provision Coverage Ratio

(%)



ABHFL's Assets Liability Management (ALM) is optimised for both liquidity and cost. As on 31st March, 2023, ABHFL accumulated surplus up to a one-year time frame from the ALM perspective. Of the total liabilities, 24% have fixed rates and 76% have floating rates. Of the total assets, 92% have floating rates and 8% have fixed rates. ABHFL's long-term funding facilities were rated AAA India Ratings and ICRA.

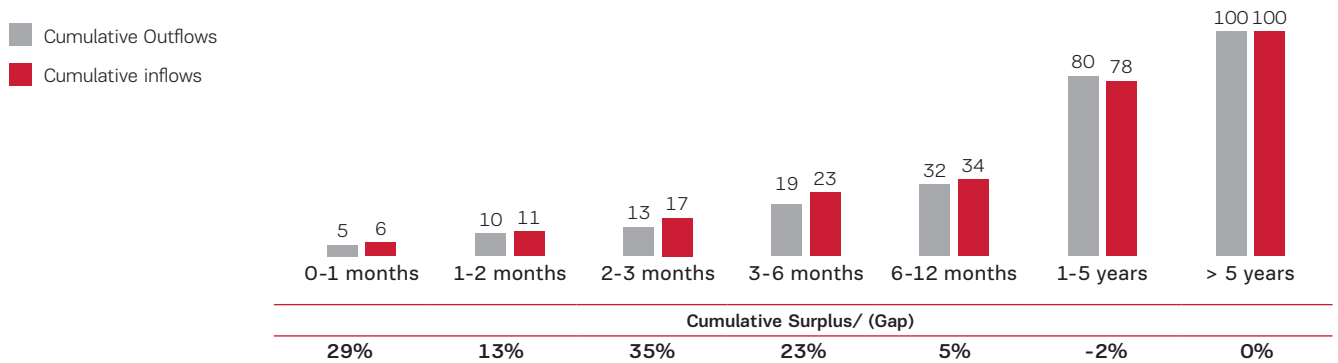


Management Discussion and Analysis (Contd.)

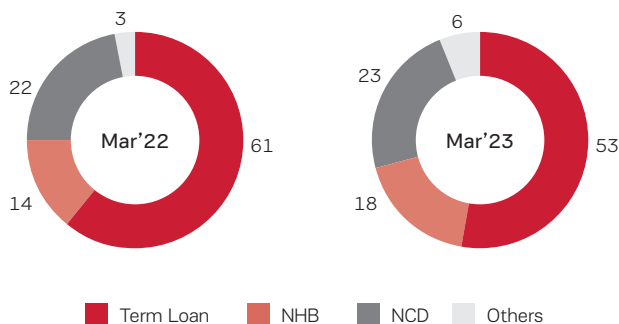
The total capital adequacy ratio was 21.6% as on 31st March, 2023 as against the minimum requirement of 15% as per RBI guidelines. ABHFL's net worth expanded by 14% y-o-y to ₹1,968 Crore as on 31st March, 2023.

ALM optimised for liquidity and costs (on 31st Mar 2023)

(%)

**Borrowing Mix**

(%)

**Asset Liability Mix**

(%)

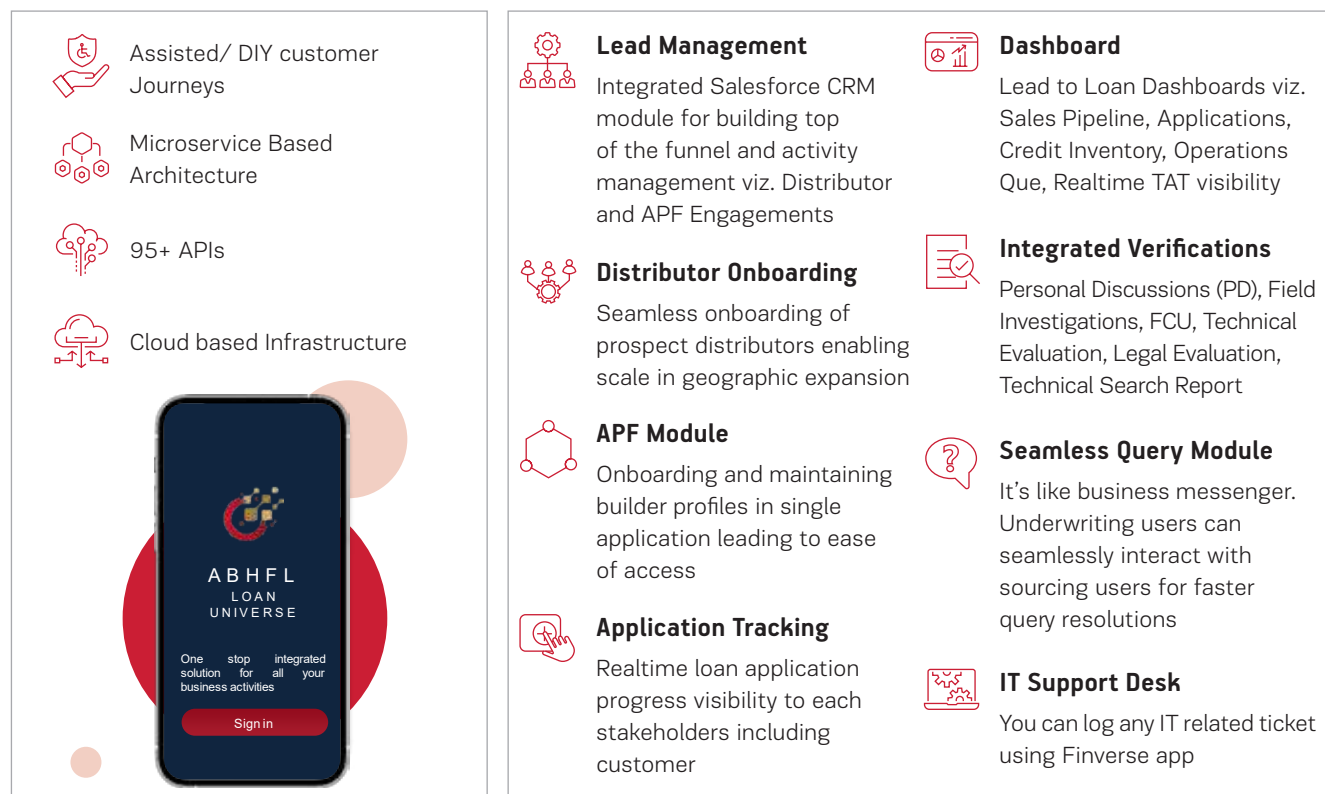
**OUTLOOK**

The housing market continues to witness an upward trend in the number of first-time homebuyers and those moving up the property ladder by opting for larger homes or acquiring homes in another location. Given the low mortgage to GDP penetration in India, there is immense scope to expand the mortgage market in India.

Going forward, ABHFL will focus on growth in both prime and affordable segments with an average ticket size of ₹20-30

Lakh. Growth will be augmented by the ABG ecosystem. ABHFL will drive data analytics and digital capabilities for seamless customer onboarding and servicing. It has recently launched a digital platform for end-to-end reinvention of loan life cycle. Through this platform, we will design assisted/ DIY customer journeys with effective lead management. It will also lead to the seamless onboarding of distributors and significantly reduce the turnaround time for customers.

End to end digital reinvention of loan life cycle



Way forward

 Growth - Accelerate growth in prime & affordable segments with average ticket size of ₹ 25-30 Lakh - Growth to be augmented by ABG ecosystem	 Service excellence - To be the most preferred choice of our customer - Digital capabilities for seamless customer onboarding and servicing - Building a culture of spotting opportunities with customers at center	 Digital reinvention - Develop assisted/ DIY customer journeys with Effective lead management - Seamless distributor onboarding - Significant reduction in TAT, increased face time with customers	 Distribution network 128 branches as of March 31, 2023, with 68% branches in tier 3/4 cities - Sourcing driven by micro market penetration strategy - Deeper engagement with ABG ecosystem



Management Discussion and Analysis (Contd.)

Key Financial

(₹ Crore)

Profit & Loss Statement	FY21	FY22	FY23
Net Interest Income (Incl. fee income)	434	521	659
Operating expenses	170	193	278
Operating profit	264	328	381
Credit provisioning	88	75	72
Profit before tax	176	253	309
Tax	39	56	68
Profit after tax	137	197	241
Net Worth	1,519	1,721	1,968

(%)

Key Ratios	FY21	FY22	FY23
Effective Interest rate (EIR)	10.28	10.24	10.91
Net Interest cost/Avg. Loan book	7.11	5.92	5.84
Net Interest Margin (Incl. Fee Income)¹	3.18	4.32	5.08
Opex/Avg. Loan book	1.42	1.69	2.24
Cost-to-income Ratio	39.17	37.11	42.21
Credit Provisioning/ Avg. Loan book	0.73	0.65	0.58
ROA	1.15	1.72	1.94
ROE	9.53	12.26	13.16
Debt-to-equity	7.03	6.03	6.07
Total CRAR	21.73	23.94	21.58
Tier-1	17.09	19.44	18.01

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

ADITYA BIRLA SUNLIFE ASSET MANAGEMENT COMPANY LIMITED (ASSET MANAGEMENT)

Since 1994, Aditya Birla Sun Life AMC Limited (ABSLAMC) has been one of India's leading Asset Management Companies. We cater to a diverse customer cross-section by offering a wide variety of investment solutions focused on regular income, wealth creation and tax savings, among others. ABSLAMC is ranked as the largest non-bank affiliated Asset Management Company (AMC) in India based on quarterly average AUMs (excluding ETFs).

INDUSTRY OVERVIEW

In FY23, on account of volatile market conditions, the mutual fund industry witnessed muted growth. Net equity sales of ₹1.3 Lakh Crore was recorded in FY23 through new fund offerings and existing funds. Within the existing equity categories, sectoral/thematic, small-cap, mid-cap, large and mid-cap and flexi cap funds saw the highest net inflows.

The industry Average Assets Under Management (AAUM) for the quarter ended on 31st March 2023 reached ₹40.49 Lakh Crore, a growth of 6% over the same period last year. The corresponding AAUM for the quarter ended 31st March 2022 was ₹38.36 Lakh Crore.

Industry Equity AAUM was at ₹20.75 Lakh Crore for the quarter ended 31st March 2023, growing by 11% over the same period last year. Corresponding Equity AAUM for the quarter ended 31st March 2022 was ₹18.64 Lakh Crore.

As on 31st March 2023, the total number of mutual fund investors stood at 14.76 Crore versus 13.12 Crore on 31st March 2022, an increase of 12% y-o-y.

The retail investor surge is also reflected in higher industry individual Monthly Average AUM (MAAUM) at ₹23.27 Lakh Crore, which grew 12% y-o-y and contributed to around 58% of the total MAAUM.

The overall mutual fund monthly average AUM for March 2023 from B30 cities (beyond the top-30 cities) was at ₹6.84 Lakh Crore, which was 17% of the overall AUM.

PERFORMANCE OVERVIEW

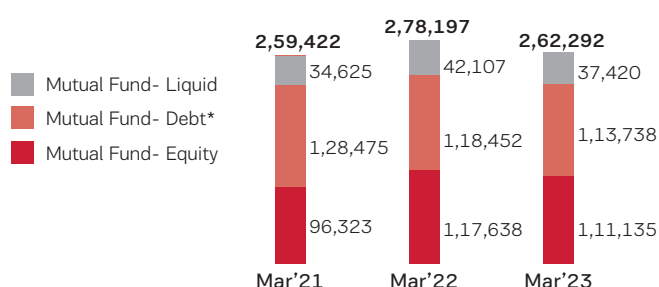
For the quarter ended 31st March 2023, our Company's Mutual Fund Quarterly Average Assets under Management (QAAUM) was at ₹ 2,75,204 Crore with market share (excluding ETF) at 7.7% and Mutual Fund Equity QAAUM was at ₹ 1,15,827 Crore with market Share at 5.6%. Equity mix was at 42.1%. The company has a dominant position in the fixed income space with QAAUM of

₹ 1,59,377 Crore with market share at 10.6%. The closing mutual fund AUM as on 31st March, 2023 was ₹ 2,62,292 Crore. For the quarter ended 31st March, 2023 our Alternate assets AUM which include AIF/PMS, offshore and real estate was at ₹ 10,976 Crore. The Profit Before Tax for FY23 was ₹ 794 Crore and Profit After Tax (PAT) stood at ₹ 596 Crore in FY23.

Closing AUM and AAUM

Mutual Fund closing assets under management

(₹ in Crore)

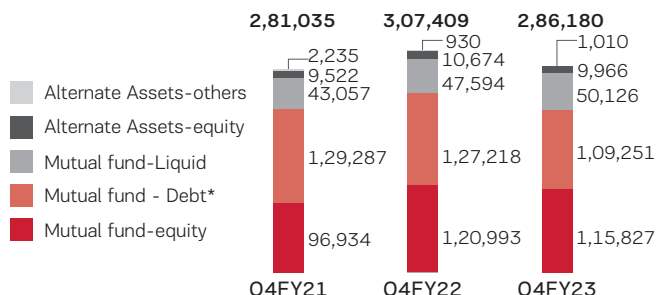


*Mutual Fund Debt includes ETF

Equity MF mix of 42.4%

Total average assets under management

(₹ in Crore)



*Mutual Fund Debt includes ETF

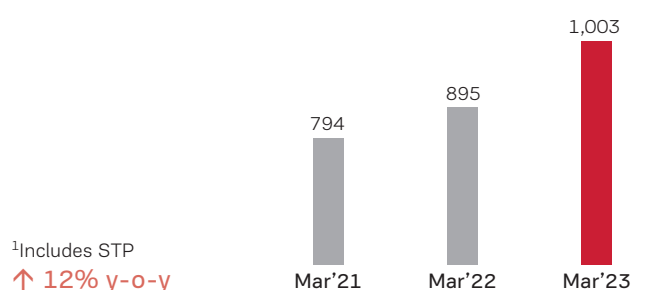
Equity MF mix of 42.1%

Focus on growing the SIP book

Systematic Investment Plan (SIP) is a popular mode of investment for retail investors. As one of the key industry players, ABSLAMC has been proactive with initiatives to increase traction in SIPs. Its constant endeavour has been to build our SIP book size and ensure customer stickiness, while creating long-term value for investors. To achieve this, we launched several initiatives, such as 'Har Ghar SIP', Multi-SIP, Turbo STP, Pro Portfolio and Perquisite SIP targeting employees of mid-size corporates. Through these initiatives, the Systematic Investment Plan (SIP & STP) book crossed the ₹1,000 Crore mark. ABSLAMC increased the SIP & STP book by 12% from ₹895 Crore in March 2022, to ₹1,003 Crore in March 2023.

SIP Book¹

(₹ in Crore)



¹Includes STP

↑ 12% y-o-y

Increasing retail franchise with a focus on B30 Market

Over the last few years, we have dedicated our efforts to expanding our retail franchise and capturing a larger market share from B30 cities. Our Company has expanded its pan-India presence to 290+ locations, with over 80% being in B30 cities. Individual MAAUM in March 2023 was ₹1,40,303 Crore, vis-à-vis ₹1,38,019 Crore in March 2022. The Institutional MAAUM size was at ₹1,27,220 Crore in March 2023 vis-à-vis ₹1,50,612 Crore in March 2022. The B30 MAAUM was at ₹44,846 Crore in March 2023 compared to ₹45,982 Crore in March 2022.

Customer acquisition

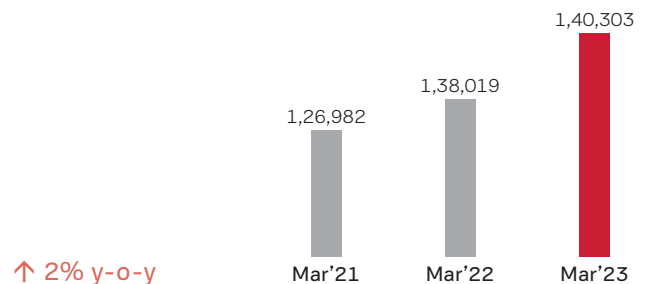
Customer acquisition continues to be a key focus area for our Company. ABSLAMC added around 0.7 million new folios in FY23 and, with this, our overall folio count increased to 8.05 million as on 31st March 2023.



Management Discussion and Analysis (Contd.)

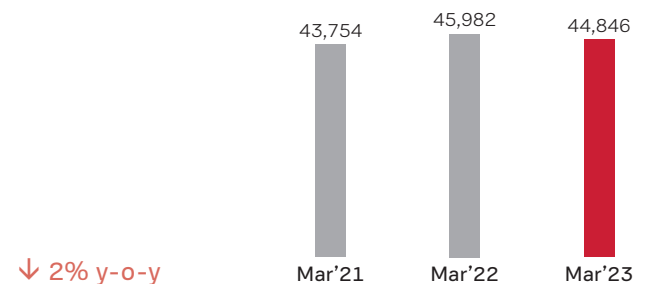
Individual MAAUM

(₹ in Crore)



B-30 MAAUM

(₹ in Crore)



Multi-channel distribution network strategy

As part of its overall strategy, the Company is focusing on building the retail sales segment across T30 (top 30-cities) and B30 markets. ABSLAMC has been strengthening its multi-channel sales ecosystem and distribution network by bringing together the key levers of Emerging Markets, Virtual Relationship Manager, Sampark, Service to Sales, Cross Sell and Up Sell, Direct Channel and Digital Sales. Our Company's multi-channel market initiatives aimed at deepening its presence have yielded positive results.

With Emerging Markets (EM), the aim is to tap into potential rural markets at an early stage to build growth early on. The Company strives to increase traction through various initiatives like investor education programmes and distributor engagement and training. Currently, 70+ EM locations have been converted into branches since initiation.

The Virtual Relationship Manager (VRM) provides virtual assistance and guidance to Mutual fund distributors, with a primary focus on increasing activations, SIPs and gross sales. Under the VRM model, the Company has 2,900+ active

distributors as on 31st March, 2023. Currently, the model operates across 16 touch points in India.

The Company's distribution expansion initiative, 'Sampark', empanels and onboards new distributors. It has simplified distributor empanelment with a one-click, end-to-end digitally enabled journey. Through this initiative, the Company has empanelled 9,000+ distributors.

Customer Service remains a key focus for us as it enables us to build deeper engagement with investors. Service Relationship Managers engage effectively with investors and facilitate their investment decisions. They identify opportunities for winning back, retention and upselling. Currently, the Company has deployed around 230 trained personnel as a single point of contact for guiding and servicing investor needs.

Distribution strength

In FY23, the Company expanded its pan-India network of empanelled distributors to 72,000+ KYD-compliant MFDs, 270+ National Distributors and 80+ banks and financial intermediaries. We continue to expand our distributor base and have empanelled 9,000+ new MFDs in FY23.



290+
Locations



80+
Banks



85+
Emerging Market
Locations



270+
National Distributors



72,000+
MFDs



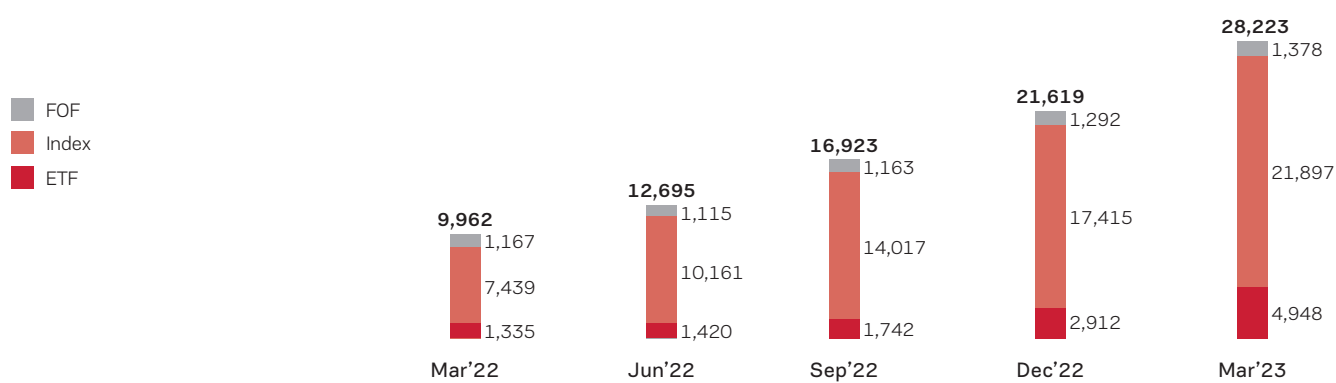
75+
Digital Partners

Scaling the passive and alternate assets business

During the year, the passive product offering yielded positive results wherein the Company's assets grown close to 3 times, from ₹9,962 Crore in March 2022 to ₹28,223 Crore in March 2023. The existing product suite was expanded to 40+ products, with 7 new passive products in the pipeline. The customer base in this category has now grown to 4,96,000 folios.

Passive AUM

(₹ in Crore)



Alternate assets business

The Company continues to build future capabilities by creating differentiated products in AIF/PMS, Offshore, and Real Estate offerings to address the growing needs of HNIs and family offices. During the year, we launched and raised a commitment of ₹734 Crore in India Equity Services Fund (CAT III AIF) and received SEBI clearance for three funds, namely ABSL India Special Opportunities Fund, ABSL India Equity Innovation Fund, ABSL Structured Opportunities Fund.

On the real estate front, the Company successfully completed the first close of Aditya Birla Real Estate Credit Opportunities Fund (Category II AIF) and also deployed the first investment. Due diligence has been completed for one more deal.

In order to serve the large pool of NRI and global investors, the Company has received in-principle approval from the International Financial Services Centres Authority (IFSCA) to launch 'India ESG Engagement Fund' domiciled in GIFT City in April 2023. This will help the Company deliver on the growing needs of the individuals who are keen to invest in India through investments in dollar-based India funds.

Focus on investment performance with a robust risk management framework

The Company is committed to consistent investment performance and we are supported by our stable and experienced investment team with extensive industry experience.

The Company has a robust risk management framework that monitors firm-wide governance, risk and compliance. The Company's risk management systems and procedures demonstrate our commitment to working ethically and functioning profitably while maintaining compliance with best practices and applicable laws, rules, and regulations. These are intended to provide assurance against material misstatements or loss, as well as to ensure the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, and the identification and management of business risks.

OUTLOOK

ABSLAMC has been a leading investment manager that has committedly worked towards achieving financial inclusion, deepening financial markets and developing the mutual funds industry. The Company's strategy remains rooted in its customer-first ethos and our commitment to serve investors over the long term by providing holistic investment solutions and consistent investment performance. With a steadfast commitment to investor interests, the primary focus is on customer experience through a strong risk management and governance framework, research-backed fund management and technology-backed service delivery. This commitment has helped the Company to build its AUM size over the years, as well as develop a robust customer base. While these fundamental principles have enabled ABSLAMC to establish itself in the mutual fund space, they will also guide it towards accelerated growth in the alternative assets space.



Management Discussion and Analysis (Contd.)

Way forward

**Scaling retail franchise and diversifying product offerings**

- Create an ecosystem to support retail sales growth combined with the strength of multiple channels such as Service to Sales, Virtual Relationship Manager (VRM), Emerging Market (EM), Cross Sell and Up Sell, Direct Channel and Digital Sales.
- Grow and diversify product offering using market research and innovation
- Continue to build product portfolio by identifying pockets of product differentiation
- Provide financial literacy to existing and next generation of investors and distributors and contribute to overall financial inclusion in the country.

**Expanding geographic reach and strengthening multi-channel distribution network**

- Continue to increase geographic reach and investor folios by way of increasing customer base in high potential and under-penetrated markets.
- Along with a focus on Mutual Fund Distributors (MFDs), build scale in the banking channel, with a special focus on cooperative and PSU banks to tap into their vast network. Build deeper engagement and loyalty with distributors and customers, resulting in higher wallet share and longevity

**Leveraging digital platforms to deliver better service**

- Leverage digital platforms to increase customer acquisition and enhance customer experience
- Strategic tie-ups and exclusive partnerships with fintech and new-age tech distributors. Leverage API based Plug-n-Play onboarding solutions for fintech partners/co-operative banks
- Focus on leveraging digital capability to provide seamless accessibility and the right experience to customers
- Using digital platforms to identify cross-sell and up-sell opportunities as well as focus on providing better customer service

**Building passives and alternative asset business**

- Focus on scaling passives and alternative assets business including Alternate Investment Fund (AIF)/Portfolio Management Services (PMS), Real Estate and Offshore
- Strategic tie-ups with existing and new partners, and digital platforms exclusively for Passives
- Emphasis on Smart Beta (alternate weighting) passive strategies through Exchange Traded Funds (ETFs), Fund of Funds (FoFs), and Index Funds
- Leverage presence in GIFT City to launch new funds and expand offerings

ADITYA BIRLA SUN LIFE 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 immensely 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

During FY23, the weighted individual new business premium in the life insurance industry grew by 19% y-o-y to ₹1,040 billion of in FY23 from ₹876 billion in FY22. Private insurers grew by 24% y-o-y and Life Insurance Corporation (LIC) of India recorded a growth of 9% y-o-y.

The Group new business premium grew by 20% y-o-y to ₹2,260 billion in FY23 from ₹1,890 billion in FY22. Private insurers grew by 17% y-o-y; LIC of India recorded a growth of 20% y-o-y dominating the line of business at 77% mindshare.

The individual product mix for private players has been broadening from market-linked products historically to non-linked products offering guaranteed savings, pure life protection, participating products, and rising share of annuities to tap new segments of customers. Diversification within savings products, driven by product innovation, changing customer preferences and evolving regulations, has resulted in private life insurers shifting focus from a largely unit-linked dominated product mix to a more diversified one. The pandemic also heightened awareness regarding the importance of insurance and long-term wealth creation, prompting further diversification in the savings segment.

Over the last few years, private insurers have strengthened their efforts in the under-penetrated protection segment. Focus on the retirement space has also increased, given the market opportunity. In FY2023, there was a significant shift towards traditional business for private players, with a focus on non par savings and protection. Both these segments were popular in FY23, given the fact that there is hardly any substitute for long-term insurance products that addresses the risk of loss of life (term protection) and risk of loss of income/longevity risk (annuities, guaranteed products). This is also accentuated by the fact that in uncertain times, people prefer to have certainty when it comes to their savings. New alternatives like return of premium products, value-added riders and combo products are getting launched. These additions, combined with awareness campaigns, are expected to lift growth in the retail protection segment.

On the distribution mix front, there has been a distinct shift with Bancassurance emerging as the primary distribution channel among private sector insurers. This shift is driven by the captive customer base and by leveraging the wide-spread network of bank branches. Currently, with the use of analytics and automated underwriting, insurance companies are collaborating with banks to provide customised offers, which are then integrated into bank systems to create a differentiating factor and improved experience for the customer.

Life insurance 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 the recent years, and several insurance companies have demonstrated a growing interest in listing their products on aggregator portals and websites.

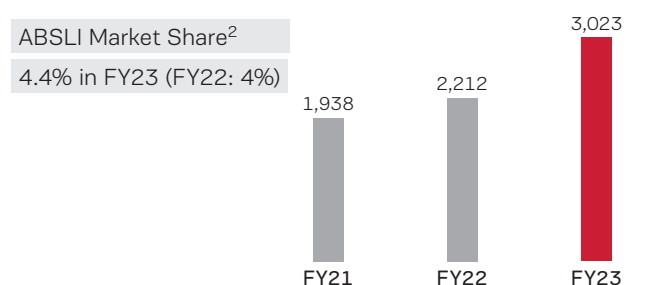
PERFORMANCE REVIEW

ABSLI recorded individual first-year premium (with Single premium @10%) growth of 37% y-o-y to ₹3,023 Crore in FY23, which was significantly higher than private players' growth of 24% y-o-y and industry growth of 19% y-o-y. ABSLI's market share in the individual first year premium among private players increased to 4.4% in FY23 from 4.0% in FY22. The group business grew by 30% y-o-y from ₹3,223 Crore in FY22 to ₹4,189 Crore in FY23. ABSLI's market share in the group new business among private players rose to 7.9% in FY23 from 7.2% in FY22. The overall renewal premium grew 14% y-o-y to ₹7,397 Crore in FY23, of which 77% was collected digitally.

The total gross premium grew by 24% y-o-y to ₹15,070 Crore in FY23. In FY23, ABSLI registered strong growth in both Partnership and Proprietary channels with a balanced sourcing mix of 60:40, respectively. It continued this journey of balanced channel strategy with a pan-India presence in more than 3,500 cities, through over 15,500 bank branches, over 340 own branches and more than 64,000 agents.

Individual FYP¹

(₹ in Crore)



	ABSLI	Private Players	Industry
FY23 Growth	37% y-o-y	24% y-o-y	19% y-o-y

New business sold in FY23 policies grew by 8% over FY22

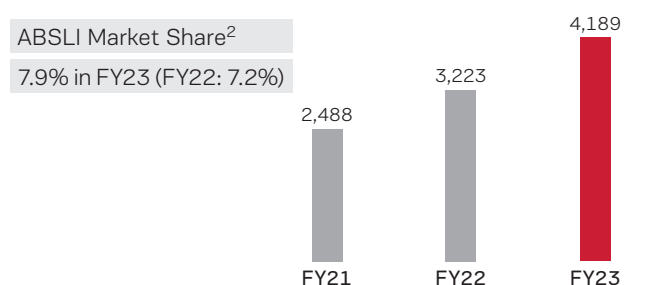
¹ Individual FYP adjusted for 10% of single premium

² Market Share among private players

Source IRDAI

Group New Business Premium

(₹ in Crore)



	ABSLI	Private Players	Industry
FY23 Growth	30% y-o-y	17% y-o-y	20% y-o-y

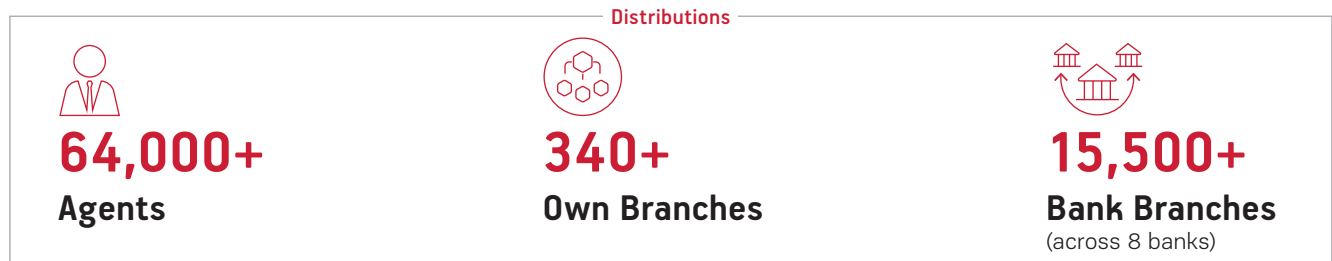
Improvement in Market Share supported by Strong growth in New business

² Market Share among private players Source IRDAI

ABSLI has also collaborated with eight key bank partners and multiple corporate agents and brokers.



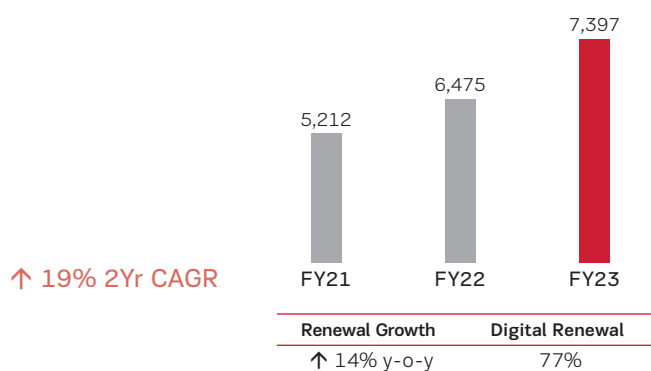
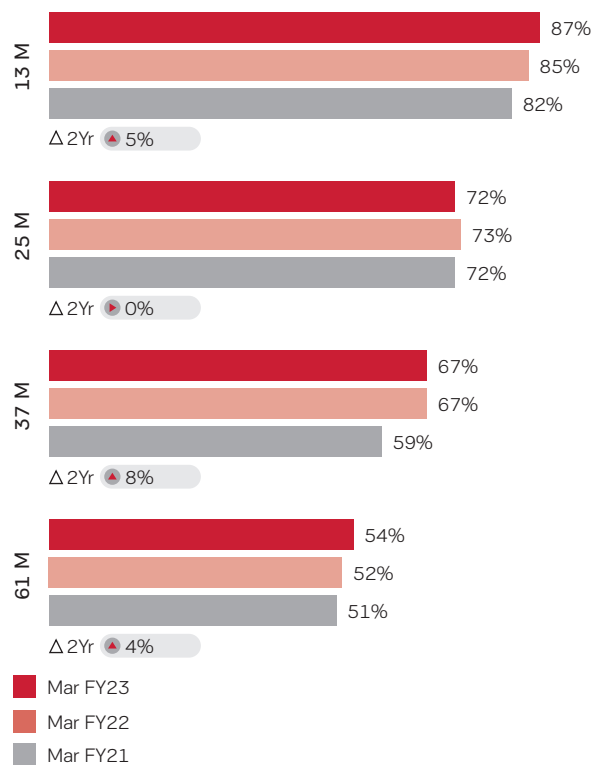
Management Discussion and Analysis (Contd.)



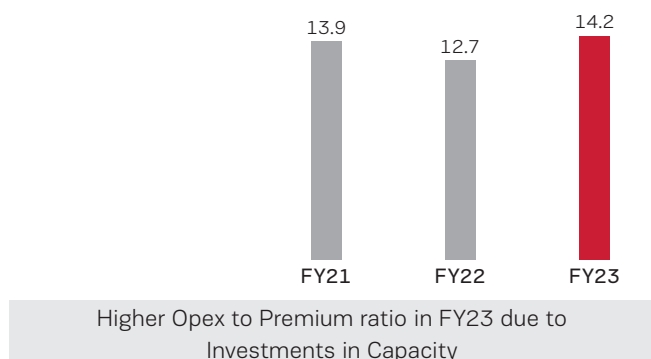
The quality of business continues to be a key focus area for the Company and it made significant progress across several quality parameters. There is continuous improvement in persistency across cohorts. The 13th month persistency ratio improved to 87% in FY23 from 85% in FY22. The longer-term persistency with 61st month also improved to 54% in FY23 from 52% in FY22.

Total Renewal Premium

(₹ in Crore)

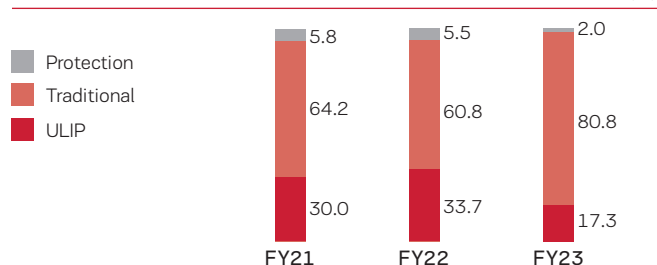
**Persistency¹****Improving Persistency across all cohorts**¹12month rolling block as per revised IRDAI Circular**Opex to premium ratio**

(%)



In line with Industry, the Company has also revised its product mix strategy, reducing the contribution of ULIP products in the overall topline with a shift to non-Par products. It has also helped the Company to generate higher margins. ABSLI launched five products in the guaranteed space with a new Par product with industry-best features. The new products launched in last 12 months contributed to 27% of the overall Individual first year premium for FY23. The ULIP mix saw a reduction in both Proprietary and Partnership channels at 18% & 17% respectively in FY23.

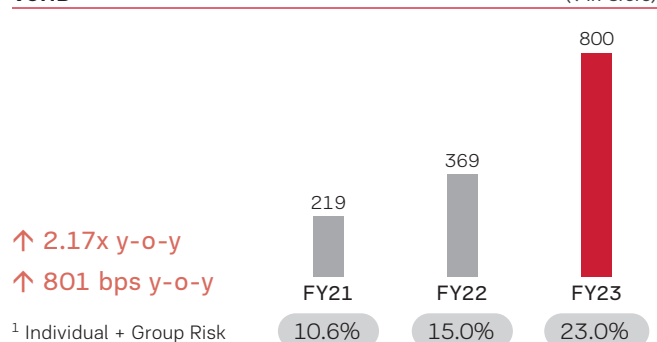
Product Mix



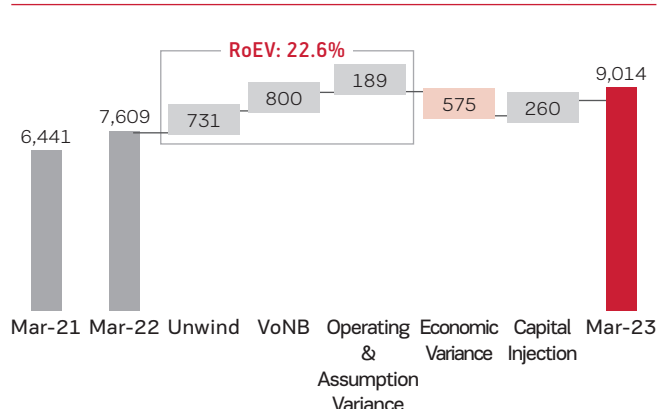
All term policies are 100% medically underwritten to ensure quality of business undertaken. Also, to protect policyholders' guaranteed benefits in low-interest-rate scenarios, we have entered into Forward Rate Agreements (FRA) to protect 100% expected maturity and survival benefits.

The value of new business is one of the most important metrics in the life insurance industry and it measures profitability over the long term. ABSLI has achieved the highest-ever Net Value of New Business (VNB) margin at 23%, with an increase of 801 basis points y-o-y from 15% in FY22. The embedded value increased 18.5% y-o-y to ₹9,014 Crore as on 31st March, 2023, from ₹7,609 Crore as on 31st March, 2022. ABSLI reported a healthy Return on Operating Embedded Value (RoEV) at 22.6%.

VoNB¹



Indian Embedded Value²



2. The methodology, assumptions and the results of base EV and VoNB have been reviewed by Willis Towers Watson Actuarial Advisory LLP

Net Profit Before Tax³ grew 12% y-o-y at ₹196 Crore. The solvency margin was at 1.73 times as on 31st March, 2023, against the regulatory requirement of 1.5 times.

Adopting a digital mindset

Keeping pace with new technology is essential for any organisation focusing on faster deliveries, reduced spending, and enhanced customer experience. The three-to-five-year digital transformation plan depends on creating a culture of continuous learning and required that employees develop a digital mindset.

Higher digital adoption by customers and distributors requires insurers to develop strong technological capabilities and highly efficient platforms, which are powered by analytics, automation, and Artificial Intelligence. Seamless integration of these platforms and processes with the partners' systems is necessary. Customers' expectation of personalised and improved service experience can be addressed using AI, cloud computing, Machine Learning algorithms and bots.

³ Consolidated nos. including Aditya Birla Sun Life Pension Management Company Limited



Management Discussion and Analysis (Contd.)

ABSLI has adopted end-to-end digitalisation. The Company has digitalised its front-end and back-end processes, covering all the major milestones of the policy life cycle. It has customer acquisition assets like Pre-Sales App for Lead Generation Management, Prospective App Sales buddy for assisting advisors, E-App for managing new business digitally, and more. It has automated an AI-driven underwriting system which enables it to auto underwrite policies and acts as an aid to intelligence for acquiring new risk consciously.

OUTLOOK

Going forward, ABSLI will increase its traditional product offerings, including protection in retail segment and focus on growing credit life in group segment. The Company will also continue to make investments in direct channels and PSU relationships to grow mindshare. The aim will be to improve persistency across cohorts and strengthen underwriting by using Artificial Intelligence and Machine Learning. Increasing the share of Proprietary business and agency capacity to drive growth will be a key priority of our Company.

Way forward

 Growth - Grow traditional products including protection in retail segment - Focus on growing credit life in group segment - Continue to make investments in direct channels - Invest in PSU relationships to grow the mindshare	 Risk management and quality - Mitigate interest rate risk by Active forward rate agreement management for hedging expected maturity and survival benefits - Improve persistency across cohorts - Strengthening underwriting by using artificial intelligence and machine learning	 Distribution - Focus on increasing the share of proprietary business - Increase agency capacity to drive growth - Penetrate more Bank partner branches to increase spread of business	 Data Analytics - Analytics based engine to identify high propensity customers and improve upsell opportunities through pre-approved sum assured - Leverage cross-sell in ABC via analytics

Key Financial

(₹ in Crore)

Profit & Loss Statement	FY21	FY22	FY23
Individual first year premium	2,076	2,442	3,484
Group first year premium	2,488	3,223	4,189
Renewal premium	5,212	6,475	7,397
Total gross premium	9,775	12,140	15,070
Operating expenses (Excl. commission)	1,362	1,548	2,142
Profit before tax¹	151	175	196
Profit after tax¹	102	117	129

1 Consolidated nos. including Aditya Birla Sun Life Pension Management Company Limited

(%)

Key Ratios	FY21	FY22	FY23
Opex to premium (excluding commission)	13.9	12.7	14.2
Opex to premium (including commission)	19.1	17.4	19.5
Solvency ratio	180	188	173

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED (HEALTH INSURANCE)

Aditya Birla Health Insurance Co. Limited (ABHI) is a Standalone Health Insurance player (SAHI). It was incorporated in 2015—a collaboration between Aditya Birla Capital Limited (ABCL) and MMI Strategic Investments (Pvt) Ltd. holding 51% and 49% shares, respectively. ABHI commenced its operations in October 2016 and is engaged in the business of providing health insurance. In FY2023, ABHI successfully completed a preferential allotment of equity shares to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly owned subsidiary of Abu Dhabi Investment Authority ("ADIA") for an aggregate consideration of ₹664.27 Crore. Post completion of the transaction, stake of ABCL, MMI and ADIA in ABHI are 45.91%, 44.10% and 9.99% respectively. We are the fastest-growing SAHI player, with differentiated core offerings like incentivised wellness which reward health-conscious behaviour, with industry-first 100% return of premium (HealthReturns™) along with a differentiated health and wellness framework.

INDUSTRY OVERVIEW

Industry performance

India's health insurance industry has seen significant growth in recent years, driven by the rising awareness about the need for health insurance, rising healthcare costs, and government initiatives to promote insurance coverage. The General Insurance industry has been growing at a 3-year CAGR of 11% in FY23, while the health insurance industry grew by 21% y-o-y to ₹97,681 Crore in FY23.

The industry is expected to see this growth momentum continue, driven by a growing middle class, increasing life expectancy, and rising healthcare costs. The Government of India also has a significant role to play in the health insurance industry. It has launched initiatives such as Ayushman Bharat, a programme that has helped increase insurance coverage among the lower-income population and has also created opportunities for both SAHIs and general insurance companies (GIC) to expand their market share. The government has also embarked on a mission of "Insurance for All" by 2047. As the government transitions from being a provider of health services to a funder of health services, the growth of the health insurance sector is imperative in the short and medium term. New products and innovations in currently unfunded areas are also expected to pick up growth momentum.

Industry structure

The health insurance industry in India consists of 29 players, of which 5 are standalone health insurance companies (SAHI) monoline companies that offer only health insurance—and 24 multiline general insurance companies (GIC) that offer health insurance along with other insurance products such as fire, marine, motor and liability, among others. The GICs comprises of 20 private players and 4 government-owned players. The gross premium of SAHI players increased by 26% y-o-y, government GICs increased by 16%, and private GICs increased by 25% y-o-y in FY23. The market share of SAHI players in the Health Insurance segment was 27%, while those of private GICs and government-owned GICs were 31% and 42% respectively in FY23. The market share of SAHI players increased by 94 basis points in the year.

Health Insurance has the following broad customer segments: i) Group segment for Corporates with a share of ~ 48% dominated by public sector undertakings (PSU) insurers; ii) Retail segment with a share of ~ 43%, which has seen relatively higher growth, and iii) Government segment with a share of ~ 9% of the industry.

INDUSTRY OUTLOOK AND OPPORTUNITY

The Indian health insurance industry is undergoing a digital transition as an outcome of technology adoption across different sectors. The adoption and application of AI and ML have drastically improved various facets of the industry. New digital technologies are changing the way customers interact with insurers. The regulator is also leading the digital push with the proposed a one-stop Portal for digital policy sales (Bima Sugam). The portal is on the lines of a marketplace with the consumers, distributors, and manufacturers coming together at one place. This is expected to bring more transparency and choice to the consumer in the long run and will help attract more consumers leading to lower distribution costs.

Health insurance continues to be one of the fastest growing segments in the entire General insurance space. The high growth potential and richer valuations have prompted GI players to increase investments in the health space. Leading GI players continue to invest in the health insurance sector through higher investments in the Agency channel. The digital players are also expected to increase their focus in this sector.

Health insurance penetration in the country is still at a minuscule level due to limited reach, and lack of awareness and education.



Management Discussion and Analysis (Contd.)

This consequent burden is borne by people themselves, and they are not covered by any government or private health insurance scheme. Owing to high demand, public and private players are increasing their offerings and improving the quality of service, to dominate the market. The players are focusing on scaling up their businesses and portfolios to address the high potential of the market. Digital innovations, new product and customer segments and efficient provider networks will continue to drive health insurance growth in the country.

DIFFERENTIATED BUSINESS MODEL AND APPROACH

ABHI's business model is driven by the 'Health First' approach, differentiated core offerings and health data-based risk interventions and hyper-personalisation.

'Health First' approach: ABHI's purpose is to 'Empower and motivate families to prioritise their health and live fulfilling lives'. As a new-age player in the health insurance industry, ABHI's focus has been to attract relatively health-conscious customers with unique 'wellness'-based product proposition that incentivises customers to maintain good health and staying fit. To achieve this, ABHI has created a unique 'Health First' business model that focuses on 'buy and engage', which aims to involve policyholders through health and wellness interactions; influence policyholders to lead healthier lifestyles by rewarding good health through industry-first 100% return of premium, while also funding healthcare expenses. The company with customers' consent collects 360° health data to generate a unique well-being score. This model is strengthened via a wellness ecosystem and care manager-led model that ensures a seamless claims process.

Differentiated core offerings: ABHI offers a wide range of wellness programmes and incentives that encourage policyholders to adopt healthy habits. The differentiated core offerings are centred around incentivised wellness

to reward customers for practising good health behaviours. ABHI HealthReturns™ programme, an industry-first offerings of up to 100% return of premium, has been well-received in the market. It offers a comprehensive product suite catering to all customer segments. This includes offerings ranging from small ticket byte-sized products to global health coverage products, enabling market expansion and targeting newer customer segments to include younger customers and those with lifestyle-related conditions. ABHI is constantly working towards customer segmentation and mapping of customers and distributors by leveraging data enrichment and analytics across the Customer Life-Time Value (CLTV) to identify the right product offerings.

Health data-based risk interventions and hyper-personalisation: ABHI's health and wellness framework emphasises a holistic approach to 'health management, disease prevention and wellness management'. In FY23, the Company scaled up the health proposition by in-housing the health score stratification. This significantly increased analytical capabilities and further enabled the multifold scale up of our 'Health First' proposition. The total number of customers with a Well-being Score has increased to more than 12.8 Lakh as of March 31, 2023.

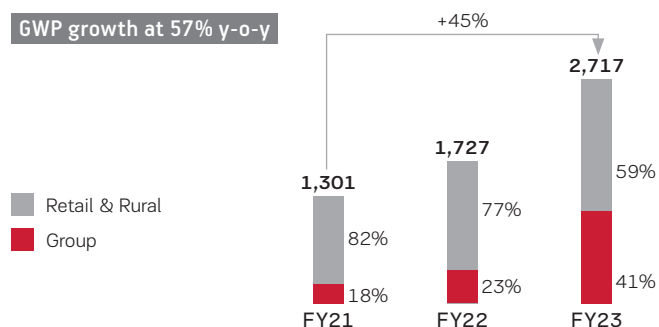
PERFORMANCE REVIEW

ABHI continues to be the fastest-growing SAHI player. The gross written premium (GWP) of ABHI increased by 57% y-o-y to ₹2,717 Crore in FY23. The market share among SAHI players was up by 208 basis points to 10.4% in FY23. The retail business (incl. rural) contributed to 59% of GWP in FY23, of which 87% was issued through auto underwriting. The net loss of ABHI decreased to ₹220 Crore in FY23 from ₹311 Crore in FY22. ABHI continues to make investments towards funding new business growth, creation of new distribution networks and increasing product offerings.

Revenue

(₹ in Crore)

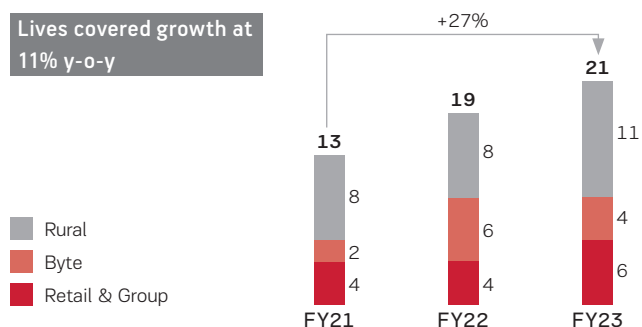
GWP growth at 57% y-o-y



Lives covered

(Mn.)

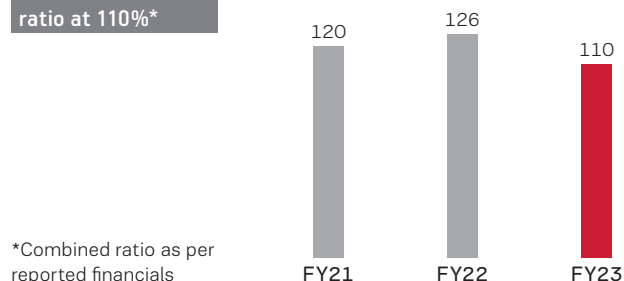
Lives covered growth at 11% y-o-y



Combined Ratio*

(%)

FY23 exit combined ratio at 110%*

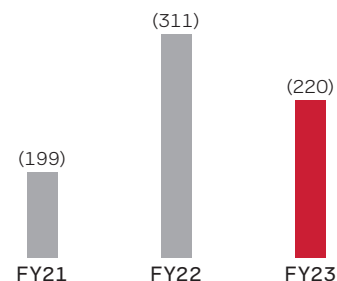


*Combined ratio as per reported financials

Profit Before Tax

(₹ in Crore)

FY23 PAT at (220) Cr.



Distributions


85,000+
Agents

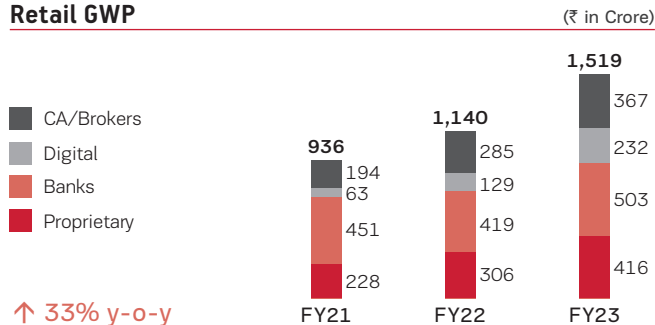

200+
Branches


17
Banca Partners



Management Discussion and Analysis (Contd.)

Retail GWP



The distribution channel is the backbone for the Company to reach the customers. The Company has the most diverse distribution mix among our peers, with the Proprietary channel distribution mix being the largest one at 27%. Agency growth agenda is imperative for us. The Company's agent network has grown significantly, with 85,000 agents—an increase of 35% from FY22. The entire agency expansion has been facilitated through the One ABC branch expansion programme, leading to cost efficiency and access to the agents of One ABC. Additionally, we are investing in the One ABC Select Agents programme to enhance agent vintage and productivity. During the year, the Company increased the strength of its sales force from 3,000+ to 4,000+ people. The increase will help it to grow multifold during FY23.

The Company has distribution tie-ups with 15 private banks and two PSU banks. During FY23, the Company entered into partnerships with three private banks and two PSU banks. The Company continues to focus on gaining access to higher number of private bancassurance partnerships to further increase our distribution reach in the bancaassurance channel.

The Company is a pioneer in the byte and contextual space with tie-ups across unique distribution platforms. The proposed EOM guidelines/Commission guidelines have created short term disruptions. ABHI believes in the potential of its differentiated health insurance model and the growth prospects of the industry in the medium to long term.

In the Group segment, the focus of the Company is to write value-accretive Group business. The focus is to write medium-size business bundled with Cross Sell and Upsell opportunities. The Company has diversified its Group portfolio through the SME and Creditor business. It is also leveraging new client segments, including large corporates and SMEs, for business.

Digital channel for acquisition

ABHI continues to invest in customer and distribution digital assets, which are core to its operations. Further, the basic premise of ABHI's differentiated operating model continues to be its focus on hyper- personalised customer engagement by leveraging digital capabilities. This requires the Company to further invest in the digital health ecosystem on which we continue to remain focused. The Company has launched a freemium version of its digital Activ Health App in FY23 which will enable customers to experience ABHI's wellness offerings including the "Well-being Score" at scale. This freemium version of the app provides wellness benefits through a combination of free and discounted offerings. It is expected to increase customer engagement and enable the Company to expand its wellness offerings and broaden the health ecosystem.

Product performance

Most Diverse Product Suite for Diverse Customer Segments & Channels

Product Innovation & Market Expansion

- ▶ **Incentivise Wellness**
Upto 100% of Health Returns contributing 50%+ business
- ▶ **Chronic care & Critical Illness**
ABCD | Cardiac | Cancer
- ▶ **Segment Specific**
Young & Healthy | Senior citizen
- ▶ **Byte & Contextual**
Ride | Travel | Telco | Gym | contributing 8% in retail business
- ▶ **Innovative suite**
1cr Super top up | Retail & Corporate OPD

Segmented Product -New Product ACTIV FIT

- ▶ Targeting **42.6 crs**, millennials -**34%** of India's population
Product Features:
- ▶ 10% Early Bird discount at **<35 years age**
- ▶ Earn up to **50%** Health Returns™
- ▶ 10% discount on **Industry 1st digital Face Scan**
- ▶ **100% unlimited** Sum Insured Refill | Maternity & Modern treatments

The Company continues to focus on key health segments for our differentiated 'Health First' model. The key customer segments identified by the Company are:

(1) **The relatively health conscious:** During the year, the Company launched an industry-first millennial product called Activ Health targeting the millennial segment. It provides industry-first features of face-scan-based discounts and early-age discounts for the customers. The product has been well received by customers since its launch across all major distribution channels.

(2) **People with lifestyle diseases:** This focuses on those who are typically denied insurance benefits. Through the Chronic Management Plan, the Company has made a successful foray into this segment.

(3) **Products for the salaried segment:** The bancassurance channel provides ready access to a large pool of salaried class customers. Simplified customer journeys along with product proposition have been designed to cater to the specific needs of customer of this target segment.



Management Discussion and Analysis (Contd.)

OUTLOOK

Healthcare today is one of India's largest sectors, both in terms of revenue and employment. It is growing at a remarkable pace due to increased digital adoption, wide coverage, increasing variety of services, and rising expenditure by public as well as private players. With challenges in other retail lines of business, general insurers have aggressively started pursuing the health opportunity.

Sustained growth strategy

Going forward, ABHI will continue with its differentiated 'Health First' approach for better risk selection and risk pool management, leading to lower claims for engaged customers. The Company continues to expand a diversified distribution that utilises conventional and new-age digital platforms to deliver economies of scale. The Company will continue to leverage the co-located branch infrastructure, variabilised agency model and increased branch presence across bancassurance partners. In addition to physical footprint, it will leverage the internal synergies with Aditya Birla Capital Digital to increase customer base.

Combined ratio management

ABHI's combined ratio improved to 110% in FY23, from 126% in FY22. It follows a three-pronged approach to manage the combined ratio:

- Pricing and sourcing management:** The prices of products have been increased in line with market & claims experience across flagship products across all channels and partners. Underwriting guidelines have been further strengthened with telephonic and video interview (Tele/Video MER) across specific customer segments. The Fraud, Waste and Abuse (FWA) triggers have been enhanced to further identify FWA. Cashless claims now account for significant part of total claims, enabling better case management opportunities as compared to reimbursement claims. The adoption of digital platforms has further enhanced case management capabilities.
- Robust claims and provider management:** ABHI continues to focus on better Provider Network Management with consistent focus on improving network coverage, higher package rates vs open rates, continuous review of network hospitals and blacklisting hospitals with FWA tendencies.
- Expense management:** ABHI uses various initiatives such as scaling up agency network with variable pay, resource sharing based on geography, and commercial renegotiations with partners based on actual claims experience.

Key Financial

(₹ in Crore)

Profit & Loss Statement	FY21	FY22	FY23
Retail Premium	936	1,140	1,519
Rural Premium	126	169	86
Group Premium	239	418	1,112
Gross Written Premium	1,301	1,727	2,717
Revenue (IND AS)	1,202	1,631	2,566
Operating expenses (including claims) (INDAS)	1,401	1,942	2,786
Profit before tax (IND AS)	(199)	(311)	(220)

ADITYA BIRLA MONEY LIMITED (STOCKS & SECURITIES)

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

INDUSTRY OVERVIEW

Indian stock market has seen volatile in FY23 amid aggressive monetary policy stance by global central banks, the Russia-Ukraine war, high inflation, and outflows from overseas funds. Nifty and Nifty Midcap 100 were flat in FY23 while the small-cap was down by 4%. Despite all these challenges, India was still the second-best performer among the emerging markets in FY23 after South Africa. The outperformance was mainly because of ₹2.6 trillion net inflows from domestic institutional investors compared to around ₹2 trillion outflows by Foreign institutional investors.

Retail broking businesses continue to improve their market share through digital initiatives. The rise of discount brokers has made it easy to invest in financial markets via zero brokerage, e-KYC and user-friendly mobile-based platforms which has made stock buying as seamless and intuitive as shopping online. Quick and paperless onboarding, UPI-based fund transfers, and a stable and scalable product have enabled equity participation for every Indian. The number of demat accounts in India rose to ₹11.4 Crore in March 2023 from ₹9 Crore in March 2022, registering a growth of 27%. Penetration of demat accounts in India increased from 6.4% to 8.1% on a YoY basis. During FY23, the flat to lower market has caused cash volume to correct by almost 20% YoY to ₹53,564 Crore ADTO, while derivative ADTO more than doubled to ₹152 trillion.

Key Financial

(₹ in Crore)			
Profit & Loss Statement	FY21	FY22	FY23
Customers (Active)	1.2 Lakh	1.3 Lakh	2.0 Lakh
Revenue	192	233	267
PBT	22	36	47

PERFORMANCE REVIEW

The Company recorded Revenue from Operations of ₹267 Crore for the year ended 31st March 2023 as compared to ₹233 Crore during the previous year, an increase of 14% led by higher broking and interest income. The Profit after Tax stood at ₹47 Crore for the year ended 31st March 2023 as compared to ₹36 Crore in previous financial year, an increase of 31%.

OUTLOOK

With the on-going global macro challenges and a reasonable base of FY23, India's GDP growth is likely to slow its pace next year. RBI expects India's GDP to grow by 6.5% for FY24, with growth expected to be strong in Q1 and then gradually taper for the balance of quarters. On the Inflation front, though crude oil and commodity prices have corrected, their future trajectories remain uncertain, as revival in demand from countries recovering from pandemic could result into upswing. The broking industry has gone through a significant transformation over the years. Amongst the key changes are massive digitisation, focus on value-added services and a move from transactional to fee-based revenue models. The industry has seen higher volumes from retail investors post the pandemic when the market was in a bull run, but whether the pace will continue in a sideways or a bear market will be key to watch. However, the financialisation of savings and equitisation of financial savings is still at a very nascent stage with a demat account penetration of just about 8.1%. The Company will continue to focus on technology, drive client acquisition, increase its business partner network, rationalise cost and provide efficient trading tools and value-added research recommendations to its clients. The overall strategic focus is to create product and service differentiators across all segments. However, any stringent regulations from SEBI regarding such as client float, options trading, etc. shall have a bearing on the retail broking industry.



Management Discussion and Analysis (Contd.)

ADITYA BIRLA INSURANCE BROKERS LIMITED (GENERAL INSURANCE BROKING)

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

INDUSTRY OVERVIEW

The Indian insurance industry earned a total premium of ₹ 6.3 lakh Crore for FY23 of which Rs. ₹3.7 lakh Crore were from Life Insurance segment (First year premium) and ₹2.6 lakh Crore were from the General Insurance segment. The sheer size and growth potential due to low penetration and growing economy makes it one of the most attractive investment opportunities. However, penetration and density have remained low, indicating the need to address challenges, which impede growth.

Gross Premium underwritten by the Non-Life Insurers in India has grown by 16% from ₹2,20,700 Crore in FY22 to ₹2,56,912 Crore in FY23 (Source: GIC Council). Health insurance continues to be the largest insurance segment buoyed by a growth in Group Health Premiums (26% YoY), Govt. Health schemes (41% YoY) and Retail Health (15% YoY). Hence the top 4 contributors in Non-Life Industry Premium were Health Insurance, Motor Insurance (OD & TP), Crop Insurance and Fire Insurance segments respectively with about 35%, 32%, 12% and 9% share respectively. While Property segment showed a YoY growth of 11%, Health segment showed a robust YoY

growth of 23% mainly on account of hardened premiums due to high claims made on the Group Insurance front coupled with sustained demand for retail Health Insurance Policies and increased government spending on Health Insurance. Motor Insurance bounced back with 15% growth with rebound in automotive sales post resolution of the industry wide semi-conductor shortage challenge. (Source: GI Council).

PERFORMANCE REVIEW

ABIBL's overall premium shrank by 2% from ₹5,687 Crore to ₹5,598 Crore and revenue shrank by 11% from ₹691 Crore to ₹618 Crore; however profitability (PBT) increased by 13% from ₹86 Crore to ₹97 Crore, another record high on account of improved margins in the Retail & Reinsurance segment due to cost efficiencies and higher productivity.

OUTLOOK

Insurance broking is the only channel, which represents customers and not insurers. The unique role of the broking channel is recognised by the regulator, insurers and customers. Despite the robust growth over the years, penetration and density have continued to remain low and impede higher growth, indicating the need to address challenges. Although the broking channel is still evolving it is currently the only channel that continues to meet risk management requirements of customers comprehensively.

ABIBL places strong emphasis on retention of its clients across the Corporate, Retail & Reinsurance lines of business. Various initiatives have been implemented for enhancing corporate business by targeting large corporate clients through its sector specific approach. Further ABIBL has been utilising the post-covid scenario to capitalise and build on its digital assets which are used across all the lines of business by several stakeholders.

Key Financial

(₹ in Crore)			
Profit & Loss Statement	FY21	FY22	FY23
Premium Placement	4,852	5,687	5,598
Revenue	591	691	618
PBT	71	86	97

RISK MANAGEMENT

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

Traditional risk and control indicators serve an important purpose for financial institutions to determine their risk appetite. Technology has made it possible to use an increasing amount of data in analysing risk scenarios and identifying their possible impact on business strategies. At Aditya Birla Capital, we have created a framework that combines the traditional approach and modern data-driven approach to facilitate risk management.

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, liquidity management and high governance standards.

INTERNAL CONTROL SYSTEMS

Our Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing 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 controls and governance processes. The framework is commensurate with the nature of the business and the 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 and is approved by the Audit Committee, which regularly reviews compliance.

CAUTIONARY STATEMENT

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

This Management Discussion and Analysis does not constitute a prospectus, offering circular or offering memorandum, or an offer to acquire any of the Company's equity shares or any other security, and should not be considered as a recommendation that any investor should subscribe for or purchase any of our Company's shares. Our 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.

Our 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 upto 31st March, 2023 have been covered in the Management Discussion and Analysis.



Board's Report

Dear Members,

The Board of Directors of Aditya Birla Capital Limited ("your Company" or "the Company" or "ABCL") is pleased to present the 16th (Sixteenth) Annual Report and the Audited Financial Statements (Consolidated and Standalone) of the Company for the financial year ended 31st March 2023 ("financial year under review").

FINANCIAL SUMMARY AND HIGHLIGHTS

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

The Company's financial performance for the financial year ended 31st March 2023 as compared to the previous financial year ended 31st March 2022 is summarized below:

(₹ in crore)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	27,415.65	22,229.91	218.56	452.71
Profit Before Share of Associates and Joint Ventures and Tax	5,362.66	1,945.82	184.20	419.05
Share of Profit of Associate/Joint Venture Companies	272.57	340.90	-	-
Profit/ (Loss) before Tax	5,635.23	2,286.72	184.20	419.05
Tax Expense	811.16	626.65	42.91	74.36
Profit/ (Loss) after Tax Attributable to:	4,824.07	1,660.07	141.29	344.69
Owners of the Company	4,795.77	1,705.97	141.29	344.69
Non-Controlling Interest	28.30	(45.90)	-	-
Other Comprehensive Income Attributable to:	(102.29)	(35.69)	(0.40)	0.03
Owners of the Company	(40.44)	(3.54)	(0.40)	0.03
Non-Controlling Interest	(61.85)	(32.15)	-	-
Total Comprehensive Income Attributable to:	4,721.78	1,624.38	140.89	344.72
Owners of the Company	4,755.33	1,702.43	140.89	344.72
Non-Controlling Interest	(33.55)	(78.05)	-	-
Profit/ (Loss) attributable to owners of the Company	4,795.77	1,705.97	141.29	344.69

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

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

For the financial year ended 31st March 2023, on a Standalone basis revenue of the Company was ₹ 219 Crore and Net Profit was ₹ 141 Crore.

Key Highlights of the Company's Consolidated Performance for the Financial Year Ended 31st March 2023 are as under:

- Strong performance with accelerated growth momentum across businesses
- Consolidated Revenue: ₹ 27,416 Crore (grew 23 % year on year)
- Consolidated Net Profit (excluding fair value and stake sale gains) : ₹ 2,057 Crore (grew 33% year on year)
- Active customer base at ~38 Million (grew 8% year on year) aided by focus on granular retail growth across all businesses of the Subsidiaries and Associate(s).
- Overall AUM across asset management, life insurance and health insurance at over ₹ 3.6 lacs Crore (de-grew 3% year on year)

Board's Report (Contd.)

- Overall lending book (NBFC and Housing Finance) at ₹ 94,364 Crore (grew 40% year on year)
- Gross premium (across Life and Health Insurance) at ₹ 17,787 Crore (grew 28% year on year)

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

ACCOUNTING METHOD

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

In accordance with the provisions of the Act, applicable Accounting Standards, the SEBI Listing Regulations, the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2023, together with the Auditors' Report form part of this Annual Report.

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

MATERIAL EVENTS DURING THE YEAR

There were no material events during the year having an impact on the Company's business.

HOLDING/ SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES COMPANIES

Holding Company

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

Subsidiaries and Associates

As a Core Investment Company, the Company is primarily a Holding Company and holds investments in its group companies (Subsidiaries, Joint Ventures and Associates).

As on 31st March 2023, the Company had 18 (Eighteen) Indian Subsidiaries, 5 (Five) Foreign Subsidiaries (including step down Subsidiaries) and 1 (One) Associate.

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

During the financial year under review, the major changes with respect to the Subsidiaries and Associate(s) of the Company were as under:

- Aditya Birla Health Insurance Co. Limited ("ABHI"), a non-material Subsidiary of the Company, on 21st October 2022, allotted 5,07,07,454 (Five Crore Seven Lakh Seven Thousand Four Hundred and Fifty Four) fully paid-up Equity Shares of ₹ 10/- each on private placement basis to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited ("Allottee"), being a wholly owned subsidiary of Abu Dhabi Investment Authority ("Investor") for an aggregate consideration of ₹ 664,26,76,474/- (Rupees Six Hundred Sixty Four Crore Twenty Six Lakh Seventy Six Thousand Four Hundred and Seventy Four Only). Pursuant to the above allotment of Equity Shares, the Investor owns 9.99% stake, the Company holds 45.91% stake and Momentum Metropolitan Strategic Investments (Pty) Ltd holds 44.10% stake, respectively, in ABHI. Hence, it ceased to be a Subsidiary of the Company and became an Associate of the Company w.e.f. 21st October 2022.
- Vide publication of the notice in Form No. STK- 7 (Notice of striking off and dissolution) in the Official Gazette on 21st January 2023, ABCAP Trustee Company Private Limited ("ABCAP") a wholly owned subsidiary of the Company, was voluntarily struck-off from the Register of Companies by Registrar of Companies, Mumbai, Maharashtra. Hence, it ceased to be a Subsidiary of the Company.
- Aditya Birla Capital Digital Limited ("ABCDL") was incorporated as a wholly owned subsidiary of the Company with effect from 23rd March 2023.
- On 27th March 2023, the Board of Directors, subject to requisite approvals, approved the sale of the Company's entire stake of 25,65,103 (Twenty Five Lakh Sixty Five Thousand One Hundred and Three) fully paid-up Equity Shares of ₹ 10/- each in Aditya Birla Insurance Brokers Limited ("ABIBL") (a non-material subsidiary of the Company), representing 50.002% of the issued and paid-up share capital of ABIBL to Edme Services Private Limited ("Purchaser"), an affiliate of Samara Alternate Investment Fund. As on the date of this



Board's Report (Contd.)

report, approval of Insurance Regulatory and Development Authority of India ("IRDAI") for the sale of shares was awaited.

MATERIAL SUBSIDIARIES

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

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

With effect from 1st April 2023, Aditya Birla Housing Finance Limited has ceased to be a Material Subsidiary of the Company as per Regulation 16(1)(c) of the SEBI Listing Regulations.

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

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

TRANSFER TO RESERVES

For the financial year ended 31st March 2023 an amount of ₹ 28.26 Crore was transferred to Special Reserve in terms of Section 45-IC of the RBI Act.

DIVIDEND

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

SHARE CAPITAL

As on 31st March 2023, the Company's paid-up Equity Share Capital was ₹ 24,17,99,40,420 divided into 2,41,79,94,042 Equity Shares of ₹10 each.

On 11th May 2023, the Board of Directors have approved the raising of funds, inter alia, by way of issuance of Equity Shares, global depository receipts, American depository receipts, foreign currency convertible bonds fully/partly convertible debentures, non-convertible debentures, and/or any other financial instruments convertible into equity shares (including warrants, or otherwise, in registered or bearer form) and/ or any security convertible into equity shares or combination of any of the aforementioned securities in one or more tranches through one or more public and/ or private offerings including by way of a qualified institutional placement or any combination thereof or any other method as may be permitted under applicable laws to eligible investors and in such manner and on such price, terms and conditions, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and applicable provisions of the Companies Act, 2013 and rules issued thereunder, as amended in each case, the enabling provisions of the Memorandum and Articles of Association of the Company and any other provisions of applicable laws, for an aggregate amount not exceeding ₹ 3,000 Crore (Rupees Three Thousand Crore Only) subject to such regulatory/ statutory approvals as may be required, including the approval of the Shareholders of the Company in the general meeting. The proceeds from the aforesaid proposed fund raising are intended to be utilised for meeting funding requirements and growth objectives of the Company and its businesses including but not limited to supporting growth in lending and insurance businesses, strengthening digital offerings, meeting capital adequacy and solvency related requirements and other business and general corporate purposes.

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

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

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

DEPOSITORY

As on 31st March 2023, out of the Company's paid-up Equity Share Capital comprising of 2,41,79,94,042 Equity Shares, 2,39,12,85,302 Equity Shares (98.89%) were held in dematerialised mode.

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

RESOURCE MOBILISATION

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

INVESTMENT IN SUBSIDIARIES AND ASSOCIATE(S)

During the year under review, the Company subscribed to Equity Share Capital in the following Subsidiaries/ Associate(s):

Name of Subsidiary/ Associate(s)	Amount of capital infused (Equity Shares) (₹ in Cr)
Aditya Birla Health Insurance Co. Limited	145.35
Aditya Birla Sun Life Insurance Company Limited	132.60
Aditya Birla Capital Digital Limited	25.00

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

CREDIT RATING

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

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

Sr. No.	Nature of Instrument	Name of Instrument	Name of Credit Rating Agency	Amount Rated (₹ in Cr)	Current Rating
1	Short Term Instrument	Commercial Paper	CRISIL	900	A1+
2	Short Term Instrument	Commercial Paper	ICRA Ltd	900	A1+
3	Long Term Instrument	Non-Convertible Debenture	ICRA Ltd	200	AAA

PUBLIC DEPOSITS

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

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

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

However, some of the steps taken by the Company along with its Subsidiaries/ Associate(s) for conservation of energy include:

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

**Board's Report (Contd.)**

continuous monitoring and control of the operations of the air conditioning equipment as well as elimination of non-recyclable plastic in offices.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the financial year under review as well as during the previous financial year. The foreign exchange outgo during the financial year under review was ₹ 0.52 Crore as compared to ₹ 0.09 Crore, during the previous financial year.

PARTICULARS OF EMPLOYEES

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

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Company forms part of the top 1000 listed entities on BSE and NSE as on 31st March 2023. Accordingly pursuant to Regulation 34(2) of SEBI Listing Regulations, Business Responsibility and Sustainability Report forms part of this Annual Report. The report is also available on the Company's website at <https://www.adityabirlacapital.com/%20investor-relations/financial-reports>.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

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

CHANGE IN NATURE OF BUSINESS

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

EMPLOYEE STOCK OPTION PLAN**Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022**

Pursuant to the approval of the members received through Postal Ballot on 16th October 2022, the Company has adopted "Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022" ("Scheme 2022") for the benefit of the employees of the Company and its Subsidiaries, Associates and Group companies.

Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2017 and ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017

The Company also adopted "Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2017" ("Scheme 2017") for the benefit of the employees of the Company and its Subsidiaries and "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.

Scheme 2022, Scheme 2017 and ABCL Incentive Scheme are hereinafter collectively referred to as the "ESOP Schemes".

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

Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019

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

Further details on the ESOP Schemes and the SARs Scheme 2019 are provided in the Corporate Governance Report which forms part of this Annual Report.

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

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

Certificates from the Secretarial Auditors on the implementation of the ESOP Schemes will be made available via electronic mode at the ensuing 16th (Sixteenth) Annual General Meeting ("AGM") of the Company for inspection by the Members.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY AND ASSOCIATE COMPANIES

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

RISK MANAGEMENT

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

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

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

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

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

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

The Company is a CIC and the risks therefore largely relate to investments made in its Subsidiaries/ Associate(s). The operations of each of the Subsidiaries/ Associate(s), the risks faced by them and the risk mitigation tools used to manage them are reviewed periodically by their Risk Management Committees and Boards of Directors.

Over the years, the Company and its Subsidiaries/ Associate(s) have built a strong Risk Management Framework supported by well- established policies and procedures and a talented pool of Risk Professionals.

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

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



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

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

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

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

Business Continuity

The Company and its Subsidiaries/ Associate(s) have well-documented Business Continuity Management Programmes which have been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery framework has been put in place to ensure uninterrupted operations and service to customers.

In view of the increased move to digital modes of business and adoption of new technologies, there was an enhanced focus on Cyber Security and the Company and its Subsidiaries/ Associate(s) continued to invest in a strong Cyber Defence Programme.

The Risk Management teams of the Company and its Subsidiaries/ Associate(s) are continuously scanning the internal and external environment to identify Risks and also to capitalise upon the opportunities presented in the environment.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

Prior approval of the Audit Committee is obtained for all Related Party Transactions ("RPTs") including omnibus approval for transactions which are of a repetitive nature and entered into in the ordinary course of business and at arm's length in accordance with the Policy on Related Party Transactions of

the Company. A statement on RPTs specifying the details of the transactions pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee.

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

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

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

The Policy on Related Party Transactions as approved by the Audit Committee and the Board, is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

INTERNAL FINANCIAL CONTROLS

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

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

INTERNAL AUDIT

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

The Company has implemented a RBIA Programme in accordance with the requirements of RBI circular dated 3rd February 2021. The Internal audit plan is approved by the Audit Committee and Internal audits are undertaken on a periodic basis to independently validate the existing controls. Internal Audit Reports are regularly reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the Annual Accounts for the financial year ended 31st March 2023, the applicable Accounting Standards have been followed and there were no material departures from the same;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of the profit/ loss of the Company for the financial year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts on a 'going concern basis';
- v) the Directors had laid down Internal Financial Controls and that such Internal Financial Controls were adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment / Re-Appointment / Resignation of Directors

As on 31st March 2023, the Board of Directors of the Company ("the Board") comprised 8 (Eight) Directors including 1 (One) woman Director.

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

Retirement by Rotation

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, Dr. Santrupt Misra (DIN: 00013625), Non-Executive Non-Independent Director retires from the Board by rotation at the ensuing AGM of the Company. Although being eligible, he has not offered himself for re-appointment.

Declaration by Independent Directors

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

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

All Independent Directors of the Company have registered their name in the data bank maintained with the Indian Institute of Corporate Affairs in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Key Managerial Personnel

Mr. Ajay Srinivasan stepped down as Chief Executive Officer (CEO) of the Company w.e.f. 30th June 2022. Mrs. Vishakha Mulye took over as CEO w.e.f. 1st July 2022.

Mrs. Vishakha Mulye, CEO, Mrs. Pinky Mehta, Chief Financial Officer (CFO) and Mr. Amber Gupta, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company as on



Board's Report (Contd.)

31st March 2023 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.

Fit and Proper Criteria

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

ANNUAL PERFORMANCE EVALUATION

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

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

Outcome of the Evaluation

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

MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 10 (Ten) times on 23rd April 2022, 6th May 2022, 12th May 2022, 6th June 2022, 3rd August 2022, 11th August 2022, 8th September 2022, 7th November 2022, 2nd February 2023 and 27th March 2023.

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

Audit Committee

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

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

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

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

Nomination, Remuneration and Compensation Committee

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

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

During the year under review, RBI has issued Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs which came into effect from 1st April 2023.

The Executive Remuneration Philosophy/ Policy of the Company which was formulated under the provisions of Section 178(3) of the Act and SEBI Listing Regulations, was amended with effect from 1st April 2023 to align with the directions/ guidelines/ framework issued by RBI as applicable. The said Policy is attached as **Annexure III** to the Board's Report and the same is uploaded on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

Other Committees

The Board of Directors has also constituted the following Committees:

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

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

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 of the Company for the financial year 2022-23 is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

AUDITORS

Statutory Auditors, their Report and Notes to Financial Statements

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

B S R & Co. LLP have confirmed that they are not disqualified from continuing to act as Statutory Auditors of the Company and that they comply with the eligibility criteria/ requirements specified under the RBI Circular for FY 2023-24.

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.

Secretarial Audit and Secretarial Compliance Report

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

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

Cost Records and Auditors

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

Reporting of Frauds by Auditors

None of the Auditors of your Company, i.e., the Statutory Auditors and Secretarial Auditors has 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.

CORPORATE SOCIAL RESPONSIBILITY

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

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

During the financial year under review, the Company was not required to make any expenditure towards CSR projects, in absence of average net profit for three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Act. Accordingly, no CSR activity was



Board's Report (Contd.)

undertaken by the Company. Considering that the Company was not required to contribute any amount towards CSR activities, report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has not been furnished.

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

RBI REGULATIONS

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

RBI has issued guidelines on 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' vide its Circular No.

RBI/2021-22/112 Ref.DOR.CRE. REC.No.60/03.10.001/2021-22 dated 22nd October 2021 ("SBR Framework"), which came into effect from 1st October 2022. As per the SBR Framework, the Company being a Core Investment Company has been classified under Middle Layer.

HUMAN RESOURCES

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

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

As on 31st March 2023, the employee strength of the Company was 27 and along with the Subsidiaries and Associate(s) it had 34,000+ employees.

The workforce along with Subsidiaries and Associate(s) comprises of more than 69% millennials and 29% women as on 31st March 2023.

Talent Management

Building a strong future ready talent pool and robust leadership succession pipeline continue to be priority areas for us in Talent Management. We focus on creating well rounded leaders who are passionate about value creation for customers and execution excellence.

In the last 2 years:

- More than 55 leaders have undergone a bespoke comprehensive leadership development journey curated in partnership with Harvard Business Publishing.
- 70 members from our talent pool in middle management were covered in our flagship leadership development program preparing them to take on larger roles.
- 570+ employees across levels moved into new / larger roles helping them advance in their career

Additionally, focus on building future ready skills in the areas of Digital, Technology, Risk and Analytics has been ongoing

during the year. Through various initiatives and partnerships with global organizations, we have continued our focus on building skills in these areas.

Employee Wellness and Engagement

Our endeavor to provide a happy, vibrant and engaging work environment continued during the year.

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

At Aditya Birla Capital (ABC), we consider employee health and wellbeing to be a non-negotiable proposition. We believe that focusing on employee health and wellbeing results in a happier workforce which further creates a positive impact on customer satisfaction and retention. Being in a people-oriented business, we consider employee well-being a strategic imperative. We proactively design and implement various wellness solutions across our business units and workforce group year on year.

Our framework focuses on Integrated and Holistic Wellbeing covering not just the Physical Wellbeing of employees but also Emotional or Mental Wellbeing, Financial Wellbeing, Intellectual Wellbeing and Social Wellbeing. Close to 5,000 employees are active on the wellness app and benefit from the holistic digital wellness support. We have also empaneled with doctors and counsellors to provide preliminary medical consultations in our corporate offices and on-call consultations for our employees and their families in emergency cases. Enabling our employees to regularly check their health and wellness levels we have organized multiple health camps covering Bone density check-ups, Body composition analysis, Yoga sessions at work, Nutritional counselling, Breast Health check-ups and awareness drives and many more. During the year alone close to 10,000 employees participated in our wellbeing programs. Lastly, Preventive annual health check-ups are our way of monitoring and ensuring a physically fit workforce. We have partnered with close to 300 diagnostic centers across the country that enable a seamless experience for our employees.

Learning

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

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

Additionally, with 3,000+ E Learning courses, 25,000+ video-based modules and 2,000+ micro-learning modules and 1,400+ Sustainability courses our employees have the flexibility to learn anytime and from anywhere.

For our large frontline sales force distribution teams, our ABCapital app learning library offers courses on induction and regulatory training, ensuring that all new hires receive the necessary foundation to be successful in their roles, 350+ functional courses are available, enabling the frontline distribution force to deepen their expertise.

SUSTAINABILITY

Sustainability is one of the key focus areas for us and being a CIC, the Company drives the sustainability practices in its Subsidiaries and Associate(s), centrally. The sustainability efforts are aligned with Aditya Birla Group's sustainability strategy and purpose statement. The Company has identified three main categories to implement sustainability across its Subsidiaries and Associate(s) namely, Environment, Social and Governance. We have introduced 25 industry specific ESG score cards based on UN's Equator Principles in the infrastructure lending business. One of our subsidiaries had raised ₹ 1,000 Crore in green loan from International Finance Corporation to finance renewable energy projects. Through its Subsidiary, Aditya Birla Sun Life AMC Limited, the Company has also launched an ESG focused equity fund with an AUM of more than ₹ 798 crores as of 31st March, 2023. Financial inclusion and serving the under banked has been a key focus area for our Subsidiaries which are engaged in lending to SMEs, supply chain finance for small vendors, affordable housing, rural insurance and micro-SIPs with our portfolio expanding to urban, semi urban and rural parts of India. Enterprise Risk Management function plays an integral part in managing sustainability risk across all businesses. The Chief Risk Officer (CRO) guides and governs the sustainability strategy across the businesses.

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

**Board's Report (Contd.)****SECRETARIAL STANDARDS OF INSTITUTE OF COMPANY SECRETARIES OF INDIA**

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

CODE FOR PROHIBITION OF INSIDER TRADING

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

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

AWARDS AND RECOGNITIONS

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

OTHER DISCLOSURES

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

- i. there was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under Employee Stock Option Scheme referred to in this Report.
- ii. there was no Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- iii. there was no public issue, rights issue, bonus issue or preferential issue, etc.
- iv. there was no issue of shares with differential rights.

- v. there was no transfer of unpaid or unclaimed amount to Investor Education and Protection Fund (IEPF).
- vi. no significant or material orders were passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.
- vii. there were no proceedings for Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
- viii. there was no failure to implement any Corporate Action.
- ix. there were no borrowings from Banks or Financial Institution and no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

The Board takes this opportunity to express its appreciation for the support and co-operation extended by our various partners and other business associates. The Board gratefully acknowledges the ongoing co-operation and support provided by all Statutory and Regulatory Authorities.

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

The Board places on record its appreciation for the exemplary contribution made by the employees of the Company and its Subsidiaries and Associate(s) at all levels. Their dedicated efforts and enthusiasm have been pivotal to the Company's and its Subsidiaries and Associate(s)' growth.

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

Kumar Mangalam Birla

Chairman

DIN: 00012813

Date: 11th May 2023

Place: Mumbai

Annexure I

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

- i. During the financial year under review, sitting fees were paid to the Directors of the Company for attending the Meetings of the Board of Directors and of the Committees of which they are Members. This remuneration, by way of fees, is not related to the performance or profit of the Company. In view of this, the ratio of remuneration of each Director to the median employees' remuneration is not computed.
- ii. Percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary ("managerial personnel") of the Company during the financial year 2022-23 was as under:

Sr. No.	Name	Designation	% increase in remuneration in the financial year 2022-23 (Refer note 1)
1.	Mr. Ajay Srinivasan	Chief Executive Officer	Refer note 2
2.	Mrs. Vishakha Mulye	Chief Executive Officer	Refer note 2
3.	Mrs. Pinky Mehta	Chief Financial Officer	12%
4.	Mr. Amber Gupta	Company Secretary and Compliance Officer	22%

Notes:

1. Payment made towards Variable Pay and Long-term incentive plan (LTIP/Deferred Compensation) is excluded.
 2. Mr. Ajay Srinivasan stepped down as Chief Executive Officer (CEO) of the Company w.e.f. 30th June 2022 and Mrs. Vishakha Mulye took over as CEO w.e.f. 1st July 2022. Due to their association with the Company only for a part of the year, the % increase in their remuneration during the financial year 2022-23 is not applicable and the same has not been mentioned.
- iii. In the financial year 2022-23, there was an increase of 14.7% in the median remuneration of employees.
 - iv. As at 31st March 2023, there were 27 permanent employees on the rolls of the Company.
 - v. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23 was 9.8% whereas the increase in the managerial personnel remuneration for the same financial year was 15%. The increase in remuneration of managerial personnel (other than CEO) is based on industry benchmarking for similar profile and experience and performance.
 - vi. It is hereby affirmed that the remuneration paid is as per the Executive Remuneration Philosophy/ Policy of the Company.



Annexure II

AOC-1

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 containing salient features of the financial statement of subsidiary/ associate companies/ joint ventures for the year ended 31st March, 2023

Part - A – Subsidiaries*

Sr. No	1	2	3	4	5
Name of Subsidiaries	Aditya Birla Finance Limited	Aditya Birla Housing Finance Limited	Aditya Birla Money Limited	Aditya Birla Insurance Brokers Limited	Aditya Birla Money Mart Limited
Date since when Subsidiary acquired	22-Apr-10	31-Dec-12	23-Feb-10	15-Apr-10	06-Aug-09
Currency	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Share Capital (Equity)	662.10	501.20	5.65	5.13	93.20
Other Equity	10,764.11	1,466.80	103.53	137.34	0.51
Total Assets	84,122.82	14,072.15	1,363.42	297.21	142.23
Total Liabilities	72,696.61	12,104.15	1,254.24	154.74	48.52
Investments	3,702.70	125.37	403.59	152.38	28.70
Revenue from Operations	8,236.87	1,405.25	262.96	607.14	-
Profit/(Loss) before Tax	2,090.18	308.52	46.68	97.26	(3.09)
Tax Expenses	536.43	67.59	12.78	24.68	5.02
Profit/(Loss) for the Year	1,553.75	240.93	33.90	72.58	(8.11)
Proposed/Interim Dividend	-	-	-	60.02	-
Percentage Holding as on 31 st March 2023	100.00%	100.00%	73.60%	50.002%	100.00%
Exchange Rate as on 31 st March 2023	-	-	-	-	-

Sr. No	6	7	8	9	10
Name of Subsidiaries	Aditya Birla Money Insurance Advisory Services Limited	Aditya Birla Sun Life Trustee Private Limited	Aditya Birla Wellness Private Limited	Aditya Birla Financial Shared Services Limited	Aditya Birla Capital Digital Limited
Date since when Subsidiary acquired	06-Aug-09	10-Oct-12	23-Jun-16	03-Aug-09	23-Mar-23
Currency	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Share Capital (Equity)	4.97	0.02	11.67	0.05	25.00
Other Equity	9.42	1.41	11.43	2.05	(19.09)
Total Assets	16.99	1.70	33.70	126.14	25.69
Total Liabilities	2.60	0.27	10.60	124.04	19.78
Investments	8.05	1.57	17.93	-	-
Revenue from Operations	22.06	0.10	13.00	-	0.05
Profit/(Loss) before Tax	5.07	0.14	1.98	0.36	(19.09)
Tax Expenses	0.16	0.03	-	-	-
Profit/(Loss) for the Year	4.91	0.11	1.98	0.36	(19.09)
Proposed/Interim Dividend	-	-	-	-	-
Percentage Holding as on 31 st March 2023	100.00%	50.85%	51.00%	100.00%	100.00%
Exchange Rate as on 31 st March 2023	-	-	-	-	-

* As per Companies Act 2013

Annexure II (Contd.)

Sr. No	11	12	13	14	15	16	17
Name of Subsidiaries	Aditya Birla Sun Life Insurance Company Limited	Aditya Birla ARC Limited	Aditya Birla Stressed Asset AMC Private Limited	Aditya Birla Sun Life Pension Management Limited	Aditya Birla Trustee Company Private Limited	Aditya Birla Capital Technology Services Limited	Aditya Birla PE Advisors Private Limited
Date since when Subsidiary acquired	23-Mar-17	10-Mar-17	22-May-18	23-Mar-17	28-Nov-08	11-Dec-08	02-Jul-08
Currency	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Share Capital (Equity)	1,938.23	100.00	14.80	73.00	0.05	1.80	3.50
Reserves and Surplus	987.87	74.01	16.94	(18.31)	0.38	(39.23)	0.73
Total Assets	73,412.13	600.70	38.62	60.98	0.45	4.10	4.30
Total Liabilities	70,486.03	426.69	6.88	6.29	0.02	41.53	0.07
Investments	70,051.09	505.46	36.40	53.89	0.44	-	3.17
Revenue from Operations	17,997.06	82.02	11.63	0.87	-	20.85	-
Profit/(Loss) before Tax	153.85	34.84	10.29	(5.77)	β	0.12	0.11
Tax Expenses	15.35	8.76	2.56	(0.04)	β	-	0.02
Profit/(Loss) for the Year	138.50	26.08	7.73	(5.73)	β	0.12	0.09
Proposed/Interim Dividend	-	-	-	-	-	-	-
Percentage Holding as on 31 st March 2023	51.00%	100.00%	100.00%	51.00%	100.00%	100.00%	100.00%
Exchange Rate as on 31 st March 2023	-	-	-	-	-	-	-

Sr. No	18	19	20	21			
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	₹ crore	US\$ in Mn	₹ crore
Share Capital (Equity)	144.00	0.05	0.37	13.60	84.05	3.13	25.68
Reserves and Surplus	2,364.95	1.13	9.32	(4.07)	(25.18)	(2.09)	(17.18)
Total Assets	2,776.64	1.20	9.87	10.12	62.56	1.41	11.61
Total Liabilities	267.69	0.02	0.18	0.60	3.69	0.37	3.10
Investments	2,428.19	-	-	-	-	-	-
Revenue from Operations	1,205.23	0.10	0.83	4.35	25.50	1.67	13.45
Profit/(Loss) before Tax	788.41	(0.06)	(0.48)	0.91	5.33	0.06	0.52
Tax Expenses	197.48	β	β	-	-	-	-
Profit/(Loss) for the Year	590.93	(0.06)	(0.48)	0.91	5.33	0.06	0.52
Proposed/Interim Dividend	295.20	-	-	-	-	-	-
Percentage Holding as on 31 st March 2023	50.01%		50.01%		50.01%		50.01%
Exchange Rate as on 31 st March 2023	-	BS - 82.1825		BS - 61.8022		BS - 82.1825	
	-	P&L - 80.3971		P&L - 58.5565		P&L - 80.3971	

* As per Companies Act 2013

β : Figures of ₹50,000/- or less have been denoted by "β"



Annexure II (Contd.)

Notes

Names of subsidiaries which have been liquidated or sold during the year

- (i) ABCAP Trustee Company Private Limited (struck off w.e.f. 21st January 2023)

Additional Notes

- 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 ("IOF") and has no beneficial interest or ownership on IOF's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IOF. Hence these Companies are not included in the Annexure above.
- 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

Associates

Sr. No.	Name of Associate	Aditya Birla Health Insurance Co. Limited
1.	Latest audited Balance Sheet date	31 st March 2023
2.	Date on which the Associate was associated or acquired	21 st October 2022
3.	Shares of Associate held by the company on the year end	
	No.	23,30,06,086
	Amount of investment in Associate	₹ 997.53 crore
	Extend of Holding %	45.91%
4.	Description of how there is significant influence	Refer Note below
5.	Reason why the Associate is not consolidated	NA
6.	Net worth attributable to shareholding as per latest audited Balance Sheet (Refer Note below)	₹ 3,032.67 crore
7.	Profit or Loss for the year (21 st October 2022 to 31 st March 2023)*	₹ (56.77) crore
i.	Considered in consolidation (21 st October 2022 to 31 st March 2023)	₹ (26.06) crore
ii.	Not considered in consolidation (21 st October 2022 to 31 st March 2023)	₹ (30.71) crore

Note : W.e.f. 21st October 2022, ABCL holds 45.91% stake in ABHI. Consequently, ABHI ceased to be a subsidiary and has been accounted as a joint venture. This has resulted in fair value gain of ₹ 2,739.07 crore representing difference between fair value of retained interest in ABHI and derecognition of net assets of ABHI in accordance with 'Ind AS 110 - Consolidated Financial Statements'.

* Profit / (Loss) as per Ind AS for the FY 2022-23 is ₹ (219.98) crore.

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

Vishakha Mulye
(Chief Executive Officer)

Arun Kumar Adhikari
Director
(DIN: 00591057)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 11th May 2023

Annexure III

Executive Remuneration Philosophy / Policy

Aditya Birla Capital Limited (“the Company”/ “We” / “Our”) an Aditya Birla Group Company adopts this Executive Remuneration Philosophy/ Policy in accordance with the applicable regulations from time to time including the Companies Act 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and the RBI guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs vide circular no. RBI/2022-23/36 DOR.GOV.REC. No.29/18.10.002/2022-23 dated 29th April, 2022 (‘Applicable Law’). This philosophy/ policy is detailed below.

ADITYA BIRLA CAPITAL LIMITED: EXECUTIVE REMUNERATION PHILOSOPHY/POLICY

At Aditya Birla Capital Limited, we expect our executive team to foster a culture of growth and prudent risk-taking. Our Executive Remuneration Philosophy / Policy supports the design of programs that align executive rewards (including fixed pay, variable pay and perquisites and benefits) with the long-term success of our stakeholders.

Objective:

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. To ensure effective governance of compensation practices and alignment with prudent risk taking.
3. To ensure that the compensation practices take on board the regulatory framework stipulated from time to time by RBI or any other relevant regulatory body.

Coverage:

This Policy shall be applicable to the following Executives:

1. Executive Director of the Company
2. Key Managerial Personnel (KMP)
 - a) CEO / Managing Director / Whole Time Director / Manager
 - b) Chief Financial Officer
 - c) Company Secretary
3. Senior Management Personnel: i.e., Officers / Personnel of the company who are members of its core management

team excluding Board of Directors comprising all members of management one level below the Managing Director / Whole Time Director / CEO or Manager.

Governance Structure for Compensation:

1. The Nomination, Remuneration and Compensation Committee (“NRC”) is responsible for framing, review and implementation of the Company’s compensation policy on behalf of the Board and its role is as set out in the NRC Charter / Terms of Reference.
2. The NRC may also co-ordinate with the Risk Management Committee with the objective of suitably aligning compensation with prudent risk taking as applicable.
3. This Policy is subject to review by the NRC on an annual basis or more frequently as required and approved by the Board.

Principles for Determination of Compensation for Executives:

Compensation to Executives shall be determined based on the following principles:

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including fixed pay, variable pay and perquisites and benefits) directionally between median and top quartile of the primary talent market.

1. The level and composition of compensation is reasonable and sufficient to attract, retain and motivate the Executives of the quality required to run the Company successfully, which means compensation takes on board:
 - Market competitiveness for the role (‘market’ for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).
 - The size and scope of the role (including those in control functions) and the market standing, skills and experience of incumbents while positioning our executives.
 - The size of the Company, complexity of the sector / industry / Company’s operations and the Company’s capacity to pay.
2. Linkage of compensation to appropriate performance benchmarks.



Annexure III (Contd.)

3. Compensation outcomes are symmetric with risk outcomes and pay-outs thereof are sensitive to the time horizon of the risk.
4. Compensation structure will have a proper balance between Fixed Pay and Variable Pay.

Executive Pay-Mix

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

- i. **Fixed Pay:** Comprising of Basic Salary, Allowances, Retirals and other benefits and will include imputed value of benefits like Housing and Car. It also includes cost of retirals such as Company's contribution to PF, Gratuity, superannuation and pension [Including National Pension System (NPS)].
- ii. **Variable Pay:** Includes Performance bonus/Annual Incentive, Long Term Incentive Pay in form of cash bonuses, all share-linked instruments (e.g. ESOP, SARS, etc.). (The deterioration in the financial performance of the Company / business segment/ function/ individual can lead to a contraction in the total amount of variable pay, which can even be reduced to zero for a particular year depending on the performance outcome of the year.)
- iii. **Perquisite & Benefits:** Perquisite Pay / Benefits are over and above Fixed Pay and include Medical Benefit; Life Insurance Benefit; Personal Accident Benefit; etc. These broad-based plans may be applicable to all employees or select group of employees.

In addition to these broad-based plans, Executives are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Company / Group.
- iv. **Other Elements:** Which includes Joining/ Sign on Bonus, Severance package, Deferred Incentive Plans, etc.

Salient features of the compensation structure

- Variable Pay payable is subject to Group, Company, Business / Function and Individual performance. Part of variable pay is deferred over a time horizon of 3 to 4 years in the manner determined by NRC / Board. This may be in the form of cash and non-cash components of the variable pay.
 - We aim that the remuneration programs do not encourage excessive risk taking. We review our remuneration programs keeping in mind the balance between risk and payout and material portion of the variable pay is deferred spread over three to four years in line with the risk involved.
- Malus and Clawback**
- The Company believes in sustained business performance in tandem with prudent risk taking.
- Malus** arrangement permits the Company to prevent vesting of all or part of the variable pay which has been deferred. It does not reverse vesting after it has already occurred.
- Clawback** is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested compensation attributable to a given reference year.
- Malus and clawback is applicable to employees even after their separation from the organisation.
- Malus and clawback may be applied for circumstances like gross and/ or willful negligence in performance of their duty or has committed fraud or has performed an act with malafide intent or obstructs the functioning of an organisation; misconduct; Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations and any other additional circumstances as determined by NRC.
- In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation / withdrawal, the NRC will take into consideration all relevant factors, including inter alia, internal factors such as role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors, including but not restricted to situations, that may have been beyond the control of the concerned employee.

Annexure IV

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2023

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

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

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

Auditor's Responsibility:

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

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 2023 (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 2023 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 are not Applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period) and**
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

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

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



Annexure IV (Contd.)

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

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, Company has complied with all Master Directions, Master Circulars, Notifications, Guidelines issued by Reserve Bank of India to the extent applicable to the 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 were no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings except for few meetings convened at a shorter notice to transact urgent business, in compliance with the provisions of the Act as prescribed. Agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings convened at a shorter notice with required compliances 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 were 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:

1. allotted 16,82,056 Equity Shares under the Employee Stock Option Schemes of the Company.
2. adopted Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 for the benefit of the employees of the Company and its group companies including holding, subsidiary and associate companies.
3. incorporated a wholly owned subsidiary of the Company named 'Aditya Birla Capital Digital Limited' to create an omni-channel D2C platform, which will acquire customers directly and inter-alia will distribute comprehensive suite of financial products of various companies under Aditya Birla Capital Limited.
4. approved the sale of the Company's entire stake of 50.002% in Aditya Birla Insurance Brokers Limited ('ABIBL') (a non-material subsidiary of the Company) subject to requisite approvals.

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

**Makarand M. Joshi
Partner**

FCS No. 5533

CP No. 3662

P.R. No. 640/2019

UDIN: F005533E000290389

Date: 11th May 2023

Place: Mumbai

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

‘Annexure A’

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

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 M. Joshi
Partner

FCS No. 5533

CP No. 3662

P.R. No. 640/2019

UDIN: F005533E000290389

Date: 11th May 2023

Place: Mumbai



Corporate Governance Report

OUR VISION

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

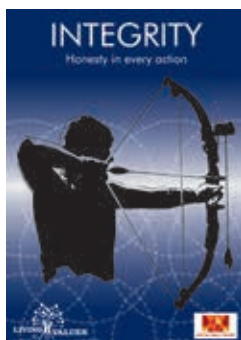
Our customers place a lot of trust when they choose us as a partner for fulfilment of their needs - be it buying a dream home or investing their hard-earned money in our mutual funds or for meeting their retirement or child's education or protection needs or taking a business loan for expansion. Our endeavour 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 opportunities across all our financial services businesses and to our shareholders, this gives the reassurance that we will attract and retain our customers, cost effectively, across their life-cycle needs while driving as much synergy as we can across the platform.

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

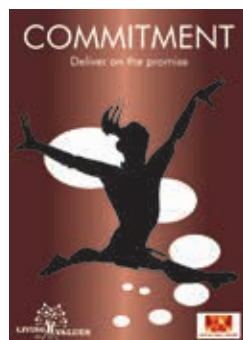
OUR VALUES

Integrity



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

Commitment



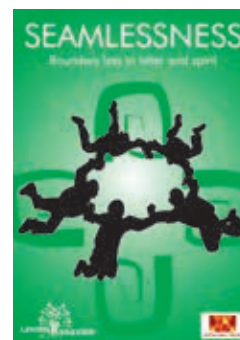
On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.

Passion



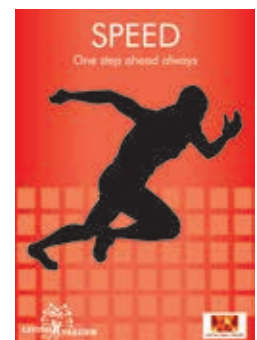
An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm

Seamlessness



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

Speed



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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"Our values provide us with our roots and they provide us with our wings."

Mr. Kumar Mangalam Birla,
Chairman, Aditya Birla Group

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

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

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

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

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

I. BOARD OF DIRECTORS

Composition

The Board of Directors of your Company ("the Board") comprised of 8 (Eight) Directors including 4 (Four) Non-Executive Directors (including one Nominee Director) and 4 (Four) Independent Directors, of whom one is a Woman Director. The Chairman of the Board, Mr. Kumar Mangalam Birla, is a Non-Executive and Non-Independent Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. In terms of the provisions of the Act and SEBI Listing Regulations, the Directors submit necessary disclosures regarding the positions held by them on the Board and/ or Committees of other Companies, from time to time.

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

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

All Independent Directors on the Board are Non-Executive Directors as defined under the Act and SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act and SEBI Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and have submitted the required declaration under Section 149(7) of the Act. Based on the disclosures received from the Independent Directors, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified under

Corporate Governance Report (Contd.)

the Act and SEBI Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

Mr. Kumar Mangalam Birla, the Chairman of the Board, is not related to Mrs. Vishakha Mulye, Chief Executive Officer of the

Company, as per the definition of the term “relative” defined under the Act. Mrs. Vishakha Mulye was appointed as the Chief Executive Officer of the Company w.e.f 1st July 2022.

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, including that in listed entities, as on 31st March 2023 are as follows:

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

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

#Category of Directorship is Independent

Notes:

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

Details of Skills/ Expertise/ Competencies of the Board

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

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

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

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

Directors Skill/ Expertise/ Competencies

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

The Board collectively displays the following qualities:

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

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



Corporate Governance Report (Contd.)

Non-Executive Directors' Compensation and Disclosures

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

Board's Functioning and Procedure

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

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

The Company makes available video conferencing facility or other audio visual means for attending the Meetings of the Board and Committees. During the financial year under review few meetings of the Board and its Committees were held through audio-video visual mode and others were held in physical mode.

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

10 (Ten) Board Meetings were held during the financial year under review.

Meetings and attendance during the financial year under review:

Date of Board Meeting	Board Strength	No. of Directors Present
23 rd April 2022	8	8
6 th May 2022	8	7
12 th May 2022	8	7
6 th June 2022	8	8
3 rd August 2022	8	6
11 th August 2022	8	6
8 th September 2022	8	7
7 th November 2022	8	8
2 nd February 2023	8	7
27 th March 2023	8	7

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

The details of attendance of each Director at the Board Meetings held during the financial year under review and at the previous Annual General Meeting ("AGM") of the Company held on 26th August 2022 through virtual mode are as under:

Name of the Director	No. of Board Meetings		Attended Last AGM
	Held during tenure	Attended	
Mr. Kumar Mangalam Birla	10	5	Yes
Dr. Santrupt Misra	10	10	Yes
Mr. Sushil Agarwal	10	10	Yes
Mr. Arun Adhikari	10	9	Yes
Mr. S. C. Bhargava	10	10	Yes
Mr. P. H. Ravikumar	10	9	Yes
Mrs. Vijayalakshmi Iyer	10	8	Yes
Mr. Romesh Sobti	10	10	Yes

Code of Conduct for Board Members and Senior Management

In compliance with Regulations 17(5) and 26(3) of the SEBI Listing Regulations, the Company has adopted a Code of Conduct for the Board Members and Senior Management of the Company ("the Code"). The Code is applicable to all the

Board Members and Senior Management of the Company. The Code is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-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 have been familiarised with your Company's businesses and its operations. Interactions are held between the Directors and Senior Management of your Company from time to time. Directors have also been familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to your Company. The details of the said familiarisation programmes are available on your Company's website at <https://www.adityabirlacapital.com/about-us/board-of-directors>.

Performance evaluation of the Board

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

Further details are mentioned in the Board's Report.

Performance evaluation criteria for Independent Directors

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

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

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

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

Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations a Meeting of the Independent Directors of your Company was held on 30th March 2023 without the presence of the Non-Independent Directors and the members of the Management. The Meeting was attended by all 4 (Four) Independent Directors. They discussed matters including the performance/ functioning of the Company, reviewed the performance of the Chairman and other Non-Executive Directors, assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

Prohibition of Insider Trading

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



Corporate Governance Report (Contd.)

The Company has a tracking mechanism in place for monitoring trade in the equity shares of the Company by Designated Persons identified under the Insider Code. The Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") which includes details of your Company's policy for determination of '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>.

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

II. COMMITTEES OF THE BOARD

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

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

The Committees of the Board are elaborated hereunder:

1. AUDIT COMMITTEE

A qualified and independent Audit Committee has been constituted pursuant to the provisions of Section 177 of the Act, Regulation 18 of the SEBI Listing Regulations and RBI Master Directions.

The Audit Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board.

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

The Statutory and Internal Auditors of your Company are invited to attend the Audit Committee Meetings. In addition, other Senior Management Personnel are also

invited to the Audit Committee Meetings from time to time, to provide such information as may be necessary.

The Chairperson of the Audit Committee, Mrs. Vijayalakshmi Iyer, attended the Annual General Meeting of the Company held on 26th August 2022.

The Audit Committee monitors and effectively supervises your Company's financial reporting process with a view to providing accurate, timely and proper disclosures and maintaining the integrity and quality of financial reporting.

The Audit Committee has all the powers as specified in Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as considered necessary.

The terms of reference of the Audit Committee include:

1. Approval or any subsequent modification of transactions of the Company with related parties;
2. Scrutiny of inter-corporate loans and investments, if any;
3. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the Subsidiaries exceeding ₹ 100 crore or 10% of the asset size of the Subsidiaries, whichever is lower including existing loans / advances / investments;
4. Valuation of undertakings or assets of the Company, wherever it is necessary;
5. Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
6. Appointing any external firm to conduct special reviews of the Company (financial or legal) subject to the approval of the Board;
7. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
8. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the 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 judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with stock exchanges and other legal / regulatory requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualification(s) / modified opinion(s) in the draft audit report;
9. Reviewing, with the management, the quarterly financial statements/ results before submission to the board for approval;
 10. Laying down the criteria for granting omnibus approval in line with the policy on related party transactions of the Company;
 11. Satisfying itself regarding the need for omnibus approval and that such approval is in the interest of the Company;
 12. Reviewing, at least on quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given, if any;
 13. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 14. Reviewing Management Discussion and Analysis of financial condition and results of operations;
 15. Reviewing the statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 16. Reviewing the financial statements, in particular, the investments made by the unlisted Subsidiaries.
 17. Evaluating the internal financial controls and risk management systems;
 18. Discussing with internal auditors any significant findings and follow up there on;
 19. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 20. Reviewing internal audit reports relating to internal control weaknesses;
 21. Reviewing Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
 22. Reviewing ageing analysis of entries pending reconciliation with outsourced vendors, if any and monitoring the systems in place for internal audit of all outsourced activities, if any;
 23. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 24. Approval of payment to statutory auditors, internal auditors' and tax auditors for any other services rendered by them;
 25. Reviewing and monitoring the statutory and internal auditors independence and performance, and effectiveness of audit process;
 26. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 27. Reviewing the findings, adequacy and structure of the internal audit function, including the credentials of the appointed third-party firm, if any, staffing and seniority of the official heading the department, and reporting structure, coverage and frequency of internal audit;
 28. Formulating the scope, functioning, periodicity and methodology for conducting internal audit in consultation with the Internal Auditor;



Corporate Governance Report (Contd.)

29. Reviewing the appointment, removal and terms of remuneration of the Internal auditor;
30. Reviewing with the management the adequacy of internal control systems;
31. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
32. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
33. Reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and RBI compliances as maybe amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;
34. Looking into the reasons for substantial defaults, if any, in the payment to the debenture holders (if any), shareholders (in case of non-payment of declared dividends) and creditors;
35. Reviewing the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing and other related matters and ensuring that these arrangements allow independent investigation of such matters and initiation of appropriate follow-up action and reviewing the functioning of the Whistle-blower mechanism / overseeing the vigil mechanism;
36. Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

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

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Audit Committee met 6 (Six) times on 12th May 2022, 6th June 2022, 3rd August 2022, 7th November 2022, 2nd February 2023 and 27th March 2023.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	6	5
Mr. P. H. Ravikumar (Member)	Independent	6	6
Mr. S. C. Bhargava (Member)	Independent	6	6
Mr. Sushil Agarwal (Member)	Non-Executive Non-Independent	6	6

The Company Secretary acts as the Secretary to the Committee.

2. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee has been constituted pursuant to the provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and RBI Master Directions.

The terms of reference of the Nomination, Remuneration and Compensation Committee include:

1. Recommending to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Ensuring the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Senior Managers of the quality required to run the Company successfully;
3. Ensuring the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
4. Ensuring the remuneration provided to Directors and Senior Managers includes a balance between fixed

and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

5. Recommending to the Board, all remuneration, in whatever form, payable to senior management.
6. Formulating appropriate policies and instituting processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal from time to time;
7. Reviewing and implementing succession and development plans for Managing Director, / Chief Executive Officer, Executive Directors and Senior Managers
8. Devising a policy on Board diversity;
9. Formulating the criteria for determining qualifications, positive attributes and independence of Directors;
10. Establishing evaluation criteria and conducting the process of performance evaluation of each Director in a structured manner;
11. Establishing evaluation criteria of Board and Board Committees;
12. Reviewing and making recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or shareholder approval (including broad-based plans);
13. Deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report on performance evaluation of Independent Directors;
14. Formulating, supervising and monitoring the process of issuance/ grant/ vesting/ cancellation of Employee Stock Options and such other instruments as may be decided to be granted to the eligible grantees under the respective Employee Stock Options Scheme(s), from time to time, as per the provisions of applicable laws;
15. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and

capabilities required of an Independent Director and basis the same, recommending to the Board the appointment of an Independent Director;

16. Reviewing and discussing with management the disclosures required to be included in the Board's report, as specified in the Act and the Rules thereunder;
17. Scrutinizing the declarations received under 'Fit and Proper' Criteria for proposed /existing directors based on the information provided in the signed declaration and to decide on the acceptance or otherwise of the directors, where considered necessary;
18. Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Committee met 7 (Seven) times on 23rd April 2022, 12th May 2022, 1st August 2022, 8th September 2022, 7th November 2022, 26th December 2022 and 2nd February 2023.

The Chairman of the Nomination, Remuneration and Compensation Committee, Mr. Arun Adhikari, attended the Annual General Meeting of the Company held on 26th August 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Arun Adhikari (Chairman)	Independent	7	7
Mr. S. C. Bhargava (Member)	Independent	7	7
Dr. Santrupt Misra (Member)	Non-Executive Non-Independent	7	7
Mrs. Vijayalakshmi Iyer (Member)	Independent	7	7

The Company Secretary acts as a Secretary to the Committee.



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EMPLOYEE STOCK OPTIONS SCHEMES ADOPTED BY THE COMPANY**a. Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 ("Scheme 2022")**

The Scheme 2022 was recommended by the Nomination, Remuneration and Compensation Committee for the benefit of the eligible employees of the Company, and its group company(ies) including its holding company and subsidiary company(ies), and associate company(ies) [as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations").

The Scheme 2022 was approved by the Members of the Company vide Postal Ballot on 16th October 2022. For extending the benefits of the Scheme 2022 to the employees of the group companies including holding, subsidiary and associate companies, a separate Special Resolution was also passed by the Members of the Company vide the said Postal Ballot on 16th October 2022.

During the financial year under review, 63,60,714 performance stock units and 1,39,54,991 employee stock options were granted by the Company under Scheme 2022.

b. Aditya Birla Capital Limited Employee Stock Option Scheme 2017 ("Scheme 2017")

The Scheme 2017 was formulated by the Nomination, Remuneration and Compensation Committee of the Board with an aim to provide competitive remuneration opportunities to employees of your Company and its Subsidiaries, which was approved by the Board at its Meeting held on 26th June, 2017, and by the Members of the Company vide Special Resolution passed at the Annual General Meeting ("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 Subsidiaries, a separate Special Resolution was also passed by the Members of the Company at the said AGM held on 19th July 2017.

During the financial year under review, the Company allotted 15,01,345 Equity Shares of ₹10/- each, upon exercise of Stock Options, Restricted Stock Units and Performance Restricted Stock Units by the eligible grantees, in terms of the provisions of the Scheme 2017, statutory provisions including SEBI SBEB Regulations and other applicable laws, as applicable from time to time and the rules and procedures set out by your Company in this regard.

c. 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 allotted 1,80,711 Equity Shares of ₹10/- each, upon exercise of Stock Options and Restricted Stock Units by the eligible grantees, in terms of the provisions of the ABCL Incentive Scheme, statutory provisions including SEBI SBEB Regulations and other applicable laws, as applicable from time to time and the rules and procedures set out by your Company in this regard.

The details on the above Employee Stock Option Scheme(s) as required to be disclosed under the SEBI SBEB Regulations are available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

Certificates from M/s. Makarand M Joshi & Co., Secretarial Auditors confirming that the ESOP Schemes have been implemented in accordance with the SEBI SBEB & SE Regulations has been obtained and will be made available via electronic mode at the ensuing 16th (Sixteenth) Annual General Meeting ("AGM") of the Company for inspection by the Members.

d. Stock Appreciation Rights Scheme 2019 ("SARs Scheme 2019")

Your Company has also instituted "Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019" which is a cash based plan linked to the actual stock price movement over the plan tenure. In order to compensate the loss to an employee due to the lapse of Stock Options/ Restricted Stock Units/ Performance Restricted Stock Units in the event of transfer of the employee to any Group Company of the Company as mentioned under the SARs Scheme 2019, your Company implemented the SARs Scheme 2019 for such employees.

The SARs Scheme 2019, does not give rise to any right towards any equity share of the Company and hence, is not covered under the provisions of SEBI SBEB Regulations. On exercise of the SARs granted under the said scheme, the employee exercising the SARs becomes entitled to receive cash, in terms of the scheme. Nil RSU SARs and Options SARs were granted during the financial year under review pursuant to the SARs Scheme 2019.

Remuneration Policy

Your Company has adopted an Executive Remuneration Philosophy/Policy.

The same forms part of this Annual Report and is also available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

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

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted pursuant to the provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee include:

1. Monitoring and resolving the grievances of the security holders of the Company received from the Shareholders and Debentures holders of the

Company, other security holders, if any, SEBI, the Stock Exchanges, the MCA - Registrar of Companies etc. including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared Dividends, issue of new/ duplicate Certificates, non-receipt of notice of the General Meetings, etc; and the action taken by the Company for redressal of the same;

2. Reviewing measures taken for effective exercise of voting rights by security holders;
3. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the security holders of the Company, as applicable;
5. Reviewing the results of any investigation / audit conducted by any statutory authority;
6. Approving allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
7. Approving requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities, if any;
8. Authorizing the officers of the Company to approve the requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities, if any;
9. Approving and ratifying the action taken by authorized officers of the Company in compliance with the requests received from the shareholders/ investors for issue of duplicate/ replacement/ consolidation/ sub-division, dematerialization, rematerialisation and other purposes for the shares, debentures and other securities of the Company, if any;
10. Monitoring the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company, if any;



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11. Giving directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of the Company from time to time for issuance of share certificates, debenture certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
12. Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Stakeholders Relationship Committee met 2 (Two) times on 6th May 2022 and 31st October 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	2	2
Dr. Sanrupt Misra (Member)	Non-Executive Non-Independent	2	2
Mr. Sushil Agarwal (Member)	Non-Executive Non-Independent	2	1

Mrs. Vijayalakshmi Iyer, the Chairperson of the Committee attended the Annual General Meeting of the Company held on 26 August 2022. The Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company and is also responsible for redressal of investor complaints.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSR") has been constituted pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

The terms of reference of the Corporate Social Responsibility Committee include:

1. Formulation of CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommending the same to the Board;

2. Recommending to the Board the annual action plan and the amount to be spent on CSR activities;
3. Reviewing and approving, the CSR projects/ programs to be undertaken by the Company either directly or through Aditya Birla Capital Foundation (ABCF) or through implementation partners as deemed suitable, during the financial year and specifying modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Company;
4. Monitoring the implementation of the CSR policy;
5. Monitoring and reporting mechanism for the projects or programmes;
6. Reviewing the need for impact assessment, if any, for the projects undertaken by the Company and undertaking the same if needed;
7. Reviewing implementation of the action plan; and
8. Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Corporate Social Responsibility Committee met once on 20 March 2023.

The composition and attendance at the Meeting was as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Arun Kumar Adhikari (Chairperson)	Independent	1	1
Mr. S C Bhargava (Member)	Independent	1	1
Mr. P H Ravikumar (Member)	Independent	1	1
Dr. Sanrupt Misra (Member)	Non-Executive Non-Independent	1	-

Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, Dr. Pragnya Ram, Group Executive President, CSR and Mrs. Vishakha Mulye, Chief Executive Officer of the Company, are permanent invitees to the Meetings of Corporate Social Responsibility Committee.

The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, your Company was not required to make any expenditure towards Corporate Social Responsibility ("CSR") projects, in absence of average net profit for three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Act.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations and RBI Master Directions, to frame, implement and monitor the risk management plan of the Company.

The terms of reference of the Risk Management Committee include:

1. Overall responsibility to monitor and approve the Risk Management Framework;
2. Ensuring proper identification of the risk associated with cyber security;
3. Assisting the Board in determining the measures that can be adopted to mitigate the risk;
4. Ensuring that appropriate measures are being taken to achieve prudent balance between risk and reward in both ongoing and new business activities and continuously aim to add value to the Company's stakeholders by growing business that supports inclusive growth;
5. Assisting the Board in creating long-term stakeholder value by implementing a business strategy that considers every dimension of ethical, social, environmental, cultural, and economic spheres;
6. Formulating a detailed Risk Management Policy which shall include:
 - a. A framework for identification of internal and external risks faced by the entity including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - b. measures for risk mitigation including systems and processes for internal control of identified risks;
 - c. Business Continuity Plan;
7. Ensuring that an appropriate methodology, processes and systems are in place to monitor and evaluate all risks that the Company is exposed to, including credit risk, operational risk, market risk, liquidity risk etc.;
8. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of Risk Management Systems;
9. Periodically reviewing the significant outsourcing arrangements and vendor / service provider performance;
10. Periodically reviewing the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
11. Approving the appointment, removal and terms of remuneration of the Chief Risk Officer ("CRO"), if any;
12. Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Risk Management Committee met 2 (Two) times on 12th September 2022 and 1st March 2023.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Arun Kumar Adhikari (Chairman)	Independent	2	2
Dr. Sanrupt Misra (Member)	Non-Executive Non-Independent	2	2
Mr. Romesh Sobti (Member)	Non-Executive Non-Independent (Nominee)	2	2
Mrs. Vishakha Mulye (Member)	Chief Executive Officer	2	2

The Chief Risk Officer was invited to the Meetings of the Risk Management Committee.

The Company Secretary acts as the Secretary to the Committee.



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During the financial year under review, Mrs. Vishakha Mulye, Chief Executive Officer was appointed as a Member of the Committee w.e.f. 3rd August 2022.

Risk Management Policy of the Company is available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

6. PIT REGULATIONS COMMITTEE

The PIT Regulations Committee has been constituted pursuant to the provisions of the PIT Regulations, the PFUTP Regulations, the Insider Code and the Code for Fair Disclosure.

The terms of reference of PIT Regulations Committee include:

- Identifying / reviewing the list of persons to be included in the list of Designated Persons under the Insider Code, at regular intervals, on the basis of their role, function and access to UPSI in the Company as well as the Subsidiaries of the Company;
- Reviewing the functioning of the mechanism adopted for monitoring trade in the securities of the Company by the Designated Persons as identified under the Insider Code;
- Ensuring maintenance of adequate and effective internal controls including maintaining a structured digital data base of 'Designated Persons', containing names of persons or entities, with whom information is shared under the PIT Regulations along with PAN, with adequate internal controls and checks, such as time stamping and audit trails to ensure non-tampering of the database and compliance with the PIT Regulations;
- Considering and approving the inclusion of additional transactions, as 'Legitimate purpose' for sharing of information by the Company, in furtherance of the Company's and stakeholders' interest other than as provided under the Code for Fair Disclosure;
- Reviewing the adequacy and effectiveness of the internal controls in place for restrictions on communication or procurement of UPSI;
- Carrying out inquiry in relation to leak of UPSI / potential breach of the Insider Code by suspected Designated Person(s);
- Reviewing and reporting to the Audit Committee and the Board of Directors of the Company, at the beginning of each financial year, the compliance of the Insider Code and PIT Regulations;
- Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the PIT Regulations Committee met 3 (Three) times on 6th May 2022, 31st October 2022 and 2nd February 2023 respectively.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	3	3
Mr. S. C. Bhargava (Member)	Independent	3	3
Dr. Santrupt Misra (Member)	Non-Executive Non-Independent	3	3
Mr. Ajay Srinivasan (Member)	Chief Executive Officer	1	1
Mrs. Vishakha Mulye (Member)	Chief Executive Officer	2	2
Mrs. Pinky Mehta (Member)	Chief Financial Officer	3	3

The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, Mr. Ajay Srinivasan, Chief Executive Officer was a Member of the Committee till 30th June 2022 and Mrs. Vishakha Mulye, Chief Executive Officer was appointed as a Member of the Committee w.e.f. 3rd August 2023.

The PIT Regulations Committee has further constituted a PIT Disciplinary Committee comprising of Chief Risk Officer, Chief Financial Officer and Chief Human Resources Officer for the purpose of deciding upon the actions to be taken in case of violations of the Insider Code. The decisions and actions, if any, taken by the

PIT Disciplinary Committee are reported to the PIT Regulations Committee at its subsequent meetings. The details of violations and actions taken, if any, are also reported to the Stock Exchanges as required under the PIT Regulations.

7. ASSET-LIABILITY MANAGEMENT COMMITTEE

The Asset-Liability Management Committee has been constituted under RBI's Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies read with RBI Master Directions, as amended (collectively referred to as "RBI Framework").

The terms of reference of the Asset-Liability Management Committee include:

1. Governance of Liquidity Risk Management by:
 - a. Ensuring adherence to the risk tolerance/limits set by the Board; and
 - b. Implementing the Liquidity Risk Management Strategy and Capital Planning
2. Internal Controls – To ensure appropriate internal controls, systems and procedures for adherence to Liquidity Risk Management policies and procedure;
3. Reviewing the Liquidity Risk Management basis various approaches;
4. Monitoring Liquidity Risk basis various Tools;
5. Reviewing the Credit Sanction Process for High Value Proposals;
6. Reviewing the pricing of assets and liabilities and monitor the sensitivity of assets and liabilities to changes in interest rates;
7. Ensuring liquidity through maturity matching;
8. Monitoring market Risk Management Systems, compliance with the Asset Liability Management Policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
9. Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided Risk Management objectives;

10. Reviewing the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits;
11. Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
12. With respect to liquidity risk, deciding on the desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches;
13. Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Asset-Liability Management Committee met 2 (Two) times on 21st September 2022 and 17th March 2023.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Vishakha Mulye (Chairperson)	Chief Executive Officer	2	2
Mr. P. H. Ravikumar (Member)	Independent	2	1
Dr. Santrupt Misra (Member)	Non-Executive Non-Independent	2	2
Mr. Sushil Agarwal (Member)	Non-Executive Non-Independent	2	1
Mrs. Pinky Mehta (Member)	Chief Financial Officer	2	1
Mr. A. Dhananjaya (Member)	Chief Compliance and Risk Officer	2	2

The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, Mr. Ajay Srinivasan, Chief Executive Officer was Chairman of the Committee till



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30th June 2022 and Mr. A. Dhananjaya, Chief Compliance and Risk Officer was a Member of the Committee till 31st March 2023. Mrs. Vishakha Mulye, Chief Executive Officer was appointed as Chairperson of the Committee w.e.f. 3rd August 2022 and Mrs. Sanchita Mustaphy, Chief Risk Officer was appointed as a Member of the Committee w.e.f. 1st April 2023.

8. IT STRATEGY COMMITTEE

The IT Strategy Committee has been constituted pursuant to Reserve Bank of India Master Direction on Information Technology Framework for the NBFC Sector read with RBI Master Directions, as amended.

The terms of reference of the IT Strategy Committee include:

1. Establishment of the Information Security Management System (ISMS) objectives;
2. Reviewing and approving the Company's Information Technology and Cyber Security Policy, Privacy Policy and Business Continuity Policy;
3. Demonstrating Management support for relevant initiatives on the above subject area;
4. Reviewing major information and Cyber security, Business Continuity and Privacy incidents;
5. Reviewing if any significant risk is to be reported to the Board;
6. Reviewing and approving the Information Technology ("IT") Strategy and Policy documents and ensuring that the management has put an effective strategic planning process in place;
7. Ascertaining that management has implemented processes and practices that ensure that the IT function delivers value to the business;
8. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
9. Monitoring the method that management uses to determine the IT resources and roles and responsibilities needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
10. Ensuring proper balance of IT investments for sustaining Company's growth and becoming

aware of exposure towards IT risks and controls constituting an effective governance mechanism and risk management processes for all outsourced IT operations.

11. Carrying out / performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the IT Strategy Committee met 2 (Two) times on 8th September 2022 and 2nd March 2023.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. P. H. Ravikumar (Chairperson)	Independent Director	2	2
Mrs. Vijayalakshmi Iyer (Member)	Independent Director	2	2
Mrs. Vishakha Mulye (Member)	Chief Executive Officer	2	2
Mr. A. Dhananjaya (Member)	Chief Compliance and Risk Officer	2	2
Mrs. Pinky Mehta (Member)	Chief Financial Officer	2	2
Mr. Mukesh Malik (Member)	Chief Operating Officer	2	2
Mr. Subhro Bhaduri (Member)	Chief Human Resources Officer	2	1
Mr. Amber Gupta (Member)	Company Secretary	2	2
Mr. Makesh Chandramohan (Member)	Chief Information and Security Officer	2	2
Mr. Ramesh Narayanaswamy (Member)	Chief Technology Officer	1	1

During the financial year under review, Mr. Ajay Srinivasan, Chief Executive Officer and Mr. A. Dhananjaya, Chief Compliance and Risk Officer were Members of the Committee till 30th June 2022 and 31st March 2023, respectively. Mrs. Vishakha Mulye, Chief Executive Officer, Mr. Ramesh Narayanaswamy, Chief Technology Officer

and Mrs. Sanchita Mustaphy, Chief Risk Officer were appointed as Members of the Committee w.e.f. 3rd August 2022, 3rd February 2023 and 1st April 2023, respectively.

The IT Strategy Committee has further constituted an IT Steering Committee, an execution level Committee, comprising of Chief Technology Officer of the Company and its Subsidiaries. The IT Steering Committee meets on a quarterly basis and the decisions and actions, if any, taken by it are reported to the IT Strategy Committee at its subsequent meetings.

III. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations and other applicable provisions, the Company has formulated a Whistle Blower Policy. The Whistle Blower Policy / Vigil mechanism provides a mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct, etc. Adequate safeguards are provided against victimisation of those who avail the mechanism and direct access to the Chairperson of the Audit Committee is provided to them. During the financial year under review, no person was denied access to the Audit Committee. The Policy is in line with the Company's Code of Conduct, Vision and Values and is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

IV. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated financial statements/results of the Company and investments made by its unlisted Subsidiaries. The minutes of the Board Meetings of the unlisted Subsidiaries as applicable are periodically placed before the Board. The Management of all the unlisted Subsidiaries periodically bring to the notice of the Board, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiaries as applicable. As per the definition of "Material Subsidiary" under Regulation 16 of SEBI Listing Regulations, Aditya Birla Sun Life Insurance Company Limited, Aditya Birla Finance Limited, Aditya Birla Sun Life AMC Limited and Aditya Birla Housing Finance Limited were the material Subsidiaries of the Company during the financial year under review.

The Company has formulated a "Policy for determining material Subsidiary Companies" of the Company and has

complied with all the obligations relating to its material Subsidiaries under SEBI Listing Regulations. This policy is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>. In compliance with the SEBI Listing Regulations, this policy shall be reviewed by the Board at least once every three years.

Further in accordance with Regulation 24(1) of the SEBI Listing Regulations, Mr. Arun Adhikari, Independent Director of the Company is an Independent Director on the Board of Aditya Birla Sun Life Insurance Company Limited and Mr. S. C. Bhargava, Independent Director of the Company is an Independent Director on the Board of Aditya Birla Finance Limited.

The Secretarial Audit Reports of Aditya Birla Finance Limited, Aditya Birla Housing Finance Limited and Aditya Birla Sun Life Insurance Company Limited are annexed to this Annual Report. Aditya Birla Sun Life AMC Limited being equity listed company, its Secretarial Audit Report is not annexed to this Annual Report.

With effect from 1st April 2023, Aditya Birla Housing Finance Limited has ceased to be a Material Subsidiary of the Company as per Regulation 16(1)(c) of the SEBI Listing Regulations.

V. OTHER DISCLOSURES

Details of non-compliance by the Company, Penalties and Strictures imposed on the Company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter relating to Capital Markets, during the last three years

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no strictures /penalties have been imposed on the Company by the Stock Exchanges or the SEBI or any other Statutory Authority.

Related Party Transactions

During the financial year under review, your Company had entered into related party transactions which were on an arm's length basis and in the ordinary course of business. There were no material transactions with any related party to which 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



Corporate Governance Report (Contd.)

SEBI Listing Regulations were applicable. All related party transactions were approved by the Audit Committee of your Company.

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

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

Disclosure of Accounting Treatment

Your Company has followed all the applicable Accounting Standards while preparing the Financial Statements.

Management Discussion and Analysis

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

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

The Company discloses to the Audit Committee, the uses/ applications of proceeds/funds raised from public issues, private placement of Equity Shares, etc., if any, as part of quarterly review of financial results and the details are also filed with the Stock Exchanges on a quarterly basis, as applicable, pursuant to Regulation 32 of the SEBI Listing Regulations. The Company has fully utilized the funds which were raised pursuant to the Preferential Issue of the Company during financial year 2019-20. Further details are disclosed under Shareholder Information.

Remuneration of Directors

Directors are paid sitting fees of ₹ 1,00,000/- for each Meeting of the Board, ₹ 75,000/- for each Meeting of the Audit Committee and ₹ 50,000/- for each Meeting of other Committees. Your Company does not pay commission to the Directors of the Company.

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

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

Name of the Director	No. of Shares held	Sitting Fees Paid (₹)
Mr. Kumar Mangalam Birla	1,77,398*	5,00,000
Dr. Santrupt Misra	-	18,00,000
Mr. Sushil Agarwal	2,89,585*	15,50,000
Mr. Arun Adhikari	-	14,00,000
Mr. P. H. Ravikumar	1,407	15,50,000
Mr. S. C. Bhargava	-	20,00,000
Mrs. Vijayalakshmi Iyer	2,000	18,75,000
Mr. Romesh Sobti	-	11,00,000

*including shares held as a Karta of HUF

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

LOANS AND ADVANCES

The Company being a Core Investment Company ("CIC") registered with RBI, is in the business of making investments and providing loans to its Subsidiaries and/ or Group companies, particulars of which are listed out under the notes to accounts to the Financial Statements forming part of this Annual Report. Apart from the aforesaid, no loans and advances were given to firms / companies in which any of the Directors are interested.

CEO / CFO CERTIFICATION

Mrs. Vishakha Mulye, Chief Executive Officer of the Company and Mrs. Pinky Mehta, Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, for Financial Year 2022-23 which was placed before the Board at its Meeting held on 11th May 2023, and the same forms part of this Annual Report.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with the Corporate Governance requirements specified under Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI Listing Regulations.

DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY AS ON 31ST MARCH 2023

Name of the material subsidiary	Aditya Birla Finance Limited	Aditya Birla Sun Life AMC Limited	Aditya Birla Sun Life Insurance Company Limited	Aditya Birla Housing Finance Limited
Date and place of incorporation	28 th August 1991 Mumbai, Maharashtra	5 th September 1994, Mumbai, Maharashtra	4 th August 2000 Mumbai, Maharashtra	27 th July 2009 Veraval, Gujrat
Name and date of appointment of the statutory auditors	Joint Statutory Auditors: 1. Deloitte Haskins & Sells LLP - 10 th July 2020 2. M/s. Singhi & Co. - 16 th December 2021	S.R. Batliboi & Co. LLP - 15 th July 2019	Joint Statutory Auditor: 1. M/s. Haribhakti & Co. LLP - 4 th July 2019 2. M/s. S.B. Billimoria & Co. LLP - 25 th August 2020	M/s. KKC & Associates LLP 2 nd August 2021

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 M/s. Makarand M Joshi & Co., Practising Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V (E) of the SEBI Listing Regulations forms part of this Annual Report.

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, Dr. Santrupt Misra (DIN: 00013625), Non-Executive Non-Independent Director retires from the Board by rotation at the ensuing AGM of the Company. Although being eligible, he has not offered himself for re-appointment.

GENERAL BODY MEETINGS

During the preceding three years, the Company's Annual General Meetings ("AGMs") were held as under:

Date, time and venue of the AGMs:

Year	Date	Time	Venue	Particulars of Special Resolution(s) passed
2019-20	31 st August, 2020	11:00 A.M.	Through Video Conferencing / Other Audio Visual means	-
2020-21	20 th August 2021	11:00 A.M.	Through Video Conferencing / Other Audio Visual means	Refer Note (a)
2021-22	26 th August 2022	11:00 A.M.	Through Video Conferencing / Other Audio Visual means	-

Notes:

(a)

1. Re-appointment of Mrs. Vijayalakshmi Iyer (DIN: 05242960) as an Independent Director for a second term of five years from 26th June 2022 to 25th June 2027;
2. Re-appointment of Mr. Arun Adhikari (DIN: 00591057) as an Independent Director for a second term of five years from 26th June 2022 to 25th June 2027;
3. Re-appointment of Mr. P. H. Ravikumar (DIN: 00280010) as an Independent Director for a second term of five years from 26th June 2022 to 25th June 2027; and
4. Re-appointment of Mr. S. C. Bhargava (DIN: 00020021) as an Independent Director for a second term of three years from 1st September 2021 to 31st August 2024.

No Extra-Ordinary General Meeting was held during the financial year under review.

Postal Ballot:

During the year under review, the Company had sought the approval of the shareholders by way of Special Resolutions vide Postal Ballot notice dated 8th September 2022 for:

1. Adoption of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022;
2. Approve extending the benefits of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 to the employees of the group companies, including holding, subsidiary and associate companies of the Company.

Mr. B. Narasimhan (FCS No.:1303/ COP No.:10440), Proprietor, M/s. BN & Associates, Practising Company and/or failing him Mr. Dilip Bharadiya (FCS No.:7956/ COP No.:6740), M/s Dilip Bharadiya & Associates, Practising Company Secretaries were appointed as the 'Scrutinizer' to scrutinize the Postal Ballot



Corporate Governance Report (Contd.)

process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, 39/2020 dated 31st December 2020, 10/2021 dated 23rd June 2021, 20/2021 dated 8th December 2021 and 3/2022 dated 5th May 2022.

The Special Resolutions were approved by the Members of the Company on 16th October 2022 in the following manner:

Voting Pattern:

Sr. No.	Resolution	% of votes cast in favour	% of votes cast against
1	Adoption of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022	97.966	2.034
2	Approve extending the benefits of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 to the employees of the group companies, including holding, subsidiary and associate companies of the Company	97.920	2.080

The details of the voting results of Postal Ballot in terms of the provisions of Regulation 44(3) of the SEBI Listing Regulations and the Scrutinizer's Report were submitted to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited on Monday, 17th October 2022 and are also available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/announcements-and-updates>.

MEANS OF COMMUNICATION

Quarterly Results

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

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

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

Website Disclosure

The Company's website contains a separate section namely "Investor Relations" at <https://www.adityabirlacapital.com/investor-relations> where Shareholders' related information is available and Members can access information as required to be disseminated on the website of the Company pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

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

NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange platform and BSE Portal for Electronic filing

Apart from the financial results, shareholding pattern and quarterly report on Corporate Governance, other intimations/ disclosures required to be made to the Stock Exchanges are electronically filed.

Adoption of Mandatory and Discretionary Requirements

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

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

1. For the Financial Year 2022-23, the Company's financial statements are with unmodified audit opinion.
2. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer
3. The Internal Auditor directly reports to the Audit Committee.

Other Disclosures:

1. At the 14th AGM held on 20th August 2021, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) ("B S R & Co.") were appointed as Statutory Auditors for a term of 3 (Three) years from the conclusion of 14th AGM till the conclusion of 17th AGM of

the Company in accordance with Circular no. RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021 issued by RBI on Guidelines for appointment of Statutory Auditors.

For FY22-23, total consolidated fees of ₹ 1.73 Crore was paid to B S R & Co. and all entities in the network firm/ network entity of which the Statutory Auditors were a part of for all the services rendered to the Company and its Subsidiaries.

2. During the financial year under review, there were no complaints filed, disposed or pending as at the end of financial year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
3. A certificate from MMJB & Associates LLP, Company Secretaries, has been received stating/ confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ MCA or any such statutory authority as on 31st March 2023 and is attached as a part of this report.

Details of Compliance with RBI Regulations/ Guidelines

Policies Adopted:

Pursuant to the RBI Master Directions as amended and RBI guidelines on 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' issued vide Circular No. RBI/2021-22/112 Ref.DOR.CRE. REC.No.60/03.10.001/2021-22 dated 22nd October 2021 ("SBR Framework"), the Company has *inter alia* adopted Investment Policy, Policy on demand/ call loans, Policy for ascertaining 'fit and proper' status of Directors, Outsourcing Policy, ICAAP (Internal Capital Adequacy Assessment Process) Policy and Policy on Loan to Directors.

Liquidity Risk Management Framework

The Company has adopted a Liquidity Risk Management Framework and is in adherence to the Liquidity Risk Management guidelines stipulated by the RBI. The disclosure on liquidity risk, on a quarterly basis, is also uploaded on the website of

the Company at <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> and details of the same are separately disclosed in the notes to the Financial Statements forming part of this Annual Report.

Other Disclosures:

- The Company has in place a functional website and the details required to be uploaded on the website as per RBI Master Directions have been duly uploaded.
- The Company has put in place a Policy on the fit and proper criteria including process of due diligence at the time of appointment / renewal of appointment of the Directors.
- Necessary information and declaration/ undertaking from the proposed / existing directors have been obtained, which have also been scrutinized by the Nomination, Remuneration and Compensation Committee and were also placed before the Board.
- The Company has obtained Deed of Covenants signed by the Directors, in the format specified under RBI Master Directions. Declaration from the Directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith has also been obtained.
- A Quarterly statement on change of directors, and a certificate from the Chief Executive Officer on fit and proper criteria in selection of the Directors along with Statutory Auditor certificate was filed for the quarter ended 31st March 2023.
- Mr. A. Dhananjaya, Chief Compliance and Risk Officer of the Company superannuated on 31st March 2023.
- Mrs. Sanchita Mustaphy has been appointed as the Chief Risk Officer of the Company with clearly specified roles and responsibilities w.e.f. 1st April 2023. Further the Chief Risk Officer and the Risk Management Committee meet without the presence of Chief Executive Officer.
- In accordance with RBI circular no. RBI/2020-21/88 Ref.No.DoS.CO.PPG./SEC.05/11.01.005/202021 dated 3rd February 2021 on Risk-Based Internal Audit ("RBIA Framework"), the Company has appointed



Corporate Governance Report (Contd.)

Mr. Charanjit Singh as the Head of the Internal Audit function of the Company. Further, the Head of the Internal Audit and the Audit Committee meet without the presence of the senior management.

- The Company is in compliance with all requirements applicable to Middle layer NBFC as per RBI circular on Scale Based Regulations for NBFCs.
- The Company is in compliance with the requirements arising out of the Master Direction - Information Technology Framework for the NBFC Sector issued by RBI and has constituted an IT Strategy Committee. The Company has adopted an IT Policy and Cyber-security Policy and undertaken a comprehensive risk assessment of IT

systems. An Information systems audit was conducted by an independent auditor for the financial year under review.

- Relevant disclosures as applicable under the RBI Master Directions and SBR Framework have been made in the Annual Financial Statements for the financial year ended 31st March 2023.
- No penalties have been imposed by RBI and other regulators including strictures or directions on the basis of inspection reports or other adverse findings.
- Statutory Auditors have not expressed any modified opinion(s) or other reservation(s) in their audit report/ limited review report in respect of the financial results.

Shareholder's Information

1. Annual General Meeting

Date and Time	: Friday, 18 th August 2023 at 11:00 A.M.
Venue	: Meeting is being conducted through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") pursuant to the MCA Circular No. 10/2022 dated 28 th December 2022 read with circular nos. 14/2020 dated 8 th April 2020, 17/2020 dated 13 th April 2020 and 20/2020 dated 5 th May 2020 and Securities Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 th January 2023 read with SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12 th May 2020 issued in this regard. Please refer to the Notice of this AGM for more details.
Participation through VC/OAVM for Annual General Meeting ('AGM')/ Webcast and transcripts	: https://emeetings.kfintech.com

2. Financial Calendar for Reporting

Financial year of the Company	: 1 st April to 31 st March
For the quarter ending 30 th June, 2023	: On or before 10 th August 2023*
For the quarter ending 30 th September, 2023	: On or before 10 th November 2023*
For the quarter ending 31 st December, 2023	: On or before 10 th February 2024*
For the quarter/ year ending 31 st March, 2024	: On or before 15 th May 2024*
17 th Annual General Meeting for the year ended 31 st March 2024	: On or before 31 st August 2024
*Tentative dates	

3. Dividend Payment Date

: Not Applicable

4. Registered Office

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

5. (a) Listing Detail

Equity Shares	Global Depositary Shares (GDSs)
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 National Stock Exchange of India Limited ('NSE') Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051	Luxembourg Stock Exchange ('LSE') Societe de la Bourse de Luxembourg P. O. Box 165, L-2011 Luxembourg, Grand Duchy of Luxembourg, Europe

Note: Annual Listing fees for the year has been paid to all the Stock Exchanges and no amount is outstanding.

(b) Overseas Depositary for GDSs

: Citibank N.A.
Depositary Receipt Services
390 Greenwich Street, 4th Floor, New York, NY-10013
Tel: +1 212-723-4483;
Fax: +1 212-723-8023

(c) Domestic Custodian of GDSs

: Citibank N.A.
Custodial Services
FIFC, 9th Floor, C 54 & 55, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai-400 098
Tel.: +91-22-61757532/6992;
Fax: 000 8000404096 / 000 8000404124



Shareholder's Information (Contd.)

6. Stock Code

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

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

7. Stock Price Data

Year/ Month	BSE Limited			National Stock Exchange of India Limited			Luxembourg Stock Exchange		
	High	Low	Close	High	Low	Close	High	Low	Close
	(In ₹)			(In ₹)			(In US\$)		
Apr-'22	124.50	107.50	120.75	124.50	107.50	120.85	1.62	1.43	1.58
May-'22	119.55	90.05	101.10	119.45	90.05	101.10	1.53	1.21	1.3
Jun-'22	104.55	85.70	89.35	104.50	85.60	89.40	1.34	1.1	1.13
July-'22	107.15	88.40	106.30	107.20	88.35	106.35	1.34	1.13	1.34
Aug-'22	116.70	103.30	114.25	116.75	103.30	114.25	1.46	1.32	1.42
Sep-'22	123.50	106.80	111.65	123.30	106.65	111.80	1.51	1.32	1.37
Oct-'22	118.75	108.15	116.85	118.75	108.10	116.85	1.43	1.33	1.41
Nov-'22	147.50	116.45	145.25	147.55	116.50	145.35	1.79	1.41	1.79
Dec-'22	162.50	141.25	150.10	162.45	141.45	150.20	1.95	1.73	1.82
Jan-'23	157.70	133.25	141.05	157.80	133.05	141.20	1.88	1.65	1.73
Feb-'23	149.30	133.75	145.65	149.30	133.70	145.85	1.81	1.66	1.77
Mar-'23	159.35	139.35	153.65	159.35	139.25	153.55	1.93	1.75	1.87

8. Indexed Stock Performance:

Performance of Price of Equity Share of The Company in Comparison to the BSE Sensex And Nifty



9. Registrar and Share Transfer Agent (RTA) & Investor Correspondence

Investor can contact the RTA of the Company relating to transmission, change of address, etc.

The contact details of RTA are as under:

Name	KFin Technologies Limited
Address for correspondence	Selenium Building, Tower-B, Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032
Email ID	einward.ris@kfintech.com
Toll Free/ Phone Number	1800 309 4001
WhatsApp Number	(+91) 910 009 4099
KPRISM (Mobile Application)	https://kprism.kfintech.com/
KFINTECH Corporate Website	https://www.kfintech.com
RTA Website	https://ris.kfintech.com

10. Share Transfer System

: In terms of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, securities can be transferred only in dematerialized form with effect from 1st April 2019.

Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into dematerialised form as Trading in shares of your Company is permitted only in dematerialised form.

During the financial year 1(one) transfer request involving 350 shares was processed.

More details about the system and procedures are covered below under section "Other useful information for the shareholders".

11. Investor Complaints details:

Nature of Complaints	2022-23			2021-22		
	Received	Redressed	Pending	Received	Redressed	Pending
Complaints relating to Transfer, Transmission, Demat, Non- receipt of Shares on amalgamation / demerger, Non- Receipt of Annual Report etc.	42	41	1*	27	27	0

*pending as on 31st March 2023 which was resolved subsequently.

12. Distribution of Shareholding as on 31st March 2023:

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1-500	4,17,413	85.21	4,68,22,154	1.94
501- 1000	35,071	7.16	2,71,79,580	1.12
1001- 2000	19,519	3.98	2,90,45,239	1.20
2001- 3000	6,453	1.32	1,62,38,065	0.67
3001- 4000	3,142	0.64	1,11,50,476	0.46
4001- 5000	2,151	0.44	1,00,21,070	0.41
5001- 10000	3,473	0.71	2,50,03,328	1.03
10001 & Above	2,624	0.54	94,32,94,130	93.17
Total	4,89,846	100.00	1,10,87,54,042	100.00

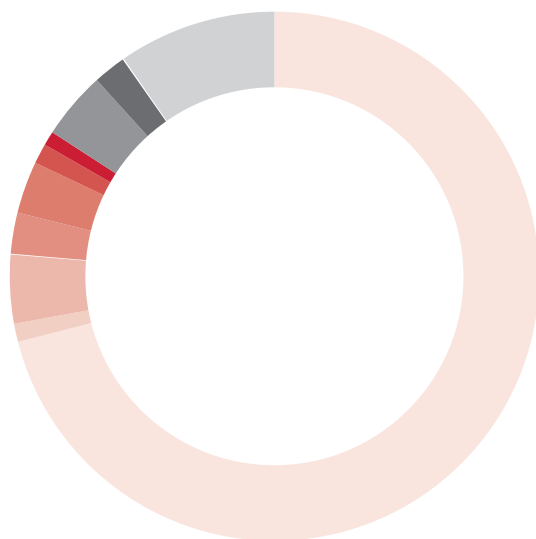


Shareholder's Information (Contd.)

13. Categories of Shareholding as on 31st March 2023:

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoter and Promoter Group*	25	0.01	1,71,73,43,195	71.02
Banks, Mutual Funds Financial Institutions and Insurance Companies				
Mutual Funds	47	0.01	2,68,79,687	1.11
Alternate Investment Funds	9	0.00	10,11,93,223	4.19
Banks, Financial Institutions, UTI	132	0.03	11,60,234	0.05
Insurance Companies	19	0.00	6,04,53,821	2.50
Foreign Investors				
FII and FPIs	168	0.04	7,70,78,890	3.19
NRIs/OCBs/Foreign Nationals	8,604	1.81	2,94,00,461	1.22
GDSs	1	0.00	2,10,89,461	0.87
Foreign Bodies – Corporate	1	0.00	10,00,00,000	4.14
Bodies Corporate/QIB	2,235	0.47	4,80,44,420	1.98
Trusts	44	0.01	16,01,448	0.07
Central/ State Government	7	0.00	26,293	0.00
NBFCs	7	0.00	1,56,085	0.01
Other - Individual/ Clearing Members	4,63,984	97.61	23,35,66,824	9.64
Total	4,75,283	100.00	2,41,79,94,042	100.00

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



Promoters & Promoter Group	71.02%
Mutual Funds	1.11%
Alternative Investment Funds	4.19%
Banks, Financial Institutions, UTI	0.05%
Insurance Companies	2.50%
FII and FPIs	3.19%
NRIs/OCBs/Foreign Nationals	1.22%
GDSs	0.87%
Foreign Bodies - Corporate	4.14%
Bodies Corporate/QIB	1.98%
Trusts	0.07%
Central/State Government	0.00%
NBFCs	0.01%
Other - Individual/Clearing Members	9.64%

14. Dematerialisation of Shares

The Equity Shares of the Company are available for trading in the dematerialised form under both the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The entire Promoter and Promoter Group holdings are in dematerialised form and the same is in compliance with the SEBI directions.

98.90% of equity shares have been dematerialised as on 31st March 2023.

• Shares held in Demat mode in NSDL	: 93.31%
• Shares held in Demat mode in CDSL	: 5.58%
Total	: 98.90%

- 15. Details on use of public funds obtained in the last three years** :
1. The Company has issued and allotted 4,84,00,000 Equity Shares of face value of ₹10 each on Private placement basis at a per share price of ₹ 145.40, fully paid-up, which inter-alia includes a share premium of ₹ 135.40 aggregating to ₹ 703.88 Crore to PI Opportunities Fund - 1 ("Investor") in pursuance of the subscription agreement entered into between the Company and the Investor. The allotment of the aforesaid shares was made on 30th June 2017. The amount received as consideration is used towards growth, expansion, marketing and general corporate activities, repayment of borrowings and investment in Subsidiaries of the Company and aforesaid proceeds have been fully utilized.
 2. The Company has issued and allotted 21,00,00,000 Equity Shares of face value of ₹10 each on preferential basis at a per share price of ₹ 100, fully paid-up, which inter-alia includes a share premium of ₹ 90 aggregating to ₹ 2,100 Crore out of which ₹ 1,000 Crore received from the Promoter and members of the Promoter Group Companies, ₹ 100 Crore from PI Opportunities Fund - 1 ("PIOF") and ₹ 1,000 Crore received from Jomei Investments Limited ("JIL") in pursuance of the subscription agreement entered into between the Company and the respective Investors. The allotment of the aforesaid shares was made on 16th October 2019 to Promoter and members of the Promoter Group Companies and PIOF and on 27th February 2020 to JIL. The amount received as consideration has been used for repayment of borrowings and investments in Subsidiaries of the Company and aforesaid proceeds have been fully utilized.
- 16. Outstanding GDSs/ADRs/ Warrants or any Convertible instruments, Conversion date and likely impact on Equity** :
- There were 5,47,05,589 outstanding GDSs as on 31st March 2023. Each GDS represents one underlying Equity Share. There are no ADRs, Warrants/Convertible Bonds outstanding as at the year end.
- 17. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities** :
- The Company does not have any exposure to commodity price risks and foreign exchange risk.
- 18. Credit Rating** :
- ICRA Ltd. has assigned a rating of "[ICRA] A1+" and CRISIL Ratings has assigned "CRISIL A1+" for the Commercial Paper Programme of the Company for an amount of ₹ 900 Crore (Rupees Nine Hundred Crore only) and have revalidated the ratings from time to time. During the financial year under review, ICRA Ltd. assigned a [ICRA]AAA (pronounced as ICRA triple A) (stable) rating for the proposed ₹ 200 Crore (Rupees Two Hundred Crore only) Non-Convertible Debenture (NCD) Programme of the Company.



Shareholder's Information (Contd.)

19. Other useful information for the shareholders:

Share Transfer/ Transmission/ Transposition/ Dematerialisation

Securities and Exchange Board of India ("SEBI"), effective 1st April 2019, disallowed physical transfer of shares of listed companies and mandated transfers of equity shares in electronic form only. Members holding shares in physical form are requested to convert their holdings to dematerialized form.

In terms of SEBI circular dated 25th January 2022, all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/ splitting/ consolidation of certificate, transmission and transposition which were allowed in physical form shall now be processed in dematerialised form only. Further, in lieu of physical share certificate, a Letter of Confirmation (LOC) carrying all details of shares will be issued by KFin as per SEBI Circular while processing any of the aforesaid investor service requests which shall be valid for a period of 120 days from the date of its issuance. A reminder shall be sent after the end of 45 days and 90 days from the date of issuance of LOC, informing the securities holder/ claimant to submit the demat request.

In case the securities holder/claimant fails to submit the demat request within the aforesaid period of 120 days, the securities shall be credited into the Suspense Escrow Demat Account of the Company.

Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4 (Form for various service requests), the format of which is available on the Company's website at <https://www.adityabirlacapital.com/Investor-Relations> and also on website of the KFin at <https://www.kfintech.com/>.

Members can write to KFin at e-mail ID einward.ris@kfintech.com for more details.

Common and simplified norms for investor service request

Securities and Exchange Board of India ("SEBI") has made furnishing of PAN, KYC and Nomination details mandatory by the investors holding shares in physical forms vide its

Circular dated 3rd November 2021 read with circular dated 14th December 2021 and March 16th 2023 ("Circulars").

The Company had sent letters explaining the requirement of above SEBI Circular along with copies of the relevant forms to all physical Shareholders at their registered postal address to furnish the details. The said requirement was also communicated by sending emails to the Shareholders who have registered their email id.

Members are advised to ensure that KYC details i.e PAN, Postal Address with PIN, Mobile Number, Bank Account details, E-mail id and Nomination details are duly updated. Pursuant to above SEBI Circular folios wherein full KYC information are not available on or after 1st October 2023 shall be frozen.

Shareholders are requested to update/ intimate changes, if any, pertaining to their PAN, postal address, e-mail address, telephone/ mobile numbers, with necessary documentary evidence, to the Company/ KFin, in Form ISR-1 if shares are held in physical mode or to their Depository Participant ("DP"), if the holding is in electronic mode. The said Form ISR-1 for change / updation of details, Form ISR-2 for bankers attestation of signature in case of major mismatch and Form ISR-3 for declaration for opting out of nomination are available for download from the weblink <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> or https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd.

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- i) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- ii) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFin Technologies Limited
Address	Unit: Aditya Birla Capital Limited Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- iii) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Name	KFin Technologies Limited
Address	Unit: Aditya Birla Capital Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

Nomination

Section 72 of the Act, extends nomination facility to individuals holding shares in physical form. Members, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nomination in the nomination form (Form SH-13), or may opt out of nomination in Form ISR-3, which can be downloaded from the Company's website through the weblink at <https://www.adityabirlacapital.com/investor-relations/shareholder-centre>. Shareholders holding shares in demat mode should file their nomination with their DPs for availing this facility.

Permanent Account Number and Aadhaar

Shareholders who hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish PAN vide above Circulars. Further, SEBI has also made compulsory linking of PAN and Aadhaar by all shareholders in physical mode. The folios in which PAN is not linked to the Aadhaar number of the shareholder as on the notified cut-off date of 30th June 2023 or any other date as may be specified by the CBDT, will be frozen.

Freezing of Folios without PAN, KYC details and Nomination

Folios wherein KYC and Nomination details are not available on or after 1st October 2023, shall be frozen by KFin / Company in terms of the Circulars. The frozen folios will be referred by KFin/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December 2025.

Registering of E-mail Address

Members who have not yet registered their e-mail address for availing the facility of e-communication, are requested to register the same with the Company/ KFin or their DPs for easier and faster correspondence.

Members can register their email id by sending duly filled Form ISR-1 to the Company/KFin which can be downloaded from the weblink <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> or https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd.

Dispute Resolution Mechanism

SEBI has vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated 30th May, 2022, issued a Standard Operating Procedure (SOP) for dispute resolution under Stock Exchanges Arbitration Mechanism, for dispute redressal between the Listed Company / Registrar and Share Transfer Agents (RTA) and its shareholder(s) / investor(s).

The Arbitration Mechanism shall be initiated post exhausting all actions for resolution of complaints including those received through SEBI SCORES Portal.

Loss of Shares

In case of loss/misplacement of shares, investors are requested to immediately inform the same by writing a letter addressed to KFin at e-mail ID einward.ris@kfintech.com along with the proof of holding.

Members can write to KFin at e-mail ID einward.ris@kfintech.com for more details.

Non-Resident Shareholders

Non-resident members are requested to immediately notify the following to KFin in respect of shares held in physical form by sending duly filled and signed ISR forms and to their DPs in respect of shares held in dematerialized form:

- Indian address for sending all communications, if not provided earlier;
- E-mail id and Phone No. (s), if any;
- Change in their residential status on return to India for permanent settlement;



Shareholder's Information (Contd.)

- Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; (Please send a photocopy of cancelled cheque leaf); and
- 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 remain unclaimed with the Company. In case your shares are lying unclaimed with the Company, you are requested to claim the same by writing a letter to the Company/ KFin.

A report in respect of the Equity Shares lying in the Unclaimed Suspense Account as on 31st March 2023 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, 2022	26,489	36,61,290
2	Number of shareholders who have approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	85	51,779
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	85	51,779
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 31 st March 2023	26,404	36,09,511

The voting rights on the shares in the suspense account as on 31st March 2023, shall remain frozen till the rightful owners of such shares claim the same.

In view of the above, the Company had sent several reminders dated 15th March 2018, 1st February 2019, 16th September 2019, 16th January 2020 and 8th February 2021 to shareholders informing them the status of their shares and asking them to provide documents to claim the undelivered share certificates.

Company's Website

You are requested to visit the Company's website <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> for

- Information on investor services offered by the Company.
- Downloading of various forms/formats, viz., ISR-1, ISR-2, ISR-3, ISR-4, Nomination form SH-13), ECS Mandate form, Indemnity, Affidavits, etc.

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 banks post-implementation of Core Banking System.

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 registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

K-PRISM

Members are requested to take note that, KFin provides a secure mobile interface "K-PRISM" through which investors who utilise the corporate registry services of KFin will now be able to access their application status, download Annual Reports, standard forms, etc and keep track of upcoming General Meetings all on the go, in a hassle free, paper-less process. The mobile application is available for download on the Android Play Store and a desktop version can be accessed at <https://kprism.kfintech.com>. Members can download the mobile application and register themselves (onetime) for availing a host of services viz. consolidated portfolio view serviced by KFin, Dividends status etc., and send requests for change of Address, updation of Mobile number, E-mail address and so on.

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 KFin Technologies Limited at Hyderabad. All correspondence regarding shares of the Company should be addressed to KFin e-mail ID einward.ris@kfintech.com. KFin has also designated toll free number, i.e. 1800-309-4001 for investor services where they can register their complaints/queries to facilitate speedy and prompt redressal.

Service of Documents in Electronic Form (Green Initiative in Corporate Governance)

In order to conserve paper and the environment, the Ministry of Corporate Affairs ("MCA"), Government of India, has allowed companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board's Reports, Auditors' Reports, etc., henceforth to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Shareholders can avail e-communication facility by registering their e-mail address with the Company by sending the request on e-mail to abc.secretarial@adityabirlacapital.com / einward.ris@kfintech.com.

Benefits of registering 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 the investor services to the Corporate Office or Registered Office or via email at abc.secretarial@adityabirlacapital.com.

20. Plant Location:

The Company is engaged in financial services business and does not have any plant.

21. Investor Correspondence:

(i) Registered Office:

Aditya Birla Capital Limited
Indian Rayon Compound,
Veraval - 362 266, Gujarat
Tel: +91 2876 243257
Fax: +91 2876 243220
E-mail: abc.secretarial@adityabirlacapital.com

(ii) Corporate Office:

Aditya Birla Capital Limited
One World Centre, Tower I,
18th Floor, Jupiter Mill Compound,
841 Senapati Bapat Marg,
Elphinstone Road, Mumbai- 400 013
Tel: +91 22 4356 7000
Fax: +91 22 4356 7111
E-mail: abc.secretarial@adityabirlacapital.com

(iii) Registrar & Transfer Agent:

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



Shareholder's Information (Contd.)

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 2023.

Date: 11th May 2023

Vishakha Mulye
Chief Executive Officer

CEO - CFO CERTIFICATION

To
The Members,
Aditya Birla Capital Limited,

We certify that:

1. We have reviewed the Audited Financial Statements and the cash flow statement of Aditya Birla Capital Limited ("the Company") for the financial year ended 31st March 2023 and to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions have been entered into by the Company during the financial year ended 31st March 2023, 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 2023;
 - ii. significant changes in accounting policies, if any, during the financial year ended 31st March 2023 have been disclosed in the notes to the Financial Statements; and
 - iii. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.
5. We further confirm that there has been no deviation in the use of proceeds of funds raised by the Company, from the objects/ purpose stated in the application/ offer letter.

Vishakha Mulye
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Date: 11th May, 2023

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by **Aditya Birla Capital Limited** ("the Company") for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
P.R. No. 640/2019
UDIN: F005533E000290741

Date: 11th May 2023
Place: Mumbai

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, MCA or any such other statutory authority as on 31st March 2023.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Kumar Mangalam Birla	00012813	26 th October 2017
2.	Dr. Santrupt Misra	00013625	26 th October 2017
3.	Mr. Subhash Chandra Bhargava	00020021	1 st September 2016
4.	Mr. Sushil Agarwal	00060017	26 th October 2017
5.	Mr. Hayagreeva Ravikumar Puranam	00280010	26 th June 2017
6.	Mr. Arun Adhikari Kumar	00591057	26 th June 2017
7.	Mrs. Vijayalakshmi Iyer	05242960	26 th June 2017
8.	Mr. Romesh Sobti	00031034	14 th January 2021

For **MMJB & Associates LLP**

Saurabh Agarwal
Designated Partner
FCS: 9290
CP: 20907
UDIN: FO09290E000292870

Date: 11th May 2023
Place: Mumbai

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L67120GJ2007PLC058890
2	Name of the Listed Entity	Aditya Birla Capital Limited
3	Year of incorporation	2007
4	Registered office address	Indian Rayon Compound, Veraval - 362266, Gujarat
5	Corporate address	18 th floor, One World Centre, Jupiter Mills Compound, 841, Senapati Bapat, Mumbai - 400013, Maharashtra
6	E-mail	abc.secretarial@adityabirlacapital.com
7	Telephone	+91 22 4356 7000
8	Website	https://www.adityabirlacapital.com/
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited and Luxembourg Stock Exchange
11	Paid-up Capital	₹ 24,17,99,40,420
12	Contact Person	
	Name of the Person	Mr. Vijay Deshwal, Chief Strategy Officer and Head Investor Relations
	Telephone	+91 22 4356 7000
	Email address	vijay.deshwal@adityabirlacapital.com
13	Reporting Boundary	
	Type of Reporting-	The disclosures under this report are made on consolidated basis for Aditya Birla Capital Limited (ABCL) and 4 of its material subsidiaries. viz. Aditya Birla Sun Life AMC Limited (ABSLAMC) Aditya Birla Finance Limited (ABFL) (NBFC) Aditya Birla Housing Finance Limited (ABHFL) Aditya Birla Sun Life Insurance Company Limited (ABSLI) Please note: The disclosures made under principle 6 cover data for ABCL's main offices in Mumbai, Maharashtra. The disclosures made related to human capital/ resources cover data for all of ABCL's subsidiaries, as listed in Section A- Q. 21.

II. Product/Services

14 Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Financial Services	The Company holds a certificate of Registration issued by the RBI to carry on business of a Non-Deposit Systemically Important Core Investment Company (CIC-ND-SI) under Section 45-IA of the Reserve Bank of India Act, 1934.	100%

15 Products/Services sold by the entity

S. No.	Product/Service	NIC Code	% of Total Turnover contributed*
1	ABFL - NBFC	6492	27.46%
2	ABHFL - Housing Finance	6492	4.68%
3	ABSLI - Life Insurance	65110	51.47%
4	ABSLAMC - Asset Management	66301	4.50%

*based on segment revenue



Business Responsibility & Sustainability Report (Contd.)

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices*	Total
National	0	1295	1050
International	0	3	3

* across all subsidiaries

17 Market served by the entity

	Locations*
a. No. of Locations	
National (No. of States)	PAN India
International (No. of Countries)	3
b. What is the contribution of exports as a percentage of the total turnover of the entity?	0%
c. A brief on types of customers	As a diversified financial services company, clients of ABCL's subsidiaries covered in the reporting boundary range from individual investors and borrowers, large corporate, institutional investors, MSMEs, HNWLs, construction and infrastructure developers. Through our subsidiaries, we cater to various customer segments. This includes low-and-middle-income segments, High Net Worth Individuals (HNWI), as well as group-level clients (corporates). As of FY 2023, we have an active customer base of approximately 38 million. In line with our focus on empowering through inclusion, we have consistently focused on catering to a diverse mix of client segments, and have enabled access to financial services, at scale, through affordable offerings in insurance, lending and investment.

* across all subsidiaries

IV. Employees

18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
a.	Employees and workers (including differently abled)					
1	Permanent Employees (A)	34681	24619	71%	10062	29.01%
2	Other than Permanent Employees (B)	2085	1564	75%	521	24.99%
3	Total Employees (A+B)	36766	26183	71%	10583	28.78%
b.	Differently abled employees and workers					
1	Permanent Employees (E)	29	23	79%	6	20.69%
2	Other than Permanent Employees (F)	0	0	0%	0	0%
3	Total Employees (E+F)	29	23	79%	6	20.69%

19. Participation/Inclusion/Representation of women*

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.5%
2	Key Management Personnel	3	2	66%

*Only details of Aditya Birla Capital Limited have been included

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-2023 (Turnover rate in current FY)			FY 2022-2021 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39.24%	27.99%	35.97%	36.54%	31.07%	34.89%	31.23%	27.49%	30.21%

*This does not include employees on probation.

21. Holding, Subsidiary, and Associate Companies (including joint ventures)

S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Grasim Industries Limited	Holding	-	No
2.	Aditya Birla Finance Limited	Subsidiary	100.00%	Yes*
3.	Aditya Birla Housing Finance Limited	Subsidiary	100.00%	
4.	Aditya Birla Money Limited	Subsidiary	73.60%	
5.	Aditya Birla Insurance Brokers Limited	Subsidiary	50.002%	
6.	Aditya Birla Money Mart Limited	Subsidiary	100.00%	
7.	Aditya Birla Money Insurance Advisory Services Limited	Subsidiary	100.00%	
8.	Aditya Birla Sun Life Trustee Private Limited	Subsidiary	50.85%	
9.	Aditya Birla Wellness Private Limited	Subsidiary	51.00%	
10.	Aditya Birla Financial Shared Services Limited	Subsidiary	100.00%	
11.	Aditya Birla Capital Digital Limited	Subsidiary	100.00%	
12.	Aditya Birla Sun Life Insurance Company Limited	Subsidiary	51.00%	
13.	Aditya Birla ARC Limited	Subsidiary	100.00%	
14.	Aditya Birla Stressed Asset AMC Private Limited	Subsidiary	100.00%	
15.	Aditya Birla Sun Life Pension Management Limited	Subsidiary	51.00%	
16.	Aditya Birla Trustee Company Private Limited	Subsidiary	100.00%	
17.	Aditya Birla Capital Technology Services Limited	Subsidiary	100.00%	
18.	Aditya Birla PE Advisors Private Limited	Subsidiary	100.00%	
19.	Aditya Birla Sun Life AMC Limited	Subsidiary	50.01%	
20.	Aditya Birla Sun Life AMC (Mauritius) Limited	Subsidiary	50.01%	
21.	Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore	Subsidiary	50.01%	
22.	Aditya Birla Sun Life Asset Management Company Ltd., Dubai	Subsidiary	50.01%	
23.	Aditya Birla Health Insurance Co. Limited	Associate	45.91%	

*The Holding Company has its own Business Responsibility (BR) Initiatives whereas the subsidiaries of the Company participate in the BR initiatives to the extent applicable to them.

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 ("IOF") and has no beneficial interest or ownership on IOF's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IOF. Hence these Companies are not included above.



Business Responsibility & Sustainability Report (Contd.)

VI. CSR Details

22

a. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
Turnover (in ₹)	Standalone - ₹ 218.56 Crore
Net worth (in ₹)	Standalone - ₹ 10,097.94 Crore

During the financial year under review, your Company was not required to make any expenditure towards Corporate Social Responsibility ("CSR") projects, in absence of average net profit for three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 ("the Act")

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for the grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes	Grievance redressal for communities is managed by implementation partners, agencies.	-	-	-	-	-	-
Investors (other than shareholders)	-	https://abcscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/Whistleblower-Policy-ABCL.pdf?extension=webp&revision=611124e3-5079-4c9e-9580-789bfada0cf6&modified=20201118154759	-	-	-	-	-	-
Shareholders	Yes	https://abcscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/Whistleblower-Policy-ABCL.pdf?extension=webp&revision=611124e3-5079-4c9e-9580-789bfada0cf6&modified=20201118154759	42	1	-	27	0	-
Employees* and workers	Yes	https://abcscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/Whistleblower-Policy-ABCL.pdf?extension=webp&revision=611124e3-5079-4c9e-9580-789bfada0cf6&modified=20201118154759	0	0	-	0	0	-
Customers	Yes	https://lifeinsurance.adityabirlacapital.com/Pages/Individual/Custom-Service/Complaint-Redressal.aspx https://mutualfund.adityabirlacapital.com/help-centre/grievance grievance.housingfinance@adityabirlacapital.com	5633	41	-	5068	0	-
Value Chain Partners	-	-	-	-	-	-	-	-
Other (please specify) (ABHFL)	Yes	grievance.housingfinance@adityabirlacapital.com ;	382	1	-	99	17	-

*Note: Complaints by employees here refer to complaints pertaining to harassment, and are also reflected in Principle 5 - Q6

24. Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Risk Management (Including ESG risks)	Opportunity	ABCL and its subsidiaries have identified effective risk management as an enabler for meeting business objectives and delivering long-term value for all stakeholders. The Company and its subsidiaries continue to face various types of risks, such as market risk. Additionally, we continue to face multidimensional ESG-linked risks, including those related to climate change. To mitigate these risks, the Company follows a data-driven risk management approach, and has in place a robust, Board-approved Risk Management Framework. There exists an opportunity for the Company to build on its momentum of ESG integration, and to continue to innovate on its risk management framework to adapt to emerging risks, including those linked to ESG, climate change, and the rapidly changing regulatory landscape of the financial services industry.	In line with regulatory requirements, the Board has formed a Risk Management Committee (RMC), which oversees all key and operational aspects of risk management. Our existing Risk Management Framework is designed to help identify, address, and mitigate emerging risks in a timely and efficient manner. Key and guiding objectives of this framework include enabling oversight and monitoring, facilitating strategic and data-driven decision-making, and ensuring effective checks and balances. Through this robust framework, we have created an ecosystem of policies and practices to effectively mitigate any emerging risks. The RMC drives and oversees the ESG and ESG-linked risk monitoring agenda at the Company. As a result, we have created an enabling environment to mitigate and adapt to emerging risks of varying nature.	Positive: Our robust risk management framework and the effective oversight of risks ensured by the Committee has enabled the Company to effectively adapt to emerging risks, such as those arising from the COVID-19 pandemic. Through multiple initiatives, we aim to further strengthen our performance on financial and sustainability parameters.
Data Security and Privacy	Risk	Increasing digitization in the financial services industry and the way companies operate bring with it associated risks, especially concerning data security and privacy. Given the increasingly complex digitization landscape in the financial services industry, we see cybersecurity-related risk management and customer data privacy protection as key imperatives. Given the nature of the business and its focus on customer centricity, the company sees the following as significant risks related to data privacy and security: 1. Phishing threats (Customers) 2. Ransomware (Company-level) 3. Loss or negative impact on proprietary data (Customers' personal data and Company data) 4. Negative impact or cyber-attacks on the Company's IT infrastructure We view these risks as having the potential to impact ABCL's core IT systems, its internal and external databases, its customers' finances, and consequently its reputation and credibility in the market.	We are committed to safeguarding our employees' and customers' data privacy and have actively taken steps to address emerging risks related to the same. We have a centralized strategy to achieve compliance on data privacy, and applied it to all; subsidiaries. Specifically, to safely manage and protect customers' data, ABCL has a defined set of principles and protocols in place, in line with regulatory requirements. Additionally, with a robust and comprehensive Cyber Security framework, we have put in place safeguards to ensure data privacy and security. To address risks such as data theft or cyber attacks, we have a robust reporting and resolution mechanism in place – for customers and employees alike. We have also implemented and consistently strengthened Data Loss Prevention (DLP) policies. As a result of such efforts, as of FY 23, no security breaches or data loss was reported.	Negative: The potential additional or increased costs incurred to manage timely, frequent and customized updates to: 1. Internal IT infrastructure and architecture 2. Software purchases 3. IT Hardware 4. Changes as a result of sector-specific or theme-specific regulatory requirements



Business Responsibility & Sustainability Report (Contd.)

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Corporate Governance	Risk	Within corporate governance, business ethics and integrity, responsible business conduct, and compliance with changing regulatory requirements and disclosures are some of the high priority issues for ABCL and its subsidiaries. Ongoing and rapid changes in the markets, regulatory landscape in the industry, and in regulations pertaining to product offerings can pose multiple risks. This includes the risk of inadequate or non-timely adaptation in processes and in responses by ABCL to such changes or regulatory requirements. Additionally, changes in regulatory requirements and disclosures on ESG present ESG-related risks that the Company would need to address in a timely and appropriate manner.	ABCL and its subsidiaries have and continue to promote ethical business conduct, and adopt corporate governance best practices. By following a values-based approach, we have built an ethical and transparent organization. To this end, ABCL and its subsidiaries have developed robust frameworks and policies, including: 1. Comprehensive corporate governance framework 2. Governance philosophy 3. Whistle-blower policy 4. Expansive Code of Conduct, covering issues including anti-corruption and prevention of insider trading At ABCL, the Board takes keen interest in managing ESG-related risks, opportunities and ensuring robust governance of the same across all its subsidiaries. We also provide trainings to key employee groups on these topics at regular intervals.	Negative: Issues or limitations in oversight and monitoring of ABCL's governance practices and record on compliance or regulatory requirements can have a negative impact on the Company's: 1. ESG ratings 2. Reputation in the market 3. Potential to attract investment from responsible or ESG-aware investors
Climate Strategy	Opportunity	ABCL and its subsidiaries consistently take efforts to reduce its carbon footprint, and adapt to the emerging impacts and risks stemming from climate change. We see our efforts in the areas of GHG emission management, energy management, water management, and waste management as an opportunity to create a positive impact on the environment. Additionally, we see this as an opportunity to engage and communicate with various stakeholders on ESG, and maintain the Company's reputation as an ESG-aware and socially conscious organization.	The Company and its subsidiaries see its efforts to address the impact of climate change as an enabler for creating long-term value for its stakeholders, and lasting, positive impact on our natural environment. To this end, ABCL and its subsidiaries are ensuring efficient and safe waste management and disposal, in partnership with authorized vendors, and has initiated the practice of waste composting at its Mumbai offices. We have moved from the use of incandescent lights to energy-efficient LED lights in our offices, and are installing solar panels at select offices to become more energy efficient. We have also installed water-saving devices across our offices' common areas, resulting in a significant reduction in water wastage.	Positive: The Company's consistent focus on adapting to climate change and its impact can have a positive impact on the Company's and its subsidiaries': 1. ESG ratings 2. Reputation in the market 3. Potential to attract additional investment from responsible or ESG-aware investors

Business Responsibility & Sustainability Report (Contd.)

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Employee well-being	Opportunity	ABCL is dedicated to ensuring the holistic well-being of all its employees. It views this as an opportunity to further promote a culture of innovation and people-centricity. We consider employees as the most valued asset of the Company, and thus view ensuring their wellbeing as a priority.	ABCL has actively taken steps to ensure the holistic well-being of its workforce. This includes promoting active health management through the ABCL 'Multiply' health app, and offering employees a discount on the Company's health insurance products (select products). Through such initiatives, we view this as an opportunity to enable our employees to actively manage their health, and be their best selves.	Positive: Promoting a culture of holistic well-being can help ABCL strengthen: 1. Efforts to aid employees' personal development 2. Attract and retain top talent 3. Maintain its reputation as a top employer offering engaging opportunities and a healthy work-life balance
Diversity, Equality, and Inclusion	Opportunity	ABCL has and continues to advocate for equality, diversity and inclusion across the organization. Diversity and providing equal opportunity remains a key priority for the Company. It also presents the Company with the opportunity to draw from the insights and experience of a diverse pool of professionals, and leverage these insights to meet both, organizational as well as employees' development goals. We value the varying and rich experiences and insights that our diverse workforces brings in.	ABCL sees diversity and providing equal opportunity as a strength and key component of the Company's core philosophy. We are committed to further improving women's representation in the workforce, across levels.	Positive: ABCL views achieving workforce diversity as an enabler for meeting long-term business goals and ensuring sustainable growth for the organization and its employees alike. Additionally, we see workforce diversity as a value-add in our efforts to attract and retain top talent and maintain our reputation as a leading financial service provider in India.
Financial Inclusion	Opportunity	ABCL and its subsidiaries see the growing importance of enabling access and usage of financial services by underserved segments as an opportunity to contribute to India's growth story. Given ABCL's and its subsidiaries' expansive offerings in the affordable category across micro-insurance, lending and investment, we see financial inclusion as an opportunity in two ways: 1. An opportunity to contribute to the larger national mission to ensure financial inclusion of segments including rural-based populations, women, MSMEs and youth 2. Create economic value for the Company by expanding and diversifying its customer base, product reach, and revenue streams	Within financial inclusion and related business activities, to mitigate risks associated with themes such as lack of information, customer protection, and inconsistencies in selling practices, we have taken the following steps: 1. Clearly identifying priority target segments and understanding their financial needs 2. Creating value-add products based on a needs assessment and principles of responsible pricing 3. Following the highest standard of ethics and responsible selling by training its staff on ethical and responsible selling and marketing 4. Ensuring fact-checking of any information published on its product offerings To this end, the Company is in the process of adopting targets on expanding its offerings in affordable lending, micro-insurance, investor education, and financial literacy.	Positive: Further enhancing the company's focus on financial inclusion will contribute positively to ABCL's reputation as an inclusive financial services provider, and as a contributor to India's national mission and goals on enhancing financial inclusion.



Business Responsibility & Sustainability Report (Contd.)

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Digitalization	Opportunity	Rapid and ongoing digitalization of operational processes including customer experience and service can give ABCL and its subsidiaries an opportunity to: 1. Leverage technology and integrate data systems across ABCL to enable seamless expansion of customer base 2. Optimize and enhance the efficiency, and quality of service delivery for last-mile solutions 3. Transition to a paper-less processing cycle in its operations	ABCL and its subsidiaries have implemented robust monitoring and verification systems to mitigate any risks associated with the transition to digitalization, across its subsidiaries. This includes DigiLocker-based KYC, eSign, and using analytics-based models to make data-driven decisions for lending, investment and insurance. Altogether, such processes have helped us monitor and mitigate any emerging risks, enable contactless customer acquisition, reduce TAT, and reduce dependence on paper-based documentation. Through digitalization, ABCL sees the opportunity to offer a seamless experience to its customers, offer improved efficiency in its operational outcomes, and ensure a transition from paper to digital to promote environmental sustainability	Negative: Potential issues arising in managing process digitalization can create a negative impact on the levels of customer trust, satisfaction, and thus ABCL's reputation. This has the potential to impact the Company's existing customer base, and its efforts to expand the base.
Customer Satisfaction and Relationship Management	Opportunity	Given ABCL and its subsidiaries' diverse customer segments, a negative impact on the level of customer satisfaction, customer experience, and customer service overall can directly affect the Company's: 1. Brand, and reputation in the market 2. Customer acquisition and any expansion plans 3. Existing customer base This could include a negative effect on customer satisfaction caused by issues in or complaints on: 1. Following responsible and ethical practices in selling 2. Cross-selling 3. Data privacy management 4. Marketing and information disclosure on its products, and 5. Channel management	To address risks such as grievances from customers, ABCL and its subsidiaries have robust systems and resolution channels in place. This includes grievance redressal systems available in-person and through online channels, and an escalation matrix for unresolved grievances. ABCL also consistently trains its staff on ethical and responsible behavior, especially in the marketing and selling practices followed by representatives. This is in line with the core values that the Company and the Aditya Birla Group (ABG) espouse. We ensure that all our representatives follow ethical marketing and selling practices. We are dedicated to espousing customer-centricity in all our practices and processes, and ensuring a positive experience for our customers.	Negative: Negative levels of customer satisfaction or any roadblocks to ensuring a positive experience for customers can directly affect our customer base, and its reputation in the market.

Business Responsibility & Sustainability Report (Contd.)

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Reputation Management	Opportunity	Given the Company's focus on customer centricity, it views effective reputation management as an opportunity to maintain its position as a leading provider of financial services in India. ABCL and its subsidiaries are consistently taking steps to maintain our brand and reputation as a responsible, ethical and people-first Company. We see this as an opportunity for us to build on our existing pan-India network and establish our position as a leading ESG-aware financial institution. Additionally, the growing importance of ESG in India and the Indian financial services industry presents the Company and its subsidiaries with an opportunity to create and expand its ESG-aligned product offerings and initiatives. ABCL is continuing to engage with its stakeholders on sustainability and is actively take steps to maintain its reputation as a progressive and ESG-aware organization.	To mitigate associated risks, such as greenwashing or misstating or overstating the Company's performance on ESG parameters, ABCL and its subsidiaries have ensured that all of our communications on sustainability are verified, and in alignment with actual progress made in all areas. Our priority is to ensure that we guide and lead our stakeholders with complete and substantiated information and updates on our progress. The Company is keen to maintain its reputation as a leading ESG-aware organization.	Positive: By allocating dedicated resources to prioritize reputation management and realize its strategy, ABCL and its subsidiaries can further strengthen their reputation as a responsible financial services provider. This can continue to add value to the company's growth.
Community development	Opportunity	Enabling stronger communities forms the foundation of the Company's approach to community development. ABCL and its subsidiaries contribute to the upliftment of communities through CSR activities, carried out under the aegis of 'The Aditya Birla Centre for Community Initiatives and Rural Development'. We view community development as an opportunity to engage with and empower communities across India. This includes engagements on education, healthcare, sustainable livelihoods, financial inclusion, and women's empowerment. Additionally, we view community development as an opportunity to promote equity and socio-economic development, at scale, in the country.	To address and mitigate potential associated risks or grievances that may arise in engaging with stakeholders as part of its CSR activities, ABCL and its subsidiaries have a grievance resolution mechanism. We engage with our implementation partners (NGO) at regular intervals to address and understand grievances, if any, from beneficiaries of our CSR projects.	Negative: Gaps in the management of community development programs and stakeholder engagement practices can negatively impact the Company's reputation. Mitigating such gaps, if and as they may arise, is key to ensure long-term value creation.



Business Responsibility & Sustainability Report (Contd.)

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Stakeholder Engagement	Opportunity	ABCL and its subsidiaries consider multiple groups as key stakeholders and partners, including but not limited to employees, customers, vendors, and partners such as NGO partners for implementing CSR projects. In interactions with these stakeholder groups, the Company ensures that it follows due process and guidelines. For each stakeholder group, we follow due process and have a protocol for interactions at each stage, including grievance redressal mechanisms.	To address and mitigate potential associated risks or grievances that may arise in engaging with stakeholders, ABCL and its subsidiaries have comprehensive systems in place. For example, we have a Business Continuity Plan, which includes due process for managing disruptions in services provided to customers – a key stakeholder group. We also have a grievance redressal system for registering and managing customer complaints, which provides resolution within a reasonable Turnaround time (TAT) and to the satisfaction of customers. ABCL also engages with NGO partners at regular intervals to address and understand grievances, if any, from beneficiaries of its CSR projects – another key stakeholder group.	Negative: Gaps in the management of stakeholder engagement practices can negatively impact the Company's brand, reputation in the market, and its customer base. Effectively addressing and mitigating such gaps, if any, is key to the long-term growth of ABCL and its subsidiaries.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates the following nine principles referred to as P1 to P9.

- P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout 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 - Business 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 & Sustainability Report (Contd.)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N.A.	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	N.A.	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Employee specific policies are accessible only by employees on intranet HRMS portal and are not shared in the public domain. Other policies of the Company are available on the website of the Company. A comprehensive list of the policies and codes of the company is available here: https://www.adityabirlacapital.com/investor-relations/policies-and-code Web links for policies relating to the principles and its core elements are as follows: - Remuneration Policy: https://abconeprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/ABCL---Executive-Remuneration-Policy_18072023.webp?extension=webp&revision=fb9d2fba-8b87-4446-b438-385e41da77af&modified=20230719061324 - POSH: https://abscscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/aditya-birla-capital-policy-on-prevention-of-sexual-harassment.webp?extension=webp&revision=6ec8608c-302b-4ef6-959d-18410e2af3dd&modified=20200424052540 - Risk Management Policy: https://abscscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/aditya-birla-capital-risk-management-policy.webp?extension=webp&revision=e4321958-e46c-440f-a725-3960e09e6a88&modified=20220118070236 - CSR Policy: https://abscscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/aditya-birla-capital-corporate-social-responsibility-policy.webp?extension=webp&revision=3c312d06-3df1-4698-86f6-bc33e1656882&modified=20220825063322 - Whistle Blower Policy: https://abscscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/Whistleblower-Policy---ABCL.webp?extension=webp&revision=611124e3-5079-4c9e-9580-789bfada0cf6&modified=20201118154759 - Code of Conduct for Board and Senior Management: https://abscscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/aditya-birla-capital-code-of-conduct-for-board-and-senior-management-section.webp?extension=webp&revision=1b6e65f3-96da-46bc-8cc5-2972d872b43f&modified=20200424052653								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P9: ABCL's Information and Cyber Security policies are in compliance with the requirements of ISO 27001.								



Business Responsibility & Sustainability Report (Contd.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5 Specific commitments, goals, and targets set by the entity with defined timelines, if any.	ABCL places sustainability at the heart of its operations, processes, and has imbibed sustainability as a core value across its subsidiaries. We have consistently focused on creating a positive impact and enabling broad-based and inclusive growth for all our stakeholders. To this end, we have: - Taken efforts to reduce and minimize our carbon footprint through initiatives such as investing in solar energy generation at select offices, reducing single-use plastic usage in our offices, and ensuring that we follow responsible practices in waste management (dry and wet waste) - ABCL has demonstrated its commitment to employee well-being through multiple initiatives, to contribute to employees' holistic well-being, and physical and mental health - We are currently expanding our focus on providing affordable offerings across insurance, lending and investment, across India, through our subsidiaries including ABFL and ABHFL - We have continued to focus on empowering local communities, including in Aspirational districts, through our CSR programming. This includes a focus on financial inclusion, gender equality, sustainable livelihoods, and supporting the development of the sports landscape in India.								
6 Performance of the entity against the specific commitments, goal, and targets along with reasons in case the same are not met.	ABCL and its subsidiaries have made consistent progress on our commitments, to empower communities, contribute to environmental conservation, and enable broad-based inclusive growth for all our stakeholders. This is demonstrated through our initiatives, as follows: - At our Pune, Bengaluru, and Noida branches, we have installed solar panels of 20kW, 12kW and 41kW capacity respectively, to reduce our dependence on fossil fuels and emissions generated - In order to reduce the use of single-use plastic, ABCL and our subsidiaries have replaced disposable water bottles and plastic water jars with glassware/ glass bottles - At our Mumbai offices, in partnership with authorized vendors, we have introduced an innovative initiative to ensure that sanitary pads are recycled, enabling us to reduce our contribution to waste generation and overall carbon footprint - To promote holistic well-being of our employees, we offer multiple services, including tele-consultations with trained medical professionals. In FY23, close to 10, 000 employees participated in ABCL's wellness programmes - an increase from a figure of 8,598 employee participants in FY22 - At ABHFL, in FY23, 13% (2542) of the new customers onboarded were NTC (new to credit) borrowers. This progress has enabled us to consistently support the traditionally underserved and those without a credit history, to avail home loans. Additionally, through our NBFC (ABFL), we are expanding our offerings to beyond tier 1 and tier 2 cities. We are expanding our presence in tier 3 and 4 cities, and opening new branches in locations having SME clusters with links to relevant sectors - As part of our CSR programming, we are working on enabling improved outcomes in Aspirational Districts in focus areas including improving the quality of education in schools, and enhancing the quality of services offered in Primary Health Centres. As of FY23, we are conducting CSR programming in aspirational districts in 6 states – Maharashtra, Odisha, Uttar Pradesh, Bihar, Tamil Nadu and Rajasthan								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, Leadership, and Oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements	As one of India’s leading financial service providers, the Company has and continues to prioritize Sustainability as a core value, key to the Company’s long-term growth. The Company sees the integration of sustainability, ESG, and its elements as an opportunity to create long-term value for all its key stakeholders. We are guided in this journey by the values of the Aditya Birla Group (ABG), the ABG ‘Sustain-ability Journey 2.0’ framework, and to this end, attempt to leverage our OneABC initiative as well. Our focus is on integrating and mainstreaming ESG and sustainability in core processes, practices, policies, and decision-making processes followed at the Company. To this end, we are actively taking steps to reduce our carbon footprint, accelerating financial inclusion and inclusive growth, and contributing to the holistic well-being of our key stakeholders, including our employees and local communities. In the past year, the Company has achieved significant progress in integrating ESG across its operations and businesses, and related disclosures. For example, the Company has partnered with a vendor, ViaGreen, for its in-house waste management initiatives. Through such partnerships, as of FY23, we have achieved significant milestones. This includes the recycling of dry waste to the tune of 53903 kgs, creating the potential to offset or avoid GHG emissions equivalent to 177.05 MtCO2e. Additionally, in our quest to harness the power of renewable energy, in our Pune branch, we have installed solar panels. In a period of 5 months, we have achieved a saving of INR 1.31 Lakh in electricity costs, alongside a potential reduction in our carbon footprint. Through our partnership with ViaGreen for waste collection and recycling, we have also earned redeemable Swachh Bharat Points (SBPs). In FY 2023-23, ABCL and its subsidiaries earned 229071 SBP, which was used for providing our employees with recycled office stationery. Through collective efforts, we have created an enabling ecosystem to ensure the safety, well-being, and equitable representation of our key stakeholder groups, including employees. With this in mind, ABCL sees diversity and promoting inclusion in the workforce as a key focus area. To this end, as of FY 23, we have reached a milestone of more equitable women’s representation across our companies. For example, at ABSLAMC, women’s representation stands at 27% of the total number of permanent employees, and at 33% at the Key Management Personnel level. (C-suite executives, Directors, etc.) Across all our companies, women’s representation stands at 29% of the total workforce. Altogether, through such initiatives, we aim to contribute to India’s growth story, and help create a brighter and greener future – for the planet and its people. The Company remains steadfast in its commitment towards ESG and robust governance, and in turn maintaining its reputation as a leading practitioner of responsible finance in India.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Risk Management Committee of the Company is responsible for implementation and oversight of the Business Responsibility policies. The Chief Risk Officer, Sanchita Mustaphy, is the highest authority responsible for implementation of the Business Responsibility policy.								



Business Responsibility & Sustainability Report (Contd.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9 Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	Yes. The Risk Management Committee drives the sustainability and ESG agenda at ABCL. Together with inputs and in conjunction with the business heads and function heads, the Risk Management Committee works on integrating ESG in the businesses' and company's operations, and their guiding mission and vision.								
10 Details of Review of NGRBCs by the Company:									
Subject for Review	Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee.								
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
Performance against the above policies and follow-up action	The aforementioned policies have been approved by the Board, it's Committees or the Senior Management of the Company, where applicable. Policies are reviewed periodically, given factors such as regulatory requirements, or recommendations from relevant industry associations								
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	The Company has the required policies and procedures in place to ensure compliance with laws applicable to the Company.								
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	No. However, the Company continues to prioritize sustainability, and considers it as a core, driving value for the organization.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage b/y training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	30 (No. of Hours)	The orientation programmes are conducted for the new directors wherein the Senior Management of the Company make presentations to familiarise the Directors with the business of the Company, subsidiaries and associates, regulatory changes, industry practice, systems and policies adopted by various departments, especially the governance practices and compliance process adopted by the Company. This includes key topics such as risk management, and data or information security. In addition, at the quarterly Board Meeting, the Directors are updated on the key regulatory changes and performance of the Company, subsidiaries and associates.	100%
Key Management Personnel Employees other than BODs and KMPs	9967	Induction, Functional, Regulatory (mandatory) viz modules on Information Security Refreshers, Code of Conduct Guidelines, Prohibition of Insider trading, Prevention of sexual harassment, Whistle blower, etc, Behavioral and leadership skills Additionally, a capacity building session on the BRSR principles and indicators and its relevance to the Company's operations was held in March 2023. This workshop was attended by functional heads from HR, Finance, Legal, Risk, Admin, IT and the CSR department of the Company/ subsidiaries as relevant.	91%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	1	Securities and Exchange Board of India	₹ 10 million	ABFL (Aditya Birla Finance Limited) received a show cause notice from SEBI (Securities and Exchange Board of India) in May 2021 regarding allegations of participating in a fraudulent scheme involving CG Power and Industrial Solutions Limited. ABFL contested the allegations and submitted replies to SEBI. In October 2022, SEBI imposed a penalty of ₹10.0 million on ABFL, which prompted ABFL to file an appeal with SAT (Securities Appellate Tribunal). SAT granted a stay on SEBI's order in February 2023, provided that ABFL deposited 50% of the penalty amount. The matter is currently pending before SAT.	Yes
Settlement	Nil	-	-	-	-
Compounding fee	Nil	-	-	-	-

b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment			Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

As stated above.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has an anti-corruption and anti-bribery policy. The policy is in alignment with existing policies of the Company, including the Code of Conduct.

The policy is available on ABCL's website: <https://abcscprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/ABCL-Anti-Corruption-and-Anti-Bribery-Policy.webp?extension=webp&revision=e425b7ec-d680-4ef8-973d-f201ff1c6a23&modified=20230504124255>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directors		Nil
KMPs		Nil
Employees		Nil
Workers		Not applicable



Business Responsibility & Sustainability Report (Contd.)

6. Details of complaints with regard to conflict of interest:

Topic	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
Not applicable		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

ABCL takes a declaration from Board Members and Senior Management on an annual basis, in order to document members' consent and information in the context of managing conflict of interest issues. The same is available on the website of the Company at <https://abconeprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/Appendix-II.webp?extension=webp&revision=528b33bb-849f-4ae9-8935-44bedb9b3c74&modified=20200424052653>

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	Given that the Company's primary business is in the financial services sector, CAPEX investments made by the Company are mainly in information technology and associated infrastructure and processes. In the given reporting period, capex investments were made in the form of investments or additions made to the IT infrastructure and systems. This includes hardware, such as laptops and other devices, software, and updates to it, if any.		
Capital Expenditure (CAPEX)			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No. ABCL and its subsidiaries provide financial products and services, which limit the consumption of resources mainly to operations. For the Company, sustainable sourcing has limited applicability on the product side.

However, ABCL strives to abide by the Aditya Birla Group values that encourage a culture of conservation of resources and promoting innovations that reduce dependency on natural resources.

b. If yes, what percentage of inputs were sourced sustainably?

Not applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

ABCL and its subsidiaries provide financial products and services and are not involved in manufacturing of any products, which limit the applicability of this question.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	Not applicable
b. E-Waste	
c. Hazardous Waste	
d. Other Waste	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format.

NIC code	Name of Product/ Service	% of total Turnover contributed	The boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency (Yes/ No)	Results communicated in the public domain (Yes/ No) If yes provide web-link
Given that the Company is in the Financial Services sector and is not involved in the production or manufacturing of any products, this indicator is not applicable.					

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

NIL

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

Not applicable. Given that the Company is in the Financial Services sector and is not involved in the production of manufacturing of any products, there are no products and packaging to be reclaimed at the end of life.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	24619	24619	100%	24619	100%	0	0%	24619	100%	0	0%
Female	10062	10062	100%	10062	100%	10062	100%	0	0%	10062	100%
Total	34681	34681	100%	34681	100%	10062	100%	24619	100%	10062	100%
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note:

Employee well-being is at the heart of the Company's values. Our endeavour is to provide a vibrant and engaging work environment. ABCL reinforces the importance of health and well-being through various wellness programs and initiatives.

Currently, ABCL provides all its employees with assistance through the 'Multiply' app, for promoting their health and holistic well-being. The Company also provides a comprehensive range of benefits for its employees who are new parents, including a comprehensive parental leave package, and allowance for allied requirements or services such as childcare facilities.

We consider employee well-being as a key driver of the Company's long-term growth, and of our employees' personal and professional development. With this philosophy as a driver, we continue to prioritise employee well-being as a topic of great importance to us.

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY-2022-23		FY-2021-22	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
1 PF	100%	Yes	100%	Yes
2 Gratuity	100%	Yes	100%	Yes
3 ESI	NA	NA	NA	NA
4 Others-Please Specify	NA	NA	NA	NA

3. Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company has ensured that its office premises have the facility for elevators, and / or ramps wherever possible, and accessibility-centric designs in common spaces such as restrooms. In our Mumbai offices, we have the facility of elevators available, which helps us enable mobility for differently abled employees and visitors.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

As part of Aditya Birla Group, ABCL follows the principles of Equal Opportunities, and is committed to provide equal employment opportunities without any discrimination or harassment based on factors such as race, religion, gender, or any other characteristics.

In line with Company's Anti-Harassment and Anti-Discrimination policy, ABCL provides equal employment opportunities to all existing and prospective staff and maintains a working environment free from discrimination, harassment, and bullying. The policy is available here: https://abconeprod.azureedge.net/-/media/ABCL/pdf/Policies-and-codes/ABCL_Anti-Harassment-and-Discrimination_.webp?extension=webp&revision=37070d49-20ab-4716-a27a-ab740a0fc71b&modified=20230504124256

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Total number of people returned after parental leave in FY	Total Number of people who took parental leave in FY	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY	Retention Rate
Permanent Employees						
Male	721	730	99%	193	193	100%
Female	207	209	99%	40	40	100%
Total	928	939	99%	233	233	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Employees	Yes	We have several policies with established grievance resolution procedures.
Other than Permanent Employees	Yes	Details of the same are provided in Section A – Q23.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	Nil	Nil	-	Nil	Nil	-
Female	Nil	Nil	-	Nil	Nil	-
Others	Nil	Nil	-	Nil	Nil	-
Total	Nil	Nil	-	Nil	Nil	-



Business Responsibility & Sustainability Report (Contd.)

8. Details of training given to employees and workers:

a. Details of Skill training given to employees and workers.

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	%(D/C)	Total employees in respective category (C)	No. of employees in respective category, who received Skill Training (D)	%(D/C)
Permanent Employees						
Male	24619	22403	91%	21615	20534	95%
Female	10062	9156	91%	9263	8800	95%
Total	34681	31559	91%	30878	29334	95%

b. Details of training on Health and Safety given to employees and workers.

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	%(B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D/C)
Permanent Employees						
Male	24619	22403	91%	21615	20534	95%
Female	10062	9156	91%	9263	8800	95%
Total	34681	31559	91%	30878	29334	95%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	%(B/A)	Total employees in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	24619	24619	100%	21620	21620	100%
Female	10062	10062	100%	9258	9258	100%
Total	34681	34681	100%	30878	30878	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes.
a.1 What is the coverage of such system?	As part of efforts on health and safety management, periodic trainings on fire safety and managing firefighting equipment are provided to all employees. Periodically, evacuation drills are also conducted in the Company's offices.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	This is not directly applicable, given the nature of business.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Given the nature of the business, the Company does not have exposure to work related hazards. Hence, this indicator is not applicable.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-2023 Current Financial Year	FY 2021-2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Not applicable	Not applicable
Total recordable work-related injuries	Employees	Not applicable	Not applicable
No. of fatalities	Employees	Not applicable	Not applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Not applicable	Not applicable

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

ABCL is committed to ensuring that it provides a safe and healthy workplace, enabling its employees to deliver their best, empower them, and foster creativity and productivity.

We have prioritized respecting and protecting the rights of our employees and following health and safety practices in line with regulatory standards, as applicable. We are dedicated to understanding the health and safety-related concerns of our employees and key stakeholders and do everything in our power to address these concerns.

We have consistently focused on protecting the rights of our employees, and regularly train and communicate with employees at all levels about human rights. To this end, we strictly prohibit all forms of forced labour, discrimination, and harassment, and do not interfere with employees' collective bargaining power or ability to join an employee union.

The wellbeing of the employees is a key priority or focus area for us, as we consider employee wellbeing as an enabler for our success and growth. We encourage our employees to maintain a healthy lifestyle, and to support their journey, we have taken initiatives such as providing access to de-stressing fitness sessions, medical consultations, and a discount on select products offered by Aditya Birla Health Insurance Co. Limited (ABHI), an associate of the Company. Across all our companies, we have taken multiple initiatives to ensure holistic physical and mental well-being of our employees. For example, for our employees at ABHI, we ran the #HealthfromHome campaign, where we brought together yoga, nutrition and health experts in a Facebook live series campaign to offer live consultations and guided workouts. This allowed our employees to be able to access such wellness-oriented content remotely, from the comfort of their homes.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NA	NA	NA	NA	NA	NA
Health & Safety	NA	NA	NA	NA	NA	NA

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Not applicable
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable



Business Responsibility & Sustainability Report (Contd.)

LEADERSHIP INDICATORS

- Does the entity extend any life insurance or any compensatory package in the event of death of employees (Y/N)
Yes
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners –
Not applicable
- Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Employees	NA	NA	NA	NA

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).
Not Applicable

- Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.
Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders

ESSENTIAL INDICATORS

- Describe the processes for identifying key stakeholder groups of the entity:

At ABCL, stakeholders have been defined as an individual or a group of individuals who contribute or create value for the organization, in line with the organization's core vision and mission. These key stakeholder groups include employees (across all management levels), shareholders and investors, customers, channel and distribution partners, knowledge management partners, regulators, lenders, researchers, and communities of beneficiaries (CSR-programming-related).

In consultation with thematic experts within and outside the Company, the Company identifies key stakeholder groups, in addition to considering factors such as nature of partnership, location, requirement for statutory compliance or regulation-specific action items, and type of programming under initiatives undertaken by the Company. For example, in the case of its CSR projects, the Company considers factors such as location classification, for example of a district as an Aspirational District, in its programming and selection of key stakeholder groups or communities that could benefit from such programs.

Business Responsibility & Sustainability Report (Contd.)

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group: -

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly /Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Emails and meetings - Internal portals - Employee satisfaction survey - Training programmes - Performance appraisal - Grievance redressal mechanisms	On-going	- Ensuring fair wages and rewards, and a healthy work-life balance - Training and skill development, and Career growth opportunities
Customers	No	- Customer feedback surveys - Emails/phone calls/meetings - In-person customer visits	Annual	- Post engagement support - Grievances Resolution - Advisory
Shareholders	No	- Press releases - Investor meets and conferences - Investor grievance redressal - General Meetings - Email correspondences - Registrar and Transfer Agent as point of contact	Quarterly and annual, event based	Communication on: Financial performance
Regulatory bodies – RBI/ SEBI/ IRDAI/ PFRDA	No	- Direct engagement - Hosted events - Participation as panelists and industry representatives	As required	Performance and compliance reports shared with regulators including SEBI and IRDAI
Rating research agencies	No	Direct engagement, as required	As required	Measuring performance on ESG-linked and financial parameters
Local Communities	Yes	- Baseline surveys - Focus group interviews - Program implementation	As required	- Impact assessment of CSR interventions - Monitoring and evaluation

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

At periodic intervals, the Board is made aware of ongoing and varied developments on key topics linked to ESG, and as required, feedback on the same is sought from the Directors. We encourage regular and proactive consultations and engagement between stakeholders and the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. To best identify and manage ESG-linked topics, and understand areas of improvement, ABCL tries to engage with subject matter experts in relevant industries – internally and externally.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company identifies disadvantaged, vulnerable and marginalized stakeholder's basis need assessment and engages with them through its CSR initiatives. The Company strives to promote and diversity and inclusion amongst its employees. Currently, 29% of the workforce is represented by women employees. All employees are encouraged to voice their experience at ABCL through an annual survey, the results of which help the Company to understand areas of improvement.



Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 5: Businesses should respect and promote human rights**ESSENTIAL INDICATORS**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-2023 (Current FY)					FY 2021-2022 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

* Other than Permanent category consists of Fixed term contract employees, interns and outsourced (housekeeping, security, office assistants etc. on the third-party payroll). The professional fees / stipends paid to them are not comparable to the salaries paid to employees and therefore certain Other than Permanent employees are paid equal to or less than minimum wage.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	7	Refer note 1	1	Refer note 1
Key Managerial Personnel*	1	Refer note 2	2	Refer note 3
Employees other than BoD and KMP	24619	877751	10062	707450

*These details pertain only to ABCL

Note 1: Only sitting fees are paid to all Directors hence not applicable

Note 2 : Only one Key Managerial Personnel hence not applicable

Note 3: Out of 2, only one Key Managerial Personnel was employed throughout the year hence not applicable.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, there are various committees responsible for human rights impacts and issues in the Company. For instance, the Company has zero tolerance for sexual harassment at workplace and is compliant with the provisions relating to the constitution of Internal Complaints Committees under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Business Responsibility & Sustainability Report (Contd.)

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has zero tolerance towards and prohibits all forms of exploitative or forced labour, and any type of abuse. The Company has an IC (Internal Committee) as per the POSH Act (2013), a Code of Conduct Committee, as well as Whistle-blower Policy to provide redressal on any grievances.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	21	5	-	7	2	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has an Internal Committee, in line with the POSH Act 2013. For Protection Against Sexual Harassment at Workplace [POSH] concerns, the Internal Committee (IC) manages cases, and ensures that all complaint made are kept confidential. In all cases, processes are in place to prevent retribution against complainants.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No. However, ABCL is in the process of integrating social aspects, including Human rights, in its business agreements and contracts

9. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Child labor	0
Forced/involuntary labor	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable

2. Details of the scope and coverage of any Human rights due diligence conducted.

Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Wherever possible, our offices premises have been designed to be accessible for differently abled visitors.



Business Responsibility & Sustainability Report (Contd.)

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Other than certain elements covered in annual review of processes and controls of select sample of value chain partners by material subsidiaries.
Forced/involuntary labour	ABCL has a human rights policy in place that extends to all its subsidiaries, which strives to influence its value chain partners to adhere to the same. The Company, however, does not conduct a formal assessment of its value chain partners.
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total electricity consumption (A)	9240.06 GJ	9193.75 GJ
Total fuel consumption (B)	175.39	151.49
Energy consumption through other sources (C)	11942.15 GJ	7239.56 GJ
Total energy consumption (A+B+C)	21357.60	16584.8
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ per million INR)	0.78 GJ/ INR Crores	0.75 GJ/ INR Crores
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater storage)	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover) (kl per crore INR of revenue)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

Business Responsibility & Sustainability Report (Contd.)

Please note: Water usage is limited to human consumption only and the Company has installed tap aerators to reduce water consumption. Given that water supply at our Corporate Office (One World Centre) and other offices comes under CAM (Common Area Maintenance) and not under ABCL's own facilities management department, accordingly, the Company currently does not have data on water consumption.

We aim to and are committed to continue to manage water consumption and withdrawal in a judicious manner.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The management of the One World Centre building office i.e. the Corporate Office has a separate Sewage Treatment Plant (STP) that treats the water discharged and uses it in all urinals and WC flushing systems. It also uses the treated water for gardening in the common areas.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
NOx	mg/m ³	NA	NA
Sox	mg/m ³	NA	NA
Particulate matter (PM)	mg/m ³	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	mg/m ³	NA	NA
Others – please specify	PPM	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable, as the Company is in the service industry, and there are no process-based emissions involved

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	3 MT	4 MT
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	4825 MT	3743 MT
Total Scope 1 and Scope 2 emissions per rupee of turnover (in ₹)	tCO ₂ e	4828 MT	3747 MT
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	tCO ₂ e/INR	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail:

Yes. The company has invested in solar panel installation for its offices in cities including Pune and Noida. Through this, ABCL has been able to gradually transition to using more renewable energy, and make progress in reducing the GHG emissions it may be generating through its operations. The Company is currently exploring expanding this program of solar power generation to additional locations in the near term.



Business Responsibility & Sustainability Report (Contd.)

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	46.36	11.37
E-waste (B)	-	-
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Cardboard: 7.05	Cardboard: 5.63
	Metal: 0.42	Metal: 0.98
	Glass: 0.73	Glass: 0.78
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	53.90	18.05
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	53.90	18.05
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	Through our vendor, ViaGreen, we manage the disposal of our plastic waste	
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- The Company has partnered with ViaGreen for its in-house waste management initiatives. ViaGreen collects the waste (segregated at ABCL into dry and wet waste) every alternate day, and rewards ABCL with Swachh Bharat Points in return. In turn, ABCL redeems these points to purchase upcycled or recycled products for its offices. E.g. Indoor desk plants for office, recycled note pads, cloth bags etc.
- The Company has also tied up with Padcare Labs that helps with the recycling of sanitary hygiene pads, preventing landfill pollution and incineration that causes air pollution.
- Given that the Company is in the Financial Services sector and is not involved in the production of manufacturing of any products, it does not generate any hazardous and toxic chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
From renewable sources		
Total electricity consumption (A)	219.7044 GJ	31.266 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	219.7044 GJ	31.266 GJ
From non-renewable sources		
Total electricity consumption (D)	Not applicable	
Total fuel consumption (E)		
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged: The domestic wastewater is being disposed of as per regulatory norms.

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of Treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of Treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of Treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of Treatment		
Total water discharged (in kiloliters)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The domestic wastewater is being disposed of as per regulatory norms. However, no independent assessment of the same is conducted.



Business Responsibility & Sustainability Report (Contd.)

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water withdrawal by source (in kiloliters)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		Not Applicable
Total volume of water withdrawal (in kiloliters)		
Total volume of water consumption (in kiloliters)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
– No treatment		
– With treatment – please specify level of treatment		
(ii) Into Groundwater		
– No treatment		Not Applicable
– With treatment – please specify level of treatment		
(iii) Into Seawater		
– No treatment		
– With treatment – please specify level of treatment		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format The Company doesn't have systems in place to estimate emission from Scope 3.

Currently, the Company does not estimate its Scope 3 emissions.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company does not have any operations in ecologically sensitive areas and therefor, this indicator is not applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Recycling of Our dry office waste & wet waste generated from our office area,	The Company has partnered with ViaGreen for its in-house waste management initiatives. ViaGreen collects the waste (segregated at ABCL into dry and wet waste) every alternate day and rewards ABCL with Swachh Bharat Points in return. In turn, ABCL redeems these points to purchase upcycled or recycled products for its offices.	Till date, the Company has recycled 18,045kgs of dry office waste which has the potential to offset 61 MTCO ₂ .

Business Responsibility & Sustainability Report (Contd.)

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2	ABCL is the first one within the ABG Group to adopt the recycling of hygiene pads through the only menstrual hygiene management company that recycles pads through their patented innovation called 'PadCareX' in our major Mumbai offices.	In the past, the Company would dispose its sanitary waste through a waste management company that would incinerate the collected pads, releasing asphyxiants and toxic dioxins via smoke in the atmosphere. In order to switch to a more sustainable solution, the Company has tied up with Padcare Labs that helps with the recycling of sanitary hygiene pads, preventing landfill pollution and incineration that causes air pollution.	At our 4 major sites of Mumbai alone, we trash over 500 pads every month. Each pad would take 800 years to decompose and would lead to a big climate disaster. We have made a huge impact by recycling around 21472 pads and saving 10738 liters of landfill waste and 113807 kg of carbon credits.
3	Harnessing Solar energy	In the Pune branch, we have installed 20kW Solar. Our Noida branch received a 48 KW Solar.	- In the Pune branch, we have installed 20kW Solar with capex of ₹9.85 Lakh, and in a period of 5 months, we saved ₹1.31 Lakh in electricity cost, granting us an ROI of 26%. - Our Noida branch received a 40 KW Solar with capex of ₹17.50 Lakh, and, in two months, we saw a saving of ₹1.03 Lakh in electricity costs. - We plan to have more of Solar Panels installed at larger office areas which have the possibility of using the renewable resources and conserving even more energy.
4	Composting food waste	At our Mumbai offices, the WET waste especially the food waste from the cafeteria has been composted by the property team and has been composted by the Organic Waste Compost Machine (OWC).	The manure generated from the Organic Waste Machine is used for the plantations and horticulture of the property. Thus, the wet waste is totally recycled and used in the form of compost.
5	Auto Power Generated and Conserved System (APGC) has been installed in urinals replacing old battery-powered sensors.	APGC is an innovative solution where the power required to operate an automatic urinal flushing system is auto generated by the flushing system itself.	- It helps save water and power into urinals for touch-free and hygienic flushing. - This saves heavy battery consumption as well as external electric power consumption. - APGC conserves power through advanced micro-chip technology that enables the system to function 24x7 with continuous and steady power supply.
6	Introduced centralized bins across our branches	Differently labelled bins have been placed in our offices, to segregate waste generated by category (dry waste, wet waste)	- Increases company recycling levels and removes the option of dropping otherwise recyclable items into desk bins - Saving the man hours to collect the waste from individual desk and utilizing them to other cleaning activities - Stops scraps of food / wet waste ending up under desks when they are thrown towards individual bins. Further reduction in pest problems and bad smells in and around the desk

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The company has a Business Continuity Policy or Plan (BCP) which covers people, process and technology requirements to continue the business in the event any unforeseen threats, including but not limited to natural disasters, operational breakdowns, and damage to critical information technology systems.



Business Responsibility & Sustainability Report (Contd.)

The BCP will include all critical functions identified through the Business Impact Analysis. Each of the processes would have a Recovery Procedure to ensure that recovery happens within a stipulated timeframe. There would be critical staff identified who would support the effort of recovering the critical business processes from an Alternate Site. This plan would be periodically reviewed.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

The Company has not conducted any assessment of value chain partners during the reporting period.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations. 5
b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. no.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
2.	The Confederation of Indian Industry (CII)	National
3.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
4.	Indian Banks' Association (IBA)	National
5.	Bombay Chamber of Commerce and Industry	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of Authority	Brief of the case	Corrective action taken
	Nil	

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

S. no.	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify)	Web Link, if available
-	-	-	-	-	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity: Not applicable. No such projects where Rehabilitation and Resettlement is being undertaken.

Not applicable

3. Describe the mechanisms to receive and redress grievances of the community

The Company identifies its stakeholders in the community basis needs assessment and engages with them through its CSR initiatives. It implements its CSR initiatives through a participative approach by engaging with all key stakeholders of the project, building project ownership within the community and ensuring project sustenance. The Company's CSR team regularly engages with the stakeholder via focus group interviews which facilitates the Company to resolve an challenges that the community faces.

The company implements CSR project/s in partnership with credible project implementing agency, as mandated by MCA. Implementation is done through participative approach, by engaging all key stakeholders of the project, so making community part of project plan and execution process. This helps to build project ownership within the community and ensure project sustenance. CSR team engages with various stakeholders which facilitates resolution of challenges if any. This builds an institutional mechanism through which the community or any other stakeholder can reach out to the company in case of any grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

Not applicable, as the Company does not manufacture and hence sourcing of goods is not a part of the main activities. Sourcing is limited to materials required to run the operations of the Company.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): Not Applicable

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District information	Amount spent in INR
Rajasthan	District Name: Jaisalmer Activity: Improving quality of education through Strengthening school infrastructure for conducive learning environment	50,00,000
	District Name: Baran Activity: Strengthening the quality of Primary Health Centre	8,59,485
	District: Karauli Activity: Strengthening community collectives to address sustainable livelihood goal.	46,74,431
Uttar Pradesh	District Name: Siddharth Nagar Activity: Improving quality of education through Strengthening school infrastructure for conducive learning environment	69,35,198
	District Name: Shravasti Activity: Improving quality of education through Strengthening school infrastructure for conducive learning environment	90,64,802



Business Responsibility & Sustainability Report (Contd.)

State	Aspirational District information	Amount spent in INR
Bihar	District Name: Muzaffarpur Activity: Improving quality of education through infrastructure development in schools. Development of Model Anganwadi centers and nutrition support.	2,83,16,497
Tamil Nadu	District Name: Ramnath Puram Activity: Providing quality healthcare services in remote areas through Tele-medicine focused on Maternal & Child Health	89,88,349
Maharashtra	District Name: Osmanabad Activity: Access to healthcare services through Mobile Medical Units Facilities for Maternal & Child Health care	84,46,570
	District: Nandurbar Activity: Remedial classes for the aspiring underprivileged student	59,00,000
Odisha	District: Kandhamal Activity: Provide support to orphanages towards better facilities for WASH and Education	17,00,000
	District: Nabrangpur Activity: Provide support to orphanages towards better facilities for WASH and Education	17,00,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No. Given the nature of business, procurement of resources is limited to running the operations. No
(b) From which marginalized /vulnerable groups do you procure? Not Applicable
(c) What percentage of total procurement (by value) does it constitute? Not Applicable
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge Not Applicable
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Not Applicable
6. Details of beneficiaries of CSR Projects.

S. no.	CSR Project	No of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized group
1.	Education:		
	Strengthening of school infrastructure for conducive learning environment	1,12,892	56%
	Digital education		
	Disseminate science learning through a Mobile Science Lab, refurbishment of school science labs and innovation centers		
	Scholarship support for meritorious students from financially poor background		
	Student friendly supplementary education program in English, Math and Marathi for the underprivileged student.		
2.	Health:		
	Comprehensive maternal & child health care	3,58,352	65%
	Preventive health awareness program		
	Cancer care: diagnostic, treatment, counselling, support, partnering Govt. institution for efficient access to care		
	Mental Health: Awareness, counselling, screening, treatment etc.		
	Need based health care initiatives		
	Labor room strengthening program and Prasow watch training		
	Support to orphanage		

S. no.	CSR Project	No of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized group
3.	Women Empowerment & Sustainable Livelihood:		
	Improving incomes from agriculture and allied livelihood activities	76,944	99%
	Soil & Water conservation & Strengthening women institutions (Self Help Group)		
	Financial Literacy to women		
	Identifying and grooming budding women micro-entrepreneurs and handhold to establish viable enterprises		
	Strengthening community collectives to address sustainable livelihood goal.		
	Vocational skilling of youth		
4.	Sports		
	Training, Physiotherapy, strength & conditioning	30	30%
	Sports medicine and injury management		
	Nutrition and mental health etc.		

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In order to effectively address consumer complaints and feedback, the Company has put in place a 4-level grievance mechanism, leveraging AI tools like Chat BOTs and e-BOTs along with the erstwhile email and call services. This allows the consumers to reach out to the Company and get their complaints resolved, by using an escalation matrix. The Company also conducts regular customer satisfaction surveys to seek feedback at various stages of the customer's journey.

All customer interactions are recorded, updated, tracked and monitored in our CRM system, in order to ensure efficient and swift resolution.

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

2. Number of consumer complaints

	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of essential services	NIL	NIL	-	NIL	NIL	-
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Others	581	2		547	35	

3. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA



Business Responsibility & Sustainability Report (Contd.)

4. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Privacy policy of the Company is available in the public domain and can be accessed via the Company's website: <https://www.adityabirlacapital.com/privacy-policy>

5. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No corrective actions taken as there were no issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on various products and services of the Company is available on the Company's website, mobile application, all leading Fintech platforms, through distributors, the Company's call center, and offline (branches).

Link to the Company's website: <https://www.adityabirlacapital.com/?lob=true>

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The following steps are taken to inform and educate consumers about safe and responsible usage of products and services:

- a) Regular emailers & SMS alert to consumers
- b) Social Media awareness campaigns
- c) Information is regularly updated on the website and relevant webpages

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company informs its consumers of any risk of disruption/ discontinuation of services through the following means of communication:

- a) Call Centre
- b) Website
- c) Email / SMS / Whatsapp
- d) ABC branches

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes. Transparency is key to the Company. We provide product information on our focus marketing through Digital Channels / website / branches / commercial advertisement / office screen saver / posters, over and above what is mandated under local laws

5. **Provide the following information relating to data breaches:**

- a) Number of instances of data breaches along-with impact - Not Applicable, as no incident reported
- b) Percentage of data breaches involving personally identifiable information of customers - 0%

Independent Auditor's Report

To the Members of
Aditya Birla Capital Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Aditya Birla Capital Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Impairment of investments

See note 2.3, 2.4 and note 8 to standalone financial statements

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, 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.

The key audit matter	How the matter was addressed in our audit
The Company has investment in subsidiaries, associate and joint ventures (hereinafter referred as Group Companies) amounting to ₹ 9,817.09 crore, which is 95% of the total assets of the Company as on 31 March 2023. These include investments in listed and unlisted securities of the Group Companies. Such investments are assessed for indicators of impairment as per requirements of Ind AS 36 -Impairment of Assets. We have identified impairment testing of investments in Group Companies as a Key Audit Matter due to the proportion and significance of the carrying value of investments in Group Companies to total assets. Further, measurement of impairment of such investments involves judgement for investments in unlisted entities in the Group.	Our audit procedures included the following: Design and Controls - Understanding of the process, evaluating the design and testing the operating effectiveness in respect of impairment assessment of investments done by management. - Testing management's controls over collation of relevant information used for determining impairment of investments - Understanding of the process and testing management's controls over involvement of experts and review of reports provided by experts. Substantive tests - Testing appropriate implementation of impairment policy by management. - Tracing the material and important financial information used in the impairment assessment to underlying source details (internal / external). - Testing the reasonableness and appropriateness of management's estimates considered in impairment assessment of investments. - Obtaining and reading latest audited financial statements of Group companies and noting key financial attributes / potential indicators of impairment.



Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
The key areas where we identified greater level of management judgement and therefore requiring higher level of audit focus are: – financial information used for impairment assessment; – market information considered for identifying external sources of information; – management's assessment of the investee company's operations, business performance; – modifications, if any, in the auditors' report of such Group companies; and – involvement of external valuer to determine value of the asset.	– Validate the reasonableness of management judgements, by evaluating the risks that have been addressed by management in the valuation approach. – Comparing the assumptions to externally derived data in relation to key inputs such as discount rates. – Assessing the appropriateness, basis and reasonableness of the forecasted cash flows based on our understanding of the business. – Considering historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. – Performing sensitivity analysis in relation to the key assumptions – Testing the mathematical accuracy of management's impairment assessment workings. – Assessing the completeness and accuracy of the disclosures made in the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.



Independent Auditor's Report (Contd.)

e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed

in the Note 61 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Ashwin Suvarna

Partner

Place: Mumbai

Date: 11 May 2023

Membership No.: 109503

ICAI UDIN:23109503BGXUOZ7670

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Aditya Birla Capital Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, no property, plant and equipment were due to be verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is an investment company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
 - (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.



Annexure A to the Independent Auditor's Report (Contd.)

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause 76 of Section 2 of the Companies Act, 2013 ("the Act"), whereby the Company has defined the repayment term of loans as 12 months with a call option:

	All Parties	Promoters	Related Parties	(₹ crore)
Aggregate of loans / advance in nature of loan				
– Repayable on demand (A)				114.50*
– Agreement does not specify any terms or period of repayment (B)				Nil
Total (A+B)				114.50
Percentage of loans / advances in nature of loan to the total loans				100%

* Repayment term of loans as 6 to 12 months with a call option

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our

opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

Annexure A to the Independent Auditor's Report (Contd.)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us the Company has not obtained any funds during the year. Hence, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons



Annexure A to the Independent Auditor's Report (Contd.)

connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

- (xvi) (a) In our opinion and according to the information and explanation provided to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Further, according to the information and explanations provided to us, the Company continues to fulfil the criteria of a CIC.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 8 CICs as part of the Group
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the

Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In our opinion and according to the information and explanations given to us and based on the computation done as per provision of Section 135 of Companies Act, 2013, the Company is not required to spend any amount on Corporate Social Responsibility. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us and based on the computation done as per provision of Section 135 of Companies Act, 2013, the Company is not required to spend any amount on Corporate Social Responsibility. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Ashwin Suvarna

Partner

Place: Mumbai

Date: 11 May 2023

Membership No.: 109503

ICAI UDIN:23109503BGXUOZ7670

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Aditya Birla Capital Limited for the year ended 31 March 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT (REFERRED TO IN PARAGRAPH 2(A)(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

Opinion

We have audited the internal financial controls with reference to financial statements of Aditya Birla Capital Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



Annexure B to the Independent Auditor's Report (Contd.)

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Ashwin Suvarna

Partner

Place: Mumbai

Date: 11 May 2023

Membership No.: 109503

ICAI UDIN:23109503BGXUOZ7670

Standalone Balance Sheet

as at 31st March 2023

		(₹ crore)	
Particulars	Note No.	As at 31 st March 2023	As at 31 st March 2022
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	1.48	1.47
(b) Bank Balances other than (a) above	4	0.26	0.26
(c) Receivables	5		
(i) Trade Receivables		-	-
(ii) Other Receivables		17.12	10.96
(d) Loans	6	9.70	160.36
(e) Other Financial Assets	7	1.32	2.32
(f) Investments	8	10,213.91	9,845.72
Sub Total		10,243.79	10,021.09
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		1.88	13.24
(b) Investment Property	9	14.37	14.81
(c) Property, Plant and Equipment	10	5.18	3.85
(d) Right-to-Use of Assets	33	5.50	8.07
(e) Other Intangible Assets	11	0.03	0.11
(f) Other Non-Financial Assets	12	11.49	16.71
Sub Total		38.45	56.79
Total Assets		10,282.24	10,077.88
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	13	6.61	4.57
Other Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		-	-
(b) Lease Liabilities	33	5.90	8.45
(c) Other Financial Liabilities	14	20.29	23.72
Sub Total		32.80	36.74
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)		30.08	-
(b) Provisions	15	17.23	29.10
(c) Deferred Tax Liabilities (Net)	16	99.45	100.26
(d) Other Non-Financial Liabilities	17	4.74	3.59
Sub Total		151.50	132.95
(3) Equity			
(a) Equity Share Capital	18	2,417.99	2,416.31
(b) Other Equity	19	7,679.95	7,491.88
Total Equity		10,097.94	9,908.19
Total Liabilities and Equity		10,282.24	10,077.88

Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report attached

For **B S R & Co. LLP**

Chartered Accountants

Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of

Aditya Birla Capital Limited

Ashwin Suvarna

Partner

Membership No.: 109503

Vishakha Mulye

Chief Executive Officer

Arun Kumar Adhikari

Director

(DIN: 00591057)

S. C. Bhargava

Director

(DIN: 00020021)

Pinky Mehta

Chief Financial Officer

Amber Gupta

Company Secretary

Mumbai, 11th May 2023

Mumbai, 11th May 2023



Standalone Statement of Profit and Loss

for the year ended 31st March 2023

(₹ crore)			
Particulars	Note No.	Year ended 31 st March 2023	Year ended 31 st March 2022
REVENUE FROM OPERATIONS			
Interest Income	20	19.84	13.91
Dividend Income	21	186.28	243.84
Net Gain/(Loss) on Fair Value Changes	22	12.44	(1.16)
Gain on Sale of Investments	23	-	196.12
Total Revenue from Operations		218.56	452.71
Other Income	24	3.96	1.36
Total Income		222.52	454.07
EXPENSES			
(a) Finance Costs	25	0.08	0.11
(b) Impairment on Financial Instruments	26	(0.60)	0.23
(c) Employee Benefits Expenses	27	25.86	20.48
(d) Depreciation and Amortisation	28	0.81	0.88
(e) Other Expenses	29	12.17	13.32
Total Expenses		38.32	35.02
Profit Before Tax		184.20	419.05
Tax Expenses			
Current Tax		43.73	70.42
Deferred Tax		(0.82)	3.94
Total Tax Expenses		42.91	74.36
Profit After Tax		141.29	344.69
Other Comprehensive Income	30		
(i) Items that will not be reclassified to Profit or Loss (Net of Tax)		(0.54)	0.04
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		0.14	(0.01)
Other Comprehensive Income for the Year, Net of Tax		(0.40)	0.03
Total Comprehensive Income for the Year		140.89	344.72
Earnings Per Equity Share (Face Value of ₹ 10 each)			
Basic - (₹)	31	0.58	1.43
Diluted - (₹)		0.58	1.43
Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Registration No.: 101248W/W-100022

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

Ashwin Suvarna
Partner
Membership No.: 109503

Vishakha Mulye
Chief Executive Officer

Arun Kumar Adhikari
Director
(DIN: 00591057)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 11th May 2023

Mumbai, 11th May 2023

Standalone Statement of Cash Flows

for the year ended 31st March 2023

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	184.20	419.05
Adjustments for:		
Net (Gain)/Loss on Fair Value Changes	(12.44)	1.16
Depreciation and Amortisation	0.81	0.88
Expense on Employee Stock Options Schemes	4.70	2.21
Finance Costs	0.08	0.11
Impairment on Financial Instruments	(0.60)	0.23
Impairment on Long-Term Investments	-	3.10
Dividend Income	(186.28)	(243.84)
Gain on Sale of Investments	-	(196.12)
Interest Income	(9.37)	(8.79)
Rent Income on Investment Property	(0.50)	(0.50)
Loss/(Profit) on Sale of Property, Plant and Equipment	0.18	(0.01)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(19.22)	(22.52)
Adjustments for:		
Decrease/(Increase) in Loans	151.40	(56.51)
Decrease/(Increase) in Receivables	32.84	12.30
Decrease/(Increase) in Other Assets	6.31	(1.96)
Increase/(Decrease) in Trade Payables	2.04	(4.17)
(Decrease)/Increase in Other Liabilities	(2.28)	3.65
(Decrease)/Increase in Provisions	(12.41)	(15.28)
Cash Generated from/(Used in) Operations	158.68	(84.49)
Income Taxes Paid	(2.16)	(66.11)
Net Cash Generated from/(Used in) Operating Activities	156.52	(150.60)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(4.48)	(1.83)
Sale of Property, Plant and Equipment	1.04	0.18
Investments in Subsidiaries	(308.95)	(307.87)
(Purchase)/Sale of Current Investments (Net)	(37.63)	(37.86)
Dividend Income from Subsidiaries/Associates	186.28	243.84
Sale of Shares of Joint Venture	-	196.12
Redemption of Investments in Subsidiaries	-	55.29
Interest Received on Investments in Subsidiaries (Held at Amortised Cost)	-	3.11
Rent Income on Investment Property	0.50	0.50
Net Cash (Used in)/Generated from Investing Activities	(163.24)	151.48



Standalone Statement of Cash Flows (Contd.)

for the year ended 31st March 2023

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on account of ESOP exercised (including Securities Premium)	8.64	2.82
Proceeds Received as Share Application Pending for Allotment (Net)	1.06	(1.26)
Payment towards Lease Liabilities (including Interest thereon)	(2.97)	(3.04)
Net Cash Generated from/(Used in) Financing Activities	6.73	(1.48)
Net Increase/(Decrease) in Cash and Cash Equivalents	0.01	(0.60)
Cash and Cash Equivalents (Opening Balance)	1.47	2.07
Cash and Cash Equivalents (Closing Balance)	1.48	1.47
Notes:		
1 Net cash used in operating activities includes the following:-		
Interest Received	10.71	8.91
Significant Accounting Policies	2	

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai, 11th May 2023

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

Vishakha Mulye
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Mumbai, 11th May 2023

Arun Kumar Adhikari
Director
(DIN: 00591057)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

Standalone Statement of Changes in Equity

for the year ended 31st March 2023

(A) EQUITY SHARE CAPITAL

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of the Year	2,416.31	2,415.28
Issued during the Year	1.68	1.03
Balance at the end of the Year	2,417.99	2,416.31

(B) OTHER EQUITY

Particulars	(₹ crore)							
	Share Application Pending for Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	General Reserve	Share Option Outstanding Account	Surplus as per the Statement of Profit and Loss	Equity Attributable to Shareholders of the Company
Balance as at 1st April 2021	1.38	33.68	801.35	6,076.60	7.12	172.02	43.54	7,135.69
Profit/(Loss) for the Year	-	-	-	-	-	-	344.69	344.69
Comprehensive Income for the Year (Refer Note No. 30)	-	-	-	-	-	-	0.03	0.03
Total Comprehensive Income for the Year	-	-	-	-	-	-	344.72	344.72
Share Application Money Received	(1.26)	-	-	-	-	-	-	(1.26)
Transfer to Special Reserve	-	68.94	-	-	-	-	(68.94)	-
Employee Stock Options Amortisation for the Year	-	-	-	1.79	-	10.94	-	12.73
Transfer to General Reserve on Account of Lapse of Vested Options	-	-	-	-	7.15	(7.15)	-	-
Transferred from Share Options Outstanding on Exercise of ESOPs	-	-	-	8.79	-	(8.79)	-	-
Balance as at 31st March 2022	0.12	102.62	801.35	6,087.18	14.27	167.02	319.32	7,491.88



Standalone Statement of Changes in Equity (Contd.)

for the year ended 31st March 2023

(₹ crore)

Particulars	Share Application Pending for Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	General Reserve	Share Option Outstanding Account	Surplus as per the Statement of Profit and Loss	Equity Attributable to Shareholders of the Company
Balance as at 1st April 2022	0.12	102.62	801.35	6,087.18	14.27	167.02	319.32	7,491.88
Profit/(Loss) for the Year	-	-	-	-	-	-	141.29	141.29
Comprehensive Income during the Year (Refer Note No. 30)	-	-	-	-	-	-	(0.40)	(0.40)
Total Comprehensive Income for the Year	-	-	-	-	-	-	140.89	140.89
Share Application Money Received	1.06	-	-	-	-	-	-	1.06
Transfer to Special Reserve	-	28.26	-	-	-	-	(28.26)	-
Employee Stock Options Amortisation for the Year	-	-	-	6.97	-	39.15	-	46.12
Transfer to General Reserve on Account of Lapse of Vested Options	-	-	-	-	3.40	(3.40)	-	-
Transferred from Share Options Outstanding on Exercise of ESOPs	-	-	-	15.47	-	(15.47)	-	-
Balance as at 31st March 2023	1.18	130.88	801.35	6,109.62	17.67	187.30	431.95	7,679.95

Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Registration No.: 101248W/W-100022

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

Ashwin Suvarna
Partner
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Vishakha Mulye
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(DIN: 00591057)

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Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 11th May 2023

Mumbai, 11th May 2023

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited ("the Company") is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Core Investment Company registered with the RBI vide certificate no. B.01.00555, dated 16th October 2015. The Company is a majority owned subsidiary of Grasim Industries Limited.

Information on other related party relationships of the Company is provided refer Note No. 37.

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 11th May 2023.

The financial statements have been prepared and presented on the going concern basis, the relevant provisions of the act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. The financial statements have been prepared at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and financial 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. 42.

Financial assets and financial liabilities are generally reported gross in the Balance Sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business, and
- The event of default.

2.2 Functional and Presentation Currency

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Division III of Schedule III of the Act, except when otherwise indicated.

2.3 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value. Further, 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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.

All financial assets are recognised initially at fair value. Further, 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 and mutual funds at fair value, through profit or loss (FVTPL), and
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt Instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments, included within the FVTOCI category, are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals, and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss, previously recognised in OCI, is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity Investments

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109, and, hence, the Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument,

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that results from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument, if the credit risk on that financial instrument has increased significantly, since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the

Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company, if the holder of the commitment draws down the loan, and the cash flows that the Company expects to receive, if the loan is drawn down; and
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments, that are financial assets measured at amortised cost or FVTOCI,



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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, e.g., in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Company uses a variety of sources of information to assess default, which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments, unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant Increase in Credit Risk

The Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk, since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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, and
- the extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then

- A. In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL, except in the rare occasions where the new loan is considered to be originated credit-impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount, because there remains a high risk of default, which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in the past due status under the new terms.
- B. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
 - the remaining lifetime PD estimated based on the data at initial recognition and the original contractual terms; with
 - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on 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.



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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 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.

Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and

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continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss, if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial assets.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial assets between the part it continues to recognise under continuing involvement, and the part is no longer recognises on the basis of relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss, if such gain/loss would have otherwise been recognised in the Statement of Profit and Loss on disposal in the Statement of Profit and Loss, if such gain/loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after 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



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of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.4 Fair Value Measurements

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient 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.

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The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.6 Investment Property

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The Company, based on technical assessment made by the Management, depreciates the building over estimated useful lives of 60 years. The Management believes that these estimated useful lives are realistic and reflect fair

approximation of the period over which the assets are likely to be used.

Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Investment Property	60 Years	60 Years

Though the Company measures investment property, using cost-based measurement, the fair value of investment property is disclosed in Note No. 54. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

2.7 Property, Plant and Equipment (PPE) and Depreciation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its PPE recognised as at 1st April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of the PPE.

PPE are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses, are charged to the Statement of Profit and Loss, during the period in which they are incurred.

Depreciation on PPE is provided on Straight-Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013, or estimated by the Management. The Company has used the following useful life to provide depreciation on its PPE.



Notes forming part of the Standalone Financial Statements

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Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Office Equipment (Computers)	3 Years	4 Years
Vehicles	6 Years	4 Years
Furniture and Fixtures	10 Years	5 Years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by the Management supported by technical assessments.

The estimated useful lives and residual values of the PPE are reviewed at the end of each financial year.

PPE, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the PPE added/disposed off/discarded during the year is provided from/up to the date when added/disposed off/discarded.

Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.8 Intangible Assets and Amortisation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as 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.

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; and
- The ability to measure reliably the expenditure during development.

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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 whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract



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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 recognises right-of-use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

Right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis, unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash-Generating Unit (CGU) to which the asset belongs.

Lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit

in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset, if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

The Company as a Lessor

Leases, for which the Company is a lessor, are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

2.11 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries, 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.

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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, remeasurements, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to the Statement of Profit and Loss.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restricting costs.

The Company recognises the following changes in the net defined benefits obligation under employee benefits expenses in the Statement of Profit and Loss:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income.

The Company presents the above two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expenses'.

The present value of the defined benefits 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 benefits obligation recognised in the Balance Sheet represents the actual deficit or surplus in

the Company's defined benefits plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

The expected costs of other long-term employee benefits, such as long-term service incentive plan benefits (not being share-based payments), are accrued over the period of employment using the same accounting methodology as used for defined benefits plans. Remeasurement gains and losses, arising from experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Profit and Loss in the period in which they arise.

2.12 Employee Share-Based Payments

Equity-Settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to profit and loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

2.13 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.



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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 and there exists reasonable certainty of its recovery.

- a) Dividend income is accounted for when the right to receive the income is established.
- b) Interest income is accounted for all financial instruments measured at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Interest income on all trading assets and financial assets, mandatorily required to be measured at FVTPL, is recognised using the contractual interest rate in net gain on fair value changes.

2.15 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 Taxes

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the Indian Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.17 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash

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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.

2.18 Statement of Cash Flows

Statement of Cash Flows is reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Company are segregated.

2.19 Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted-average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted-average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.20 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates is recognised in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements

Aditya Birla Capital Limited holds, either directly or through its subsidiaries, more than half of the equity shareholding in the following entities. However, as per the shareholders' agreement/statute, the Company needs to jointly decide with other shareholders of the respective entity on certain relevant activities.

Hence, the same are being accounted as per equity method of accounting.

- a) Aditya Birla Sun Life 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 amount of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of Defined Benefits Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefits obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recognition of Deferred Tax Assets

Availability of future taxable profit against which the tax losses carried forward can be used.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-Based Payments

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

Impairment of Financial Assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's internal credit grading model, which assigns PDs to the individual grades.
- b) The Company's criteria for assessing, if there has been a significant increase in credit risk, and so, allowances for financial assets, should be measured on a LTECL basis and the qualitative assessment.
- c) The segmentation of financial assets when their ECL is assessed on a collective basis.
- d) Development of ECL models, including the various formulas and the choice of inputs.
- e) Determination of associations between macro-economic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

- f) Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

New Standards and Amendments to the Existing Ind AS

The Ministry of Corporate Affairs notifies new standard or amendments to the existing standards.

On 31st March 2023, MCA amended the following Indian Accounting Standards vide Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- **Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

- **Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

The Company has evaluated the above amendments and the impact of these amendments is insignificant in the Company's financial statements.



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 3 CASH AND CASH EQUIVALENTS

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Cash on Hand	-	-
Balances with Banks		
Current Accounts	1.48	1.47
	1.48	1.47

NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Bank Balances other than Cash and Cash Equivalents		
Money Due for Refund on Fractional Shares	0.26	0.26
	0.26	0.26

NOTE: 5 RECEIVABLES

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
i) Trade Receivables	-	-
ii) Other Receivables (Carried at Amortised Cost, except otherwise stated)		
Receivables from Related Parties	17.12	10.96
	17.12	10.96

NOTE: 6 LOANS

(Carried at Amortised Cost, except otherwise stated)

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Unsecured, Considered Good		
Loans to Employees	5.35	-
Inter-Corporate Deposits (including Accrued Interest thereon)	4.39	161.00
Less: Impairment Loss Allowance (Refer Note No. 43)	(0.04)	(0.64)
	9.70	160.36

Type of the Borrower	31 st March 2023		31 st March 2022	
	Gross Amount of Loans or Advances in the Nature of Loan Outstandings	Percentage to the Total Loans and Advances in the Nature of Loans	Gross Amount of Loans or Advances in the Nature of Loan Outstandings	Percentage to the Total Loans and Advances in the Nature of Loans
Repayable on Demand/Call Option etc.				
Promoter	-	-	-	-
Directors	-	-	-	-
Related Parties (Refer Annexure 1.9)	4.39	45.08%	161.00	100.00%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
I) Loans in India		
Public Sector	-	-
Others	9.74	161.00
Gross (A)	9.74	161.00
Less: Impairment Loss Allowance (B)	(0.04)	(0.64)
Net (A) - (B)	9.70	160.36
II) Loans Outside India (A)	-	-
Less: Impairment Loss Allowance (B)	-	-
Net (A) - (B)	-	-

Name of the Subsidiary Companies/Associates/Firms or Companies in which Directors are interested	Amount Outstanding		Maximum Balance Outstanding during the year ended	
	Current Year	Previous Year	Current Year	Previous Year
Subsidiary Companies				
Aditya Birla Stressed Asset AMC Private Limited	4.39	-	12.50	4.50
Aditya Birla Capital Technology Services Limited	-	86.00	86.00	80.00
Aditya Birla ARC Limited	-	45.00	67.00	45.50
Aditya Birla Money Mart Limited	-	30.00	30.00	85.00
Aditya Birla Housing Finance Limited	-	-	-	4.00

NOTE: 7 OTHER FINANCIAL ASSETS

(Carried at Amortised Cost, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Unsecured, Considered Good		
Security Deposits	1.32	1.59
Others	-	0.73
	1.32	2.32

NOTE: 8 INVESTMENTS

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
A. Investments in Subsidiaries Equity Instruments (At Cost)		
Quoted Investments		
Aditya Birla Money Limited	248.30	248.30
Less: Diminution in Investment of Aditya Birla Money Limited	41.59	206.71
Unquoted Investments		
Aditya Birla Finance Limited	5,612.65	5,612.65
Aditya Birla Sun Life Insurance Company Limited	1,339.53	1,206.93
Aditya Birla Housing Finance Limited	1,217.66	1,217.66
Aditya Birla ARC Limited	100.00	100.00
Aditya Birla PE Advisors Private Limited	3.50	3.50
Aditya Birla Financial Shared Services Limited	0.05	0.05



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	As at 31 st March 2023		As at 31 st March 2022	
Aditya Birla Capital Technology Services Limited (Refer Note No. 47)	9.27		9.27	
Less: Diminution in Investment of Aditya Birla Capital Technology Services Limited	6.05	3.22	6.05	3.22
Aditya Birla Trustee Company Private Limited		0.05		0.05
Aditya Birla Insurance Brokers Limited (Refer Note No. 49)		0.30		0.30
Aditya Birla Money Mart Limited	93.20		93.20	
Less: Diminution in Investment of Aditya Birla Money Mart Limited	-	93.20	0.06	93.14
Aditya Birla Health Insurance Co. Limited (Refer Note No. 48)		-		852.17
ABCAP Trustee Company Private Limited (Refer Note No. 50)	-		0.05	
Less: Diminution in Investment of ABCAP Trustee Company Private Limited	-	-	0.05	-
Aditya Birla Stressed Asset AMC Private Limited		14.80		14.80
Aditya Birla Capital Digital Limited		25.00		-
Total Subsidiaries Equity Investments (A)	8,616.67		9,311.19	
B. Investments in Joint Ventures Equity Instruments (At Cost)				
Aditya Birla Sun Life Trustee Private Limited		0.02		0.02
Aditya Birla Wellness Private Limited		17.75		17.75
Aditya Birla Health Insurance Co. Limited (Refer Note No. 48)		997.53		-
Total Joint Ventures Equity Investments (B)	1,015.30		17.77	
C. Investments in Associates Equity Instruments (At Cost)				
Quoted Investments				
Aditya Birla Sun Life AMC Limited (Refer Note No. 52)		33.06		33.06
Total Associates Equity Investments (C)	33.06		33.06	
D. Investments in Preference Shares (At Amortised Cost)				
4% Redeemable Non-Convertible Non-Cumulative Preference Shares of Aditya Birla Money Limited		86.50		81.36
0.1% Redeemable Non-Convertible Non-Cumulative Preference Shares of Aditya Birla Money Mart Limited		47.72		43.73
Total Preference Investments (D)	134.22		125.09	
E. Investments in Preference Shares (At FVTPL)				
Unquoted Investments				
0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Capital Technology Services Limited (Refer Note No. 47)	14.98		14.98	
Less: Adjustment on account of Fair Value Change	12.56	2.42	12.56	2.42
0.01% Compulsory Convertible Preference Shares of Aditya Birla ARC Limited	16.00		10.00	
Less: Adjustment on account of Fair Value Change	0.58	15.42	0.22	9.78
(E)	17.84		12.20	
F. Investments in Mutual Funds (At FVTPL)				
Unquoted Investments				
Aditya Birla Sun Life Liquid Fund - Growth - Direct		396.82		146.86
Units - 10,929,312.186 (31 st March 2022 Units 4,280,169.38)				
ABSL Money Manager Fund - Growth - Direct		-		102.83
Units - NIL (31 st March 2022 Units 3,440,023.35)				
ABSL Money Manager Fund Growth		-		96.73
Units - NIL (31 st March 2022 Units 3,264,990.24)				
(F)	396.82		346.42	
Total Investments (A)+(B)+(C)+(D)+(E)+(F)	10,213.91		9,845.72	
Investments In India	10,213.91		9,845.72	
Investments Outside India	-		-	

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 9 INVESTMENT PROPERTY

		(₹ crore)
Particulars		Investment Property
Gross Carrying Value		
As at 1st April 2021		16.87
Additions during the year		-
Deletions during the year		-
As at 31st March 2022		16.87
Additions during the year		-
Deletions during the year		-
As at 31st March 2023		16.87
Accumulated Depreciation		
As at 1st April 2021		1.63
Depreciation for the year		0.43
Deletions during the year		-
As at 31st March 2022		2.06
Depreciation for the year		0.44
Deletions during the year		-
As at 31st March 2023		2.50
Net Carrying Value as at 31st March 2023		14.37
Net Carrying Value as at 31st March 2022		14.81

NOTE: 10 PROPERTY, PLANT AND EQUIPMENT

					(₹ crore)
Particulars	Furniture and Fixtures	Office Equipment	Vehicles		Total
Gross Carrying Value					
As at 1st April 2021	6.49	2.07	4.56		13.12
Additions during the year	0.21	0.07	1.67		1.95
Deletions during the year	-	0.10	0.39		0.49
As at 31st March 2022	6.70	2.04	5.84		14.58
Additions during the year	0.02	0.24	4.23		4.48
Deletions during the year	6.39	0.07	3.65		10.10
As at 31st March 2023	0.33	2.21	6.42		8.96
Accumulated Depreciation					
As at 1st April 2021	4.00	1.72	3.14		8.86
Depreciation for the year	1.24	0.13	0.82		2.19
Deletions during the year	-	0.10	0.22		0.32
As at 31st March 2022	5.24	1.75	3.74		10.73
Depreciation for the year	0.96	0.11	0.86		1.93
Deletions during the year	6.07	0.04	2.77		8.88
As at 31st March 2023	0.13	1.83	1.82		3.78
Net Carrying Value as at 31st March 2023	0.20	0.38	4.60		5.18
Net Carrying Value as at 31st March 2022	1.46	0.29	2.10		3.85



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 11 INTANGIBLE ASSETS

(₹ crore)

Particulars	Exclusive Images	Computer Software	Total
Gross Block			
As at 1 st April 2021	4.94	2.76	7.70
Additions during the year	-	-	-
Deletions during the year	-	-	-
As at 31 st March 2022	4.94	2.76	7.70
Additions during the year	-	-	-
Deletions during the year	-	-	-
As at 31 st March 2023	4.94	2.76	7.70
Accumulated Amortisation			
As at 1 st April 2021	4.94	2.46	7.40
Amortisation for the year	-	0.19	0.19
Deletions during the year	-	-	-
As at 31 st March 2022	4.94	2.65	7.59
Amortisation for the year	-	0.08	0.08
Deletions during the year	-	-	-
As at 31 st March 2023	4.94	2.73	7.67
Net Carrying Value as at 31 st March 2023	-	0.03	0.03
Net Carrying Value as at 31 st March 2022	-	0.11	0.11

Foot Note: 1) The Company does not have any internally generated Intangible Assets.

NOTE: 12 OTHER NON-FINANCIAL ASSETS

(Unsecured, except otherwise stated)

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Advance for Capital Expenditure	0.37	-
Gratuity Fund Receivables (Refer Note No. 38)	8.37	14.81
Prepaid Expenses	1.98	1.88
Advance for Expenses	0.02	0.02
Deferred Expenses Related to Employee Loans	0.75	-
	11.49	16.71

NOTE: 13 TRADE PAYABLES

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	6.61	4.57
	6.61	4.57

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	As at 31 st March 2023				
	Outstanding for the following periods from the Due Date of Payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	6.61	-	-	-	6.61
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

(₹ crore)

Particulars	As at 31 st March 2022				
	Outstanding for the following periods from the Due Date of Payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4.57	-	-	-	4.57
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Details of Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Based on the information received by the Company from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the Balance Sheet date, and, hence, disclosures relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

NOTE: 14 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Payables for Capex Creditors	0.05	-
Lease Rental Deposits	0.96	0.25
Payables Related to Employees	19.28	23.47
	20.29	23.72

NOTE: 15 PROVISIONS

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
For Employee Benefits		
Compensated Absence	1.61	1.93
Gratuity (Refer Note No. 38)	10.39	15.09
Long-Term Incentive Plan	4.61	11.63
Others		
On Financial Guarantee (Refer Note No. 32)	0.62	0.45
	17.23	29.10



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 16 DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Deferred Tax Liabilities		
Equity Shares of Aditya Birla Finance Limited	98.82	98.82
Income from Preference Shares Held at Amortised Cost	3.84	2.89
Gain on Fair Valuation of Investments in Units of Mutual Funds	1.71	1.10
Gross Deferred Tax Liabilities	104.37	102.81
Deferred Tax Assets		
Carry Forward Long-Term Capital Loss	2.40	-
Depreciation/Amortisation	1.73	1.75
Leave Encashment	0.41	0.49
Investment Property	0.22	0.09
Ind AS 116 Impact - Lease Accounting	0.10	0.10
Others	0.06	0.12
Gross Deferred Tax Assets	4.92	2.55
Deferred Tax Liabilities/(Assets) (Net)	99.45	100.26

NOTE: 17 OTHER NON-FINANCIAL LIABILITIES

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Statutory Dues	4.48	3.33
Unpaid Fractional Warrants FY 2017	0.26	0.26
	4.74	3.59

NOTE: 18 SHARE CAPITAL

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
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		
2,417,994,042 (Previous Year 2,416,311,986) Equity Shares of ₹ 10/- each fully paid-up	2,417.99	2,416.31
	2,417.99	2,416.31

1) Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the year

Sr. No.	Description	(₹ crore)	
		As at 31 st March 2023	As at 31 st March 2022
		Equity Shares	Equity Shares
1	Number of Shares Outstanding at the beginning of the Year	2,416,311,986	2,415,277,978
2	Allotment of fully Paid-up Shares during the Year (Refer Note No. 45)	1,682,056	1,034,008
a)	Employee Stock Options Plan (Refer Note No. 35)	1,501,345	734,293
b)	ABCL ESOP 2017 (Refer Note No. 36)	180,711	299,715
3	Number of Shares Outstanding at the end of the Year (1+2)	2,417,994,042	2,416,311,986

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

2) Term/Right Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the Equity Shares held by the shareholders.

3) Equity Shares in the Company held by each Shareholder holding more than 5 per cent Shares and the number of Equity Shares held are as under:

Equity Shares

Sr. No.	Name of the Shareholder	As at 31 st March 2023		As at 31 st March 2022	
		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	54.15%	1,309,240,000	54.18%
2	Birla Group Holdings Private Limited	184,506,156	7.63%	184,506,156	7.64%

4) The Number of Shares held in the Company by each Promoter is as under:

Equity Shares

Sr. No.	Name of the Promoter	As at 31 st March 2023			As at 31 st March 2022	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	% Change during the Year	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.15%	-0.04%	1,309,240,000	54.18%
2	Birla Group Holdings Private Limited	184,506,156	7.63%	-0.01%	184,506,156	7.64%
3	IGH Holdings Private Limited	53,692,810	2.22%	0.00%	53,692,810	2.22%
4	Hindalco Industries Limited	39,511,455	1.63%	0.00%	39,511,455	1.64%
5	Umang Commercial Company Private Limited	37,444,766	1.55%	0.00%	37,444,766	1.55%
6	Pilani Investment and Industries Corporation Limited	33,601,721	1.39%	0.00%	33,601,721	1.39%
7	PT Indo Bharat Rayon	28,005,628	1.16%	0.00%	28,005,628	1.16%
8	Surya Kiran Investments Pte Limited	22,507,000	0.93%	0.00%	22,507,000	0.93%
9	Thai Rayon Public Company Limited	2,695,000	0.11%	0.00%	2,695,000	0.11%
10	PT Sunrise Bumi Textiles	1,776,250	0.07%	0.00%	1,776,250	0.07%
11	PT Elegant Textile Industry	1,132,250	0.05%	0.00%	1,132,250	0.05%
12	Birla Institute of Technology and Science	925,687	0.04%	0.00%	925,687	0.04%
13	Ms. Rajashree Birla	773,989	0.03%	0.00%	773,989	0.03%
14	ECE Industries Limited	471,931	0.02%	0.00%	471,931	0.02%
15	Renuka Investments & Finance Limited	339,059	0.01%	0.00%	339,059	0.01%
16	Ms. Vasavadatta Bajaj	165,951	0.01%	0.00%	165,951	0.01%
17	Aditya Vikram Kumar Mangalam Birla HUF	125,608	0.01%	0.00%	125,608	0.01%



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Sr. No.	Name of the Promoter	As at 31 st March 2023			As at 31 st March 2022	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	% Change during the Year	No. of Shares Held	% of Total Paid-up Equity Share Capital
18	Birla Industrial Finance (India) Limited	122,479	0.01%	0.00%	122,479	0.01%
19	Birla Consultants Limited	122,334	0.01%	0.00%	122,334	0.01%
20	Ms. Neerja Birla	102,286	0.00%	0.00%	102,286	0.00%
21	Mr. Kumar Mangalam Birla	51,790	0.00%	0.00%	51,790	0.00%
22	Birla Industrial Investments (India) Limited	26,119	0.00%	0.00%	26,119	0.00%
23	Vikram Holdings Private Limited	1,050	0.00%	0.00%	1,050	0.00%
24	Vaibhav Holdings Private Limited	938	0.00%	0.00%	938	0.00%
25	Rajratna Holdings Private Limited	938	0.00%	0.00%	938	0.00%

- 5) During the last five years no Bonus Shares were issued.
- 6) Details of the Shares reserved for issue under Employee Stock Options Plan (ESOP) of the Company are disclosed in Note Nos. 35 and 36.

NOTE: 19 OTHER EQUITY

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
1) Share Application Pending for Allotment		
Opening Balance	0.12	1.38
Additions:		
Application Money Received related to Exercise of ESOPs	10.53	3.22
Deductions:		
Allotment of Shares related to Exercise of ESOPs	9.47	4.48
	1.18	0.12
2) Special Reserve (b)		
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
Opening Balance	102.62	33.68
Additions:		
Transfer from Surplus in the Statement of Profit and Loss	28.26	68.94
	130.88	102.62
3) Capital Reserve	801.35	801.35
4) Securities Premium		
Opening Balance	6,087.18	6,076.60
Additions:		
Securities Premium on Exercise of ESOPs	6.97	1.79
Transferred from Share Options Outstanding on Exercise of ESOPs	15.47	8.79
	6,109.62	6,087.18

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
5) Share Options Outstanding Account		
Opening Balance	167.02	172.02
Additions:		
Employee Stock Options Charge for the Year (Refer Note No. 35)	39.15	10.94
Deductions:		
Transferred to Securities Premium on Exercise of ESOPs	15.47	8.79
Transfer to General Reserve on account of Lapse of Vested Options	3.40	7.15
	187.30	167.02
6) General Reserve		
Opening Balance	14.27	7.12
Additions:		
Transfer from Share Options Outstanding Account on account of Lapse of Vested Options	3.40	7.15
	17.67	14.27
7) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	319.32	43.54
Additions:		
Profit for the Year	141.29	344.69
Other Comprehensive Income for the Year arising from remeasurement of Defined Benefits Plans (Refer Note No. 30)	(0.40)	0.03
Less: Appropriations:		
Transfer to Special Reserve	28.26	68.94
	431.95	319.32
Total Other Equity	7,679.95	7,491.88

- a) **Securities Premium:** 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.
- b) **Special Reserve:** Special Reserve represents reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund, before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.
- c) **General Reserve:** General Reserve represents vested ESOPs that have lapsed. 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) **Capital Reserve:** It represents reserve created during demerger from Grasim Industries Limited.
- e) **Employee Share Options Outstanding:** The Company has stock options schemes, under which options to subscribe for the Company's shares have been granted to certain employees, including key management personnel. The Employee Share Options Outstanding reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 20 INTEREST INCOME (HELD AT AMORTISED COST)

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
On Financial Assets		
Interest on Loans	10.71	5.80
Interest Income from Investments	9.13	8.11
	19.84	13.91

NOTE: 21 DIVIDEND INCOME

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
From Associate	156.27	116.64
From Subsidiaries	30.01	127.20
	186.28	243.84

NOTE: 22 NET (LOSS)/GAIN ON FAIR VALUE CHANGES

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Net (Loss)/Gain on Financial Instruments Held at Fair Value Through Profit or Loss (FVTPL)	12.44	(1.16)
	12.44	(1.16)
Fair Value Changes:		
Realised	5.98	7.31
Unrealised	6.46	(8.47)
	12.44	(1.16)

NOTE: 23 GAIN ON SALE OF INVESTMENTS

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
On Equity Investment (Refer Note No. 52)	-	196.12
	-	196.12

NOTE: 24 OTHER INCOME

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest Income		
On Income Tax Refund	3.01	0.52
On Other Financial Assets Held at Amortised Cost	0.09	0.17
On Fixed Deposits	-	0.07
On Loans Held at Amortised Cost	0.33	-
Profit on Sale of Property, Plant and Equipment	0.02	0.01
Rent Income on Investment Property	0.50	0.50
Miscellaneous Income	0.01	0.09
	3.96	1.36

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 25 FINANCE COSTS

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest on Lease Liabilities	0.50	0.67
	0.50	0.67
Less: Recovery of Expenses	(0.42)	(0.56)
	0.08	0.11

NOTE: 26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
On Loans Held at Amortised Cost	(0.60)	0.23
	(0.60)	0.23

NOTE: 27 EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Salaries and Wages	78.41	72.46
Contribution to Provident and Other Funds (Refer Note No. 38 (B))	2.34	2.56
Contribution to Gratuity Fund (Refer Note No. 38)	1.26	1.16
Expenses on Employee Stock Options Schemes (Refer Note No. 35)	18.38	3.92
Staff Welfare Expenses	0.89	0.34
	101.28	80.44
Less: Recovery of Expenses	(75.42)	(59.96)
	25.86	20.48

NOTE: 28 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Depreciation on Property, Plant and Equipment	1.93	2.19
Depreciation on Investment Property	0.44	0.43
Amortisation on Intangible Assets	0.08	0.19
Amortisation on Lease Assets	2.49	2.68
	4.94	5.49
Less: Recovery of Expenses	(4.13)	(4.61)
	0.81	0.88



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 29 OTHER EXPENSES

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Repairs and Maintenance	4.15	2.25
Insurance	1.38	1.26
Rates and Taxes	0.07	0.06
Advertisement and Sales Promotion Expenses	4.93	6.78
Legal and Professional Expenses	10.39	5.59
Auditors' Fees and Expenses (Refer Note No. 34)	1.73	1.19
Impairment on Long-Term Investments	-	3.10
Directors' Fees, Allowances and Expenses	1.21	1.12
Travelling and Conveyance	1.52	0.37
Loss on Sale of Property, Plant and Equipment	0.20	-
Printing and Stationery	0.22	0.15
Communication Expenses	0.16	0.14
Electricity Charges	0.24	0.21
Miscellaneous Expenses	7.20	5.86
	33.40	28.08
Less: Recovery of Expenses	(21.23)	(14.76)
	12.17	13.32

NOTE: 30 OTHER COMPREHENSIVE INCOME

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Items that will not be reclassified to Profit or Loss		
Remeasurement of Post-Employment Benefits Obligations	(2.11)	0.15
	(2.11)	0.15
Less: Transfer of OCI	(1.57)	0.11
	(0.54)	0.04
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Income Tax relating to Remeasurement of Post-Employment Benefits Obligations	0.14	(0.01)
	(0.40)	0.03

NOTE: 31 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 - EARNINGS PER SHARE

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Earnings Per Share (EPS) is calculated as under:		
Weighted-Average Number of Equity Shares for calculation of Basic EPS (A)	2,416,787,413	2,415,907,318
Add: Dilutive Impact of Employee Stock Options	9,486,527	2,459,566
Weighted-Average Number of Equity Shares for calculation of Diluted EPS (B)	2,426,273,940	2,418,366,884
Nominal Value of Shares (₹)	10.00	10.00
Profit Attributable to Equity Holders (C)	141.29	344.69
Basic EPS (₹) (C/A)	0.58	1.43
Diluted EPS (₹) (C/B)	0.58	1.43

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 32 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent Liabilities

The Company has issued Corporate Guarantees to National Housing Bank on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 3,500 crore up to 31st March 2023 (Previous Year ₹ 2,500 crore), against which the amount outstanding in the books of ABHFL as at 31st March 2023 is ₹ 2,057.71 crore (Previous Year ₹ 1,498.73 crore). As per the terms of the Guarantee, the Company's liability is capped at the outstanding amount on invocation.

b) Capital Commitments

- The Company has ₹ 0.37 as commitments towards Property, Plant and Equipment as at 31st March 2023 (Previous Year ₹ Nil).
- Pursuant to the Shareholders' Agreement entered into with Sun Life Financial (India) Insurance Investments Inc. and its holding Company Sun Life Assurance Company of Canada by Aditya Birla Capital Limited, in respect of Aditya Birla Sun Life Insurance Company Limited (ABSLI), the Company will infuse its share of capital in ABSLI from time to time to meet the solvency requirement, prescribed by the regulatory authority. Transfer of investments in ABSLI is restricted by the terms contained in Shareholders' Agreements entered into by the Aditya Birla Capital Limited.
- Pursuant to the Shareholders' Agreement entered into with Momentum Metropolitan Strategic Investments (Proprietary) Limited and Platinum Jasmine A 2018 Trust by Aditya Birla Capital Limited, in respect of Aditya Birla Health Insurance Co. Limited (ABHI), the Company will infuse its share of capital in ABHI from time to time to meet the solvency requirement, prescribed by the regulatory authority.

NOTE: 33 LEASES

Disclosure Pursuant to Indian Accounting Standard ("Ind AS") 116

Following are the changes in the carrying value of Right-of-Use Assets

		(₹ crore)
Particulars	Category of ROU Asset - Leasehold Premises	
Gross Carrying Value		
As at 1st April 2021		17.77
Additions during the year		0.24
Deletions during the year		0.27
As at 31st March 2022		17.74
Additions during the year		-
Deletions during the year		0.08
As at 31st March 2023		17.66
Accumulated Amortisation		
As at 1st April 2021		6.98
Amortisation for the year		2.68
Deletions during the year		-
As at 31st March 2022		9.66
Amortisation for the year		2.49
Deletions during the year		-
As at 31st March 2023		12.15
Net Carrying Value as at 31st March 2023		5.50
Net Carrying Value as at 31st March 2022		8.07



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Amounts recognised in Profit and Loss

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Amortisation Expenses on Right-of-Use Assets	2.49	2.68
Less: Recovery of Expenses	(2.09)	(2.25)
Total (A)	0.40	0.43
Interest Expenses on Lease Liabilities	0.50	0.67
Less: Recovery of Expenses	(0.42)	(0.56)
Total (B)	0.08	0.11
Grand Total (A) + (B)	0.48	0.54

The following is the break-up of Current and Non-Current Lease Liabilities

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Current Lease Liabilities	3.02	2.93
Non-Current Lease Liabilities	2.88	5.52
Total	5.90	8.45

The following is the movement in Lease Liabilities

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Opening Balance	8.45	10.99
Additions:		
Lease Premises	-	0.11
Finance Cost Accrued during the Year	0.50	0.67
Deletions:		
Lease Premises	0.08	0.28
Payment of Lease Liabilities	2.97	3.04
Closing Balance	5.90	8.45

The table below provides details regarding the Contractual Maturities of Lease Liabilities on an undiscounted basis:

Particulars*	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Less than one year	3.12	3.03
One to five years	3.20	6.33
Total	6.32	9.36

* There are no non-cancellable operating leases.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities, as and when they fall due.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 34 PAYMENT TO STATUTORY AUDITORS

During the year, the Company made the following payments to Statutory Auditors:

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Audit Fees	1.01	0.70
Limited Review	0.45	0.39
Tax Audit	0.09	0.05
Other Services	0.05	0.01
Re-imbursement of Expenses	0.13	0.04
Total	1.73	1.19

NOTE: 35 DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME

a) Stock Options Scheme 2017

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 Options Scheme 2017" in 3 categories of Long-Term Incentive Plans ("LTIP"), identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the Grant of Stock Options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Features	LTIP 1		LTIP 2		LTIP 3	
Instrument	RSU		ESOP		ESOP	
Plan Period	2017-2019		2017-2021		2017-2019	
Quantum of Grant	4,343,750		11,557,872		1,398,886	
Method of Accounting	Fair Value		Fair Value		Fair Value	
Vesting Period	100% (2 years)		25% p.a. (4 years)		100% (2 years)	
Vesting Condition(s)	Continued employment		Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets		Continued employment	
					Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	
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	



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Granted during the Financial Year - 2022-2023 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 1	LTIP 1
Instrument	ESOP	RSU	RSU
Plan Period	2022-2025	2022-2023	2022-2023
Quantum of Grant	1,173,306	1,394,915	165,434
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Period	33.33% vesting over 3 years from the Date of Grant	100%, One year from the Date of Grant	100% vesting at the end of third year from the Date of Grant
Vesting Condition(s)	Continued employment	Continued employment	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	01.08.2022	01.08.2022	15.03.2023
Grant/Exercise Price (₹ Per Share)	106.4	10.0	10.0

Granted during the Financial Year - 2021-2022 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 2
Instrument	ESOP	ESOP
Plan Period	2021-2025	2021-2025
Quantum of Grant	269,352	140,352
Method of Accounting	Fair Value	Fair Value
Vesting Period	Equal vesting in 4 years from the Date of Grant	Equal vesting in 4 years from the Date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target immediately preceding the Date of Vesting	75% of the Profit Before Tax achievement against annual performance target immediately preceding the Date of Vesting
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	14.05.2021	30.09.2021
Grant/Exercise Price (₹ Per Share)	119.4	114.2

Granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 3
Instrument	ESOP	ESOP
Plan Period	2021-2022	2021-2022
Quantum of Grant	110,424	140,439
Method of Accounting	Fair Value	Fair Value
Vesting Period	One year from the Date of Grant	One year from the Date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target	75% of the Profit Before Tax achievement against annual performance target
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	05.02.2021	05.02.2021
Grant/Exercise Price (₹ Per Share)	90.4	90.4

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Granted during the Financial Year - 2019-2020 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 2	LTIP 3	LTIP 3	LTIP 2	LTIP 3
Instrument	ESOP	ESOP	ESOP	RSU	ESOP	RSU
Plan Period	2019-2023	2019-2023	2019-2024	2019-2021	2020-2024	2020-2023
Quantum of Grant	560,376	307,020	441,704	7,686	798,768	523,810
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	25% p.a. (4 years)	25% p.a. (4 years)	20% p.a. (5 years)	100% (2 years)	25% p.a. (4 years)	100% (3 years)
Vesting Condition(s)	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	02.08.2019	18.10.2019	18.10.2019	18.10.2019	25.02.2020	25.02.2020
Grant/Exercise Price (₹ Per Share)	82.4	76.4	76.4	10	87.1	10

Granted during Financial Year - 2018-2019 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 3	LTIP 3
Instrument	ESOP	RSU
Plan Period	2018-2023	2018-2020
Quantum of Grant	1,623,834	300,000
Method of Accounting	Fair Value	Fair Value
Vesting Period	20% p.a. (5 years)	100% (2 years)
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	09.04.2018	09.04.2018
Grant/Exercise Price (₹ Per Share)	115	10



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Details of Activities in the Plan as on 31st March 2023

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	624,723	9,642,838	872,906	13,180,030
Granted during the year	1,560,349	1,173,306	-	-
Exercised during the year	166,686	620,638	600,672	113,349
Lapsed during the year	39,604	-	1,500	664,800
Options/RSUs Outstanding at the end of the year	1,978,782	10,195,506	270,734	12,401,881
Options/RSUs remaining unvested at the end of the year	1,560,349	3,934,225	240,734	4,985,023
Options/RSUs exercisable at the end of the year	418,433	6,261,281	30,000	7,416,858

Details of Activities in the Plan as on 31st March 2022

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	1,256,100	10,714,241	872,906	13,225,030
Granted during the year	-	409,704	-	-
Exercised during the year	517,431	171,862	-	45,000
Lapsed during the year	113,946	1,309,245	-	-
Options/RSUs Outstanding at the end of the year	624,723	9,642,838	872,906	13,180,030

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 (%)	6.5% to 7.4%	6.2% to 7.0%	6.5% to 7.2%	6.5% to 7.6%
Option Life (Years)	3.5 to 5.5	3.5 to 6.5	4.5	3.5 to 7.5
Expected Volatility	38.5% to 41.8%	36.2% to 46.5%	35.4% to 38.5%	37.0% to 46.5%
Expected Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%
Weighted-Average Fair Value per Option (₹)	98.5 to 138.3	41.5 to 119.4	131.6	73.1 to 90.4

b) Stock Options and Performance Stock Unit Scheme 2022

The shareholders of the Company, vide a special resolution passed through Postal Ballot on 16th October 2022, approved the Scheme titled "Aditya Birla Capital Limited Employee Stock Options and Performance Stock Unit Scheme 2022" ("ABCL Scheme 2022") for granting Employee Stock Options ("Options") and Employee Performance Stock Units ("PSUs") (collectively referred to as the "Stock Options") exercisable into not more than 41,071,270 Equity Shares. ABCL Scheme 2022 allows the grant of Stock Options to employees of the Company, and its group company(ies), including its Holding Company and Subsidiary Company(ies) and Associate Company(ies) (whether working in India or outside India), that meet the eligibility criteria. Each Stock Option confers a right upon the Grantee to apply for 1 (one) Equity Share. Out of these, the Nomination, Remuneration and Compensation Committee has granted 13,954,991 Options and 6,360,714 PSUs under ABCL Scheme 2022.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Granted during the Financial Year - 2022-2023 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Instrument	PSU	ESOP	ESOP	ESOP
Plan Period	2022-2025	2022-2025	2022-2025	2022-2025
Quantum of Grant	5,953,984	12,775,439	851,231	328,321
	301,081			
	105,649			
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	100% vesting at the end of third year from the Date of Grant	50% : 50% vesting at the end of second and third year from the Date of Grant	50% : 50% vesting at the end of second and third year from the Date of Grant	50% : 50% vesting at the end of second and third year from the Date of Grant
Vesting Condition(s)	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets
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	07.11.2022 02.02.2023 15.03.2023	07.11.2022	02.02.2023	15.03.2023
Grant/Exercise Price (₹ Per Share)	10	124.2	136.5	145

Details of Activities in the Plan as on 31st March 2023

Instrument	PSU	ESOP
Options/RSUs Outstanding at the beginning of the year	-	-
Granted during the year	6,360,714	13,954,991
Exercised during the year	-	-
Lapsed during the year	-	-
Options/RSUs Outstanding at the end of the year	6,360,714	13,954,991
Options/RSUs remaining unvested at the end of the year	6,360,714	13,954,991
Options/RSUs exercisable at the end of the year	-	-

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:

Instrument	PSU	ESOP
Risk-Free Interest Rate (%)	7.3% to 7.6%	7.3% to 7.6%
Option Life (Years)	5.5	4.5 to 5.5
Expected Volatility	40.4% to 41.4%	40.4% to 42.7%
Expected Dividend Yield (%)	0.00%	0.00%
Weighted-Average Fair Value per Option (₹)	117.6 to 138.3	57.2 to 72.0



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 36 ABCL INCENTIVE PLAN 2017

The Scheme titled as “ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)” was approved by the shareholders through postal ballot on 10th April 2017. The Nomination, Remuneration and Compensation Committee of the Company, at its meeting held on 15th January 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (collectively called as “Stock Options”) to the eligible grantees, pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited. The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the Grantees under the corresponding Grasim Employee Benefit Schemes 2006 and 2013.

Particulars	ABCL Incentive Scheme	
	Options	RSUs
Plan Period	As per Grasim Employee Benefit Schemes 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013, and shall be subject to a minimum vesting period of one year from the date of original grant, and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs, or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target	
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	15.01.2018	15.01.2018
Grant/Exercise Price (₹ Per Share)	10	10

Re-granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Particulars	Options
Plan Period	2021-2022
Quantum of Grant	25,585
Method of Accounting	Fair Value
Vesting Period	One year from the Date of Grant
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target
Exercise Period	5 years from the Date of Vesting
Grant Date	05.03.2021
Grant/Exercise Price (₹ Per Share)	10

Details of Activities in the Plan

Particulars	ABCL Incentive Scheme			
	As at 31 st March 2023		As at 31 st March 2022	
	Options	RSUs	Options	RSUs
Options/RSUs Outstanding at the beginning of the year	196,035	3,418	385,721	113,447
Granted during the year	-	-	-	-
Exercised during the year	180,711	-	189,686	110,029
Lapsed during the year	-	-	-	-
Options/RSUs Outstanding at the end of the year	15,324	3,418	196,035	3,418

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 37 RELATED PARTY DISCLOSURES

List of Related Parties as per Ind AS 24:

Holding Company

Grasim Industries Limited

Subsidiaries

Aditya Birla PE Advisors Private Limited

Aditya Birla Capital Technology Services Limited

Aditya Birla Financial Shared Services Limited

Aditya Birla Trustee Company Private Limited

Aditya Birla Money Limited

Aditya Birla Money Mart Limited

Aditya Birla Insurance Brokers Limited

Aditya Birla Finance Limited

Aditya Birla Housing Finance Limited

Aditya Birla Health Insurance Co. Limited (up to 20th October 2022)

ABCAP Trustee Company Private Limited (Note No. 50)

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)

Aditya Birla Sun Life Insurance Company Limited

Aditya Birla Sun Life Pension Management Limited (100% Subsidiary of Birla Sun Life Insurance Company Limited)

Aditya Birla ARC Limited

ABARC-AST-001-Trust

ABARC-AST-008-Trust

ABARC-AST-010-Trust

Aditya Birla Special Situation Fund - 1

Aditya Birla Capital Digital Limited (w.e.f. 23rd March 2023)

Joint Ventures/Associates

Aditya Birla Sun Life AMC Limited (Associate w.e.f. 7th October 2021)

Aditya Birla Sun Life Trustee Private Limited

Aditya Birla Wellness Private Limited

Aditya Birla Health Insurance Co. Limited (Joint Venture w.e.f. 21st October 2022)

Other Related Parties in which Directors are Interested

Aditya Birla Management Corporation Private Limited

Birla Management Centre Services Private Limited

Olive Bar & Kitchen Private Limited

Post-Employment Benefit Plans

Grasim Industries Limited - Employee's Gratuity Fund



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Key Managerial Personnel

Mr. Kumar Mangalam Birla (Chairman and Non-Executive Director)

Dr. Santrupt Misra (Non-Executive Director)

Mr. Sushil Agarwal (Non-Executive Director)

Mr. Romesh Sobti (Non-Executive Director)

Mr. Arun Kumar Adhikari (Independent Director)

Mr. P. H. Ravikumar (Independent Director)

Mr. S. C. Bhargava (Independent Director)

Ms. Vijayalakshmi Rajaram Iyer (Independent Director)

Mrs. Vishakha Mulye (Chief Executive Officer) (w.e.f. 1st July 2022)

Mr. Ajay Srinivasan (Chief Executive Officer till 30th June 2022)

Refer **Annexure 1** for the transactions with related parties.

NOTE: 38 RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Ind AS 19

A) Defined Benefits Plans:

Particulars	(₹ crore)	
	As at/For the year ended 31 st March 2023	As at/For the year ended 31 st March 2022
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	10.39	15.09
Rights from insurance policies that exactly match the amount and timing of some of the benefits payable under the plan. Those benefits have a present value of ₹ 8.37 crore (Previous Year ₹ 14.81 crore)		
Amounts Recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	1.29	1.15
Interest on Net Defined Benefits Liabilities/(Assets)	(0.03)	0.01
Net Gratuity Cost	1.26	1.16
Amount Recognised in Other Comprehensive Income (OCI) for the Year		
Actual Returns on Plan Assets excluding Interest Income	1.46	(0.47)
Actuarial Changes Arising from Changes in Demographic Assumptions	-	-
Actuarial Changes Arising from Changes in Financial Assumptions	(0.33)	(0.31)
Actuarial Changes Arising from Changes in Experience Assumptions	0.98	0.64
Closing Amount Recognised in OCI outside Profit and Loss Account	2.11	(0.14)
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)	7.51	5.52
Expenses Charged to Profit and Loss	1.26	1.16
Amount Recognised Outside Profit and Loss - OCI	2.11	(0.14)
Employer Contribution	0.28	0.97
Closing Net Defined Benefits Liabilities/(Assets)	11.16	7.51

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Particulars	(₹ crore)	
	As at/For the year ended 31 st March 2023	As at/For the year ended 31 st March 2022
Change in Present Value of the Obligations:		
Opening Defined Benefits Obligations	15.09	13.47
Current Service Cost	1.29	1.15
Interest Cost	0.94	0.87
Actuarial Changes Arising from Changes in Demographic Assumptions	-	-
Actuarial Changes Arising from Changes in Financial Assumptions	(0.33)	(0.31)
Actuarial Changes Arising from Changes in Experience Assumptions	0.98	0.64
Benefits Paid	(7.57)	(0.73)
Closing Defined Benefits Obligations	10.40	15.09
Change in Fair Value of the Reimbursement Rights:		
Opening Fair Value of the Plan Assets	14.80	13.25
Interest Income on Plan Assets	0.96	0.85
Actual Return on Plan Assets less Interest on Plan Assets	(1.46)	0.47
Contributions by the Employer	0.28	0.97
Benefits Paid	(6.21)	(0.74)
Closing Fair Value of the Reimbursement Rights	8.37	14.80

iii) Funding Arrangement and Policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes. Due to the restrictions in the type of investments, that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

Estimated amount of contribution expected to be paid to the fund during the annual period after the Balance Sheet date is ₹ 0.76 crore (Previous Year ₹ 1.34 crore).

Maturity Profile of Defined Benefits Obligations

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
1 year	2.04	2.85
2 to 5 years	6.38	7.25
6 to 10 years	7.86	6.08
More than 10 years	16.62	6.54

The Weighted-Average duration to the payment of these cash flows is 7 years (Previous Year 5 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)			
	As at 31 st March 2023		As at 31 st March 2022	
	Amount	(%)	Amount	(%)
i) 50 Bps Increase in Discount Rate	10.12	-2.55%	14.72	-2.40%
ii) 50 Bps Decrease in Discount Rate	10.67	2.68%	15.48	2.60%
i) 50 Bps Increase in Rate of Salary Increase	10.68	2.77%	15.47	2.50%
ii) 50 Bps Decrease in Rate of Salary Increase	10.11	-2.66%	14.72	-2.50%
i) 50% Increase in Employee Turnover Rate	9.93	-4.41%	14.45	-4.30%
ii) 50% Decrease in Employee Turnover Rate	10.97	5.55%	15.90	5.40%
i) 10% Increase in Employee Mortality Rate	10.40	0.05%	15.10	0.10%
ii) 10% Decrease in Employee Mortality Rate	10.38	-0.05%	15.08	-0.10%



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

v) Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefits obligations in isolation, and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Disaggregation of Plan Assets

Particulars	As at 31 st March 2023	As at 31 st March 2022
	Non-Quoted Value	Non-Quoted Value
Government Debt Instruments	6.93%	10.64%
Corporate Bonds	0.64%	0.80%
Insurer Managed Funds	41.32%	36.92%
Others	51.11%	51.64%
Grand Total	100.00%	100.00%

There are no amount included in the Fair Value of Plan Assets for:

- i) The Company's own financial instrument
- ii) Property occupied by or other assets used by the Company

vi) Principal Actuarial Assumptions at the Balance Sheet Date

Particulars	As at 31 st March 2023	As at 31 st March 2022
Discount Rate	7.44%	6.85%
Salary Escalation	7.50%	7.50%
Mortality Rate during Employment	IALM (2012-14)	IALM (2012-14)
Rate of Employee Turnover	5.00%	5.00%
Normal Retirement Age	60 Years	60 Years

Disability:- Leaving service due to disability is included in the provision made for all causes of leaving service (as above).

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B) Defined Contribution Plans:

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Contribution to Employee Provident Fund and Pension	1.97	1.89
Contribution to Superannuation Fund	0.37	0.67
Total	2.34	2.56

(₹ crore)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 39 FAIR VALUES

The Management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

NOTE: 40 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Principles for Estimating Fair Value

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at 31st March 2023. The different levels have been defined as follows:

Level 1: Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2: Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable.

Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

As at 31st March 2023

Particulars	Total	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	396.82	-	396.82	-
Investments in Preference Shares	17.84	-	-	17.84
Total Financial Assets	414.66	-	396.82	17.84

As at 31st March 2022

Particulars	Total	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	346.42	-	346.42	-
Investments in Preference Shares	12.20	-	-	12.20
Total Financial Assets	358.62	-	346.42	12.20



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

The carrying amount of trade payables, other financial liabilities, loans, other financial assets, cash and cash equivalents, as at 31st March 2023 and 31st March 2022 are considered to the same as fair values, due to their short-term nature. These are classified as Level 3 fair value hierarchy, due to inclusion of unobservable inputs including counterparty credit risk.

During the reporting period ending 31st March 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Assumptions to above:

- * The Fair Valuation of Preference Shares is based on independent valuers report.
- * The Fair Valuation of Unquoted Mutual Funds Units is done based on NAV of units.

NOTE: 41 FINANCIAL RISK MANAGEMENT

The Company, being a Core Investment Company as per the Core Investment Companies (RBI) Directions, 2016, is required to invest or lend majority of its funds to its Subsidiaries, Joint Ventures and Associates. The Company's principal financial liabilities comprise trade, and other payables. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments, inter-corporate deposits, cash and cash equivalents, and other receivables.

The Company is exposed to certain financial risks, such as equity investment risk, market risk, credit risk and liquidity risk. The Company's Senior Management oversees the management of these risks. The Company's Senior Management is supported by a Risk Management Committee, that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's Senior Management that the Company's financial risk activities are governed by appropriate policies, and procedures, and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The major risks are summarised below.

Equity Investment Risk

The Company's investments in listed and non-listed equity securities are accounted at cost in the financial statements net of impairment. The expected cash flows from these entities are regularly monitored internally and also independently, wherever necessary, to identify impairment indicators.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. These are primarily unquoted Compulsorily Convertible Preference Shares of subsidiaries and investments in mutual funds, where investments are not significant in relation to the size of its total investments. The fair value investments of these investments are regularly monitored.

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities towards inter-corporate deposits to subsidiaries where no significant impact on credit risk has been identified.

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the Senior Management.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flows of financial assets and financial liabilities. The Company invests its surplus funds in debt schemes of mutual funds, which carry low mark-to-market risks. Also refer Note No. 42 for maturity analysis of assets and liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

As at 31st March 2023

(₹ crore)

Particulars	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	6.61	-	-	-	-
Lease Liabilities	0.78	2.34	3.20	-	-
Other Financial Liabilities	-	19.33	0.96	-	-
Total	7.39	21.67	4.16	-	-

As at 31st March 2022

Particulars	Less than 3 Months	3 Months to 12 Months	12 Months to 36 Months	36 Months to 60 Months	More than 60 Months
Financial Liabilities					
Trade Payables	4.57	-	-	-	-
Lease Liabilities	0.76	2.27	6.33	-	-
Other Financial Liabilities	-	23.47	0.25	-	-
Total	5.33	25.74	6.58	-	-

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 Company does not have exposure to the risk of changes in market interest rate as it has no borrowings.

NOTE: 42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ crore)

Particulars	As at 31 st March 2023			As at 31 st March 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
(a) Cash and Cash Equivalents	1.48	-	1.48	1.47	-	1.47
(b) Bank Balances other than (a) above	-	0.26	0.26	-	0.26	0.26
(c) Receivables - Others	17.12	-	17.12	10.96	-	10.96
(d) Loans	4.58	5.12	9.70	160.36	-	160.36
(e) Other Financial Assets	-	1.32	1.32	0.73	1.59	2.32
(f) Investments	396.82	9,817.09	10,213.91	390.15	9,455.57	9,845.72
Non-Financial Assets						
(a) Tax Assets (Net)	-	1.88	1.88	-	13.24	13.24
(b) Investment Property	-	14.37	14.37	-	14.81	14.81
(c) Property, Plant and Equipment	-	5.18	5.18	-	3.85	3.85
(d) Right-of-Use-Assets	-	5.50	5.50	-	8.07	8.07
(e) Other Intangible Assets	-	0.03	0.03	-	0.11	0.11
(f) Other Non-Financial Assets	10.25	1.24	11.49	15.73	0.98	16.71
Total Assets	430.25	9,851.99	10,282.24	579.40	9,498.48	10,077.88



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	As at 31 st March 2023			As at 31 st March 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Liabilities						
(a) Trade Payables	6.61	-	6.61	4.57	-	4.57
(b) Lease Liabilities	3.02	2.88	5.90	2.93	5.52	8.45
(c) Other Financial Liabilities	19.33	0.96	20.29	23.47	0.25	23.72
Non-Financial Liabilities						
(a) Current Tax Liabilities (Net)	30.08	-	30.08	-	-	-
(b) Provisions	15.89	1.34	17.23	28.65	0.45	29.10
(c) Deferred Tax Liabilities (Net)	-	99.45	99.45	-	100.26	100.26
(d) Other Non-Financial Liabilities	4.48	0.26	4.74	3.33	0.26	3.59
Equity						
(a) Equity Share Capital	-	2,417.99	2,417.99	-	2,416.31	2,416.31
(b) Other Equity	-	7,679.95	7,679.95	-	7,491.88	7,491.88
Total Liabilities and Equity	79.41	10,202.83	10,282.24	62.95	10,014.93	10,077.88

NOTE: 43 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Background of Expected Credit Loss

Expected Credit Loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk.

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 loans.

Delinquency buckets have been considered as the basis for the staging of all loans in the following manner:

0-30 days past due loans classified as Stage 1;

More than 30-90 days past due loans classified as Stage 2;

Above 90 days past due loans classified as Stage 3.

The ECL is computed as a product of PD, LGD and EAD.

1.1 Credit Quality of Assets

(₹ crore)

Particulars	As at 31 st March 2023				As at 31 st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal Rating Grade								
Loans	9.70	-	-	9.70	160.36	-	-	160.36

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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

(₹ crore)

Particulars	As at 31 st March 2023				As at 31 st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount Opening Balance	161.00	-	-	161.00	104.50	-	-	104.50
New Assets Originated or Purchased	120.20	-	-	120.20	189.50	-	-	189.50
Assets Repaid	(271.46)	-	-	(271.46)	(133.00)	-	-	(133.00)
Gross Carrying Amount Closing Balance	9.74	-	-	9.74	161.00	-	-	161.00

Reconciliation of ECL Balance is given below:

(₹ crore)

Particulars	As at 31 st March 2023				As at 31 st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	0.64	-	-	0.64	0.42	-	-	0.42
ECL Allowance Recognised during the Year	(0.60)	-	-	(0.60)	0.22	-	-	0.22
ECL Allowance - Closing Balance	0.04	-	-	0.04	0.64	-	-	0.64

The above does not include provision on financial guarantee ₹ 0.62 crore (Previous Year ₹ 0.45 crore).

A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109, as per circular issued by Reserve Bank of India (RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, dated 13th March 2020):

As at 31st March 2023

(₹ crore)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Value	Provisions required as IRACP Norms	Difference between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	9.74	0.04	9.70	0.04	-
	Stage 2	-	-	-	-	-
Sub Total		9.74	0.04	9.70	0.04	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - Up to 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		-	-	-	-	-



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Value	Provisions required as IRACP Norms	Difference between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
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 (Refer Note No. 32 (a))	Stage 1	-	0.62	-	-	0.62
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub Total		-	0.62	-	-	0.62
Total	Stage 1	9.74	0.66	9.70	0.04	0.62
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

As at 31st March 2022

(₹ crore)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Value	Provisions required as IRACP norms	Difference between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	161.00	0.64	160.36	0.64	-
	Stage 2	-	-	-	-	-
Sub Total		161.00	0.64	160.36	0.64	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - Up to 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 (Refer Note No. 32 (a))	Stage 1	-	0.45	-	-	0.45
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub Total		-	0.45	-	-	0.45
Total	Stage 1	161.00	1.09	160.36	0.64	0.45
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 44

Under Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019, the Company has approved grant of Nil (Previous Year 59,856) Options SARs to the employees of the Company and its subsidiaries.

NOTE: 45

The Company, during the current year, has allotted 1,682,056 (Previous Year 1,034,008) Equity Shares of ₹ 10 each, fully paid-up, on exercise of options by eligible grantees, in accordance with the Employee Stock Options Schemes approved by the Company.

NOTE: 46

With effect from 11th October 2017, 64,422,405 Global Depositary Shares (GDSs) representing 64,422,405 Equity Shares of ₹ 10 each have been admitted for trading on the Luxembourg Stock Exchange.

As on 31st March 2023, 54,705,589 (GDS) representing 54,705,589 Equity Shares are outstanding (Previous Year 50,536,762).

NOTE: 47

The Company has made an assessment of its value of investments in Equity Shares and 0.001% Compulsory Convertible Cumulative Preference Shares ("CCPS") of Aditya Birla Capital Technology Services Limited ("ABCTSL"). Based on such assessments and independent valuation report, impairment loss on Equity Shares of ₹ 3.05 crore and fair value loss on CCPS of ₹ 12.56 crore have been provided in the previous year.

NOTE: 48

During the year, Aditya Birla Health Insurance Co. Limited ("ABHI") has made a preferential allotment of 50,707,454 Equity Shares of ₹ 10 each to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly-owned subsidiary of Abu Dhabi Investment Authority ("ADIA"), on 21st October 2022 for an aggregate consideration of ₹ 664.27 crore. Pursuant to such issuance of the equity shares, ADIA owns 9.99% stake in ABHI. W.e.f. 21st October 2022, ABCL's share holding in ABHI has reduced from 51% to 45.91%. Consequently, ABHI ceased to be a subsidiary and has been accounted as a joint venture.

NOTE: 49

Board of Directors of the Company, at its meeting held on 27th March 2023, has approved the sale of its entire stake of 50.002% of the issued and paid-up share capital of Aditya Birla Insurance Brokers Limited to Edme Services Private Limited, part of the Samara Capital Group and an affiliate of Samara Alternate Investment Fund. The Company has filed an application dated 20th April 2023 with Insurance Regulatory and Development Authority of India ("IRDAI"), seeking approval of the proposed transaction.

The Proposed Transaction is subject to receipt of the approval of Insurance Regulatory and Development Authority of India ("IRDAI") and other regulatory/statutory approvals and satisfaction of other conditions under the Share Purchase Agreement. Upon completion of the Proposed Transaction, ABIBL shall cease to be a subsidiary of the Company.

NOTE: 50

The ABCAP Trustee Company Private Limited has been struck off from the Register of Companies, and stands dissolved w.e.f. 21st January 2023.

NOTE: 51

The Company has Long-Term Incentive Plan for selective employees. Long-Term Incentive Plan is payable to employees on fulfilment of criteria prescribed by the Company. On the basis of the plan, the Company has made provision of ₹ 4.61 crore (Previous Year ₹ 7 crore).



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

NOTE: 52

During the previous year, the Company has sold 2,850,880 Equity Shares of face value of ₹ 5 each of Aditya Birla Sun Life AMC Limited (ABSLAMC), at ₹ 712 per Equity Share by way of offer for sale in the Initial Public Offer (IPO) of ABSLAMC, in accordance with the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and recognised gain on sale of these investments amounting to ₹ 196.12 crore (Net of Tax, Gain is ₹ 179.47 crore). Consequently, w.e.f. 7th October 2021 ABSLAMC has ceased to be a Joint Venture and has been accounted as an Associate.

NOTE: 53

The Company has short-term rating, viz., “(ICRA) A1+” and “(CRISIL) A1+” (which is the highest short-term rating) and “AAA” long-term rating from ICRA (which is the highest long-term rating). During the year, the Company has not borrowed any funds.

NOTE: 54 INVESTMENT PROPERTY FAIR VALUE

The Company has carried out the valuation through an Independent Valuer to determine the fair value of its Investment Property. As per report provided by Independent Valuer, the fair value is ₹ 18.07 crore as on 31st March 2023 (Previous Year ₹ 19.02 crore).

The fair value of Investment Property has been derived using the Direct Comparison Method based on the recent market prices without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

The Company has no restrictions on the realisability of its Investment Property, and has no contractual obligations to purchase, construct or develop Investment Property.

Information regarding Income and Expenditure of Investment Property

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Rental Income Derived from Investment Property	0.50	0.50
Less: Direct Operating Expenses (including Repairs and Maintenance) associated with Rental Income	0.06	0.06
Profit Arising from Investment Properties before Depreciation and Indirect Expenses	0.44	0.44
Less: Depreciation for the Year	0.44	0.43
Profit Arising from Investment Properties before Indirect Expenses	0.00	0.01

NOTE: 55 INCOME TAX DISCLOSURE

The Major Components of Income Tax Expenses for the years ended 31st March 2023 and 31st March 2022 are:

1. Income Tax Recognised in Profit and Loss

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Current Income Tax:		
In respect of the Current Year	43.73	70.42
Deferred Tax:		
In respect of the Current Year	(0.82)	3.94
Income Tax Expenses Reported in the Statement of Profit and Loss	42.91	74.36

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

2. Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate as follows:

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Accounting Profit Before Income Tax	184.20	419.05
Income Tax Expenses calculated at 25.17% (31 st March 2022: 25.17%) (A)	46.36	105.47
Reconciliation Items		
Effect of expenses that are not deductible in determining taxable profit	0.16	1.95
Effect of incomes which are not chargeable to tax	(0.12)	(0.04)
Effect on deferred tax balances due to the changes in income tax rate	(3.74)	(33.02)
Effect of income chargeable to tax	0.25	-
Total (B)	(3.45)	(31.11)
Income Tax Expense Recognised in the Statement of Profit and Loss (A)+(B)	42.91	74.36

NOTE: 56

At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law/accounting standards.

NOTE: 57 ANALYTICAL RATIOS ARE AS UNDER

Particulars	As at 31 st March 2023	As at 31 st March 2022
CRAR (Adjusted Net Worth/Risk-Weighted Assets)	99.76%	113.78%
Tier - 1 CRAR	Not Applicable	Not Applicable
Tier - 2 CRAR	Not Applicable	Not Applicable
Liquidity Coverage Ratio	Not Applicable	Not Applicable

NOTE: 58 DISCLOSURE AS REQUIRED UNDER ANNEXURE II AND ANNEXURE V OF MASTER DIRECTION - CORE INVESTMENT COMPANIES (RESERVE BANK) DIRECTION, 2016

Annexure II - Schedule to the Balance Sheet of a non-deposit taking Core Investment Company (Refer Annexure 2)

Annexure V

- Group entities that are not consolidated in the CFS - All the entities required by Ind AS are consolidated in ABCL Consolidated Financials as on 31st March 2023 and 31st March 2022
- Investment in other CICs - Nil
- Provisions as per CIC guidelines and others - (Refer Annexure 3)
- Components of Adjusted Net Worth ("ANW") and other related information - (Refer Annexure 4)
- Off Balance Sheet Exposure - (Refer Annexure 5)
- Investments - (Refer Annexure 6)
- Business Ratios - (Refer Annexure 7)
- Public Disclosure on Liquidity Risk - (Refer Annexure 8)



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

- i) Maturity Pattern of Assets and Liabilities - (Refer Annexure 9)
- j) Concentration of NPAs - (Refer Annexure 10)
- k) Overseas assets (for those with Joint Ventures and Subsidiaries abroad) - (Refer Annexure 11)
- l) Exposure to Real Estate Sector, both direct and indirect - (Refer Annexure 12)
- m) Miscellaneous Disclosures - (Refer Annexure 13)

NOTE: 59

The Letter of Comfort and awareness issued for availing credit facilities by subsidiaries of ₹ 460 crore and ₹ 200 crore, respectively, with an explicit clause that it is not in the nature of financial guarantee.

NOTE: 60

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ Nil (Previous Year ₹ Nil), in accordance with the Companies Act, 2013.

NOTE: 61

No fund has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in parties identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE: 62 SEGMENT REPORTING

The main business of the Company is Investment activities. Hence, there are no separate reportable segments as per Ind AS 108 on 'Operating Segment'.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Registration No.: 101248W/W-100022

Ashwin Suvama
Partner
Membership No.: 109503

Mumbai, 11th May 2023

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

Vishakha Mulye
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Mumbai, 11th May 2023

Arun Kumar Adhikari
Director
(DIN: 00591057)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Annexure: 1

Statement of Related Party Transactions and Balances for the year ended 31st March 2023

The following inter-company transactions/balances with related parties have taken place during the year, and are included in the below table under respective heads:

		(₹ crore)	
Sr. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
	Brief Description - Company-wise and item-wise		
1	Investments in Equity Shares		
	Aditya Birla Health Insurance Co. Limited	145.35	222.87
	Aditya Birla Sun Life Insurance Company Limited	132.60	-
	Aditya Birla Capital Digital Limited	25.00	-
	Investments in Preference Shares		
	Aditya Birla Money Limited	-	80.00
	Aditya Birla ARC Limited	6.00	5.00
	Redemption of Preference Shares		
	Aditya Birla Money Limited (Inclusive of Interest thereon)	-	57.76
	Loans Given/(Repaid)	(150.63)	56.50
	Aditya Birla Capital Technology Services Limited	-	86.00
		(86.00)	(11.00)
	Aditya Birla Housing Finance Limited	-	-
		-	(4.00)
	Aditya Birla Money Mart Limited	-	30.00
		(30.00)	(85.00)
	Aditya Birla Stressed Asset AMC Private Limited	12.70	1.00
		(8.31)	(5.50)
	Aditya Birla ARC Limited	102.00	72.50
		(147.00)	(27.50)
	Mrs. Vishakha Mulye	6.29	-
		(0.31)	-
2	Dividend Income	186.28	243.85
	From Subsidiaries		
	Aditya Birla Insurance Brokers Limited	30.01	17.96
	Aditya Birla Finance Limited	-	109.25
	From Associates/Joint Ventures		
	Aditya Birla Sun Life AMC Limited	156.27	116.64
	Interest Income (Held at Amortised Cost)	20.02	13.91
	On Investments	9.13	8.11
	Aditya Birla Money Limited	5.15	4.47
	Aditya Birla Money Mart Limited	3.98	3.64
	On Loans	10.89	5.80
	Aditya Birla Capital Technology Services Limited	6.65	0.77
	Aditya Birla Money Mart Limited	1.40	2.03
	Aditya Birla Stressed Asset AMC Private Limited	0.60	0.03
	Aditya Birla ARC Limited	2.06	2.96
	Mrs. Vishakha Mulye	0.18	-
	Aditya Birla Housing Finance Limited	-	0.01



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Sr. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
	Rent Income		
	Aditya Birla Sun Life Insurance Company Limited	0.50	0.50
	Payments Made/(Received) to Provident Fund Trust and Gratuity Trust		
	Grasim Industries Ltd. - Employee's Gratuity Fund	0.28	0.23
	Grasim Industries Ltd. - Employee's Gratuity Fund	(6.22)	-
3	Expenses Reimbursed		
	Salary Expenses	0.92	0.67
	Aditya Birla Sun Life Insurance Company Limited	0.92	0.67
	Employee Transfer (In)/Out	9.19	0.96
	Aditya Birla Finance Limited	0.08	-
	Aditya Birla Sun Life Insurance Company Limited	(0.16)	-
		1.05	-
	Aditya Birla Health Insurance Co. Limited	(0.51)	-
		0.68	-
	Aditya Birla Management Corporation Private Limited	8.05	0.96
	Specific Expenses Reimbursed/(Recovered)	13.14	8.76
	Aditya Birla Financial Shared Services Limited	13.10	9.85
	Aditya Birla Finance Limited	0.19	-
		(0.01)	(1.54)
	Aditya Birla Sun Life AMC Limited	0.04	β
		(0.01)	-
	Aditya Birla Housing Finance Limited	-	0.02
		(0.01)	-
	Aditya Birla Management Corporation Private Limited	3.47	0.75
		-	(0.73)
	Aditya Birla Money Limited	-	0.03
		(0.02)	-
	Aditya Birla Wellness Private Limited	β	β
	Grasim Industries Limited	0.04	0.63
	Aditya Birla Insurance Brokers Limited	β	-
	Aditya Birla Health Insurance Co. Limited	(0.62)	-
	Aditya Birla Sun Life Insurance Company Limited	(0.02)	(0.25)
	Aditya Birla Capital Digital Limited	(3.00)	-
	Aditya Birla Capital Technology Services Limited	(0.01)	-
4	Other Expenses	1.80	0.89
	Olive Bar & Kitchen Private Limited	0.03	-
	Birla Management Centre Services Private Limited	0.07	-
	Aditya Birla Capital Technology Services Limited	1.70	0.89
5	Expenses Recovered		
	Salaries and Wages	75.44	59.96
	Aditya Birla Insurance Brokers Limited	2.12	1.72
	Aditya Birla Finance Limited	26.99	21.24
	Aditya Birla Sun Life Insurance Company Limited	24.71	20.18
	Aditya Birla Sun Life AMC Limited	19.33	15.13
	Aditya Birla Housing Finance Limited	2.29	1.69

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

		(₹ crore)	
Sr. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
	Other Comprehensive Income	1.57	(0.11)
	Aditya Birla Insurance Brokers Limited	0.04	β
	Aditya Birla Finance Limited	0.56	(0.04)
	Aditya Birla Sun Life Insurance Company Limited	0.52	(0.04)
	Aditya Birla Sun Life AMC Limited	0.40	(0.03)
	Aditya Birla Housing Finance Limited	0.05	β
	Finance Costs	0.42	0.56
	Aditya Birla Insurance Brokers Limited	0.01	0.02
	Aditya Birla Finance Limited	0.15	0.19
	Aditya Birla Sun Life Insurance Company Limited	0.14	0.19
	Aditya Birla Sun Life AMC Limited	0.11	0.14
	Aditya Birla Housing Finance Limited	0.01	0.02
	Other Expenses	21.23	14.76
	Aditya Birla Insurance Brokers Limited	0.59	0.42
	Aditya Birla Finance Limited	7.58	5.23
	Aditya Birla Sun Life Insurance Company Limited	6.95	4.97
	Aditya Birla Sun Life AMC Limited	5.37	3.72
	Aditya Birla Housing Finance Limited	0.74	0.42
	Depreciation	4.13	4.61
	Aditya Birla Insurance Brokers Limited	0.12	0.13
	Aditya Birla Finance Limited	1.47	1.64
	Aditya Birla Sun Life Insurance Company Limited	1.35	1.55
	Aditya Birla Sun Life AMC Limited	1.06	1.16
	Aditya Birla Housing Finance Limited	0.13	0.13
	Statutory Dues	2.81	2.67
	Aditya Birla Insurance Brokers Limited	0.03	0.03
	Aditya Birla Finance Limited	0.37	0.35
	Aditya Birla Sun Life Insurance Company Limited	0.34	0.33
	Aditya Birla Sun Life AMC Limited	0.27	0.25
	Aditya Birla Housing Finance Limited	0.21	0.48
	Aditya Birla Capital Technology Services Limited	0.07	0.05
	Aditya Birla Money Limited	0.34	0.33
	Aditya Birla ARC Limited	0.27	0.21
	Aditya Birla Health Insurance Co. Limited	0.75	0.48
	Aditya Birla Wellness Private Limited	0.16	0.16
	ESOP Charge (Net)	20.75	5.60
	Aditya Birla Capital Technology Services Limited	0.19	-
	Aditya Birla Finance Limited	12.45	1.99
	Aditya Birla Financial Shared Services Limited	0.84	(0.05)
	Aditya Birla Housing Finance Limited	1.67	0.07
	Aditya Birla Health Insurance Co. Limited	2.93	0.46
	Aditya Birla Insurance Brokers Limited	0.07	0.34
	Aditya Birla Money Limited	0.01	0.03
	Aditya Birla Money Mart Limited	β	0.01



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Sr. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
	Aditya Birla Sun Life AMC Limited	0.56	(0.05)
	Aditya Birla Sun Life Insurance Company Limited	2.03	2.59
	Aditya Birla PE Advisors Private Limited	-	0.02
	Aditya Birla Sun Life Pension Management Limited	-	0.01
	Aditya Birla Money Insurance Advisory Services Limited	-	β
	Grasim Industries Limited	-	0.18
6	Receivables	17.12	10.96
	Aditya Birla Insurance Brokers Limited	0.38	0.31
	Aditya Birla Finance Limited	4.94	3.63
	Aditya Birla Sun Life Insurance Company Limited	4.51	4.02
	Aditya Birla Sun Life AMC Limited	3.43	2.54
	Aditya Birla Capital Digital Limited	3.00	-
	Aditya Birla Money Limited	0.07	0.04
	Aditya Birla Housing Finance Limited	0.53	0.26
	Aditya Birla Health Insurance Co. Limited	0.22	0.12
	Aditya Birla Wellness Private Limited	0.02	0.02
	Aditya Birla ARC Limited	0.04	0.02
	Prepaid Balance		
	Aditya Birla Financial Shared Services Limited	0.02	0.06
7	Payables		
	Deposits Payable		
	Aditya Birla Sun Life Insurance Company Limited	0.25	0.25
	Trade Payables	1.69	0.98
	Aditya Birla Financial Shared Services Limited	1.08	0.77
	Aditya Birla Capital Technology Services Limited	0.12	0.16
	Aditya Birla Management Corporation Private Limited	0.49	-
	Grasim Industries Limited	-	0.05
8	Investments		
	Equity Shares Capital Held by the Company		
	Quoted:		
	Aditya Birla Money Limited	248.30	248.30
	Aditya Birla Sun Life AMC Limited	33.06	33.06
	Unquoted:		
	Aditya Birla PE Advisors Private Limited	3.50	3.50
	Aditya Birla Financial Shared Services Limited	0.05	0.05
	Aditya Birla Capital Technology Services Limited	9.27	9.27
	Aditya Birla Trustee Company Private Limited	0.05	0.05
	Aditya Birla Insurance Brokers Limited	0.30	0.30
	Aditya Birla Finance Limited	5,612.65	5,612.65
	Aditya Birla Money Mart Limited	93.20	93.20
	Aditya Birla Housing Finance Limited	1,217.66	1,217.66
	Aditya Birla Sun Life Insurance Company Limited	1,339.53	1,206.93
	Aditya Birla Sun Life Trustee Private Limited	0.02	0.02
	Aditya Birla Wellness Private Limited	17.75	17.75

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

		(₹ crore)	
Sr. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
	Aditya Birla Health Insurance Co. Limited	997.53	852.17
	Aditya Birla ARC Limited	100.00	100.00
	Aditya Birla Stressed Asset AMC Private Limited	14.80	14.80
	Aditya Birla Capital Digital Limited	25.00	-
	Preference Shares Capital Held by the Company		
	Aditya Birla Money Mart Limited		
	0.1% Redeemable Non-Convertible Non-Cumulative Preference Shares	47.72	43.74
	Aditya Birla Money Limited		
	4% Non-Convertible Non-Cumulative Redeemable Preference Shares	86.50	81.36
	Aditya Birla Capital Technology Services Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	14.98	14.98
	Aditya Birla ARC Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	16.00	10.00
9	Loans	10.37	161.00
	Aditya Birla Capital Technology Services Limited	-	86.00
	Aditya Birla ARC Limited	-	45.00
	Aditya Birla Money Mart Limited	-	30.00
	Aditya Birla Stressed Asset AMC Private Limited	4.39	-
	Mrs. Vishakha Mulye	5.98	-
10	Key Managerial Personnel		
	Mr. Kumar Mangalam Birla	0.05	0.04
	Dr. Santrupt Misra	0.18	0.17
	Mr. Sushil Agarwal	0.16	0.17
	Mr. Romesh Sobti	0.11	0.09
	Mr. Arun Adhikari	0.14	0.12
	Mr. P. H. Ravikumar	0.16	0.16
	Mr. S. C. Bhargava	0.20	0.17
	Ms. Vijayalakshmi R. Iyer	0.19	0.19
	Mrs. Vishakha Mulye**		
	Remuneration	6.40	-
	ESOP Accounting Charge	11.28	-
	Mr. Ajay Srinivasan		
	Remuneration	15.41	21.21
	ESOP Accounting Charge	0.43	1.95

* Figures of ₹ 50,000 or less have been denoted by β.

** Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year, and accordingly, have not been considered in the above information. Amounts shown here are before allocation to Subsidiary/Associate/Joint Venture companies.



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Annexure: 2

Schedule to the Balance Sheet of a Non-Deposit Taking Core Investment Company

(₹ crore)

Sr. No.	Particulars	As at 31 st March 2023		As at 31 st March 2022	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1	Liabilities Side:				
	Loans and Advances Availed by the CIC inclusive of Interest Accrued thereon but not paid:				
	(a) Debentures: Unsecured	-	-	-	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-Corporate Loans and Borrowings	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (specify Nature)	-	-	-	-

(₹ crore)

Sr. No.	Particulars	Amount Outstanding	
		As at 31 st March 2023	As at 31 st March 2022
	Assets Side:		
2	Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	9.70	160.36

(₹ crore)

Sr. No.	Particulars	Amount Outstanding	
		As at 31 st March 2023	As at 31 st March 2022
3	Break-up of Leased Assets and Stock on Hire and Other Assets counting towards Asset Financing Activities:		
	(i) Lease Assets including Lease Rentals under Sundry Debtors:		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
	(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
	(a) Assets on Hire	-	-
	(b) 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)	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

		(₹ crore)	
Sr. No.	Particulars	Amount Outstanding	
		As at 31 st March 2023	As at 31 st March 2022
2.	Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	43.73
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	396.82	346.42
	(iv) Government Securities	-	-
	(v) Private Equity Fund	-	-
	Long-Term Investments:		
1.	Quoted:		
	(i) Shares: (a) Equity	239.77	239.77
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
2.	Unquoted:		
	(i) Shares: (a) Equity	9,425.26	9,122.24
	(b) Preference	152.06	93.56
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Private Equity Fund	-	-

(₹ crore)					
Sr. No.	Particulars	Amount Outstanding		Amount Outstanding	
		As at 31 st March 2023		As at 31 st March 2022	
		Secured	Unsecured	Secured	Unsecured
5	Borrower group-wise classification of Assets Financed as in (2) and (3) above:				
	Category				
	1. Related Parties				
	(a) Subsidiaries	-	4.37	-	160.36
	(b) Companies in the same Group	-	-	-	-
	(c) Other Related Parties	-	5.22	-	-
	(d) Other than Related Parties	-	0.11	-	-
	Total	-	9.70		160.36



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Sr. No.	Particulars	Amount Outstanding		Amount Outstanding	
		As at 31 st March 2023		As at 31 st March 2022	
		Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)
6	Investor group-wise classification of all investments (Current and Long-term) in shares and securities (both Quoted and Unquoted):				
	Category				
	1. Related Parties				
	(a) Subsidiaries/Joint Ventures/Associates	21,936.12	9,817.09	21,714.94	9,455.57
	(b) Companies in the same Group	-	-	-	-
	(c) Other Related Parties	-	-	-	-
	(d) Other than Related Parties	396.82	396.82	346.42	346.42
	Total	22,332.94	10,213.91	22,061.36	9,801.99
7	Other Information	-	-	-	-
	Gross Non-Performing Assets	-	-	-	-
	(a) Related Parties	-	-	-	-
	(b) Other than Related Parties	-	-	-	-
	Net Non-Performing Assets	-	-	-	-
	(a) Related Parties	-	-	-	-
	(b) Other than Related Parties	-	-	-	-

Annexure: 3

Break-up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit and Loss:

(₹ crore)

Sr. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
1	Provision for Depreciation on Investments*	0.36	15.88
2	Provision towards Non-Performing Assets	-	-
3	Provision made towards Income Tax (shown below Profit Before Tax)		
	Current Tax	43.73	70.42
	Deferred Tax	(0.82)	3.94
4	Tax Impact on Other Comprehensive Income	(0.14)	0.01
5	Other Provisions and Contingencies		
	Provision for Outstanding Financial Guarantee	0.17	0.38
	Provision for Standard Assets	(0.60)	0.23

* Diminution in investment

Annexure: 4

Components of ANW and other related information

(₹ crore)

Sr. No.	Particulars	As at 31 st March 2023	As at 31 st March 2022
1	ANW as a % of Risk-Weighted Assets	99.76%	113.78%
2	Unrealised Appreciation in the Book Value of Quoted Investments	3,004.72	4,047.19
3	Diminution in the aggregate Book Value of Quoted Investments	-	-
4	Leverage Ratio	0.18	0.13

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Annexure: 5

Off Balance Sheet Exposure

		(₹ crore)	
Sr. No.	Particulars	As at 31 st March 2023	As at 31 st March 2022
1	Off Balance Sheet Exposure	2,057.71	1,498.73
2	Financial Guarantee as a % of total Off Balance Sheet Exposure	100.00%	100.00%
3	Non-Financial Guarantee as a % of total Off Balance Sheet Exposure	-	-
4	Off Balance Sheet Exposure to overseas Subsidiaries	-	-
5	Letter of Comfort issued to any Subsidiary	460.00	310.00

Annexure: 6

Investments

		(₹ crore)	
Sr. No.	Particulars	As at 31 st March 2023	As at 31 st March 2022
1	Value of Investments		
i)	Gross Value of Investments	10,274.68	9,906.25
a)	In India	10,274.68	9,906.25
b)	Outside India	-	-
ii)	Provisions for Depreciation*	60.77	60.53
a)	In India	60.77	60.53
b)	Outside India	-	-
iii)	Net Value of Investments	10,213.91	9,845.72
a)	In India	10,213.91	9,845.72
b)	Outside India	-	-
2	Movement of Provisions Held towards Depreciation on Investments		
i)	Opening Balance	60.53	44.65
ii)	Add: Provisions made during the Year	0.36	15.88
iii)	Less: Write-off/Write-back of excess provisions during the Year	0.12	-
iv)	Closing Balance	60.77	60.53

* Diminution in investment

Annexure: 7

Business Ratios

		(₹ crore)	
Sr. No.	Particulars	As at/For the year ended 31 st March 2023	As at/For the year ended 31 st March 2022
1	Return on Equity (RoE)	1.41%	3.54%
2	Return on Assets (RoA)	1.39%	3.48%
3	Net Profit Per Employee	5.23	12.77



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Annexure: 8

Public Disclosure on Liquidity Risk

i) Funding Concentration based on significant counterparty (both deposits and borrowings) - Nil

(₹ crore)

Sr. No.	Number of Significant Counterparties	As at 31 st March 2023		As at 31 st March 2022	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
-	-	-	-	-	-

ii) Top 20 large deposits (amount in ₹ crore and % of total deposits) - Not Applicable

iii) Top 10 borrowings (amount in ₹ crore and % of total borrowings) - Nil

(₹ crore)

Sr. No.	Nature of Borrowings	As at 31 st March 2023		As at 31 st March 2022	
		Amount	% of Total Borrowings	Amount	% of Total Borrowings
-	-	-	-	-	-

iv) Funding Concentration based on significant instrument/product - Nil/Not Applicable

(₹ crore)

Sr. No.	Name of the Instrument/Product	As at 31 st March 2023		As at 31 st March 2022	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
-	-	-	-	-	-

v) Stock Ratios

Sr. No.	Particulars	As at 31 st March 2023	As at 31 st March 2022
1	Commercial Papers to Total Liabilities	0.00%	0.00%
2	Commercial Papers to Total Assets	0.00%	0.00%
3	NCDs (Original Maturity <1 yr.) to Total Liabilities	Not Applicable	Not Applicable
4	NCDs (original Maturity <1 yr.) to Total Assets	Not Applicable	Not Applicable
5	Other Short-Term Liabilities* to Total Liabilities	43.09%	37.10%
6	Other Short-Term Liabilities* to Total Assets	0.77%	0.62%

* Total Liabilities does not include Net Worth.

vi) Institutional Set-up for Liquidity Risk Management

The Board of Directors has the overall responsibility for establishing the risk management framework of the Company. The Board decides the liquidity risk tolerance/limits and, accordingly, lays down strategies, policies and procedures for the management of liquidity risk.

The Company has instituted a Risk Management Committee, which reports to the Boards', and is responsible for evaluating the overall risks faced by the Company, including liquidity risk.

The Asset-Liability Committee (ALCO) of the Company, consisting of the Company's Senior Management and Members of the Board, is responsible for ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

The Company has also constituted Asset-Liability Management (ALM) Support Group at the execution level, which is responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Annexure: 9 Maturity Pattern of Assets and Liabilities

As at 31st March 2023

Sr. Particulars No.	1 Day to 7 Days	8 Days to 14 Days	15 Days to 30/31 Days	Over 1 Month to 2 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
1 Liabilities:										
(a) Trade Payables	0.85	0.60	1.22	2.50	1.44	-	-	-	-	6.61
(b) Lease Liabilities	-	-	-	-	-	3.12	2.78	-	-	5.90
(c) Other Financial Liabilities	-	-	-	-	-	18.98	1.31	-	-	20.29
2 Assets:										
(a) Cash and Cash Equivalents	1.48	-	-	-	-	-	0.26	-	-	1.74
(b) Receivables - Others	-	-	17.12	-	-	-	-	-	-	17.12
(c) Loans	-	-	0.05	4.40	0.05	0.15	0.30	1.29	3.47	9.70
(d) Other Financial Assets	-	-	-	-	-	-	1.32	-	-	1.32
(e) Investments	396.82	-	-	-	-	-	-	134.22	9,682.87	10,213.91

As at 31st March 2022

Sr. Particulars No.	1 Day to 7 Days	8 Days to 14 Days	15 Days to 30/31 Days	Over 1 Month to 2 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
1 Liabilities:										
(a) Trade Payables	0.02	1.00	0.78	2.77	-	-	-	-	-	4.57
(b) Lease Liabilities	-	-	-	-	-	3.03	5.42	-	-	8.45
(c) Other Financial Liabilities	-	-	-	-	11.95	11.37	0.40	-	-	23.72
2 Assets:										
(a) Cash and Cash Equivalents	1.47	-	-	-	-	-	0.26	-	-	1.73
(b) Receivables - Others	-	-	10.96	-	-	-	-	-	-	10.96
(c) Loans	-	-	-	-	44.82	115.54	-	-	-	160.36
(d) Other Financial Assets	-	-	-	-	0.73	-	1.59	-	-	2.32
(e) Investments	346.42	-	-	-	-	43.73	-	81.36	9,374.21	9,845.72



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Annexure: 10

Concentration of NPAs

(₹ crore)

Sr. No.	Particulars	As at 31 st March 2023		As at 31 st March 2022	
		Amount	Exposure as % of Total Assets	Amount	Exposure as % of Total Assets
1	Total Exposure to top five NPA Accounts	-	-	-	-

Annexure: 11

Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(₹ crore)

Sr. No.	Name of the Joint Venture/Subsidiary	As at 31 st March 2023		
		Other Partner in the JV	Country	Total Assets
-	-	-	-	-

(₹ crore)

Sr. No.	Name of the Joint Venture/Subsidiary	As at 31 st March 2022		
		Other Partner in the JV	Country	Total Assets
-	-	-	-	-

Annexure: 12

Exposure to Real Estate Sector, both Direct and Indirect

Sr. No.	Particulars	As at 31 st March 2023	As at 31 st March 2022
1	Direct Exposure - Investment Property	14.37	14.81
2	Indirect Exposure		
	Fund Base*	1,217.66	1,217.66
	Non-Fund Base**	2,057.71	1,498.73

*Represents investments in Equity Shares in Aditya Birla Housing Finance Limited.

**Represents Corporate Guarantee given to NHB on behalf of Aditya Birla Housing Finance Limited (Refer Note No. 32 (a)).

Annexure: 13

Miscellaneous Disclosures

a)	Registration/licence/authorisation, by whatever name called, obtained from other financial sector regulators.	-	NA
b)	Penalties imposed by RBI and other regulators including strictures or directions on the basis of inspection reports or other adverse findings.	-	Nil
c)	If the auditor has expressed any modified opinion(s) or other reservation(s) in his audit report or limited review report in respect of the financial results of any previous financial year or quarter which has an impact on the profit or loss of the reportable period.	-	Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

ANNEXURE: 13 (D) - DISCLOSURE AS REQUIRED BY RBI CIRCULAR RBI/2022-23/26 DOR. ACC. REC. NO. 20/21.04.018/2022-23 DATED 19TH APRIL, 2022

Section I

A) Exposure

1) Exposure to Real Estate Sector

(₹ crore)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
i) Direct Exposure		
a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
b) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures		
i) Residential	-	-
ii) Commercial Real Estate	-	-
d) Others - Investment Property	14.37	14.81
ii) Indirect Exposure		
Fund based*	1,217.66	1,217.66
Non-fund-based**	2,057.71	1,498.73
Total Exposure to Real Estate Sector	3,289.74	2,731.20

* Represents investments in Equity Shares in Aditya Birla Housing Finance Limited.

** Represents Corporate Guarantee given to National Housing Bank on behalf of Aditya Birla Housing Finance Limited (Refer Note No. 32(a)).

2) Exposure to Capital Market

(₹ crore)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt*#	9,665.03	9,362.01
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	9,665.03	9,362.01

* Above does not include Investment in Convertible & Non-Convertible Preference Shares of ₹ 17.84 crore & ₹ 134.22 crore respectively (Previous Year ₹ 12.20 crore & ₹ 125.09 crore respectively).

Includes Listed & Unlisted Securities.

3) Sectoral Exposure

Sectors	As at 31 st March, 2023			As at 31 st March, 2022		
	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others, if any (please specify)*	10.49	-	-	161.00	-	-

* Others includes gross Inter-corporate deposits and Loan to employees

4) Intra Group Exposures

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
i) Total amount of intra-group exposures*	9,821.48	9,660.30
ii) Total amount of top 20 intra-group exposures	9,821.48	9,660.30
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	100%	100%

* Includes investment in Subsidiaries and Inter-corporate deposits

5) Unhedged foreign currency exposure

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unhedged foreign currency exposure	Nil	Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

B) Related Party Disclosure

FY 2022-2023

Particulars	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Directors	Relatives of Key Management Personnel	Others	Total
Borrowings [#]	-	-	-	-	-	-	-	-
Deposits Payable [#]	-	0.25	-	-	-	-	-	0.25
Maximum Deposit Payable during the year	-	0.25	-	-	-	-	-	0.25
Placement of deposits [#]	-	-	-	-	-	-	-	-
Advances (Gross) [#]	-	4.39	-	5.98	-	-	-	10.37
Maximum Advances Outstanding during the year	-	195.50	-	6.29	-	-	-	201.79
Investments [#]	-	8,768.74	1,048.35	-	-	-	-	9,817.09
Maximum Investment made during the year	-	8,768.74	1,048.35	-	-	-	-	9,817.09
Purchase of fixed/other assets	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	0.01	0.28	-	-	-	0.06	0.36
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	10.71	-	0.18	-	-	-	10.89
Others								
Remuneration Paid	-	-	-	41.30	-	-	-	41.30
Sitting Fees Paid	-	-	-	-	1.19	-	-	1.19
Investment made during the year	-	163.60	145.35	-	-	-	-	308.95
Loans Given / (Repaid) - (Net)	-	(156.61)	-	5.98	-	-	-	(150.63)
Dividend Income	-	30.01	156.27	-	-	-	-	186.28
Interest Income (Held at Amortised Cost)	-	9.13	-	-	-	-	-	9.13
Rent Income	-	0.50	-	-	-	-	-	0.50
Contribution to Gratuity Trust (Net)	-	-	-	-	-	-	(5.94)	(5.94)
Expenses Reimbursed	0.04	13.81	(0.42)	-	-	0.01	11.62	25.06
Expenses Recovered	-	95.40	30.94	-	-	-	-	126.34
Receivables [#]	-	13.47	3.67	-	-	-	-	17.14
Trade Payables [#]	-	1.20	-	-	-	-	0.49	1.69

FY 2021-2022

Particulars	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Directors	Relatives of Key Management Personnel	Others	Total
Borrowings [#]	-	-	-	-	-	-	-	-
Deposits Payable [#]	-	0.25	-	-	-	-	-	0.25
Maximum Deposit Payable during the year	-	0.25	-	-	-	-	-	0.25
Placement of deposits [#]	-	-	-	-	-	-	-	-
Advances (Gross) [#]	-	161.00	-	-	-	-	-	161.00



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Particulars	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Directors	Relatives of Key Management Personnel	Others	Total
Maximum Advances Outstanding during the year	-	219.00	-	-	-	-	-	219.00
Investments [#]	-	9,448.47	50.83	-	-	-	-	9,499.30
Maximum Investment made during the year	-	9,448.47	50.83	-	-	-	-	9,499.30
Purchase of fixed/other assets	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	5.80	-	-	-	-	-	5.80
Others								
Remuneration Paid	-	-	-	29.24	-	-	-	29.24
Sitting Fees Paid	-	-	-	-	1.11	-	-	1.11
Investment made during the year	-	307.87	-	-	-	-	-	307.87
Redemption of Preference Shares	-	57.76	-	-	-	-	-	57.76
Loans Given / (Repaid) - (Net)	-	56.50	-	-	-	-	-	56.50
Dividend Income	-	127.21	116.64	-	-	-	-	243.85
Interest Income (Held at Amortised Cost)	-	8.11	-	-	-	-	-	8.11
Rent Income	-	0.50	-	-	-	-	-	0.50
Contribution to Gratuity Trust (Net)	-	-	-	-	-	-	0.23	0.23
Expenses Reimbursed	0.63	9.67	-	-	-	0.06	0.98	11.34
Expenses Recovered	0.18	66.44	21.42	-	-	-	-	88.04
Receivables [#]	-	8.34	2.68	-	-	-	-	11.02
Trade Payables [#]	0.05	0.93	-	-	-	-	-	0.98

Represents outstanding balance

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman	No complaints received
2) Top five grounds of complaints received by the NBFCs from customers	NA

Section II

- There is no breach of covenant of as no loan was availed or debt securities were issued by the NBFC.
- Divergence in Asset Classification and Provisioning

The conditions outlined in the circular are not satisfied and hence the disclosure on Divergence in Asset Classification and Provisioning is not applicable.

Independent Auditor's Report

To the Members of
Aditya Birla Capital Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Aditya Birla Capital Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31st March 2023, of its consolidated profit and other

comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and judgement to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate/consolidated financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of 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.

The key audit matter	How the matter was addressed in our audit
Impairment of testing of goodwill See Note 2.4 and 16 to the consolidated financial statements The Group has goodwill of ₹ 554.83 crore as of 31 March 2023 which represents goodwill acquired through various business combinations and allocated to Cash Generating Units ("CGU"). As per Group's policy, a CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication of the unit may be impaired. As disclosed in Note 16, impairment of goodwill is determined by assessing the recoverable amount of each CGU to which these assets relate.	Design and Controls Our audit procedures included the following: - Tested the design and the operating effectiveness of internal controls over the impairment assessment process including valuation methodology used in impairment assessment on the carrying value of goodwill; and - Obtained an understanding of the process followed by the Holding Company in determining the CGU to which goodwill is allocated and determination of recoverable amount of each CGU.



Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
We have identified the annual impairment assessment as a key audit matter because of its complexity, being an area of estimate and judgement, exposed to significant changes in external business environment and is based on the following key assumptions like: – projected future cash inflows; – expected growth rate, discount rate, terminal growth rate; and – price and market multiples.	Substantive Procedures – Compared the Holding Company's assumptions to externally sourced/available data in relation to key inputs such as long-term growth rates and discount rates; – Assessed the forecasted cash flows based on our understanding of the business; – Assessed historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved; – Involved valuation specialists to test and evaluate Holding Company's key assumptions used in the valuation methodology; – Performed sensitivity analysis in relation to the key assumptions; and – Tested the arithmetical accuracy of computation of recoverable amounts of each CGU.
The statutory joint auditors of Aditya Birla Health Insurance Company Limited ('ABHICL'), an entity which was a subsidiary of the Holding Company until 20 October 2022 and became a joint venture with effect from 21 October 2022, have reported a key audit matter on IT systems and Controls, which is reproduced below:	Assessing the completeness and accuracy of the consolidated financial statements disclosures made by the Group as per applicable Ind AS.
The Company operates and is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems, some of which are integrated. The audit approach relies extensively on several reports generated by interface of these IT systems and in-built automated controls therein.	During the course of their audit, the statutory auditors of Aditya Birla Health Insurance Company Limited performed the following procedures which they have reported as below:
The major IT systems concerning the financial reporting process include: – Core Policy administration system – Distribution Management system – SAP Investment Module – SAP Core Accounting system – Interface/interplay of one or more of above systems in building up or generating required reports	We performed a range of audit procedures, which included: – Review of the report of IS testing pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. – Obtaining suitable representations from the management about satisfactory operations of controls built in the systems. – In the course of our audit, testing of the key IT general controls by our IT personnel and seeking management's views on identified issues.
IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.	Our audit tests were designed to cover the following:
Management of the Company continuously works on the process of implementing several remediation activities, including 'Mission Transformation'(which aims at integrating all the possible business functions for seamless transition/ recording of data, less manual intervention and automation based reporting framework) that are expected to contribute to reducing the risk over IT applications in the financial reporting process, which includes implementation of preventive and detective controls across critical applications and infrastructure, as also integration of the systems to the best possible extent.	– understanding the Company's IT control environment and key changes in the course of our audit that were considered relevant to the financial reporting and audit; – reviewed the workflow of core transactions as captured by the IT systems; – selectively tested key automated and manual business cycle controls including logic for system generated reports relevant to the financial reporting; – selectively recomputing workings of several data processing results critical to be used in the financial reporting; – Selectively re-evaluating masters updating, interface with resultant reports; – Selective testing of the interface of policy admin system with other allied IT systems.
Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence identified IT systems as Key Audit Matters.	

Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of the Holding Company, have reported a key audit matter on Allowances for Expected Credit Losses ("ECL") (Reference made to Note 4.1, 10 and 52 of the financial statements of ABFL), which is reproduced below: Allowances for Expected Credit Losses ("ECL"): As at 31 March 2023, the carrying value of loan assets measured at amortised cost, aggregated ₹78,84,950.10 lakh (net of allowance of expected credit loss ₹1,60,328.71 lakh) constituting approximately 94% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL allowance on such loan assets measured at amortised cost is a critical estimate involving a greater level of management judgement. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following : - Qualitative and quantitative factors used in staging the loan assets measured at amortised cost. - Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends; - Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and - Adjustments to model driven ECL results to address emerging trends.	During the course of their audit, the statutory auditors of Aditya Birla Finance Limited performed the following procedures which they have reported as below: We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: - Testing the design and operating effectiveness of the following: i. 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. ii. 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 iii. accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. - Test of details on a sample in respect of the following: i. we tested accuracy and completeness of the input data such as ratings and period of default and other related information used in estimating the PD; ii. completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. iii. we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and iv. we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.



Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of the Holding Company, have reported a key audit matter on Information Technology and General Controls which is reproduced below: The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the key IT systems used in financial reporting was considered to be a Key Audit Matter	During the course of their audit, the statutory auditors of Aditya Birla Finance Limited performed the following procedures which they have reported as below: With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: - we tested the design, implementation and operating effectiveness of the Company's general IT controls over the key IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit; - We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.
The auditors of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of the Holding Company, have reported a key audit matter on Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of the Company which is reproduced below: (Reference made to accounting policies in 'Note 3.23 to the financial statements of ABHFL Expected Credit Loss', 'Note 3.1 to the financial statements of ABHFL: Revenue Recognition' and 'Note 4.1 to the financial statements of ABHFL: Impairment of Financial Assets and 'Note 49 to the financial statements of ABHFL: Risk Management') Subjective Estimates: Under Ind AS 109, "Financial instruments" allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the Company's estimation of ECLs, which are as under: - Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. - Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgemental aspect of the Company's modelling approach. - Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.	During the course of their audit, the statutory auditor of Aditya Birla Housing Finance Limited performed the following procedures which they have reported as below: Our key audit procedures included: Review of Policy/procedures and design/controls - Minutely going through the Board approved Policy and approach note concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation. - Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. - Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, and assessing the reliability of management information. - Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. - Testing and review of controls over measurement of provisions and disclosures in the Ind AS Financial Statements. - Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. Walk through the processes which involve manual work to ascertain existence of maker-checker controls - Understanding of models and general economic indicator criteria used for regression testing over data of the loan book.

Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than our materiality for the Ind AS Financial Statements as a whole.	Substantive verification - Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. - Model calculations testing through selective re-performance, wherever possible. - Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loans (including restructuring related disclosures) in the Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.
The auditors of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of the Holding Company, have reported a key audit matter on Information Technology IT systems and controls which is reproduced below:	During the course of their audit, the statutory auditor of Aditya Birla Housing Finance Limited performed the following procedures which they have reported as below:
IT systems and controls The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: - Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. - Deployed our internal experts to carry out IT general and specific application Controls testing and identifying gaps, if any. - Our other processes include: - Selectively recomputing interest calculations and maturity dates; - Selectively re-evaluating masters updation, interface with resultant reports like LTV Report, SUD Report, Portfolio movement Report; - Selective testing of the interface of SAP FA module with other IT systems like Loan Management System and other workflows. - Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) - Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. - Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases
The auditors of Aditya Birla Money Limited ('ABML'), a subsidiary of the Holding Company, have reported a key audit matter on Information Technology and General Controls which is reproduced below:	During the course of their audit, the statutory auditor of Aditya Birla Money Limited performed the following procedures which they have reported as below:
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Due to the complexity, large volume of transactions processed daily and reliance on automated and IT dependent manual controls, matter pertaining to adequacy and effectiveness of IT control environment is considered as a Key Audit Matter.	We understood and assessed the overall IT control environment and the controls in place which included controls over access to systems and data, as well as system changes. Tested the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.



Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring that IT dependent and application based controls are operating effectively.	Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
The statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited ('ABSLICL'), subsidiary of the Holding Company, have reported a key audit matter on Information Technology Systems which is reproduced below:	During the course of their audit, the statutory auditor of Aditya Birla Sunlife Insurance Company Limited performed the following procedures which they have reported as below:
Information Technology Systems The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.	With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: - We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. - We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Financial Statements.
The auditors of Aditya Birla Sun Life AMC Limited ('ABSLAMCL'), an associate of the Holding Company, have reported a key audit matter on Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services which is reproduced below:	During the course of their audit, the statutory auditor of Aditya Birla Sunlife AMC Limited performed the following procedures which they have reported as below:
Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of: - Asset Management and Advisory Fees amounting to ₹ 1,18,200.57 lacs. - Management Fees from Portfolio Management and Other Services amounting to ₹ 4,459.98 lacs. The Asset Management and Advisory Fees is based on certain percentage of the applicable daily Assets Under Management ('AUM') in accordance with guidelines prescribed under SEBI (Mutual Fund) Regulations, 1996 as amended from time to time. There are inherent risks in computing such revenue streams including computation of applicable AUM and manual input of key contractual terms, which could result in errors. Considering the complexity in contractual terms involving multiple schemes, it requires monitoring to ensure completeness. Accordingly, we have considered revenue from asset management and advisory fees and management fees from portfolio management and other services as a key audit matter. Any discrepancy in such computation could give rise to a material misstatement in the financial statements.	Our audit procedures included the following: - Obtained and read the accounting policy for revenue recognition. - Obtained an understanding of the significant revenue items and identified where there is a higher risk of error due to manual processes, complex contractual terms, and areas of judgement. - Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees. Obtained and assessed independent assurance reports for the relevant controls at the third- party administrators. - Obtained and read the investment management fee report, issued by statutory auditors of mutual fund schemes and reconciled the certified amounts with the accounting records of the Company. - On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records. - On sample basis, verified the input of contractual terms with rates approved by the management. - On a sample basis, checked the receipts of such income in bank statements. - Re-calculated Portfolio Management Services Fees in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts. - Evaluated the disclosure relating to management fee income earned by the Company.

Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
The auditors of Aditya Birla ARC Limited ('ABARCL'), a subsidiary of the Holding Company, have reported a key audit matter on Fair Valuation of financial instruments - Security Receipts (SRs) which is reproduced below: Holding Company has invested in SRs issued by various trust incorporated by the it for acquisition of distressed credit Business. Depending on the arrangement such Investments are in the range of 100% - 15% of the total SRs issued by the various trust. The said SRs are subsequently measured at Fair Value through Profit and Loss (FVTPL) as per the business model of the Holding Company and considered as level 3 in the valuation hierarchy. Total investment in SRs outstanding as on 31 March 2023 is ₹ 47,582.65 Lakhs. Holding Company determines the fair value of SRs based on the Net Assets Value (NAV) report provided by the trust. The NAV of the said investment can only be estimated by the trusts using a combination of the recovery range provided by the external rating agency, estimated cash flows, collateral values, discount rate used and various other assumptions. Considering the complexities involved and various assumptions and significant judgements made by the trust in deriving Net Assets Value of such SRs, we have considered the valuation of these investments as a key audit matter. Refer Note No. 1.1 of standalone financial Statements.	During the course of their audit, the statutory auditor of Aditya Birla ARC Limited performed the following procedures which they have reported as below: Audit procedures followed: - We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency. - Assessment of the valuation inputs; i. Analysed reasonableness of the estimated cash flows and recovery rate, the other relevant judgements and estimates, if any; and ii. Assessed the information used to determine the key assumptions; iii. Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; iv. Compared the management's assumption of discount rate with the supporting internal/ external evidence; v. Valuation report of collateral values

Other Information

The Holding Company's Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income,

consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and the Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



Independent Auditor's Report (Contd.)

going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial

statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of 19 subsidiaries and 1 entity which was a subsidiary until 20 October 2022, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 1,75,990.71 crore as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 27,549.25 crore and net cash outflows (before consolidation adjustments) amounting to ₹ 293.25 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 281.44 crore for the year ended 31 March 2023, in respect of 4 associates and 2 joint ventures and 1 entity which became a joint venture with effect from 21 October 2022, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
- b. Without modifying their opinion, vide an 'Other Matter' in their report dated 26 April 2023, the statutory joint auditors of Aditya Birla Health Insurance Company Limited have reported that -

'The actuarial valuation of liabilities in respect of Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) included under claims outstanding and Premium Deficiency Reserve creation as at March 31, 2023 has been duly certified by the Appointed Actuary of the Company. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Institute of Actuaries of India.

We have relied upon such certifications of the said Appointed Actuary.'

- c. Vide an 'Other Matter' in their report dated 25 April 2023, the statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited have reported that -

'Determination of the following is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"):

- (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 March 31, 2023. The actuarial valuation of these liabilities has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI;
- (ii.) Other adjustments as at March 31, 2023 / for the year ended March 31, 2023 for the purpose of Reporting Pack confirmed by the Appointed Actuary in accordance with Indian Accounting Standard 104 - 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;
- d. Liability Adequacy test as at the reporting dates and;
- e. Disclosures as mentioned in Note No. 48 to the Reporting Pack.

We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the aforesaid mentioned items.

Our opinion is not modified in respect of the above matter.'

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



Independent Auditor's Report (Contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture 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 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/ consolidated financial statements of the subsidiaries, associates and joint ventures, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 40 to the consolidated financial statements.
 - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 59 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its 13 subsidiary companies, 1 associate company, 2 joint venture companies and 1 entity which was a subsidiary company until 20 October 2022 and became a joint venture company with effect from 21 October 2022 incorporated in India during the year ended 31 March 2023.

There has been no delay in transferring amounts to the Investor Education and Protection Fund by 2 subsidiary companies incorporated in India during the year ended 31 March 2023.
 - d (i) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 62 (6) to the consolidated financial statements, no funds have been advanced or loaned or

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies, associate companies and joint venture companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, associate companies and joint venture companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 62 (6) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies, associate companies and joint venture companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies, associate companies and joint venture companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that

performed by the auditors of the subsidiary companies, associate companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The Holding Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies, associate companies and joint venture companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Holding Company has not paid any remuneration to its directors during the current year. Further, based on the reports of the statutory auditors of subsidiaries, associates and joint ventures incorporated in India which were not audited by us, we report that -

- 6 subsidiaries, 1 associate and 1 entity which was a subsidiary company until 20 October 2022 and became a joint venture company with effect from 21 October 2022 have paid/provided remuneration during the current year to its directors in accordance with the provisions of Section 197 of the Act.
- 7 subsidiaries have not paid/provided remuneration during the current year to its directors. Accordingly, the provisions of Section 197 are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Ashwin Suvarna

Partner

Membership No.: 109503

ICAI UDIN:23109503BGXUPA9532

Place: Mumbai

Date: 11 May 2023



Annexure A

To the Independent Auditor's Report on the Consolidated Financial Statements of Aditya Birla Capital Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Aditya Birla Insurance Brokers Limited	U99999GJ2001PLC062239	Subsidiary	Clause iii (e)
2	Aditya Birla Sun Life Pension Management Limited	U66000MH2015PLC260801	Subsidiary	Clause xvii
3	Aditya Birla ARC Limited	U65999MH2017PLC292331	Subsidiary	Clause iii (c) and iii (e)
4	Aditya Birla Finance Limited	U61190GJ1997PLC062406	Subsidiary	Clause ii (b), iii (c) and iii (d)
5	Aditya Birla Housing Finance Limited	U65922GJ2009PLC083779	Subsidiary	Clause iii (c) and iii (d)
6	Aditya Birla Money Limited	L65993GJ1995PLC064810	Subsidiary	Clause iii (c), iii (f) and vii (a)

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Ashwin Suvarna

Partner

Membership No.: 109503

ICAI UDIN:23109503BGXUPA9532

Place: Mumbai

Date: 11 May 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Aditya Birla Capital Limited for the year ended 31 March 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Aditya Birla Capital Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, its associate companies and joint venture companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, associate companies and joint venture companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and

efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint venture companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for



Annexure B to the Independent Auditor's Report (Contd.)

external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 15 subsidiary companies, 1 associate company, 1 joint venture companies and 1 entity which was a subsidiary company until 20 October 2022 and became a joint venture company with effect from 21 October 2022, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Ashwin Suvarna

Partner

Membership No.: 109503

ICAI UDIN:23109503BGXUPA9532

Place: Mumbai

Date: 11 May 2023

Consolidated Balance Sheet

as at 31st March 2023

(₹ crore)			
Particulars	Note No.	As at 31 st March 2023	As at 31 st March 2022
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	1,730.79	2,048.85
(b) Bank Balances other than (a) above	4	585.07	588.81
(c) Derivative Financial Instruments	5	5.97	14.39
(d) Receivables	6		
(i) Trade Receivables		411.08	658.50
(ii) Other Receivables		-	-
(e) Loans	7	93,427.26	66,198.14
(f) Investments			
- Investments of Life Insurance Business			
- Investments of Life Insurance Policyholders'	8A	36,943.85	28,457.95
- Investments of Life Insurance Shareholders'	8B	3,302.91	3,043.01
- Investments of Health Insurance Business			
- Investments of Health Insurance Policyholders'	9A	-	1,190.79
- Investments of Health Insurance Shareholders'	9B	-	349.43
- Other Investments	10	5,326.49	3,044.22
(g) Assets Held to Cover Linked Liabilities	11	30,505.79	30,160.05
(h) Other Financial Assets	12	1,785.42	1,740.59
Sub Total - Financial Assets		174,024.63	137,494.73
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		231.73	447.09
(b) Deferred Tax Assets (Net)	13	476.73	324.43
(c) Investment Property	14	14.37	14.81
(d) Property, Plant and Equipment	15	147.62	114.43
(e) Capital Work-in-Progress	43	8.62	11.75
(f) Intangible Assets Under Development	43	35.42	32.87
(g) Goodwill	16	554.83	570.03
(h) Other Intangible Assets	17	168.34	258.95
(i) Right-to-Use of Assets	42	393.58	347.17
(j) Investments in Associate and Joint Venture Companies		4,303.82	1,109.72
(k) Other Non-Financial Assets	18	394.36	413.52
Sub Total - Non-Financial Assets		6,729.42	3,644.77
Total Assets		180,754.05	141,139.50



Consolidated Balance Sheet (Contd.)

as at 31st March 2023

(₹ crore)

Particulars	Note No.	As at 31 st March 2023	As at 31 st March 2022
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	5	13.69	121.95
(b) Payables	19		
- Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		24.97	28.30
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		1,381.60	856.14
- Other Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		-	-
(c) Debt Securities	20	27,244.86	18,823.29
(d) Borrowings (other than Debt Securities)	21	53,815.47	35,931.37
(e) Subordinated Liabilities	22	3,260.44	3,297.25
(f) Lease Liabilities	42	416.73	373.56
(g) Policyholders' Liabilities	23	69,089.94	60,873.38
(h) Other Financial Liabilities	24	2,562.74	2,513.68
Sub Total - Financial Liabilities		157,810.44	122,818.92
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)		185.78	34.05
(b) Provisions	25	264.04	331.65
(c) Deferred Tax Liabilities (Net)	13	401.54	373.77
(d) Other Non-Financial Liabilities	26	272.18	490.40
Sub Total - Non-Financial Liabilities		1,123.54	1,229.87
(3) Equity			
(a) Equity Share Capital	27	2,417.99	2,416.31
(b) Other Equity	28	17,892.76	13,075.80
Equity Attributable to Owners of the Parent		20,310.75	15,492.11
(c) Non-Controlling Interests		1,509.32	1,598.60
Total Equity		21,820.07	17,090.71
Total Liabilities and Equity		180,754.05	141,139.50

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 **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Ashwin Suvarna

Partner

Membership No.: 109503

For and on behalf of the Board of Directors of

Aditya Birla Capital Limited**Vishakha Mulye**

Chief Executive Officer

Arun Kumar Adhikari

Director

(DIN: 00591057)

S. C. Bhargava

Director

(DIN: 00020021)

Pinky Mehta

Chief Financial Officer

Amber Gupta

Company Secretary

Mumbai, 11th May 2023Mumbai, 11th May 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March 2023

(₹ crore)			
Particulars	Note No.	Year ended 31 st March 2023	Year ended 31 st March 2022
REVENUE FROM OPERATIONS			
(a) Interest Income	29	9,563.16	7,029.53
(b) Dividend Income	30	2.92	2.85
(c) Fees and Commission Income		1,240.67	1,138.93
(d) Net Gain on Fair Value Changes	31	114.35	85.52
(e) Gain on Sale of Investment [Refer Note No. 62 (3)]		-	177.19
(f) Policyholders' Income from Life Insurance Operations	52	15,186.08	12,179.20
(g) Policyholders' Income from Health Insurance Operations		1,300.58	1,608.99
(h) Sale of Services		7.89	7.70
Total Revenue from Operations		27,415.65	22,229.91
Other Income*	32	2,785.68	11.44
Total Income		30,201.33	22,241.35
EXPENSES			
(a) Finance Costs	33	4,722.00	3,479.53
(b) Fees and Commission Expenses		470.25	556.80
(c) Impairment on Financial Instruments	34	981.09	730.23
(d) Employee Benefits Expenses	35	1,140.07	867.59
(e) Policyholders' Expenses of Life Insurance Operations	52	15,125.69	12,132.18
(f) Policyholders' Expenses of Health Insurance Operations		1,472.03	1,934.83
(g) Depreciation and Amortisation Expenses	36	144.83	121.91
(h) Other Expenses	37	782.71	472.46
Total Expenses		24,838.67	20,295.53
Profit Before Share of Associates and Joint Ventures and Tax		5,362.66	1,945.82
Share of Profit/(Loss) of Associate and Joint Venture Companies		272.57	340.90
Profit Before Tax		5,635.23	2,286.72
Relating to other than Revenue Account of Life Insurance Policyholders'			
Current Tax		856.81	565.75
Short/(Excess) Provision for Tax Related to Earlier Years (Net)		0.69	4.40
Deferred Tax		(114.84)	(1.41)
Relating to Revenue Account of Life Insurance Policyholders'			
Current Tax		68.50	57.91
Total Tax Expenses		811.16	626.65
Profit for the Year		4,824.07	1,660.07



Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March 2023

(₹ crore)			
Particulars	Note No.	Year ended 31 st March 2023	Year ended 31 st March 2022
Other Comprehensive Income	38		
Relating to Revenue Account of Life Insurance Policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		(2.70)	(3.47)
(ii) Items that will be reclassified to profit or loss in subsequent periods		(126.48)	(182.88)
Less: Transferred to Policyholders' Fund in the Balance Sheet		129.18	186.35
Relating to Revenue Account of Health Insurance Policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		0.36	(0.59)
(ii) Items that will be reclassified to profit or loss in subsequent periods		(35.96)	(14.03)
Related to Others			
(i) Items that will not be reclassified to profit or loss		0.06	6.08
Income Tax relating to items that will not be reclassified to profit or loss		(0.72)	(1.54)
(ii) Items that will be reclassified to profit or loss		(76.29)	(25.33)
Income Tax relating to items that will be reclassified to profit or loss		10.26	(0.28)
Other Comprehensive Income for the Year		(102.29)	(35.69)
Total Comprehensive Income for the Year		4,721.78	1,624.38
Profit for the Year attributable to			
- Owners of the Company		4,795.77	1,705.97
- Non-Controlling Interests		28.30	(45.90)
Other Comprehensive Income for the Year attributable to			
- Owners of the Company		(40.44)	(3.54)
- Non-Controlling Interests		(61.85)	(32.15)
Total Comprehensive Income			
- Owners of the Company		4,755.33	1,702.43
- Non-Controlling Interests		(33.55)	(78.05)
Basic Earnings Per Share - (₹)	39	19.84	7.06
Diluted Earnings Per Share - (₹)		19.77	7.05
(Face Value of ₹10 each)			
* Includes Gain of ₹ 2,739.07 crore on account of Fair Value of Investment in Health Insurance Business (Refer Note No. 58)			
Significant Accounting Policies	2		
The accompanying Notes are an integral part of the Financial Statements.			

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

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

Vishakha Mulye
Chief Executive Officer

Arun Kumar Adhikari
Director
(DIN: 00591057)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 11th May 2023

Mumbai, 11th May 2023

Consolidated Cash Flow Statement

for the year ended 31st March 2023

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	5,362.66	1,945.82
Adjustments for-		
Expenses on Employee Stock Options Scheme	44.64	7.78
Impairment on Financial Instruments	983.46	731.33
Net Gain on Fair Value Changes	(154.44)	(510.73)
Changes in Valuation of Liabilities in respect of Insurance Policies in force	7,451.57	4,240.83
Gain on account of Fair Value of Investment in Aditya Birla Health Insurance Co. Limited on conversion from Subsidiary to Joint Venture	(2,739.07)	-
Depreciation and Amortisation	252.38	234.30
(Profit)/Loss on Sale of Property, Plant and Equipment	0.58	1.44
Operating Profit Before Working Capital Changes	11,201.78	6,650.77
Adjustments for-		
Decrease/(Increase) in Trade Receivables	245.55	(215.43)
(Increase)/Decrease in Loans	(28,190.15)	(7,111.19)
(Increase)/Decrease in Other Assets	(191.52)	(527.39)
Increase/(Decrease) in Trade Payables	712.48	163.19
(Decrease)/Increase in Provisions	(36.53)	53.37
Movement in Net Assets of Life Insurance and Health Insurance Policyholders'	(7,523.41)	(3,420.98)
Increase/(Decrease) in Other Liabilities	313.76	96.92
Cash Generated from Operations	(23,468.04)	(4,310.74)
Income Taxes Paid	(560.55)	(758.77)
Net Cash (Used in)/from Operating Activities	(24,028.59)	(5,069.51)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Property, Plant and Equipment, and Intangible Assets	(245.58)	(179.71)
Proceeds from Sale of Property, Plant and Equipment	5.83	2.57
Purchase of Long-Term Investments	(416.10)	(218.17)
Proceeds from Sale of Long-Term Investments	231.97	420.69
(Purchase)/Sale of Insurance Shareholders' Investments (Net)	(447.90)	(487.49)
(Purchase)/Sale of Current Investments (Net)	(1,937.51)	(964.84)
Bank Deposits with original maturity greater than three months (Net)	3.15	(135.24)
Dividend Received	156.27	116.64
Net Cash Used in Investing Activities	(2,649.87)	(1,445.55)



Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March 2023

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
C CASH FLOW FROM FINANCING ACTIVITIES		
Exercise of Employee Stock Options including Subsidiaries	8.91	3.07
Proceeds from Shares Issued by Subsidiary Companies to Non-Controlling Interests	267.05	214.13
Proceeds from Long-Term Borrowings	35,390.80	13,639.03
Repayment of Long-Term Borrowings	(14,505.91)	(10,309.51)
Short-Term Borrowings (Net)	5,351.54	2,413.17
Repayment of Lease Liabilities (including Interest thereon)	(98.23)	(104.24)
Dividend Paid to Non-Controlling Interests	(30.01)	(17.95)
Proceeds Received as Share Application Money Pending for Allotment (Net)	1.06	(1.26)
Net Cash from/(Used in) Financing Activities	26,385.21	5,836.44
D Net Decrease in Cash and Cash Equivalents (A+B+C)	(293.25)	(678.62)
E Opening Cash and Cash Equivalents	2,048.85	2,727.47
F Adjustment on account of conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture	(24.81)	-
G Closing Cash and Cash Equivalents (D+E+F)	1,730.79	2,048.85

Cash Flow from Operations includes:

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest Received	11,987.28	9,516.75
Interest Paid	4,683.32	3,929.88
Dividend Received	240.42	172.53

Additional Disclosure pursuant to Ind AS 7 (Borrowings Movement during the Year)

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Opening Balance	58,051.92	52,674.98
Cash Flows	26,236.43	5,742.69
Others*	32.42	(365.75)
Closing Balance	84,320.77	58,051.92

* Includes fair value adjustment, foreign exchange fluctuation, interest accrued but not due, etc.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

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

Vishakha Mulye
Chief Executive Officer

Arun Kumar Adhikari
Director
(DIN: 00591057)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 11th May 2023

Mumbai, 11th May 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March 2023

(A) EQUITY SHARE CAPITAL

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of the Year	2,416.31	2,415.28
Changes in Equity Share Capital during the Year	1.68	1.03
Balance at the end of the Period	2,417.99	2,416.31

(B) OTHER EQUITY

For the year ended 31st March 2022

Particulars	Reserves and Surplus										Items of Other Comprehensive Income					Equity Attributable to Shareholders of the Company	Non-Controlling Interests	Total Other Equity
	Other Reserves					Retained Earnings												
	Share Application Money Pending Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	Capital Fund	Debt Redemption Reserve	Share Options Outstanding Account	Surplus as per the Statement of Profit and Loss	General Reserve	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve					
Balance as at 1 st April 2021	1.38	1,069.38	48.40	6,076.48	0.01	7.65	173.82	3,852.62	29.55	75.80	22.01	(34.02)	4.22	11,327.30	1,484.84	12,812.14		
Profit for the Year	-	-	-	-	-	-	-	1,705.97	-	-	-	-	-	1,705.97	(45.90)	1,660.07		
Other Comprehensive Income/(Loss) for the Year (Refer Note No. 38)	-	-	-	-	-	-	-	4.63	-	(32.33)	(0.18)	23.34	1.00	(3.54)	(32.15)	(35.69)		
Total Comprehensive Income	-	-	-	-	-	-	-	1,710.60	-	(32.33)	(0.18)	23.34	1.00	1,702.43	(78.05)	1,624.38		
Issue of Shares to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	214.41	214.41		
Dividend Paid to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.95)	(17.95)		
Transfer to General Reserve	-	-	-	-	-	-	-	(17.06)	17.06	-	-	-	-	-	-	-		
Transfer to Special Reserve	-	352.06	-	-	-	-	-	(352.06)	-	-	-	-	-	-	-	-		
Additions during the Year	-	-	-	-	-	17.85	-	(10.50)	-	-	-	-	-	7.35	(4.65)	2.70		
Reclassification of Gain/Loss on Sale of FVOCI Equity Instruments	-	-	-	-	-	-	-	(2.53)	-	-	2.53	-	-	-	-	-		
Transfer to General Reserve on Account of Lapse of Vested Options	-	-	-	-	-	-	(7.60)	-	7.60	-	-	-	-	-	-	-		
Exercise of ESOP including ESOP issued by Subsidiary Companies	-	-	-	10.58	-	-	(8.79)	-	-	-	-	-	-	1.79	-	1.79		
ESOP Charge for the Year	-	-	-	-	-	-	35.09	-	-	-	-	-	-	35.09	-	35.09		
Others (1.26)	-	-	-	-	-	-	(0.31)	3.41	-	-	-	-	-	1.84	-	1.84		
Balance as at 31st March 2022	0.12	1,421.44	48.40	6,087.06	0.01	25.50	192.21	5,184.48	54.21	43.47	24.36	(10.68)	5.22	13,075.80	1,598.60	14,674.40		



Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March 2023

(B) OTHER EQUITY (CONTD.)

For the year ended 31st March 2023

Particulars	Reserves and Surplus														Total Other Equity			
	Share Ap- plication Money Pending Allotment	Other Reserves							Retained Earnings			Items of Other Comprehensive Income				Equity Attribut- able to Share- holders of the Company	Non-Con- trolling Interests	
		Special Reserve	Capital Reserve	Securities Premium Reserve	Capital Fund	Deben- ture Redemp- tion Reserve	Share Options Out- standing Account	Surplus as per the Statement of Profit and Loss	General Reserve	Debt In- strument through Other Compre- hensive Income	Equity In- strument through Other Compre- hensive Income	Cash Flow Hedge Reserve	Foreign Currency Trans- lation Reserve					
Balance as at 1 st April 2022	0.12	1,421.44	48.40	6,087.06	0.01	25.50	192.21	5,184.48	54.21	43.47	24.36	(10.68)	5.22	13,075.80	1,598.60	14,674.40		
Profit for the Year	-	-	-	-	-	-	-	4,795.77	-	-	-	-	-	4,795.77	28.30	4,824.07		
Other Comprehensive Income/(Loss) for the Year (Refer Note No. 38)	-	-	-	-	-	-	-	4.08	-	(54.16)	(2.15)	8.42	3.37	(40.44)	(61.85)	(102.29)		
Total Comprehensive Income	-	-	-	-	-	-	-	4,799.85	-	(54.16)	(2.15)	8.42	3.37	4,755.33	(33.55)	4,721.78		
Issue of Shares to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	267.05	267.05		
Dividend Paid to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30.01)	(30.01)		
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Special Reserve	-	387.20	-	-	-	-	-	(387.20)	-	-	-	-	-	-	-	-		
Additions during the Year	1.06	-	-	-	-	-	-	-	-	-	-	-	-	1.06	-	1.06		
Reclassification of Gain/Loss on Sale of FVOCI Equity Instruments	-	-	-	-	-	-	-	2.53	-	-	(2.53)	-	-	-	-	-		
Transfer to General Reserve on Account of Lapse of Vested Options	-	-	-	-	-	-	(3.40)	-	3.40	-	-	-	-	-	-	-		
Exercise of ESOP including ESOP issued by Subsidiary Companies	-	-	-	22.85	-	-	(15.62)	-	-	-	-	-	-	7.23	-	7.23		
ESOP Charge for the year including Joint Venture and Associate Companies	-	-	-	-	-	-	59.81	-	-	-	-	-	-	59.81	-	59.81		
Others including Subvention Money	-	-	-	-	-	-	-	(9.54)	-	3.07	-	-	-	(6.47)	(9.02)	(15.49)		
Derecognition of Non-Controlling Interest on Conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(283.75)	(283.75)		
Balance as at 31st March 2023	1.18	1,808.64	48.40	6,109.91	0.01	25.50	233.00	9,590.12	57.61	(7.62)	19.68	(2.26)	8.59	17,892.76	1,509.32	19,402.08		

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

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvama Partner Membership No.: 109503	Vishakha Mulye Chief Executive Officer	Arun Kumar Adhikari Director (DIN: 00591057)	S. C. Bhargava Director (DIN: 00020021)
	Pinky Mehta Chief Financial Officer	Amber Gupta Company Secretary	

Mumbai, 11th May 2023

Mumbai, 11th May 2023

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited (“the Company”/“the Parent”) is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Core Investment Company registered with the RBI vide certificate no. B.01.00555, dated 16th October 2015. The Company is a subsidiary of Grasim Industries Limited.

The Company and its subsidiaries (collectively referred to as “the Group”) are principally engaged in the business of financial services comprising of lending, both as a non-banking financial institution and as a housing finance institution, life and health insurance, asset management, general insurance, stock broking and others.

Information on the Group’s structure is provided in the Annexure A to Note 1.

The Group has prepared consolidated financial statements in compliance with Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 11th May 2023.

The financial statements have been prepared and presented on the going concern basis, the relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI), Insurance Regulatory Development Authority of India (IRDAI), to the extent applicable and at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and liabilities at fair value.
- Employee’s Defined Benefits Plans as per the actuarial valuation.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Presentation of Financial Statements

The Group presents its financial statements to comply with Division III of Schedule III of the Companies Act, 2013, which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS), and the requirements of Ind

AS. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note No. 57.

Financial assets and liabilities are generally reported gross in the Balance Sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business, and
- The event of default.

2.2 Functional and Presentation Currency

Amounts in the financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Division III of Schedule III of the Act, except when otherwise indicated.

2.3 Principles of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an investee, if, and only if, the Group has:

- a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of, during the year, are included in the consolidated financial statements from the date the Group gains control, until the date the Group ceases to control the subsidiary.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights, and
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together the like items. Intra-Group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. The Group offsets (eliminates) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity in each subsidiary.

Profit and Loss, and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the Non-Controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. Amounts previously recognised in OCI, in relation to the subsidiary, are accounted for (i.e., reclassified to profit or loss, or transferred directly to retained earnings) in the same manner, as would be required, if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary, at the date when control is lost, is regarded as the fair value on initial recognition for subsequent accounting under Ind AS

109, Financial Instruments, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

On account of the regulatory restrictions on transfer of surplus/funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features), arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Under the previous GAAP, fair valuation changes relating to the life insurance fund assets are accumulated within the liability Group "Policyholders' Funds" in a line item labelled "Credit/(Debit) Fair Value Change Account", separately from "Policy Liabilities", "Insurance Reserves" and "Provision for Linked Liabilities". Therefore, the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund" liability Group as "Fair Valuation Differences of Policyholders' Investments" and "Policyholders' Fund – Other Adjustments".

Further, all income and expenses, pertaining to the life insurance fund, have been grouped under "Income from Life Insurance Fund" and "Expense of the Life Insurance Fund", respectively. Assets and Liabilities of Life Insurance Fund have been clubbed with respective Assets and Liabilities. Disclosure of the same is provided in Note No. 52.

Investments in Associates and Joint Ventures

Associates:

An associate is an entity, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint Ventures:

A joint venture is a type of joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Under the equity method, the investments in the equity of an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits/losses of the investee in profit or loss, and the Group's share in other comprehensive income of the investee. Dividend received from associates and joint ventures is 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 investors' interest in other component of equity, in such cases, are being directly recognised in equity.

2.4 Business Combination and Goodwill

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. In assessing control, potential voting rights are considered only if the rights are substantive.

The Group 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 Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. 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 Group 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 Group incurs in connection with a business combination, such as stamp duty for title transfer in the



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

name of the Group, finder's fees, legal fees, due diligence, fees and other professional and consulting fees, are expensed as incurred.

A cash-generating unit, to which goodwill has been allocated, is tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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. Further, 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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 Group commits to purchase or sell the asset.

Subsequent Measurement

For the purposes of subsequent measurement, financial instruments are classified in four categories:

- Debt instruments at amortised cost,
- Debt instruments at fair value through other comprehensive income (FVTOCI),
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL), and
- Equity instruments.

Evaluation of Business Model and Test

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated.

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- 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

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt Instruments at FVTOCI

A 'debt instrument' is classified at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments, included within the FVTOCI category, are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)" in the Balance Sheet. The Group recognises interest income, impairment losses and reversals, and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL

category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)" in the Balance Sheet.

Equity Investments

Investments in Associates and Joint Ventures are accounted using the equity method, as explained in item 2.3 above.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI, subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Group classifies equity instruments at FVTOCI, then all fair value changes in the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments, included within the FVTPL category, are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)" in the Balance Sheet.

Impairment of Financial Assets

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;



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- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that results from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument, if the credit risk on that financial instrument has increased significantly, since initial recognition (and consequently for credit-impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group, if the holder of the commitment draws down the loan, and the cash flows that the Group expects to receive, if the loan is drawn down; and
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of

the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments, that are financial assets measured at amortised cost or FVTOCI, are credit-impaired at each reporting date. To assess if corporate debt instruments are credit-impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that, as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets, where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment, including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop, if amounts are overdue for 90 days or more.

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Purchased or Originated Credit-Impaired (POCI) Financial Assets

POCI financial assets are treated differently, because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL, since initial recognition, as a loss allowance with any changes recognised in the Statement of Profit and Loss. A favourable change for such assets creates an impairment gain.

Definition of Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD), which affects both the measurement of ECL and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing, if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of asset, for example, in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Group uses a variety of sources of information to assess default, which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments, unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant Increase in Credit Risk

The Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that

are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms, governing the cash flows of a financial asset, are renegotiated, or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows, either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately, but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).



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The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where, although, the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default, or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms, in most of the cases, include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Group considers the following:

- qualitative factors, such as contractual cash flows after modification, are no longer SPPI,
- change in currency or change of counterparty, and
- the extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then

- A. In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL, except in the rare occasions where the new loan is considered to be originated credit-impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount, because there remains a high risk of default, which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in the past due status under the new terms.
- B. When the contractual terms of a financial asset are modified and the modification does not result in

derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on the data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL, when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows, arising from the modified financial asset, are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset, and also recognises a collateralised borrowing for the proceeds received.

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On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part, that is no longer recognised, and the sum of the consideration received for the part no longer recognised, and any cumulative gain/loss allocated to it, that had been recognised in OCI, is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write Off

Loans and debt securities are written off, when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gain.

Presentation of Allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and

- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments, issued by the Group, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group, after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition:

- At fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- As derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, and payables are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurements

The measurement of financial liabilities depends on their classification, as described below:



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Financial Liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivatives and Hedging Activities

Derivatives are only used for economic hedging purposes and not as a speculative investment. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured 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.

Hedge effectiveness is the degree to which changes in cash flow of the hedged item, that are attributable to a hedged risk, are offset by changes in the cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the

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heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit and 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 and loss within 'finance cost', at the same time, as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss, and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging, that were reported in equity, are immediately reclassified to profit or loss within other gains/(losses).

Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those

of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss, unless designated as effective hedging instruments.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Fair Value Measurement

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



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All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input, that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input, that is significant to the fair value measurement, is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input, that is significant to the fair value measurement, is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement, as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurements, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.8 Property, Plant and Equipment (PPE), and Depreciation

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset, if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss, during the period in which they are incurred.

Depreciation on PPE is provided on Straight-Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013, or estimated by the Management. The Group has used the following useful life to provide depreciation on its PPE.

A. Assets where useful life differs from Schedule II:

Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings/Investment Property	30 Years	60 Years
Office Electronic Equipment	5 Years	4 Years
Office Computers (end-user devices, desktop, laptops)	3 Years	3 Years to 5 Years
Servers	6 Years	3 Years to 5 Years
Vehicles	8-10 Years	4 Years to 5 Years
Furniture and Fixtures, and Other Office Equipment	10 Years	2 Years to 10 Years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by the Management supported by technical assessments.

The estimated useful lives and residual values of the PPE are reviewed at the end of each financial year.

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B. Leasehold Assets:

Assets	Estimated Useful Life
Leasehold Improvements	Period of Lease

Property, plant and equipment, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the property, plant and equipment added/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/discharging.

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.

asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses, arising from the retirement or disposal of an intangible asset, are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised as income or expense in the Statement of Profit and Loss.

Intangible Assets and their useful lives are as under:

Assets	Estimated Useful Life
Brands/Trademarks	5 to 10 Years
Computer Software	2 to 6 Years
Exclusive Images	3 Years

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

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



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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.

2.11 Product Classification of Insurance Business

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, if the benefits payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit-linked products or the benefits payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit-linked products. Investment contracts are those contracts which are not Insurance Contracts.

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognises Right-of-Use ("ROU") Asset and a corresponding Lease Liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

Right-of-Use Assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-Use Assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-Use Assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis, unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash-Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related Right-of-Use Asset, if the Group changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

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As a Lessor

Leases, for which the Group is a lessor, are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the Right-of-Use Asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

2.13 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services upto the end of the reporting period, are recognised as liabilities (and expensed), and are measured at the amounts expected to be paid when the liabilities are settled.

The Group also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The obligations are presented as a part of "Other Financial Liabilities" or "Provisions" in the Balance Sheet.

Defined Contribution Plans

The Group makes defined contributions to employee provident fund and employee pension schemes administered by government organisations, set up under the applicable statute, and those administered by a trust set up by Grasim Industries Limited ("the Holding Company") and superannuation schemes administered by a trust set up by the Holding Company. The Group has no further payment obligations once the contributions have been paid, except to contribute additionally any shortfall in the annual yield on the plan assets as compared to the annual return prescribed by the Central Government (there were no such additional contributions due from the Group as of 31st March 2023 and 31st March 2022). The contributions are recognised as a part of "Employee Benefits Expenses" in the period in which the employee renders services, against

which such contributions are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The liabilities are presented within "Other Financial Liabilities" or, as the case may be, within "Provisions" in the Balance Sheet.

Defined Benefit Plans (Gratuity Obligation)

The obligation in respect of defined benefit plans, which covers Gratuity, which is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

In respect of Gratuity being post-retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) are reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to the Statement of Profit and Loss, 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 benefits 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 Benefit Expenses".



Notes forming part of the Consolidated Financial Statements

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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 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. Remeasurement gains and losses, arising from experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Profit and Loss in the period in which they arise. 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 respective options, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

2.15 Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency, are recognised at the rates of

exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- Exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences relating to qualifying effective cash flow hedges; and
- Exchange difference, arising on restatement 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 acquisitions, are translated into Indian Rupee, 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,

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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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest income on all trading assets and financial assets, mandatorily required to be measured at FVTPL, is

recognised using the contractual interest rate in net gain on fair value changes.

Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

Insurance Companies

A. Life Insurance Business

Premium Income of Insurance Business

Premium income on Insurance contracts and Investment contracts with Discretionary Participation Feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. In case of linked business, top-up premium paid by policyholders is considered as single premium, and is utilised as prescribed by the Insurance Regulatory and Development Authority of India Financial Statements Regulations. This premium is recognised when the associated units are created.

Fees and Commission Income of Insurance Business

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Reinsurance Premium

Reinsurance premium ceded is accounted for at the time of recognition of the premium income, in 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.



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B. Health Insurance Business

Gross Premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

Reinsurance Premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

Income from items other than to which Ind AS 109 - Financial Instruments - and Ind AS 104 - Insurance Contracts - are applicable.

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

-
- Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
-
- Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or services to the customer.
-
- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
-

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Brokerage Fee Income

Revenue recognition for brokerage fees can be divided into the following two categories:

Brokerage Fees – Over Time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees, which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised over the term of the contract.

Brokerage Fees – Point in Time

Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which are 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

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units are cancelled. Repudiated claims disputed before judicial authorities are provided for based on the Management prudence considering the facts and evidence available in respect of such claims.

Gross Claims Incurred for Health Insurance Business

Claims incurred comprise of claims paid, change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported (IBNR), and claims incurred but not enough reported (IBNER), and specific settlement costs comprising legal and investigation fees, and other directly attributable expenses.

The provision is made for estimated value of outstanding claims at the Balance Sheet date on the basis of the ultimate amounts that are likely to be paid on each claim, established by the Management in the 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 the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), notified by the Insurance Regulatory and Development Authority of India and Practice Standards prescribed by the Institute of Actuaries of India.

Investment Contracts

Liability, in respect on Investment Contracts, is recognised in accordance with Ind AS, taking into account accepted actuarial practices.

2.21 Deferred Acquisition Costs (DAC)/Deferment Origination Fees (DOF)

The Group has identified Commission, Rewards and Recognition paid to its agents pertaining to 1st year as acquisition costs. Such acquisition costs are amortised over the period of the policy contract.

The origination fees for Investment Contracts, being premium allocation charges pertaining to the 1st, 2nd and 3rd year, have been deferred over the period of the policy contract, and since the adjustment relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Policyholders' Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)" in the Balance Sheet.

Acquisition costs and origination fees are deferred only for Investment Contracts.

2.22 Reinsurance Assets

Reinsurance Asset, being net contractual rights receivable under reinsurance contract, has been recognised on the basis of actuarial valuation.

2.23 Finance Costs

Finance costs represent interest expense recognised by applying the EIR to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial



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liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses, such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.24 Provision for Current and Deferred Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the Indian Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Where the Group controls the dividend policies of subsidiaries, and the Management is satisfied that they are expecting to distribute profit in the foreseeable future from the subsidiaries, the Group accounts the deferred tax liability based on the dividend policy/past trends, etc. Where the Group does not control the dividend policies of joint venture/associate and the Management is satisfied that they are expecting to receive dividend in the foreseeable future, the Group accounts the deferred tax liability on the undistributed profits.

2.25 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and is recognised.

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2.26 Segment Reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

2.27 Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding, during the period and for all periods presented, is adjusted for events, such as bonus issues, bonus element in a rights issue to the existing shareholders, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.28 Statement of Cash Flows

The Statement of Cash Flows is reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Group are segregated.

2.29 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates is recognised in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements

Following companies are being accounted as per equity method of accounting where Aditya Birla Capital Limited holds either directly or through its subsidiary, more than half of the equity shareholding.

- a) Aditya Birla Sun Life AMC Limited
- b) Aditya Birla Sun Life Trustee 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 assets and



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liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant and Equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of Defined Benefits Obligations

The cost of the defined benefits gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves 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 and Provision for Current Tax

Deferred Tax Assets are recognised based on availability of future taxable profit against which the tax losses carried forward can be used.

The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets,

their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgement includes consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-Based Payments

The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Impairment of Financial Assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their inter-dependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Group's internal credit grading model, which assigns PDs to the individual grades.
- b) The Group's criteria for assessing, if there has been a significant increase in credit risk, and, if so, allowances for financial assets, should be measured on a lifetime ECL basis and the qualitative assessment.
- c) The segmentation of financial assets when their ECL is assessed on a collective basis.

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- d) Development of ECL models, including the various formulas and the choice of inputs.
- e) Determination of associations between macro-economic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- f) Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust, when necessary.

New Standards and Amendments to the Existing Ind AS

The Ministry of Corporate Affairs notifies new standard or amendments to the existing standards.

On 31st March 2023, MCA amended the following Indian Accounting Standards vide Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- **Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

- **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

- **Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption, so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

The Group has evaluated the above amendments and the impact of these amendments is insignificant in the Group's financial statements.



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Annexure 'A' to Note: 1 "General Information and Basis of Preparation"

Particulars	Country of Incorporation	Principal Business Activity	Proportion of Ownership Interest as on 31 st March 2023	Proportion of Ownership Interest as on 31 st March 2022
SUBSIDIARIES				
Aditya Birla Finance Limited (ABFL)	India	NBFC/Fund-Based Lending	100.00%	100.00%
Aditya Birla Housing Finance Limited (ABHFL)	India	Housing Finance	100.00%	100.00%
Aditya Birla Sun Life Insurance Company Limited (ABSLI)	India	Life Insurance	51.00%	51.00%
Aditya Birla Sun Life Pension Management Limited (ABSPM) (100% Subsidiary of Birla Sun Life Insurance Company Limited)	India	Pension Fund Management and Point of Presence	51.00%	51.00%
Aditya Birla Health Insurance Co. Limited (ABHICL) (Ceased to be Subsidiary w.e.f. 21 st October 2022)	India	Health Insurance	45.91%	51.00%
Aditya Birla Insurance Brokers Limited (ABIBL)	India	Insurance Broking and Risk Advisory Services	50.01%	50.01%
Aditya Birla Money Limited (ABML)	India	Stock Broking, Depository Services, Portfolio Management Services	73.60%	73.70%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	Other Business Support Services	100.00%	100.00%
Aditya Birla Money Mart Limited (ABMML)	India	Value Added Services and Investments	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)	India	Insurance Corporate Agent	100.00%	100.00%
Aditya Birla ARC Limited (ABARC)	India	Asset Reconstruction Company	100.00%	100.00%
Aditya Birla Stressed Asset AMC Private Limited (ABSAAMC)	India	Fund Management	100.00%	100.00%
ABARC-AST-001-Trust	India	Asset Reconstruction Company	100.00%	100.00%
ABARC-AST-008-Trust	India	Asset Reconstruction Company	100.00%	100.00%
ABARC-AST-010-Trust	India	Asset Reconstruction Company	100.00%	NA
Aditya Birla Special Situation Fund – 1 (ABSSF)	India	Alternate Investment Fund	100.00%	100.00%
Aditya Birla Capital Digital Limited (ABCDL) (Incorporated w.e.f. 23 rd March 2023)	India	Digital Services	100.00%	NA
Aditya Birla PE Advisors Private Limited (ABPEAPL)	India	Private Equity Investment, Advisory and Management Services	100.00%	100.00%
Aditya Birla Capital Technology Services Limited (ABCTSL)	India	Financial and IT-enabled Services	100.00%	100.00%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	Trustee of Private Equity Fund	100.00%	100.00%
ABCAP Trustee Company Private Limited (ABCTPL)*	India	Not Applicable	NA	100.00%
ASSOCIATES AND JOINT VENTURES				
Aditya Birla Sun Life Trustee Private Limited (ABSTPL)	India	Trustee of Aditya Birla Sun Life Mutual Fund	50.85%	50.85%
Aditya Birla Wellness Private Limited (ABWPL)	India	Providing and Servicing Incentivised Wellness and Related Programme	51.00%	51.00%
Aditya Birla Health Insurance Co. Limited (ABHICL) (w.e.f. 21 st October 2022)	India	Health Insurance	45.91%	51.00%
Aditya Birla Sun Life AMC Company Limited (ABSLAMC)	India	Asset Management and Advisory	50.01%	50.01%
Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSLAMC)	Mauritius	Asset Management	50.01%	50.01%
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of ABSLAMC)	Dubai	Arranging Deals in Investments and Advising on Financial Product	50.01%	50.01%
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of ABSLAMC)	Singapore	Asset Management	50.01%	50.01%

* Struck off w.e.f. 21st January 2023

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 3 CASH AND CASH EQUIVALENTS

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Cash on Hand	6.61	5.10
Balances with Banks		
Current Accounts	1,082.50	1,480.48
Deposit Accounts (with original maturity period of 3 months or less)	540.67	490.68
Cheques/Drafts on Hand and in Transit	101.01	72.59
	1,730.79	2,048.85

NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Fixed Deposit Accounts (with original maturity period of more than 3 months) *	584.81	588.55
Others - Money Due for Refund on Fractional Shares	0.26	0.26
	585.07	588.81

* Fixed Deposits include:

Lien marked in favour of Insurance Regulatory Development Authority of India (IRDAI)	2.10	1.58
Margins with Exchange	342.09	292.78
Towards Issue of Bank Guarantees	140.75	111.15

NOTE: 5 DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS AND LIABILITIES

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Derivative Financial Instruments - Assets		
(Carried at Fair Value through Profit or Loss)		
Derivatives	5.97	14.39
	5.97	14.39
Derivative Financial Instruments - Liabilities		
(Carried at Fair Value through Profit or Loss)		
Derivatives	13.69	121.95
	13.69	121.95

NOTE: 6 TRADE RECEIVABLES

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Secured, Considered Good	21.10	296.74
Unsecured, Considered Good	389.88	362.14
Less: Impairment Loss Allowances Unsecured, Considered Good	(0.35)	(0.38)
Unsecured, which have significant increase in Credit Risk	0.89	-
Less: Impairment Loss Allowances Unsecured, which have significant increase in Credit Risk	(0.44)	-
Unsecured, Considered Doubtful	11.41	11.54
Less: Impairment Loss Allowances Unsecured, Considered Doubtful	(11.41)	(11.54)
	411.08	658.50



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Trade Receivables include:

- Pass through amounts representing dues from clients and exchanges towards transactions not fully settled as at the reporting date of Stock and Securities Broking Business.
- Amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity of Stock and Securities Broking Business.

Ageing Schedule of Trade Receivables is as follows:

(₹ crore)

As at 31 st March 2023	Unbilled	Not Due	Outstanding for the following periods from the Due Date of Payment					Total
			Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables – Considered Good	23.08	6.97	378.04	0.25	2.64	-	-	410.98
(ii) Undisputed Trade Receivables – which have significant increase in Credit Risk	-	-	0.89	-	-	-	-	0.89
(iii) Undisputed Trade Receivables – Credit-Impaired	-	-	2.31	1.35	7.54	0.21	-	11.41
(iv) Disputed Trade Receivables – Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit-Impaired	-	-	-	-	-	-	-	-
Sub Total	23.08	6.97	381.24	1.60	10.18	0.21	-	423.28
Less: Impairment Loss Allowances								(12.20)
Trade Receivables								411.08

(₹ crore)

As at 31 st March 2022	Unbilled	Not Due	Outstanding for the following periods from the Due Date of Payment					Total
			Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables – Considered Good	20.13	52.15	580.91	2.21	0.36	3.12	-	658.88
(ii) Undisputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	0.98	1.53	0.21	0.18	2.90
(iii) Undisputed Trade Receivables – Credit-Impaired	-	-	0.39	0.27	0.02	0.28	7.68	8.64
(iv) Disputed Trade Receivables – Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit-Impaired	-	-	-	-	-	-	-	-
Sub Total	20.13	52.15	581.30	3.46	1.91	3.61	7.86	670.42
Less: Impairment Loss Allowances								(11.92)
Trade Receivables								658.50

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 7 LOANS

(Carried at Amortised Cost)

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Loans and Advances of Financing Activities	94,283.97	66,831.65
Inter-Corporate Deposits	-	18.00
Loans against Insurance Policies	405.73	294.06
Others	592.24	362.49
Total - Gross (A)	95,281.94	67,506.20
Less: Impairment Loss Allowances	(1,854.68)	(1,308.06)
Total - Net (A)	93,427.26	66,198.14
(B) Secured		
Secured by Tangible Assets	60,973.61	49,054.31
Covered by Banks/Government Guarantees	3,233.04	3,170.75
Secured by Book Debts, Inventories, Fixed Deposits and Other Working Capital Items	829.38	1,058.77
Unsecured	30,245.91	14,222.37
Total - Gross (B)	95,281.94	67,506.20
Less: Impairment Loss Allowances	(1,854.68)	(1,308.06)
Total - Net (B)	93,427.26	66,198.14
(C) i. Loans In India		
Public Sector	419.07	424.09
Others	94,862.87	67,082.11
Total - Gross (C) (i)	95,281.94	67,506.20
Less: Impairment Loss Allowances	(1,854.68)	(1,308.06)
Total - Net (C) (i)	93,427.26	66,198.14
ii. Loans Outside India		
Less: Impairment Loss Allowances	-	-
Total - Net (C) (ii)	-	-
Total - Net (C) (i) and (ii)	93,427.26	66,198.14

NOTE: 8A INVESTMENTS OF LIFE INSURANCE POLICYHOLDERS'

(₹ crore)			
Particulars	As at 31 st March 2023		As at 31 st March 2022
A. Carried at Amortised Cost			
Quoted			
Investments in Government or Trust Securities		17,651.88	12,134.08
Investments in Debentures	7,091.38		5,950.20
Less: Impairment Loss Allowances for Investments in Debentures	(4.76)	7,086.62	(3.79)
Investments - Others		417.04	977.23
Unquoted			
Investments - Others		10.29	-
B. Carried at Fair Value through Other Comprehensive Income			
Quoted			
Investments in Government or Trust Securities		4,618.67	3,495.28
Investments in Debentures	4,322.63		3,562.98
Less: Impairment Loss Allowances for Investments in Debentures	(2.45)	4,320.18	(1.84)
Investments - Others	94.48		411.55
Less: Impairment Loss Allowances for Other Investments	-	94.48	-
Unquoted			
Investments - Others		-	5.31



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
C. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Equity Instruments	2,541.91	1,729.96
Unquoted		
Investments in Equity Instruments	202.78	196.99
	36,943.85	28,457.95
Investments in India	36,943.85	28,457.95
Investments outside India	-	-

NOTE: 8B INVESTMENTS OF LIFE INSURANCE SHAREHOLDERS'

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
A. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	1,218.63	1,000.17
Investments in Debentures	1,870.68	1,809.30
Less: Impairment Loss Allowances for Investments in Debentures	(2.68)	(2.43)
Investments in Equity Instruments	75.31	91.99
Investments - Others	3.49	78.86
Less: Impairment Loss Allowances for Investments in Others	-	-
Unquoted		
Investments in Equity Instruments	0.85	0.83
B. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Debentures/Bonds	52.61	25.86
Investments in Equity Instruments	82.75	9.93
Unquoted		
Investments in Mutual Funds	1.27	28.50
	3,302.91	3,043.01
Investments in India	3,302.91	3,043.01
Investments outside India	-	-

NOTE: 9A INVESTMENTS OF HEALTH INSURANCE POLICYHOLDERS'*

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
A. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	-	848.04
Investments in Debentures/Bonds	-	266.11
Less: Impairment Loss Allowances for Investments in Debentures/Bonds	-	(1.66)
B. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Mutual Funds	-	78.30
	-	1,190.79
Investments in India	-	1,190.79
Investments outside India	-	-

* Refer Note No. 58

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 9B INVESTMENTS OF HEALTH INSURANCE SHAREHOLDERS^{1#}

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
A. Carried at Amortised Cost		
Unquoted		
Investments in Fixed Deposits	-	2.57
B. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	-	294.09
Investments in Debentures/Bonds	-	32.76
C. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Mutual Funds	-	20.01
	-	349.43
Investments in India	-	349.43
Investments outside India	-	-

Refer Note No. 58

NOTE: 10 OTHER INVESTMENTS

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
A. Carried at Amortised Cost		
Debentures/Bonds	310.19	137.70
Investments in Security Receipts	13.09	-
B. Carried at Fair Value through Other Comprehensive Income		
Equity Instruments	3.08	2.35
C. Carried at Fair Value through Profit or Loss		
Equity Instruments	0.35	0.45
Government Securities	2,595.68	471.38
Debentures/Bonds	1,257.32	1,538.60
Mutual Funds	580.51	394.73
Others:		
Preference Shares	35.00	35.00
Investments in Security Receipts	510.19	382.09
Investments in Alternate Funds	21.08	81.92
	5,326.49	3,044.22
Investments in India	5,326.49	3,044.22
Investments outside India	-	-



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 11 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS

(Carried at Fair Value through Profit or Loss)

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Quoted		
Mutual Funds	337.79	598.40
Equity Instruments	13,795.91	13,028.13
Government or Trust Securities	7,987.30	7,012.11
Debentures	6,939.60	7,789.91
Other Investments	1,314.19	1,855.99
Other Assets	(39.81)	(165.49)
Unquoted		
Other Investments	170.81	41.00
	30,505.79	30,160.05
Investments in India	30,505.79	30,160.05
Investments outside India	-	-

NOTE: 12 OTHER FINANCIAL ASSETS

(Carried at Amortised Cost, except otherwise stated)

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Security Deposits		
Unsecured	133.68	102.27
Less: Impairment Loss Allowances	(0.02)	(0.74)
Reinsurance Assets	1,274.94	1,256.79
Unclaimed Fund of Policyholders'	197.52	256.69
Other Receivables	179.30	125.58
	1,785.42	1,740.59

NOTE: 13 DEFERRED TAX

Deferred Tax Assets

(₹ crore)							
Particulars	As at 1 st April 2021	Movement P&L	Movement OCI	As at 31 st March 2022	Movement P&L	Movement OCI	As at 31 st March 2023
Expected Credit Loss Allowances	260.50	23.72	-	284.22	177.33	-	461.55
Employee Benefits Provisions and Other Provisions	41.68	(2.62)	(8.06)	31.00	(24.34)	(4.25)	2.41
Others	7.42	3.15	(1.36)	9.21	3.56	-	12.77
Total	309.60	24.25	(9.42)	324.43	156.55	(4.25)	476.73

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Deferred Tax Liabilities

(₹ crore)							
Particulars	As at 1 st April 2021	Movement P&L	Movement OCI	As at 31 st March 2022	Movement P&L	Movement OCI	As at 31 st March 2023
Equity Shares of Subsidiary Companies	98.82	-	-	98.82	-	-	98.82
Deferred Tax on Undistributed Earnings	219.60	16.99	-	236.59	33.79	-	270.38
Fair Value Changes of Investments	48.33	9.21	(8.42)	49.12	4.35	(14.01)	39.46
Deferred Tax on Re-measurement of Gains/ (Losses) on Defined Benefit Plans and Others	(0.86)	(0.46)	(0.03)	(1.35)	0.54	0.07	(0.74)
Investment Property	0.02	(0.11)	-	(0.09)	(0.13)	-	(0.22)
Others	(6.54)	(2.79)	0.01	(9.32)	3.16	-	(6.16)
Total	359.37	22.84	(8.44)	373.77	41.71	(13.94)	401.54

NOTE: 14 INVESTMENT PROPERTY

(₹ crore)	
Particulars	Amount
Gross Carrying Value	
As at 1 st April 2021	16.87
As at 31 st March 2022	16.87
As at 31 st March 2023	16.87
Accumulated Depreciation	
As at 1 st April 2021	1.63
For the Year	0.43
As at 31 st March 2022	2.06
For the Year	0.44
As at 31 st March 2023	2.50
Net Block as at 31 st March 2022	14.81
Net Block as at 31 st March 2023	14.37

Note: Refer Note No. 62(1) for Valuation details

NOTE: 15 PROPERTY, PLANT AND EQUIPMENT

(₹ crore)								
Particulars	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Gross Block								
As at 1 st April 2021	0.15	2.76	35.09	19.62	121.04	22.79	36.89	238.34
Additions	-	-	14.41	3.93	19.70	6.89	16.49	61.42
Deletions	-	-	10.30	1.34	10.04	3.86	10.69	36.23
As at 31 st March 2022	0.15	2.76	39.20	22.21	130.70	25.82	42.69	263.53
Additions	-	-	22.23	32.63	27.06	12.43	21.20	115.55
Deletions	-	-	11.77	3.68	9.54	8.54	13.04	46.57
Derecognition - on account of Conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture	-	-	17.93	-	32.92	2.98	4.75	58.58
As at 31 st March 2023	0.15	2.76	31.73	51.16	115.30	26.73	46.10	273.93



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

								(₹ crore)
Particulars	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Accumulated Depreciation								
As at 1st April 2021	-	0.20	19.35	14.85	68.27	12.43	21.03	136.13
For the Year	-	0.05	6.35	3.14	24.39	3.83	7.53	45.29
Deletions	-	-	9.91	1.33	9.85	3.51	7.72	32.32
As at 31st March 2022	-	0.25	15.79	16.66	82.81	12.75	20.84	149.10
For the Year	-	0.05	10.03	8.57	20.45	6.98	8.17	54.25
Deletions	-	-	11.41	3.67	9.30	8.03	8.92	41.33
Derecognition - on account of Conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture	-	-	8.69	-	23.55	1.99	1.48	35.71
As at 31st March 2023	-	0.30	5.72	21.56	70.41	9.71	18.61	126.31
Net Block as at 31st March 2022	0.15	2.51	23.41	5.55	47.89	13.07	21.85	114.43
Net Block as at 31st March 2023	0.15	2.46	26.01	29.60	44.89	17.02	27.49	147.62

Note: Disputed immovable property held in the name of Subsidiary Company - Aditya Birla Money Limited.

The Group has a land of ₹ 0.15 Crore in the name of Apollo Sindhoori Capital Investments Limited (currently known as Aditya Birla Money Limited), and the title is under dispute. The Management expects a favourable outcome in this matter.

NOTE: 16 GOODWILL

		(₹ crore)
Particulars		Amount
As at 1st April 2021		570.04
Impairment of Goodwill		0.01
As at 31st March 2022		570.03
Derecognition of Goodwill pertaining to Health Insurance Business CGU on account of Conversion from Subsidiary to Joint Venture		15.20
As at 31st March 2023		554.83

Note:

- a) Carrying Value of Goodwill pertaining to Life Insurance Business CGU as on 31st March 2023 is ₹ 306.68 Crore (31st March 2022 is ₹ 306.68 Crore). Recoverable amount for units is based on fair value less cost of disposal calculated based on comparable company multiple.

An analysis of the sensitivity of the computation to a change in key parameters (market multiples), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

- b) Carrying Value of Goodwill pertaining to Stock and Securities CGU as on 31st March 2023 is ₹ 183.64 Crore (31st March 2022 is ₹ 183.64 Crore).

Recoverable amount for units is based on discounted cash flow method under income approach.

Key Assumptions	31 st March 2023	31 st March 2022
Discount Rate	14.75%	13.50%
Terminal Growth Rate	5.00%	5.00%

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 17 OTHER INTANGIBLE ASSETS

		(₹ crore)
Particulars		Computer Software
Gross Block		
As at 1st April 2021		495.23
Additions		131.14
Deletions		3.85
As at 31st March 2022		622.52
Additions		124.00
Deletions		6.47
Derecognition - on account of Conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture		187.15
As at 31st March 2023		552.90
Accumulated Amortisation		
As at 1st April 2021		263.66
For the Year		103.10
Deletions		3.19
As at 31st March 2022		363.57
For the Year		108.31
Deletions		5.22
Derecognition - on account of Conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture		82.10
As at 31st March 2023		384.56
Net Block as at 31st March 2022		258.95
Net Block as at 31st March 2023		168.34

All intangibles are other than internally generated.

NOTE: 18 OTHER NON-FINANCIAL ASSETS

(Unsecured, except otherwise stated)

			(₹ crore)
Particulars	As at 31 st March 2023	As at 31 st March 2022	
Capital Advances	18.58	10.41	
GST, Other Taxes Recoverable, Statutory Deposits and Dues from Government			
Considered Good	66.38	84.51	
Considered Doubtful	0.89	0.96	
Less: Impairment Loss Allowances	(0.89)	(0.96)	
Advance for Expenses	6.35	20.59	
Deferred Acquisition Costs	1.38	2.58	
Prepaid Expenses	88.08	96.15	
Gratuity Assets Receivables	136.31	140.96	
Others	77.28	58.32	
	394.36	413.52	



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 19 TRADE PAYABLES

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises (MSME)	24.97	28.30
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1,381.60	856.14
	1,406.57	884.44

Note:

This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Following is the Ageing Schedule of Trade Payables:

As at 31 st March 2023	Unbilled	Not Due	Outstanding for the following periods from the Due Date of Payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Dues - MSME	1.49	-	22.09	0.72	0.44	0.23	24.97
(ii) Undisputed Dues - Others	597.11	-	763.43	8.68	5.35	7.03	1,381.60
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	598.60	-	785.52	9.40	5.79	7.26	1,406.57

As at 31 st March 2022	Unbilled	Not Due	Outstanding for the following periods from the Due Date of Payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Dues - MSME	0.05	0.50	26.94	0.52	0.25	0.04	28.30
(ii) Undisputed Dues - Others	208.53	4.66	594.79	26.73	15.69	5.74	856.14
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	208.58	5.16	621.73	27.25	15.94	5.78	884.44

NOTE: 20 DEBT SECURITIES

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Secured		
(At Amortised Cost)		
Debentures	18,524.73	14,391.22
(Designated at Fair Value through Profit or Loss)		
Debentures	944.53	249.54
	19,469.26	14,640.76
Unsecured		
(At Amortised Cost)		
Debentures	161.00	237.84
Commercial Papers	7,614.60	3,944.69
	7,775.60	4,182.53
	27,244.86	18,823.29
In India	27,244.86	18,823.29
Outside India	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 21 BORROWINGS (OTHER THAN DEBT SECURITIES)

(At Amortised Cost)

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Secured		
Term Loans from		
Banks	45,658.23	27,326.86
Others	0.42	3.62
External Commercial Borrowings from Foreign Banks	1,950.22	2,795.94
Loans Repayable on Demand from Banks	5,409.27	5,767.60
Collateralised Borrowings and Lending Obligations (CBLO) against Government Securities	200.03	-
	53,218.17	35,894.02
Unsecured		
Loans from Others	596.72	21.53
Loans Repayable on Demand/Term Loans from Banks	0.58	15.82
	597.30	37.35
	53,815.47	35,931.37
In India	51,865.25	33,135.43
Outside India	1,950.22	2,795.94

NOTE: 22 SUBORDINATED LIABILITIES

(At Amortised Cost)

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Preference Shares Issued by Subsidiary Companies	11.20	11.00
Subordinated Liabilities and Others	3,249.24	3,286.25
	3,260.44	3,297.25
In India	3,110.50	3,147.31
Outside India	149.94	149.94

Repayment Terms and Interest Rate of Borrowings are as under:

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
A Debt Securities		
Secured Debentures		
Redeemable Non-Convertible Debentures are secured by way of mortgage on the immovable property and first pari-passu charge on certain financial assets of the respective subsidiaries:		
The repayment terms and rate of interest of debentures are as under:		
Repayment Terms: Maturing within 1 year, Rate of Interest 5.11% to 9.30% per annum	3,389.60	3,311.29
Repayment Terms: Maturing between 1 and 3 years, Rate of Interest 5.12% to 8.90% per annum	8,257.94	5,700.26
Repayment Terms: Maturing after 3 years, Rate of Interest 6.70% to 9.15% per annum	7,553.46	5,536.99
Repayment linked to the receipt of distribution amount from redemption of Security Receipts (SR), against which the debentures are issued, Rate of Interest 11.50% per annum	268.26	92.22
Unsecured Debentures		
Repayment Terms: Maturing after 3 years, Rate of Interest 7.57% per annum	161.00	109.60
Repayment linked to the receipt of distribution amount from redemption of Security Receipts (SR), against which the debentures are issued, Rate of Interest 11.50% per annum.	-	128.24
Commercial Papers		
Commercial Papers: Rate of Interest 4.45% to 8.40% per annum	7,614.60	3,944.69



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
B Borrowings (Other than Debt Securities)		
Secured Rupee Term Loans from Banks		
The term loans from banks are secured by way of first pari-passu charge on the receivables of the respective subsidiaries.		
The repayment terms and rate of interest of term loans are as under:		
Repayment Terms: Maturing upto 5 years, Rate of Interest 2.94% to 10.00% per annum	39,748.35	26,578.19
Repayment Terms: Maturing after 5 years, Rate of Interest 2.94% to 9.00% per annum	5,909.88	1,912.69
External Commercial Borrowings from Foreign Banks		
The term loans from banks are secured by way of first pari-passu charge on the receivables of the respective subsidiaries.		
The repayment terms and rate of interest of term loans are as under:		
Repayment Terms: Maturing up to 5 years, Rate of Interest 7.00% to 9.00% per annum	924.10	1,781.90
Repayment Terms: Maturing after 5 years, Rate of Interest 7.00% to 9.00% per annum	1,026.12	1,014.04
Secured Loans Repayable on Demand		
Working Capital Demand Loans secured by way of first pari-passu charge on receivables of the respective subsidiaries - Rate of Interest 7.0% to 8.0% per annum	3,814.09	2,279.00
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 are same as applicable to cash credit facilities.	1,595.18	2,333.52
Term Loans from Others		
Repayment Terms: Quarterly Installments from 1 st April 2023 till 1 st January 2024 with interest rate 10.21% per annum	0.42	3.62
Collateralised Borrowings and Lending Obligations (CBLO) against Government Securities	200.03	-
Unsecured Rupee Term Loans from Others		
Repayment Terms: Quarterly Installments from 1 st April 2023 till 30 th September 2027 with interest ranging from 7.75% to 10.68% per annum	596.72	21.53
Unsecured Loans Repayable on Demand from Banks/Term Loans	0.58	6.89
C Subordinated Liabilities		
The Repayment Terms and Rate of Interest of Sub-Debts are as under:		
Subordinate Debts: Debentures 7.43% to 9.85% per annum (Redeemable from June 2023 to December 2031)	3,249.24	3,286.25

NOTE: 23 POLICYHOLDERS' LIABILITIES (LIFE INSURANCE CONTRACT LIABILITIES AND RESTRICTED SURPLUS)

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Insurance Contract Liabilities	49,520.24	43,254.25
Investment Contract Liabilities	19,287.31	16,386.38
Fair Value Changes of Policyholders' Investments		
Fair Value through Profit and Loss	118.80	177.77
Fair Value through Other Comprehensive Income	95.70	222.18
Policyholders' Fund Other Changes		
Fair Value through Profit and Loss	8.17	8.07
Fair Value through Other Comprehensive Income	45.95	56.26
Amortised Cost (Others)	13.77	4.13
Incurred But Not Reported (IBNR) Provisions	-	108.97
Unexpired Premium Reserves	-	654.40
Freelook Reserves (Net)	-	0.97
	69,089.94	60,873.38

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 24 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Margin Money from Customers	630.80	521.95
Deposits	7.48	7.95
Dues to Life Insurance Policyholders'	1,272.70	1,291.23
Payable Related to Employees	411.88	310.13
Claims Outstanding of Health insurance Business	-	39.18
Payable for Capex Creditors	1.62	3.69
Others	238.26	339.55
	2,562.74	2,513.68

NOTE: 25 PROVISIONS

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Provisions for Employee Benefits	242.23	314.96
Others		
Provision on Corporate Guarantees	0.62	0.52
Other Provisions	21.19	16.17
	264.04	331.65
Movement of Other Provisions		
Balance at the beginning of the year	16.17	4.29
Add: Provision during the year	5.02	11.88
Balance at the end of the year	21.19	16.17

Nature of Provision:

The provision is for anticipated liability, which is made on the basis of the Management expectation as expected timing of any resulting outflow of economic benefits is uncertain.

NOTE: 26 OTHER NON-FINANCIAL LIABILITIES

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Income Received in Advance	70.93	187.20
Statutory Dues	197.35	193.94
Dues to Other Health Insurance Companies	-	83.61
Others	3.90	25.65
	272.18	490.40



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 27 SHARE CAPITAL

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
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		
2,417,994,042 (Previous Year: 2,416,311,986) Equity Shares of ₹ 10/- each, fully paid-up	2,417.99	2,416.31
	2,417.99	2,416.31

1) Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the Year

Sr. No.	Description	As at 31 st March 2023	As at 31 st March 2022
		Equity Shares	Equity Shares
1	Number of Shares Outstanding at the beginning of the Year	2,416,311,986	2,415,277,978
2	Allotment of Fully Paid-up Shares during the Year	1,682,056	1,034,008
	a) Employee Stock Options Plan (Refer Note No. 47)	1,501,345	734,293
	b) ABCL ESOP 2017 (Refer Note No. 47)	180,711	299,715
3	Number of Shares Outstanding at the end of the Year	2,417,994,042	2,416,311,986

2) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the Equity Shares held by the shareholders.

3) Equity Shares in the Company held by each shareholder holding more than 5 per cent Shares and the number of Equity Shares held are as under:

Equity Shares

Sr. No.	Name of the Shareholder	Year ended 31 st March 2023		Year ended 31 st March 2022	
		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	54.15%	1,309,240,000	54.18%
2	Birla Group Holdings Private Limited	184,506,156	7.63%	184,506,156	7.64%

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

4) The Number of Shares Held in the Company by each Promoter is as under:

Equity Shares

Sr. No.	Name of the Promoter	Year ended 31 st March 2023			Year ended 31 st March 2022	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	% Change during the Year	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.15%	-0.04%	1,309,240,000	54.18%
2	Birla Group Holdings Private Limited	184,506,156	7.63%	-0.01%	184,506,156	7.64%
3	IGH Holdings Private Limited	53,692,810	2.22%	0.00%	53,692,810	2.22%
4	Hindalco Industries Limited	39,511,455	1.63%	0.00%	39,511,455	1.64%
5	Umang Commercial Company Private Limited	37,444,766	1.55%	0.00%	37,444,766	1.55%
6	Pilani Investment and Industries Corporation Limited	33,601,721	1.39%	0.00%	33,601,721	1.39%
7	PT Indo Bharat Rayon	28,005,628	1.16%	0.00%	28,005,628	1.16%
8	Surya Kiran Investments Pte Limited	22,507,000	0.93%	0.00%	22,507,000	0.93%
9	Thai Rayon Public Company Limited	2,695,000	0.11%	0.00%	2,695,000	0.11%
10	PT Sunrise Bumi Textiles	1,776,250	0.07%	0.00%	1,776,250	0.07%
11	PT Elegant Textile Industry	1,132,250	0.05%	0.00%	1,132,250	0.05%
12	Birla Institute of Technology and Science	925,687	0.04%	0.00%	925,687	0.04%
13	Ms. Rajashree Birla	773,989	0.03%	0.00%	773,989	0.03%
14	ECE Industries Limited	471,931	0.02%	0.00%	471,931	0.02%
15	Renuka Investments & Finance Limited	339,059	0.01%	0.00%	339,059	0.01%
16	Ms. Vasavadatta Bajaj	165,951	0.01%	0.00%	165,951	0.01%
17	Aditya Vikram Kumarmangalam Birla HUF	125,608	0.01%	0.00%	125,608	0.01%
18	Birla Industrial Finance (India) Limited	122,479	0.01%	0.00%	122,479	0.01%
19	Birla Consultants Limited	122,334	0.01%	0.00%	122,334	0.01%
20	Ms. Neerja Birla	102,286	0.00%	0.00%	102,286	0.00%
21	Mr. Kumar Mangalam Birla	51,790	0.00%	0.00%	51,790	0.00%
22	Birla Industrial Investments (India) Limited	26,119	0.00%	0.00%	26,119	0.00%
23	Vikram Holdings Private Limited	1,050	0.00%	0.00%	1,050	0.00%
24	Vaibhav Holdings Private Limited	938	0.00%	0.00%	938	0.00%
25	Rajratna Holdings Private Limited	938	0.00%	0.00%	938	0.00%

5) During the last five years no Bonus Shares were issued.

6) Details of the Shares reserved for issue under Employee Stock Options Plan (ESOP) of the Company is disclosed in Note No. 47.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 28 OTHER EQUITY

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
1) Special Reserve^(a)		
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	1,310.79	998.18
Opening Balance		
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	339.03	312.61
	1,649.82	1,310.79
Special Reserve u/s 29C of National Housing Bank Act, 1987		
Opening Balance	5.43	3.29
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	6.65	2.14
	12.08	5.43
Reserve u/s 36(1)(viii) of the Income-tax Act, 1961		
Opening Balance	105.22	67.91
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	41.52	37.31
	146.74	105.22
	1,808.64	1,421.44
2) Capital Reserve	48.40	48.40
3) Securities Premium Reserve^(b)		
Opening Balance	6,087.06	6,076.48
Addition during the Year	22.85	10.58
	6,109.91	6,087.06
4) Capital Fund	0.01	0.01
5) Debenture Redemption Reserve		
Opening Balance	25.50	7.65
Addition:		
Transfer from Surplus in Profit and Loss Account	-	17.85
	25.50	25.50
6) Share Options Outstanding Account		
Opening Balance	192.21	173.82
Addition:		
Charge for the Period	59.81	35.09
Deduction:		
Transfer to General Reserve on account of Lapse of Vested Options	(3.40)	(7.60)
Transfer to Securities Premium on Exercise of Options	(15.62)	(8.79)
Others	-	(0.31)
	233.00	192.21
7) Surplus in Profit and Loss Account		
Opening Balance	5,184.48	3,852.62
Addition:		
Profit for the Year	4,795.77	1,705.97
Other Comprehensive Income/(Losses) for the Year arising from Re-measurement Gains/(Losses) on Defined Benefit Plans	4.13	3.28
Share of Associates/Joint Ventures in Other Comprehensive Income	(0.05)	1.35
Reclassification of Gain/Loss on Sale of FVOCI Equity Instruments	2.53	(2.53)
Others including Subvention Money Received	(9.54)	3.41
Deduction:		
Transfer to General Reserve	-	(17.06)
Transfer to Special Reserve	(387.20)	(352.06)
Transfer to Debenture Redemption Reserve	-	(10.50)
	9,590.12	5,184.48

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
8) General Reserve^(c)		
Opening Balance	54.21	29.55
Addition:		
Transfer to Surplus in Profit and Loss	-	17.06
Transfer from Share Options Outstanding Account on account of Lapse of Vested Options	3.40	7.60
	57.61	54.21
9) Fair Value through Other Comprehensive Income^(d)		
Opening Balance	57.15	63.79
Addition:		
- Fair Value Gain/(Loss) on Fair Value through Other Comprehensive Income (FVTOCI) Financial Assets and Cash Flow Hedges	(47.35)	(6.64)
	9.80	57.15
10) Foreign Currency Translation Reserve		
Opening Balance	5.22	4.22
Addition during the Year	3.37	1.00
	8.59	5.22
11) Share Application Money Pending Allotment		
Opening Balance	0.12	1.38
Add: Addition during the Year	1.06	-
Less: Application Money Received	-	(1.26)
	1.18	0.12
Total Other Equity	17,892.76	13,075.80

(a) Special Reserve

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the “RBI Act”). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

As per Section 29C(i) of the National Housing Bank Act, 1987, the Housing Finance subsidiary of the Company is required to transfer at least 20 per cent of its net profit every year to a reserve, before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of the Income-tax Act, 1961, is considered to be an eligible transfer.

(b) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) General Reserve

General Reserve is created by appropriation from profits of the current year and/or undistributed profits of previous years. There is no policy for regular transfer. As the general reserve is created by a transfer from one component of equity to another, and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(d) Fair Value through Other Comprehensive Income - Reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised/sold. In case of debt instruments, the same is reclassified to profit and loss when the relevant debt instruments are derecognised/sold.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 29 INTEREST INCOME

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest on Loans		
On Financial Assets Measured at Amortised Cost	8,966.79	6,620.82
Interest Income from Investments		
On Financial Assets Measured at Fair Value through OCI	244.01	219.51
On Financial Assets Measured at Amortised Cost	89.75	45.30
On Financial Assets Classified at Fair Value through Profit or Loss	168.06	90.90
Interest on Deposits with Banks		
On Financial Assets Measured at Amortised Cost	28.12	52.55
Interest on Deposits with Others		
On Financial Assets Measured at Amortised Cost	66.43	0.45
	9,563.16	7,029.53

NOTE: 30 DIVIDEND INCOME

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
On Financial Assets Classified at Fair Value through Profit or Loss	2.92	2.85
	2.92	2.85

NOTE: 31 NET GAIN ON FAIR VALUE CHANGES

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Net Gain/(Loss) on Financial Instruments at Fair Value through Profit or Loss		
On Trading Portfolio		
Equity Investments at FVTPL	74.82	51.59
Debt Instruments at FVTPL	38.67	26.90
Net Gain/(Loss) on Financial Instruments at Fair Value through OCI		
Debt Instruments at FVTOCI	0.28	3.10
Others		
Gain/(Loss) on Sale of FVTOCI Debt Instruments	0.58	3.93
	114.35	85.52
Fair Value Changes:		
Realised	157.38	57.83
Unrealised	(43.03)	27.69
	114.35	85.52

NOTE: 32 OTHER INCOME

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest Income - Others	8.43	1.82
Gain on account of Fair Value of Investment in Health Insurance Business on Conversion from Subsidiary to Joint Venture. (Refer Note No. 58)	2,739.07	-
Profit/(Loss) on Sale of Property, Plant and Equipment	0.19	(0.02)
Miscellaneous Income	37.99	9.64
	2,785.68	11.44

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 33 FINANCE COSTS

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest on Financial Liabilities Measured at Amortised Cost		
Debt Securities	1,623.58	1,356.92
Borrowings other than Debt Securities	2,869.56	1,877.23
Subordinated Liabilities	207.68	223.33
Other Borrowing Costs	5.09	7.18
Finance Costs - Lease Liabilities (Refer Note No. 42)	16.09	14.87
	4,722.00	3,479.53

NOTE: 34 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
On Loans Held at Amortised Cost	975.59	718.02
On Trade Receivables	5.50	12.21
	981.09	730.23

NOTE: 35 EMPLOYEE BENEFITS EXPENSES

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Salaries and Wages	1,032.63	797.51
Contribution to Provident and Other Funds (Refer Note No. 46)	38.77	30.17
Contribution to Gratuity Funds (Refer Note No. 46)	12.12	11.93
Expenses on Employee Stock Options Scheme (Refer Note No. 47)*	25.84	5.15
Staff Welfare Expenses	30.71	22.83
	1,140.07	867.59

* ESOP charges are net of recovery of ESOP expense from Associate and Joint Venture Companies.

NOTE: 36 DEPRECIATION AND AMORTISATION EXPENSES

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Depreciation of Property, Plant and Equipment	34.20	25.84
Depreciation on Investment Property	0.44	0.43
Amortisation of Intangible Assets	56.66	51.20
Amortisation of Lease Assets (Refer Note No. 42)	53.53	44.44
	144.83	121.91



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 37 OTHER EXPENSES

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Rent	10.86	13.88
Repairs and Maintenance - Buildings	0.92	0.72
Repairs and Maintenance - Others	45.25	34.77
Insurance	49.06	35.07
Rates and Taxes	5.08	4.73
Advertisement and Sales Promotion Expenses	20.01	13.92
Legal and Professional Expenses (including Collection Cost)	304.37	144.65
Travelling and Conveyance	38.28	14.81
Printing and Stationery	7.31	4.93
Communication Expenses	13.86	10.08
Electricity Charges	8.11	6.21
Information Technology Expenses	77.08	47.99
Miscellaneous Expenses	202.52	140.70
	782.71	472.46

NOTE: 38 OTHER COMPREHENSIVE INCOME

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
A Relating to Revenue Account of Life Insurance Policyholders'		
(i) Items that will not be reclassified to Profit or Loss		
Re-measurement of Post-Employment Benefits Obligations	(2.70)	(3.47)
	(2.70)	(3.47)
Transferred to Policyholders' Fund in the Balance Sheet	2.70	3.47
	-	-
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Values of FVTOCI Debt Instruments	(181.88)	(129.46)
Cash Flow Hedges	55.40	(53.42)
	(126.48)	(182.88)
Transferred to Policyholders' Fund in the Balance Sheet	126.48	182.88
	-	-
B Relating to Revenue Account of Health Insurance Policyholders'		
(i) Items that will not be reclassified to Profit or Loss		
Re-measurement of Post-Employment Benefit Obligations	0.36	(0.59)
	0.36	(0.59)
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Values of FVTOCI Debt Instruments	(35.96)	(14.03)
	(35.96)	(14.03)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
C Relating to Others		
(i) Items that will not be reclassified to Profit or Loss		
Re-measurement of Post-Employment Benefit Obligations	5.57	6.32
Changes in Fair Value of FVTOCI Equity Instruments	(5.46)	(0.59)
Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting	(0.05)	0.36
	0.06	6.08
Income Tax relating to items that will not be reclassified to Profit or Loss		
Income Tax Relating to Re-measurement of Post-Employment Benefit Obligations	(1.44)	(1.60)
Income Tax Relating to Changes in Fair Values of FVTOCI Equity Instruments	0.72	0.06
	(0.72)	(1.54)
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Values of FVTOCI Debt Instruments	(96.47)	(57.51)
Cash Flow Hedges	11.26	31.18
Share of Foreign Currency Translation Reserve (FCTR) and FVTOCI Debt Instruments of Associate Companies accounted for using Equity Method of Accounting	8.92	1.00
	(76.29)	(25.33)
Income Tax relating to items that will be reclassified to Profit or Loss		
Income Tax Effect - Net Movement on FVTOCI Debt Instruments	13.09	7.56
Income Tax Effect - Net Movement on Cash Flow Hedges	(2.83)	(7.86)
	10.26	(0.28)
Other Comprehensive Income	(102.29)	(35.69)

NOTE: 39 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 - EARNINGS PER SHARE

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Earnings Per Share (EPS) is calculated as under:		
Weighted-Average Number of Equity Shares for calculation of Basic EPS (A)	2,416,787,413	2,415,907,318
Add: Dilutive Impact of Employee Stock Options	9,486,527	2,459,566
Weighted-Average Number of Equity Shares for calculation of Diluted EPS (B)	2,426,273,940	2,418,366,884
Nominal Value of Shares (₹)	10.00	10.00
Profit Attributable to Equity Holders of the Parent: (C)	4,795.77	1,705.97
Basic EPS (₹) (C/A)	19.84	7.06
Diluted EPS (₹) (C/B)	19.77	7.05



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 40 CONTINGENT LIABILITIES NOT PROVIDED FOR

A) Claims against the Company not Acknowledged as Debts

		(₹ crore)	
Nature of the Statute	Brief Description of Contingent Liabilities	As at 31 st March 2023	As at 31 st March 2022
Goods and Services Tax Act, 2017/Service Tax	Various cases pertaining to indirect taxes like disallowance of CENVAT, credit of Service Tax and show cause-cum-demand notices relating to Service Tax	64.22	63.83
Income-tax Act, 1961	Various cases pertaining to demand in tax assessment for various years	42.23	71.76
Others Statutes	Claims pending in Consumer Redressal Forums, Lok Adalat, National Commission, Motor Accidental Claims Tribunal, Arbitrator, other Courts/ Authorities, other legal matters and claims against the Company not acknowledged as debts	102.13	95.05
Grand Total		208.58	230.64

B) Corporate Guarantees given by the Group

2,138.34 1,614.92

- i) Includes Corporate Guarantees given to the National Housing Bank on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 3,500 Crore upto 31st March 2023 (Previous Year as at 31st March 2022 ₹ 2,500 Crore), against which the amount outstanding in the books of ABHFL as at 31st March 2023 is ₹ 2,057.71 Crore (Previous Year as at 31st March 2022 ₹ 1,498.73 Crore). As per the terms of the Guarantee, the Company's liability is capped at the outstanding amount on invocation.
- ii) Includes Corporate Guarantees given by the Subsidiaries on behalf of its clients of ₹ 80.08 Crore as at 31st March 2023 (Previous Year as at 31st March 2022 ₹ 115.34 Crore).

NOTE: 41 CAPITAL AND OTHER COMMITMENTS

		(₹ crore)	
Particulars		As at 31 st March 2023	As at 31 st March 2022
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)		57.86	92.31
b) Uncalled Liabilities on Shares and other Investments partly paid		289.73	282.43
c) Undisbursed commitments where Aditya Birla Finance Limited does not have an unconditional right to cancel the undrawn/ unavailed/unused portion of the loan at any time during the subsistence of the loan - ₹ Nil.			
d) The sanctioned but undisbursed amount of Aditya Birla Housing Finance Limited stands at ₹ 1,449.96 Crore (31 st March 2022 ₹ 924.94 Crore).			

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 42 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 116 (INDAS 116) - LEASES - IS AS UNDER

Following are the changes in the carrying value of Right-of-Use Assets for the year ended 31st March 2023:

		(₹ crore)
Particulars		ROU Assets Leasehold Premises
Gross Carrying Value		
Balance as at 1 st April 2021		519.79
Additions		131.46
Deletions		65.45
Balance as at 31 st March 2022		585.80
Additions		211.96
Deletions		61.00
Balance as at 31 st March 2023		736.76
Accumulated Amortisation		
As at 1 st April 2021		180.05
Additions		85.47
Deletions		26.89
Balance as at 31 st March 2022		238.63
Additions		90.81
Deletions		13.33
Balance as at 31 st March 2023		316.11
Net Carrying Value as at 31 st March 2022		347.17
Less: Adjustment of Lease of Aditya Birla Health Insurance Co. Limited on account of conversion from Subsidiary to Joint Venture		27.07
Net Carrying Value as at 31 st March 2023		393.58

Amounts Recognised in the Statement of Profit and Loss

		(₹ crore)
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Amortisation Expenses on Right-of-Use Assets	90.81	85.47
Interest Expenses on Lease Liabilities	28.04	28.23
Expenses Relating to Short-Term Leases	2.98	3.83
Expenses Relating to Leases of Low Value Assets	24.73	14.63
Income from Sub-Leasing Right-of-Use Assets	13.65	5.46
Others	19.23	1.33
Gains/(Losses) Arising from Changes in Lease Agreements	(0.44)	0.86

The following is the break-up of Current and Non-Current Lease Liabilities as at 31st March 2023

		(₹ crore)
Particulars	As at 31 st March 2023	As at 31 st March 2022
Current Lease Liabilities	108.54	95.45
Non-Current Lease Liabilities	308.19	278.11
Total	416.73	373.56



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

The following is the Movement in Lease Liabilities during the year ended 31st March 2023

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Balance as at 1 st April 2022	373.56	368.75
Additions	204.25	126.69
Deletions	(53.08)	(45.88)
Finance Cost Accrued during the Period	28.04	28.24
Payment of Lease Liabilities	(105.47)	(104.24)
Less: Adjustment of ABHI's Lease on account of conversion from Subsidiary to Joint Venture	(30.57)	-
Balance as at 31st March 2023	416.73	373.56

The table below provides details regarding the Contractual Maturities of Lease Liabilities as at 31st March 2023 on an undiscounted basis

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Less than one year	105.89	99.11
One to five years	279.52	272.33
More than five years	110.09	77.89
Total	495.50	449.33

The Group does not face any significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE: 43 CAPITAL WORK-IN-PROGRESS (CWIP)/INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD)

(a) Ageing Schedule of Capital Work-in-Progress as on 31st March 2023:

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	8.62	-	-	-	8.62
Projects Temporarily Suspended	-	-	-	-	-

Ageing Schedule of Capital Work-in-Progress as on 31st March 2022:

Particulars	To be Completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	11.63	0.12	-	-	11.75
Projects Temporarily Suspended	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(b) Ageing Schedule of Intangible Assets Under Development as on 31st March 2023:

(₹ crore)

Particulars	Amount in IAUD for a Period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	34.27	1.06	0.09	-	35.42
Projects Temporarily Suspended	-	-	-	-	-

Ageing Schedule of Intangible Assets Under Development as on 31st March 2022:

(₹ crore)

Particulars	To be Completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	29.03	3.82	-	0.02	32.87
Projects Temporarily Suspended	-	-	-	-	-

NOTE: 44 CURRENT INCOME TAX

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Current Income Tax Charges	925.31	623.66
Short/(Excess) Provision for Tax Related to Earlier Years (Net)	0.69	4.40
Deferred Tax:		
Relating to origination and reversal of temporary differences	(114.84)	(1.41)
Income Tax Expenses reported in the Statement of Profit and Loss	811.16	626.65
Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31st March 2023		
Accounting Profit Before Income Tax	5,635.23	2,286.72
At India's Statutory Income Tax Rate of 25.168%	1,418.28	575.52
Short/(Excess) Provision for Tax Related to Earlier Years (Net)	0.69	4.40
Differences other than temporary in nature on account of tax benefits u/s 36 (1)(viii) of the Income-tax Act, 1961.	(9.31)	(7.46)
Income Not Considered for Tax Purpose	(22.28)	(5.54)
Allocation of Bonus to Policyholders	41.37	38.77
Income Taxed at Different Rates	(14.18)	(50.12)
Deferred Tax on undistributed earnings of Subsidiary, Associate and Joint Venture Companies	33.79	16.99
Tax Effect of Share of Associate and Joint Venture Companies	(68.59)	(85.80)
Deferred Tax not created on loss making Companies	42.55	78.78
Tax Impact of Gain on Fair Value of Investments in Health Insurance business not considered for tax	(689.37)	-
Others	78.21	61.11
At the Effective Income Tax Rate of 14.39% (31st March 2022 27.40%)	811.16	626.65

The effective tax rate excluding tax impact of gain on fair value of investments in health insurance business is 28.01% (31st March 2022: 27.40%)



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 45 LIST OF RELATED PARTIES WITH WHOM THE GROUP HAS TRANSACTIONS

Holding Company:

Grasim Industries Limited

Associates and Joint Ventures:

Aditya Birla Sun Life AMC Limited

Aditya Birla Health Insurance Co. Limited (w.e.f. 21st October 2022)

Aditya Birla Sun Life Trustee Private Limited

Aditya Birla Wellness Private Limited

Other Related Parties in which Directors are interested/Other Related Party:

Aditya Birla Management Corporation Private Limited

Olive Bar & Kitchen Private Limited

Umang Commercial Company Private Limited

Fellow Subsidiaries:

UltraTech Cement Limited

Waacox Energy Private Limited

ABREL EPC Limited

Post-Employment Benefit Plans:

Grasim Industries Limited Employee Gratuity Fund

Key Management Personnel:

Mr. Kumar Mangalam Birla (Chairman and Non-Executive Director)

Dr. Santrupt Misra (Non-Executive Director)

Mr. Sushil Agarwal (Non-Executive Director)

Mr. Romesh Sobti (Non-Executive Director) (w.e.f. 14th January 2021)

Mr. Arun Adhikari (Independent Director)

Mr. P. H. Ravikumar (Independent Director)

Mr. S. C. Bhargava (Independent Director)

Ms. Vijayalakshmi R. Iyer (Independent Director)

Ms. Vishakha Mulye (Chief Executive Officer w.e.f. 1st July 2022)

Mr. Ajay Srinivasan (Chief Executive Officer till 30th June 2022)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

During the year ended 31st March 2023, the following transactions were carried out with the Related Parties:

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are interested/Other Related Parties	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Interest Income							
Grasim Industries Limited	2.31	-	-	-	-	-	2.31
	(1.92)	-	-	-	-	-	(1.92)
UltraTech Cement Limited	-	-	1.51	-	-	-	1.51
	-	-	(2.18)	-	-	-	(2.18)
Waacox Energy Private Limited	-	-	3.94	-	-	-	3.94
	-	-	(3.89)	-	-	-	(3.89)
ABREL EPC Limited	-	-	3.39	-	-	-	3.39
	-	-	-	-	-	-	-
Umang Commercial Company Private Limited	-	-	-	1.31	-	-	1.31
	-	-	-	-	-	-	-
Mrs. Vishakha Mulye (Interest on Housing Loan)	-	-	-	-	-	0.18	0.18
	-	-	-	-	-	-	-
TOTAL	2.31	-	8.84	1.31	-	0.18	12.64
	(1.92)	-	(6.07)	-	-	-	(7.99)
Dividend Income							
Aditya Birla Sun Life AMC Limited	-	156.27	-	-	-	-	156.27
	-	(116.64)	-	-	-	-	(116.64)
TOTAL	-	156.27	-	-	-	-	156.27
	-	(116.64)	-	-	-	-	(116.64)
Brokerage/Commission Income							
Aditya Birla Sun Life AMC Limited	-	6.42	-	-	-	-	6.42
	-	(1.15)	-	-	-	-	(1.15)
Aditya Birla Health Insurance Co. Limited	-	2.77	-	-	-	-	2.77
	-	-	-	-	-	-	-
Grasim Industries Limited	0.36	-	-	-	-	-	0.36
	-	-	-	-	-	-	-
UltraTech Cement Limited	-	-	0.26	-	-	-	0.26
	-	-	-	-	-	-	-
Waacox Energy Private Limited	-	-	0.03	-	-	-	0.03
	-	-	-	-	-	-	-
TOTAL	0.36	9.19	0.29	-	-	-	9.84
	-	(1.15)	-	-	-	-	(1.15)
Insurance Income							
Grasim Industries Limited	3.97	-	-	-	-	-	3.97
	(8.08)	-	-	-	-	-	(8.08)
UltraTech Cement Limited	-	-	4.52	-	-	-	4.52
	-	-	(9.54)	-	-	-	(9.54)
TOTAL	3.97	-	4.52	-	-	-	8.49
	(8.08)	-	(9.54)	-	-	-	(17.62)
Rent Income							
Aditya Birla Wellness Private Limited	-	0.41	-	-	-	-	0.41
	-	(0.82)	-	-	-	-	(0.82)
Aditya Birla Sun Life AMC Limited	-	6.60	-	-	-	-	6.60
	-	(0.15)	-	-	-	-	(0.15)



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are interested/Other Related Parties	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Aditya Birla Health Insurance Co. Limited	-	3.81	-	-	-	-	3.81
	-	-	-	-	-	-	-
TOTAL	-	10.82	-	-	-	-	10.82
	-	(0.97)	-	-	-	-	(0.97)
Sale of Services							
Aditya Birla Sun Life AMC Limited	-	2.19	-	-	-	-	2.19
	-	(2.77)	-	-	-	-	(2.77)
Aditya Birla Health Insurance Co. Limited	-	0.65	-	-	-	-	0.65
	-	-	-	-	-	-	-
TOTAL	-	2.84	-	-	-	-	2.84
	-	(2.77)	-	-	-	-	(2.77)
Interest Expenses							
Aditya Birla Health Insurance Co. Limited	-	0.75	-	-	-	-	0.75
	-	-	-	-	-	-	-
Aditya Birla Sun Life AMC Limited	-	0.81	-	-	-	-	0.81
	-	-	-	-	-	-	-
TOTAL	-	1.56	-	-	-	-	1.56
	-	-	-	-	-	-	-
Payment of Other Services							
Grasim Industries Limited	0.21	-	-	-	-	-	0.21
	(0.68)	-	-	-	-	-	(0.68)
Aditya Birla Sun Life AMC Limited	-	4.30	-	-	-	-	4.30
	-	(3.16)	-	-	-	-	(3.16)
Aditya Birla Wellness Private Limited	-	0.47	-	-	-	-	0.47
	-	(0.36)	-	-	-	-	(0.36)
Aditya Birla Management Corporation Private Limited	-	-	-	49.80	-	-	49.80
	-	-	-	(33.52)	-	-	(33.52)
UltraTech Cement Limited	-	-	0.17	-	-	-	0.17
	-	-	(0.17)	-	-	-	(0.17)
Aditya Birla Health Insurance Co. Limited	-	0.81	-	-	-	-	0.81
	-	-	-	-	-	-	-
Olive Bar & Kitchen Private Limited	-	-	-	0.03	-	-	0.03
	-	-	-	-	-	-	-
TOTAL	0.21	5.58	0.17	49.83	-	-	55.79
	(0.68)	(3.52)	(0.17)	(33.52)	-	-	(37.89)
Receipts against Reimbursement of Expenses							
Grasim Industries Limited	0.24	-	-	-	-	-	0.24
	(0.18)	-	-	-	-	-	(0.18)
Aditya Birla Wellness Private Limited	-	0.21	-	-	-	-	0.21
	-	(0.17)	-	-	-	-	(0.17)
Aditya Birla Management Corporation Private Limited	-	-	-	-	-	-	-
	-	-	-	(0.79)	-	-	(0.79)
Aditya Birla Sun Life AMC Limited	-	53.90	-	-	-	-	53.90
	-	(46.43)	-	-	-	-	(46.43)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are interested/Other Related Parties	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
UltraTech Cement Limited	-	-	0.03	-	-	-	0.03
	-	-	(0.15)	-	-	-	(0.15)
Aditya Birla Health Insurance Co. Limited	-	27.89	-	-	-	-	27.89
	-	-	-	-	-	-	-
TOTAL	0.24	82.00	0.03	-	-	-	82.27
	(0.18)	(46.60)	(0.15)	(0.79)	-	-	(47.72)
Other Expenses							
Aditya Birla Wellness Private Limited	-	8.33	-	-	-	-	8.33
	-	(12.35)	-	-	-	-	(12.35)
TOTAL	-	8.33	-	-	-	-	8.33
	-	(12.35)	-	-	-	-	(12.35)
Contribution to PF/Gratuity Fund Trust (Net)							
Grasim Industries Limited Employee Gratuity Fund	-	-	-	-	-5.29	-	-5.29
	-	-	-	-	(0.22)	-	(0.22)
TOTAL	-	-	-	-	-5.29	-	-5.29
	-	-	-	-	(0.22)	-	(0.22)
Loans and Advances Given							
ABREL EPC Limited	-	-	205.07	-	-	-	205.07
	-	-	-	-	-	-	-
Waacox Energy Pvt. Ltd.	-	-	15.03	-	-	-	15.03
	-	-	-	-	-	-	-
Mrs. Vishakha Mulye	-	-	-	-	-	6.29	6.29
	-	-	-	-	-	-	-
TOTAL	-	-	220.10	-	-	6.29	226.39
	-	-	-	-	-	-	-
Repayment of Loans and Advances							
Waacox Energy Private Limited	-	-	2.58	-	-	-	2.58
	-	-	-	-	-	-	-
Mrs. Vishakha Mulye	-	-	-	-	-	0.31	0.31
	-	-	-	-	-	-	-
TOTAL	-	-	2.58	-	-	0.31	2.89
	-	-	-	-	-	-	-
Payment Received on Redemption of Inter-Corporate Deposit/Inter-Corporate Deposit Taken							
Umang Commercial Company Private Limited	-	-	-	18.00	-	-	18.00
	-	-	-	-	-	-	-
Aditya Birla Sun Life AMC Limited	-	25.00	-	-	-	-	25.00
	-	-	-	-	-	-	-
TOTAL	-	25.00	-	18.00	-	-	43.00
	-	-	-	-	-	-	-
Inter-Corporate Deposits Repaid							
Aditya Birla Sun Life AMC Limited	-	25.00	-	-	-	-	25.00
	-	-	-	-	-	-	-
TOTAL	-	25.00	-	-	-	-	25.00
	-	-	-	-	-	-	-



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are interested/Other Related Parties	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Loans and Advances							
Waacox Energy Private Limited	-	-	56.02	-	-	-	56.02
	-	-	-	-	-	-	-
ABREL EPC Limited	-	-	205.07	-	-	-	205.07
	-	-	-	-	-	-	-
TOTAL	-	-	261.09	-	-	-	261.09
	-	-	-	-	-	-	-
Payment to Key Management Personnel							
Mr. Kumar Mangalam Birla	-	-	-	-	-	0.05	0.05
	-	-	-	-	-	(0.04)	(0.04)
Dr. Santrupt Misra	-	-	-	-	-	0.18	0.18
	-	-	-	-	-	(0.17)	(0.17)
Mr. Sushil Agarwal	-	-	-	-	-	0.16	0.16
	-	-	-	-	-	(0.17)	(0.17)
Mr. Romesh Sobti	-	-	-	-	-	0.11	0.11
	-	-	-	-	-	(0.09)	(0.09)
Mr. Arun Adhikari	-	-	-	-	-	0.14	0.14
	-	-	-	-	-	(0.12)	(0.12)
Mr. P. H. Ravikumar	-	-	-	-	-	0.16	0.16
	-	-	-	-	-	(0.16)	(0.16)
Mr. S. C. Bhargava	-	-	-	-	-	0.20	0.20
	-	-	-	-	-	(0.17)	(0.17)
Ms. Vijayalakshmi R. Iyer	-	-	-	-	-	0.19	0.19
	-	-	-	-	-	(0.19)	(0.19)
Mrs. Vishakha Mulye*							
Remuneration	-	-	-	-	-	6.40	6.40
	-	-	-	-	-	-	-
ESOP Accounting Charge	-	-	-	-	-	11.28	11.28
	-	-	-	-	-	-	-
Mr. Ajay Srinivasan							
Remuneration	-	-	-	-	-	15.41	15.41
	-	-	-	-	-	(21.21)	(21.21)
ESOP Accounting Charge	-	-	-	-	-	0.43	0.43
	-	-	-	-	-	(1.95)	(1.95)
TOTAL	-	-	-	-	-	34.71	34.71
	-	-	-	-	-	(24.27)	(24.27)
Deposits Given/Paid Back							
Aditya Birla Sun Life AMC Limited	-	-	-	-	-	-	-
	-	(1.33)	-	-	-	-	(1.33)
Aditya Birla Health Insurance Co. Limited	-	0.02	-	-	-	-	0.02
	-	-	-	-	-	-	-
TOTAL	-	0.02	-	-	-	-	0.02
	-	(1.33)	-	-	-	-	(1.33)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are interested/Other Related Parties	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Deposits Taken/Received Back							
Aditya Birla Sun Life AMC Limited	-	0.15	-	-	-	-	0.15
	-	-	-	-	-	-	-
TOTAL	-	0.15	-	-	-	-	0.15
	-	-	-	-	-	-	-
Sale of Non-Convertible Debentures							
UltraTech Cement Limited	-	-	-	-	-	-	-
	-	-	(15.00)	-	-	-	(15.00)
TOTAL	-	-	-	-	-	-	-
	-	-	(15.00)	-	-	-	(15.00)
Equity Accounted Investments							
Aditya Birla Sun Life AMC Limited	-	1,258.63	-	-	-	-	1,258.63
	-	(1,098.33)	-	-	-	-	(1,098.33)
Aditya Birla Health Insurance Co. Limited	-	3,032.67	-	-	-	-	3,032.67
	-	-	-	-	-	-	-
Aditya Birla Sun Life Trustee Limited	-	0.73	-	-	-	-	0.73
	-	(0.67)	-	-	-	-	(0.67)
Aditya Birla Wellness Private Limited	-	11.79	-	-	-	-	11.79
	-	(10.73)	-	-	-	-	(10.73)
TOTAL	-	4,303.82	-	-	-	-	4,303.82
	-	(1,109.73)	-	-	-	-	(1,109.73)
Outstanding Balances							
Mrs. Vishakha Mulye (Housing Loan)	-	-	-	-	-	5.98	5.98
	-	-	-	-	-	-	-
Amount Receivables	30.64	15.25	20.73	6.15	9.68	-	82.45
	(33.46)	(5.31)	(21.17)	(6.15)	(9.32)	-	(75.41)
Amount Payables	-	16.87	0.05	5.95	-	-	22.87
	(1.80)	(8.32)	(0.45)	(7.51)	-	-	(18.08)
TOTAL	30.64	32.12	20.78	12.10	9.68	5.98	111.30
	(35.26)	(13.63)	(21.62)	(13.66)	(9.32)	-	(93.49)

- Figures in brackets represent corresponding amount of Previous Year.

- Related parties are defined under Ind AS 24 "Related Party Disclosures" basis information available with the Group.

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year, and accordingly, have not been considered in the above information.

NOTE: 46 EMPLOYEE BENEFITS

Disclosure in respect of Employee Benefits pursuant to Ind AS 19

A. The details of the Company's Defined Benefit Plans in respect of Gratuity (Funded by the Group):

General Description of the Plan:

The Group operates gratuity plan through a trust, wherein every employee is entitled to the benefits equivalent to fifteen days salary, last drawn, for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In the case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

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 Group is covered by the Payment of Gratuity Act, 1972, then the Group is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of the Plan:

The Group has set-up an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Inherent Risks:

The plan is of a final salary defined benefit in nature, which is sponsored by the Group, and, hence, it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any adverse salary growth or demographic experience or inadequate returns on underlying reimbursement rights can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Particulars	(₹ crore)	
	As at/For the Year ended 31 st March 2023	As at/For the Year ended 31 st March 2022
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligation at the end of the period	144.99	153.00
Rights from insurance policies that exactly match the amount and timing of some of the benefits payable under the plan. Those benefits have a present value of ₹ 136.1 Crore	136.31	140.96
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	19.26	18.90
Interest on Net Defined Benefit Liabilities/(Assets)	0.36	0.72
Less: Recovery from Associate and Joint Venture Companies	(0.24)	(0.42)
Net Gratuity Cost	19.38	19.20
Amounts recognised in Other Comprehensive Income (OCI) for the Year		
Actual Return on Reimbursement Rights excluding Interest Income	3.78	(3.82)
Actuarial changes arising from changes in demographic assumptions	(1.61)	(6.83)
Actuarial changes arising from changes in financial assumptions	(11.63)	0.61
Actuarial changes arising from changes in experience assumptions	7.28	7.25
Less: Amount Recovered from Associate and Joint Venture Companies	0.40	0.49
Closing Amount recognised in OCI	(1.78)	(2.31)
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	153.00	137.25
Current Service Cost	19.26	18.90
Interest Cost	8.45	7.95
Actuarial (Gain)/Loss	(5.36)	1.03

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Particulars	(₹ crore)	
	As at/For the Year ended 31 st March 2023	As at/For the Year ended 31 st March 2022
Benefits Paid	(17.10)	(11.58)
Impact of Liabilities Assumed or (Settled)	(1.10)	(0.55)
Adjustment - on account of Conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture	(12.16)	-
Closing Defined Benefit Obligation	144.99	153.00
Change in Fair Value of the Reimbursement Rights:		
Opening Fair Value of the Reimbursement Rights	140.96	122.33
Interest Income on Reimbursement Rights	8.09	7.23
Actual Return on Reimbursement Rights less Interest on Reimbursement Rights	(3.78)	3.82
Contributions by the Employer	15.36	18.59
Adjustment - on account of Conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture	(9.32)	-
Benefits Paid	(15.00)	(11.01)
Closing Fair Value of the Reimbursement Rights	136.31	140.96
Funding Arrangement and Policy		
The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes.		
Change in Present Value of the Obligation:		
Maturity Profile of Defined Benefit Obligation		
Within the next 12 months (next annual reporting period)	18.10	17.75
More than 1 and upto 5 years	61.16	59.26
More than 5 and upto 10 years	66.45	61.83
Above 10 years	70.48	59.24
The weighted-average duration to the payment of these cash flows	4 Years to 10 Years	4 Years to 10 Years
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/Decrease in Present Value of Defined Benefit Obligation for the Year		
i) 50 bps Increase in Discount Rate	(3.74%)	(3.11%)
ii) 50 bps Decrease in Discount Rate	3.11%	3.23%
iii) 50 bps Increase in the Rate of Salary Escalation	3.15%	3.16%
iv) 50 bps Decrease in the Rate of Salary Escalation	(3.82%)	(3.08%)
Sensitivity Analysis Method		
These sensitivities have been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in the market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.		
Disaggregation of the Reimbursement Rights		
Non-Quoted Value		
Government of India Securities	2.02%	3.27%
Corporate Bonds	0.43%	0.57%
Insurer Managed Funds	81.30%	78.29%
Others	16.25%	17.87%
	100%	100%
Fair Value of the Reimbursement Rights include:		
Group's own Financial Instruments	110.82	110.36
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	6.85% - 7.44%	5.6% - 6.95%
Salary Escalation	7% - 10%	7% - 10%



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for the year ended 31st March 2023

B. The details of the Company's Defined Benefit Plans in respect of Gratuity (Unfunded by the Group):

Particulars	(₹ crore)	
	As at/For the Year ended 31 st March 2023	As at/For the Year ended 31 st March 2022
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the Unfunded Defined Benefit Obligation at the end of the period	0.97	1.08
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost (Unfunded)	0.20	0.21
Interest on Defined Benefit Obligation	0.07	0.05
Net Gratuity Cost	0.27	0.26
Amounts recognised in Other Comprehensive Income (OCI) for the Year		
Actuarial changes arising from changes in financial assumptions	(0.04)	(0.02)
Actuarial changes arising from changes in experience assumptions	0.18	0.06
	0.14	0.04
Change in Present Value of the Obligation:		
Opening Defined Benefit Obligation	1.08	0.84
Current Service Cost	0.20	0.21
Interest Cost	0.07	0.05
Actuarial changes arising from changes in financial assumptions	(0.04)	(0.02)
Actuarial changes arising from changes in experience assumptions	0.18	0.06
Actuarial (Gain)/Loss	0.14	0.04
Benefits Paid	(0.52)	(0.06)
Closing Defined Benefit Obligation	0.97	1.08
Maturity Profile of Defined Benefit Obligation		
Within the next 12 months (next annual reporting period)	0.01	0.01
More than 1 and upto 5 years	0.49	0.07
More than 5 and upto 10 years	0.06	0.40
Above 10 years	0.41	0.32
The weighted-average duration to the payment of these cash flows	3 Years to 7 Years	3 Years to 6 Years
Quantitative Sensitivity Analysis for Significant Assumption is as below:		
Increase/Decrease in Present Value of Defined Benefit Obligation at the end of the Year (in %)		
i) 50 bps Increase in Discount Rate	(3.38%)	(3.62%)
ii) 50 bps Decrease in Discount Rate	3.62%	3.87%
iii) 50 bps Increase in the Rate of Salary Escalation	3.62%	3.85%
iv) 50 bps Decrease in the Rate of Salary Escalation	(3.41%)	(3.64%)
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	7.30% - 7.40%	6.10% - 6.85%
Salary Escalation	6.50% - 7.00%	6.50% - 7.00%
Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is ₹ 20.52 Crore (31 st March 2022: ₹ 20.99 Crore).		

C. Defined Contribution Plan

Particulars	(₹ crore)	
	As at/For the Year ended 31 st March 2023	As at/For the Year ended 31 st March 2022
Amount recognised as an expense and included in the Note: as "Contribution to Provident and Other Funds"	84.16	68.30
Contribution to the Company Provident Fund Trust	1.97	1.90
	86.13	70.20

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 47 DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME OF THE COMPANY

(A) Aditya Birla Capital Limited

At the Annual General Meeting held on 19th July 2017, the shareholders of the Company approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options (“ESOPs”) and Restricted Stock Units (“RSUs”). Out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled “Aditya Birla Capital Limited Employee Stock Option Scheme 2017” in 3 categories of Long-Term Incentive Plans (“LTIP”), identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the Grant of Stock Options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
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	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets
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	11.08.2017	11.08.2017	11.08.2017	11.08.2017
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

Granted during the Financial Year - 2022-2023 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 1	LTIP 1
Instrument	ESOP	RSU	RSU
Plan Period	2022-2025	2022-2023	2022-2023
Quantum of Grant	1,173,306	1,394,915	165,434
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Period	33.33% vesting over 3 years from Date of Grant	100%, One year from the Date of Grant	100% vesting at the end of third year from the Date of Grant
Vesting Condition(s)	Continued employment	Continued employment	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	01.08.2022	01.08.2022	15.03.2023
Grant/Exercise Price (₹ Per Share)	106.40	10.00	10.00



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Granted during the Financial Year - 2021-2022 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 2
Instrument	ESOP	ESOP
Plan Period	2021-2025	2021-2025
Quantum of Grant	269,352	140,352
Method of Accounting	Fair Value	Fair Value
Vesting Period	Equal vesting in 4 years from the Date of Grant	Equal vesting in 4 years from the Date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target immediately preceding the Vesting Date	75% of the Profit Before Tax achievement against annual performance target immediately preceding the Vesting Date
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	14.05.2021	30.09.2021
Grant/Exercise Price (₹ Per Share)	119.40	114.20

Granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 3
Instrument	ESOP	ESOP
Plan Period	2021-2022	2021-2022
Quantum of Grant	110,424	140,439
Method of Accounting	Fair Value	Fair Value
Vesting Period	One year from the Date of Grant	One year from the Date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target	75% of the Profit Before Tax achievement against annual performance target
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	05.02.2021	05.02.2021
Grant/Exercise Price (₹ Per Share)	90.40	90.40

Granted during the Financial Year - 2019-2020 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 2	LTIP 3	LTIP 3	LTIP 2	LTIP 3
Instrument	ESOP	ESOP	ESOP	RSU	ESOP	RSU
Plan Period	2019-2023	2019-2023	2019-2024	2019-2021	2020-2024	2020-2023
Quantum of Grant	560,376	307,020	441,704	7,686	798,768	523,810
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	25% p.a. (4 years)	25% p.a. (4 years)	20% p.a. (5 years)	100% (2 years)	25% p.a. (4 years)	100% (3 years)
Vesting Condition(s)	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	02.08.2019	18.10.2019	18.10.2019	18.10.2019	25.02.2020	25.02.2020
Grant/Exercise Price (₹ Per Share)	82.40	76.40	76.40	10.00	87.10	10.00

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Granted during the Financial Year - 2018-2019 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 3	LTIP 3
Instrument	ESOP	RSU
Plan Period	2018-2023	2018-2020
Quantum of Grant	1,623,834	300,000
Method of Accounting	Fair Value	Fair Value
Vesting Period	20% p.a. (5 years)	100% (2 years)
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	09.04.2018	09.04.2018
Grant/Exercise Price (₹ Per Share)	115.00	10.00

Details of Activities in the Plan as on 31st March 2023

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	624,723	9,642,838	872,906	13,180,030
Granted during the year	1,560,349	1,173,306	-	-
Exercised during the year	166,686	620,638	600,672	113,349
Lapsed during the year	39,604	-	1,500	664,800
Options/RSUs Outstanding at the end of the year	1,978,782	10,195,506	270,734	12,401,881
Options/RSUs unvested at the end of the year	1,560,349	3,934,225	240,734	4,985,023
Options/RSUs exercisable at the end of the year	418,433	6,261,281	30,000	7,416,858

Details of Activities in the Plan as at 31st March 2022

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	1,256,100	10,714,241	872,906	13,225,030
Granted during the year	-	409,704	-	-
Exercised during the year	517,431	171,862	-	45,000
Lapsed during the year	113,946	1,309,245	-	-
Options/RSUs Outstanding at the end of the year	624,723	9,642,838	872,906	13,180,030

Fair Valuation

The Fair Value of the options used to compute proforma Net Profit and Earnings Per Share has been done by an Independent Valuer on the date of grant using Black-Scholes-Merton Formula. The Key Assumptions and the Fair Value are as:

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Risk-Free Interest Rate	6.50% to 7.40%	6.20% to 7.00%	6.50% to 7.20%	6.50% to 7.60%
Option Life (Years)	3.50 to 5.50	3.50 to 6.50	4.50	3.50 to 7.50
Expected Volatility	38.50% to 41.80%	36.20% to 46.50%	35.40% to 38.50%	37.00% to 46.50%
Expected Dividend Yield (%)	-	-	-	-
Weighted-Average Fair Value per Option (₹)	98.50 to 138.30	41.50 to 119.40	131.60	73.10 to 90.40



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Stock Option and Performance Stock Unit Scheme 2022

The shareholders of the Company, vide a special resolution passed through Postal Ballot on 16th October 2022, approved the Scheme titled “Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022” (“ABCL Scheme 2022”) for granting Employee Stock Options (“Options”) and Employee Performance Stock Units (“PSUs”) (collectively referred to as the “Stock Options”) exercisable into not more than 41,071,270 Equity Shares. ABCL Scheme 2022 allows the grant of Stock Options to employees of the Company, and its Group company(ies) including its Holding Company and Subsidiary Company(ies) and Associate Company(ies) (whether working in India or outside India) that meet the eligibility criteria. Each Stock Option confers a right upon the Grantee to apply for 1 (one) Equity Share. Out of these, the Nomination, Remuneration and Compensation Committee has granted 13,954,991 Options and 6,360,714 PSUs under ABCL Scheme 2022.

Granted during the Financial Year - 2022-2023 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Instrument	PSU	ESOP	PSU	ESOP
Plan Period	2022-2025	2022-2025	2022-2025	2022-2025
Quantum of Grant	5,953,984 301,081 105,649	12,775,439	851,231	328,321
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	100% vesting at the end of third year from the Date of Grant	50%:50% vesting at the end of second and third year from the Date of Grant	50%:50% vesting at the end of second and third year from the Date of Grant	50%:50% vesting at the end of second and third year from the Date of Grant
Vesting Condition(s)	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets
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	07.11.2022 02.02.2023 15.03.2023	07.11.2022	02.02.2023	15.03.2023
Grant/Exercise Price (₹ Per Share)	10.00	124.20	136.50	145.00

Details of Activities in the Plan as on 31st March 2023

Instrument	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	-	-
Granted during the year	6,360,714	13,954,991
Exercised during the year	-	-
Lapsed during the year	-	-
Options/RSUs Outstanding at the end of the year	6,360,714	13,954,991
Options/RSUs unvested at the end of the year	6,360,714	13,954,991
Options/RSUs exercisable at the end of the year	-	-

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Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes-Merton Formula. The key assumptions and the Fair Value are as:

Features	LTIP 1	LTIP 2
Instrument	RSU	ESOP
Risk-Free Interest Rate (%)	7.30% to 7.60%	7.30% to 7.60%
Option Life (Years)	5.50	4.50 to 5.50
Expected Volatility	40.40% to 41.40%	40.40% to 42.70%
Expected Dividend Yield (%)	0.00%	0.00%
Weighted-Average Fair Value per Option (₹)	117.60 to 138.30	57.20 to 72.00

B) Aditya Birla Finance Limited (ABFL)

The Nomination and Remuneration Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants are given as under:

As on 31st March 2023

Grant Date	Exercise Price (₹)	Fair Value of Options	Options Granted	Options Vested and Exercisable	Options Unvested	Options Exercised	Options Cancelled
05-11-2022	283.20	131.90	2,178,706	-	2,178,706	-	-
31-01-2023	283.20	141.10	10,169	-	10,169	-	-
			2,188,875	-	2,188,875	-	-

Weighted Average Fair Value of Stock Options Granted during the year is as follows:

Particulars	31 st March 2023	31 st March 2022
Scheme Name: ABFL Scheme 2022		
No. of Options Granted	2,188,875	-
Weighted-Average Fair Value (₹)	131.94	-

Following table depicts range of exercise prices and weighted-average remaining contractual life:

As on 31st March 2023

For all Grants	No. of Options	Range of Exercise Prices (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,188,875	283.20	283.20	2.11
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,188,875	283.20	283.20	2.11
Exercisable at the end of the year	-	-	-	-

Method Used for Accounting for Share-Based Payment Plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black-Scholes Model. The key assumptions used in Black-Scholes Model for calculating fair value as on the date of respective grants are:

Grant Date	Life of Option (in Years)	Risk-Free Rate	Dividend Yield	Volatility
05-11-2022	4.10	7.50%	0.70	36.30%
31-01-2023	3.80	7.40%	0.70	37.30%



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Features of ESOPs:

Grant Date	05-Nov-22	31-Jan-23
Conversion	On exercise, 1 ESOP converts to 1 equity share of ABFL	On exercise, 1 ESOP converts to 1 equity share of ABFL
Vesting Date	50% each at the end of 2nd and 3rd year from the Grant Date	50% each at the end of 2nd and 3rd year from the Grant Date
Additional Condition	ESOPs can be exercised only once equity share of ABFL are listed on stock exchange	ESOPs can be exercised only once equity share of ABFL are listed on stock exchange
Exercise Price (in ₹) per ESOP	283.20	283.20
Exercise Period*	5 years from the Date of Vesting	5 years from the date of 1st grant, i.e., 5th November 2022
Settlement	Settlement of equity shares of ABFL	Settlement in equity shares of ABFL

* Exercise period as per Management's assessment

C) Aditya Birla Housing Finance Limited (ABHFL)

Features of the ESOP's Granted by ABHFL

Grant Date	21-Oct-22	27-Jan-23
Conversion	On exercise, 1 ESOP converts to 1 equity share of ABHFL	On exercise, 1 ESOP converts to 1 equity share of ABHFL
Vesting Date	At the end of 3rd year from the Grant Date	At the end of 3rd year from the Grant Date
Exercise Period	5 years from the Grant Date	5 years from the Grant Date
Exercise Price (in INR) per ESOP	37.20	37.20
Settlement	Settlement of equity shares of ABHFL	Settlement of equity shares of ABHFL

Grant Date	Exercise Price (₹)	Options Granted	Options Vested and Exercisable	Options Unvested	Options Exercised	Options Cancelled	Options Outstanding
21-10-2022	37.20	1,549,598	-	1,549,598	-	-	1,549,598
27-01-2023	37.20	183,379	-	183,379	-	-	183,379
Total		1,732,977	-	1,732,977	-	-	1,732,977

Weighted-Average Fair Value of Options as follows:

Year ended 31st March 2023

Particulars	Year ended 31 st March 2023		Year ended 31 st March 2022	
Grant Date	21-10-2022	27-01-2023	-	-
No. of Options Granted	1,549,598	183,379	-	-
Weighted-Average Fair Value	34.60	36.50	-	-

(D) Aditya Birla Money Limited

Stock Options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Options Scheme is to attract and retain talent, and align the interest of employees with Aditya Birla Money Limited (ABML), as well as to motivate them to contribute to its growth and profitability. The Company adopts Senior Executive Plan in granting Stock Options to its Senior Employees. (Employee Stock Option Scheme-2014)

During 2014, the Company had formulated the ABML Employee Stock Option Scheme-2014 (ABML ESOP Scheme -2014) with the approval of the shareholders at the Annual General Meeting dated 9th September 2014. The Scheme provides that the total number of options granted thereunder will be 2,770,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of ₹ 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on 2nd December 2014 has granted 2,509,341 Stock Options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of ₹ 34.25/-. The Exercise Price was based on the latest available closing price, prior to the 2nd December 2014 (the date of grant by the Nomination and Remuneration Committee) on the recognised stock exchanges on which the shares of the Company are listed with the highest trading volume.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under		As at 31 st March 2023
Options Granted on 2 nd December 2015		2,509,341
Options Outstanding as on 1 st April 2022		131,729
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 Grant		₹ 34.25/- (previous day closing price on the Recognised Stock Exchange)
Options Forfeited/Lapsed during the Year		Nil
Options Exercised during the Year		(77,884)
Options Outstanding as at 31 st March 2023		53,845

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under		As at 31 st March 2022
Options Granted on 2 nd December 2015		2,509,341
Options Outstanding as on 1 st April 2021		520,312
No. of Options Granted during the Year		Nil
Method of Accounting		Intrinsic Value
Vesting Plan		25% every year
Exercise Period	Within 5 years from the Date of Vesting of respective options	
Grant/Exercise Price (₹ per Share)		₹ 34.25/-
Market Price as on the Date of Grant		₹ 34.25/- (previous day closing price on the Recognised Stock Exchange)
Options Forfeited/Lapsed during the Year		(314,942)
Options Exercised during the Year		(73,641)
Options Outstanding as at 31 st March 2022		131,729

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

Sr. No.	Vesting Date	% of Options that shall Vest
1	12 months from the Date of Grant	25% of the grant
2	24 months from the Date of Grant	25% of the grant
3	36 months from the Date of Grant	25% of the grant
4	48 months from the Date of Grant	25% of the grant

ABML has granted options to the eligible employees at an exercise price of ₹ 34.25 per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the ABML is not required to account the accounting value of option as per SEBI ESOP Regulations.

The key assumptions are as under:

Risk-Free Interest Rate (%)	8.13%
Expected Life (No. of Years)	5 years
Expected Volatility (%)	54.26%
Dividend Yield	-
Weighted-Average Fair Value per Option	₹ 34.25/-



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

ABCL Incentive Plan 2017

The Scheme titled as “ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)” was approved by the shareholders through postal ballot on 10th April 2017. The Nomination, Remuneration and Compensation Committee of the Company, at its meeting held on 15th January 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (Collectively called as “Stock Options”) to the eligible grantees, pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited. The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the Grantees, under the corresponding Grasim Employee Benefit Schemes 2006 and 2013.

Particulars	ABCL Incentive Scheme	
	Options	RSUs
Plan Period	As per Grasim Employee Benefits Schemes 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013, and shall be subject to a minimum vesting period of one year from the date of original grant and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target	
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	15 th January 2018	15 th January 2018
Grant/Exercise Price (₹ Per Share)	10.00	10.00

Re-granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Particulars	Options
Plan Period	2020-2021
Quantum of Grant	25,585
Method of Accounting	Fair Value
Vesting Period	One year from the Date of Grant
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target
Exercise Period	5 years from the Date of Vesting
Grant Date	5 th March 2021
Grant/Exercise Price (₹ Per Share)	10.00

Details of Activities in the Plan

Particulars	ABCL Incentive Scheme			
	31 st March 2023		31 st March 2022	
	Options	RSUs	Options	RSUs
Options/RSUs Outstanding at the beginning of the year	196,035	3,418	385,721	113,447
Granted during the year	-	-	-	-
Exercised during the year	180,711	-	189,686	110,029
Lapsed during the year	-	-	-	-
Options/RSUs Outstanding at the end of the year	15,324	3,418	196,035	3,418

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 48 SEGMENT DISCLOSURES

Operating segments are defined as components of an enterprise for which discrete financial information is available, and evaluated regularly by Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance.

The Group has considered business segment as reportable segment for disclosure. The products and services included in each of the reported business segments are as follows:

Segment	Activities
NBFC	Non-Bank Financial Services
Housing Finance	Housing Finance
Life Insurance	Life Insurance
Asset Management	Asset Management
General Insurance Broking	Insurance Broking
Stock and Securities Broking	Equity and Commodity Broking
Health Insurance	Health Insurance and Ancillary Services
Other Financial Services	Insurance Advisory, Asset Reconstruction, Direct to Customer (D2C) platform, etc.

Information about Business Segments

Segment Revenue	For the year ended 31 st March 2023			For the year ended 31 st March 2022		
	External	Inter-Segment	Total	External	Inter-Segment	Total
NBFC	8,226.41	10.46	8,236.87	5,779.22	5.64	5,784.86
Housing Finance	1,401.80	3.45	1,405.25	1,212.61	2.55	1,215.16
Life Insurance	15,433.07	5.94	15,439.01	12,382.32	4.15	12,386.47
Asset Management	1,348.32	0.81	1,349.13	1,405.85	-	1,405.85
General Insurance Broking	614.94	3.05	617.99	688.81	2.59	691.40
Stock and Securities Broking	265.84	0.92	266.76	232.45	0.99	233.44
Health Insurance	2,562.09	0.79	2,562.88	1,633.15	0.01	1,633.16
Other Financial Services	146.41	34.37	180.78	298.44	30.82	329.26
Segment Revenue	29,998.88	59.79	30,058.67	23,632.86	46.74	23,679.60
Less: Inter-Segment Revenue			(59.79)			(46.74)
Total Segment Revenue from Operations			29,998.88			23,632.86
Less: Revenue of Associate and Joint Venture Entities, profits of which are equity accounted under the Ind AS framework			(2,616.58)			(1,419.22)
Add: Elimination of Intra-Group revenue from transactions with Associate and Joint Venture Entities			33.35			16.27
Total Revenue from Operations			27,415.65			22,229.91

Segment Result (PBT)	For the year ended 31 st March 2023	For the year ended 31 st March 2022
NBFC	2,090.18	1,487.12
Housing Finance	308.53	253.25
Life Insurance	196.45	174.85
Asset Management	793.86	894.71
General Insurance Broking	97.26	86.02
Stock and Securities Broking	46.68	35.68
Health Insurance	(218.01)	(308.68)
Other Financial Services	2,786.92	219.76
Total Segmental Results	6,101.87	2,842.71
Less: Share of Associate and Joint Venture Partners (not included in share of Profits of the Group) in Associate/Joint Venture Companies	(466.64)	(555.99)
Profit Before Tax	5,635.23	2,286.72



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
Segments				
NBFC	83,629.25	56,431.72	72,559.97	47,093.65
Housing Finance	13,999.21	12,534.65	12,104.15	10,869.60
Life Insurance	75,133.88	65,674.05	71,925.30	62,737.30
Asset Management	2,742.79	2,404.21	222.35	214.63
General Insurance Broking	255.70	237.85	154.75	166.17
Stock and Securities Broking	1,531.89	1,438.50	1,254.24	1,192.40
Health Insurance	3,394.08	1,872.39	2,173.39	1,336.40
Other Financial Services	1,445.07	1,307.36	600.01	463.56
Total Segment	182,131.87	141,900.73	160,994.16	124,073.71
Inter-Segment Elimination	(273.19)	(224.48)	(273.19)	(224.48)
Add: Unallocated Corporate Liabilities	742.37	804.22	622.12	433.05
Total Segment Assets/Liabilities	182,601.05	142,480.47	161,343.09	124,282.28
Less: Assets/Liabilities of Associate and Joint Venture Entities, which are equity accounted under the Ind AS framework	(6,172.45)	(2,460.99)	(2,430.74)	(243.79)
Add: Elimination of Intra-Group Assets/Liabilities from transactions with Associate and Joint Venture Entities	21.63	10.30	21.63	10.30
Add: Investments in Associate and Joint Venture Entities, which are equity accounted under the Ind AS framework #	4,303.82	1,109.72	-	-
Total Assets/Liabilities	180,754.05	141,139.50	158,933.98	124,048.79

Includes the impact of transaction referred to in Note No. 58.

(₹ crore)

Other Information	Depreciation and Amortisation for the year ended	
	31 st March 2023	31 st March 2022
Segments		
NBFC	86.13	68.35
Housing Finance	15.88	10.03
Life Insurance	83.35	74.35
Asset Management	34.33	35.62
General Insurance Broking	7.15	8.07
Stock and Securities Broking	6.66	6.77
Health Insurance	49.74	41.33
Other Financial Services	28.87	28.51
Total Segment	312.10	273.03
Less: Depreciation of Associate and Joint Venture Entities	38.04	35.62
Less: Depreciation of Life Insurance Policyholders' Business	83.21	74.17
Less: Depreciation of Health Insurance Policyholders' Business	46.02	41.33
Total Depreciation and Amortisation	144.83	121.91

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Other Information	Interest Income for the year ended		Interest Expenses for the year ended	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
NBFC	7,806.04	5,531.29	3,857.18	2,709.10
Housing Finance	1,363.98	1,185.68	748.37	694.94
Life Insurance	2,470.81	1,943.84	48.11	35.68
Asset Management	15.33	14.23	3.90	4.85
General Insurance Broking	5.51	4.38	0.71	0.79
Stock and Securities Broking	103.10	70.08	49.57	26.14
Health Insurance	143.91	83.96	2.14	2.49
Other Financial Services	46.55	22.08	42.90	33.67
Sub-Total	11,955.23	8,855.54	4,752.88	3,507.65
Less: Inter-Segment Elimination	(14.03)	(9.91)	(14.03)	(9.91)
Interest Income/Expenses	11,941.20	8,845.63	4,738.85	3,497.74
Less: Interest Income/Expenses of Associate and Joint Venture Companies	38.32	14.23	3.90	4.85
Less: Interest Income/Expenses of Life Insurance Policyholders' Business	2,233.57	1,737.51	10.81	10.87
Less: Interest Income/Expenses of Health Insurance Policyholders' Business	106.15	64.37	2.14	2.49
Total Interest Income/Expenses	9,563.16	7,029.53	4,722.00	3,479.53

Impairment on Financial Instruments including Loss on Derecognition of Financial Assets at Amortised Cost (Expected Credit Loss)	For the year ended	
	31 st March 2023	31 st March 2022
NBFC	903.48	653.46
Housing Finance	72.36	74.70
Life Insurance	2.37	1.09
General Insurance Broking	1.13	1.79
Stock and Securities Broking	0.46	0.29
Other Financial Services	3.66	(0.02)
Total	983.46	731.32
Less: Impairment of Life Insurance Policyholders' Business	2.37	1.09
Grand Total	981.09	730.23

Information about Geographical Segments

Particulars	For the year ended	
	31 st March 2023	31 st March 2022
Revenue by Geographical Market		
In India	29,977.51	23,603.38
Outside India	21.37	29.48
Total	29,998.88	23,632.86



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 49 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013, FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ crore)

Name of the Entity	Net Assets*		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited	49.72	10,097.94	2.95	141.29	0.99	(0.40)	2.96	140.89
SUBSIDIARY COMPANIES								
Aditya Birla Money Limited	0.54	109.17	0.71	33.90	(1.41)	0.57	0.72	34.47
Aditya Birla Finance Limited	56.26	11,426.21	32.40	1,553.76	(17.80)	7.20	32.83	1,560.96
Aditya Birla Insurance Brokers Limited	0.70	142.47	1.51	72.58	(0.54)	0.22	1.53	72.80
Aditya Birla Money Mart Limited	0.46	93.71	(0.17)	(8.11)	-	-	(0.17)	(8.11)
Aditya Birla Money Insurance Advisory Services Limited	0.07	14.39	0.10	4.91	(0.05)	0.02	0.10	4.93
Aditya Birla Housing Finance Limited	9.69	1,968.00	5.02	240.93	(13.40)	5.42	5.18	246.35
Aditya Birla Sun Life Insurance Company Limited	14.25	2,894.41	2.80	134.41	203.12	(82.14)	1.10	52.27
Aditya Birla Sun Life Pension Management Limited	0.27	54.69	(0.12)	(5.73)	(0.07)	0.03	(0.12)	(5.70)
Aditya Birla Financial Shared Services Limited	0.01	2.10	0.01	0.36	-	-	0.01	0.36
Aditya Birla Stressed Asset AMC Private Limited	0.16	31.74	0.16	7.73	(0.07)	0.03	0.16	7.76
Aditya Birla Special Situation Fund I	1.29	262.98	0.78	37.60	-	-	0.79	37.60
Aditya Birla ARC Limited (Consolidated)	0.86	173.89	0.55	26.46	(0.47)	0.19	0.56	26.65
Aditya Birla PE Advisors Private Limited	0.02	4.23	0.00	0.09	-	-	0.00	0.09
Aditya Birla Capital Technology Services Limited	(0.18)	(37.43)	0.00	0.12	0.40	(0.16)	(0.00)	(0.04)
Aditya Birla Trustee Company Private Limited	0.00	0.43	-	-	-	-	-	-
Aditya Birla Capital Digital Limited (w.e.f. 23 rd Mar. 2023)	0.03	5.91	(0.40)	(19.09)	-	-	(0.40)	(19.09)
Aditya Birla Health Insurance Co. Limited (upto 20 th Oct. 2022)	-	-	(3.40)	(163.21)	110.41	(44.65)	(4.37)	(207.86)
ASSOCIATES AND JOINT VENTURES								
Aditya Birla Sun Life Asset Management (Consolidated including Foreign Subsidiaries)	6.20	1,258.63	6.22	298.25	(6.79)	2.75	6.33	300.99
Aditya Birla Health Insurance Co. Limited (w.e.f. 21 st Oct. 2022)	14.93	3,032.67	(0.54)	(26.06)	(14.96)	6.05	(0.42)	(20.01)
Aditya Birla Wellness Private Limited	0.06	11.79	0.02	1.01	(0.15)	0.06	0.02	1.07
Aditya Birla Sun Life Trustee Private Limited	0.00	0.73	0.00	0.06	-	-	0.00	0.06
Eliminations/Consolidation Adjustments	(55.33)	(11,237.91)	51.39	2,464.51	(159.19)	64.38	53.18	2,528.88
Total	100.00	20,310.75	100.00	4,795.77	100.00	(40.44)	100.00	4,755.33

Notes: * Net Assets = Total Assets - Total Liabilities

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 49 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013, FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ crore)

Name of the Entity	Net Assets*		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited	63.96	9,908.20	20.20	344.69	(0.85)	0.03	20.25	344.72
SUBSIDIARY COMPANIES								
Aditya Birla Money Limited	0.48	74.43	1.57	26.13	(4.81)	0.17	1.54	26.30
Aditya Birla Finance Limited	63.65	9,860.42	64.97	1,108.33	(663.54)	23.46	66.48	1,131.79
Aditya Birla Insurance Brokers Limited	0.84	129.69	3.76	64.06	(4.81)	0.17	3.77	64.23
Aditya Birla Money Mart Limited	0.66	101.83	0.56	9.47	0.57	(0.02)	0.56	9.45
Aditya Birla Money Insurance Advisory Services Limited	0.06	9.46	0.16	2.75	0.85	(0.03)	0.16	2.72
Aditya Birla Housing Finance Limited	11.11	1,720.99	11.56	197.29	(128.69)	4.55	11.86	201.84
Aditya Birla Health Insurance Co. Limited	3.24	501.95	(18.22)	(310.80)	587.46	(20.77)	(19.48)	(331.57)
ABCAP Trustee Company Private Limited	-	-	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Aditya Birla Sun Life Insurance Company Limited	16.79	2,601.05	7.04	120.07	1,275.60	(45.10)	4.40	74.97
Aditya Birla Sun Life Pension Management Limited	0.36	56.39	(0.16)	(2.73)	-	-	(0.16)	(2.73)
Aditya Birla Financial Shared Services Limited	0.01	1.74	0.03	0.47	-	-	0.03	0.47
Aditya Birla Stressed Asset AMC Private Limited	0.15	23.98	0.24	4.05	0.57	(0.02)	0.24	4.03
Aditya Birla Special Situation Fund I	1.05	162.99	1.23	20.97	-	-	1.23	20.97
Aditya Birla ARC Limited (Consolidated)	0.95	147.24	1.24	21.20	2.26	(0.08)	1.24	21.12
Aditya Birla PE Advisors Private Limited	0.03	4.14	(0.02)	(0.41)	(0.85)	0.03	(0.02)	(0.38)
Aditya Birla Capital Technology Services Limited	(0.24)	(37.41)	(0.10)	(1.67)	0.28	(0.01)	(0.10)	(1.68)
Aditya Birla Trustee Company Private Limited	0.003	0.42	-	-	-	-	-	-
ASSOCIATES AND JOINT VENTURES								
Aditya Birla Sun Life Asset Management (Consolidated including Foreign Subsidiaries)	7.09	1,098.44	19.92	339.80	(37.46)	1.32	20.04	341.12
Aditya Birla Wellness Private Limited	0.07	10.71	0.06	1.07	(0.85)	0.03	0.06	1.10
Aditya Birla Sun Life Trustee Private Limited	0.004	0.67	0.00	0.03	-	-	0.00	0.03
Eliminations/Consolidation Adjustments	(70.26)	(10,885.22)	(14.00)	(238.79)	(926.00)	32.73	(12.10)	(206.06)
Total	100.00	15,492.11	100.00	1,705.97	100.00	(3.54)	100.00	1,702.43

Notes: * Net Assets = Total Assets - Total Liabilities



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 50 MATERIAL PARTLY OWNED SUBSIDIARIES

(1) Financial Information of Subsidiaries that have material Non-Controlling Interest is provided below

(A) Aditya Birla Sun Life Insurance Company Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31 st March 2023	As at 31 st March 2022
Aditya Birla Sun Life Insurance Company Limited including Aditya Birla Sun Life Pension Management Limited (100% subsidiary of Aditya Birla Sun Life Insurance Company Limited)	India	51.00%	51.00%

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Proportion of Interest Held by Non-Controlling Entity	49.00%	49.00%
Accumulated Balances of Non-Controlling Interest	1,409.29	1,268.34
Summarised Financial Information for Balance Sheet		
Current Assets	6,611.60	8,660.63
Non-Current Assets	68,219.12	56,778.25
Current Liabilities	4,335.54	4,399.87
Non-Current Liabilities	67,619.08	58,381.57

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Profit/(Loss) Allocated to Non-Controlling Interest	63.05	57.49
Summarised Financial Information for the Statement of Profit and Loss		
Revenue from Operations	15,436.32	12,386.47
Profit for the Year	128.68	117.34
Other Comprehensive Income	(82.10)	(45.09)
Total Comprehensive Income	46.58	72.25
Summarised Financial Information for Cash Flows		
Cash Flows from Operating Activities	5,890.85	2,880.61
Cash Flows from Investing Activities	(5,843.55)	(3,086.58)
Cash Flows from Financing Activities	205.71	284.15
Net Increase/(Decrease) in Cash and Cash Equivalents	253.01	78.18

(B) Aditya Birla Insurance Brokers Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31 st March 2023	As at 31 st March 2022
Aditya Birla Insurance Brokers Limited	India	50.002%	50.002%

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Proportion of Interest Held by Non-Controlling Entity	49.998%	49.998%
Accumulated Balances of Non-Controlling Interest	71.23	64.84
Summarised Financial Information for Balance Sheet		
Current Assets	223.57	203.71
Non-Current Assets	73.64	92.15
Current Liabilities	138.91	57.80
Non-Current Liabilities	15.84	71.89

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Profit/(Loss) Allocated to Non-Controlling Interest	36.29	42.03
Dividend Paid to Non-Controlling Interest	30.01	17.95
Summarised Financial Information for the Statement of Profit and Loss		
Revenue from Operations	607.14	691.40
Profit for the Year	72.58	64.06
Other Comprehensive Income	0.22	0.18
Total Comprehensive Income	72.80	64.23
Summarised Financial Information for Cash Flows		
Cash Flows from Operating Activities	129.83	55.85
Cash Flows from Investing Activities	(66.43)	(15.06)
Cash Flows from Financing Activities	(64.09)	(40.00)
Net Increase/(Decrease) in Cash and Cash Equivalents	(0.69)	0.79

(C) Aditya Birla Money Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31 st March 2023	As at 31 st March 2022
Aditya Birla Money Limited	India	73.60%	73.70%

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Proportion of Interest Held by Non-Controlling Entity	26.40%	26.30%
Accumulated Balances of Non-Controlling Interest	28.79	19.51
Summarised Financial Information for Balance Sheet		
Current Assets	888.10	833.81
Non-Current Assets	475.32	432.86
Current Liabilities	1,131.91	1,077.46
Non-Current Liabilities	122.34	114.78

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Profit/(Loss) Allocated to Non-Controlling Interest	8.93	6.87
Dividend Paid to Non-Controlling Interest	-	-
Summarised Financial Information for the Statement of Profit and Loss		
Revenue from Operations	262.96	231.31
Profit for the Year	33.90	26.13
Other Comprehensive Income	0.57	0.17
Total Comprehensive Income	34.47	26.30
Summarised Financial Information for Cash Flows		
Cash Flows from Operating Activities	(76.51)	(284.05)
Cash Flows from Investing Activities	(3.76)	0.32
Cash Flows from Financing Activities	106.05	310.88
Net Increase/(Decrease) in Cash and Cash Equivalents	25.78	27.16



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 51 INTEREST IN JOINT VENTURES AND ASSOCIATES

- (1) Below is the Associate Company of the Group which, in the opinion of the Management, is material to the Group, which has been accounted as per Equity Method of Accounting.

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		Quoted Fair Value (₹ Per Share)	
		As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022
Aditya Birla Sun Life AMC Limited	India	50.01%	50.01%	311.20	532.95

- (i) Aditya Birla Sun Life AMC Limited ("ABSLAMC") was incorporated on 5th September 1994.

The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996, and the principal activity is to act as an investment manager to Aditya Birla Sun Life Mutual Fund. The Company manages the investment portfolios of Aditya Birla Sun Life Mutual Fund, India Advantage Fund Ltd., Mauritius, India Excel (Mauritius) Fund and Aditya Birla Real Estate Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993, and provides portfolio management services and investment advisory services to offshore funds and high net worth investors. Aditya Birla Sun Life AMC Limited has setup two Alternate Investment Funds (AIF) one under Category III and the other under Category II with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. Aditya Birla Sun Life AMC Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

- (2) Summarised Financial Information of material Associate Company

- a) Summarised Balance Sheet

Aditya Birla Sun Life AMC Limited

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Current Assets		
Cash and Cash Equivalents	33.61	65.25
Other Assets	1,757.15	1,488.03
Total Current Assets	1,790.76	1,553.28
Total Non-Current Assets	997.37	881.46
Current Liabilities		
Financial Liabilities (excluding Trade Payables)	63.19	84.80
Other Liabilities	135.13	91.30
Total Current Liabilities	198.32	176.10
Non-Current Liabilities		
Financial Liabilities (excluding Trade Payables)	35.43	-
Other Liabilities	37.39	62.41
Total Non-Current Liabilities	72.82	62.41
Net Assets	2,516.99	2,196.23
Group Share in %	50.01%	50.01%
Group Share in ₹	1,258.75	1,098.33
Carrying Amount	1,258.75	1,098.33

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

b) Summarised Statement of Profit and Loss

Aditya Birla Sun Life AMC Limited

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Revenue from Operations	1,226.61	1,292.96
Depreciation and Amortisation Expenses	34.33	35.62
Income Tax Expenses	197.48	221.93
Profit for the Year	596.38	672.77
Group Share	298.25	339.82
Other Comprehensive Income	5.49	2.63
Group Share	2.75	1.32
Total Comprehensive Income	601.87	675.40
Group Share	301.00	341.01
Dividend Received	156.27	116.64

(3) Commitments and Contingent Liabilities in respect of Associate Companies

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Group Share in Commitments in respect of Associate Companies not being included in Note No. 41*	8.36	74.96
Group Share in Contingent Liabilities in respect of Associate Companies not being included in Note No. 40	96.19	35.96

* This includes commitment to invest in Mutual Fund Schemes managed by ABSLAMC, vide SEBI circular SEBI/HO/IMD/IMD-IDOF5/P/CIR/2021/624, dated 2nd September 2021.

(4) Below is the Joint Venture Company of the Group which, in the opinion of the Management, is material to the Group, which has been accounted as per Equity Method of Accounting.

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		Quoted Fair Value (₹ Per Share)	
		As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022
Aditya Birla Health Insurance Co. Limited*	India	45.91%	51.00%	#	#

* Accounted as Joint Venture w.e.f. 21st October 2022

Unlisted equity - No quoted price available



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(5) Summarised Financial Information of material Joint Venture Companies

a) Summarised Balance Sheet

Aditya Birla Health Insurance Limited (ABHI)

(₹ crore)

Particulars	As at 31 st March 2023
Current Assets	
Cash and Cash Equivalents	16.95
Other Assets	719.02
Total Current Assets	735.97
Total Non-Current Assets	2,628.68
Current Liabilities	
Financial Liabilities (excluding Trade Payables)	188.59
Other Liabilities	1,946.41
Total Current Liabilities	2,135.00
Non-Current Liabilities	
Financial Liabilities (excluding Trade Payables)	22.00
Other Liabilities	7.47
Total Non-Current Liabilities	29.47
Net Assets	1,200.18
Group Share in %	45.91%
Group Share in ABHI #	3,032.67
Carrying Amount #	3,032.67

Includes the impact of transaction referred to in Note No. 58

b) Summarised Statement of Profit and Loss

Aditya Birla Health Insurance Co. Limited *

(₹ crore)

Particulars	For Period between 21 st October 2022 and 31 st March 2023
Revenue from Operations	1,251.30
Depreciation and Amortisation Expenses	21.70
Income Tax Expenses	-
Profit/(Loss) for the Year	(56.77)
Group Share	(26.06)
Other Comprehensive Income	13.20
Group Share	6.06
Total Comprehensive Income	(43.57)
Group Share	(20.00)

* Aditya Birla Health Insurance Co. Limited is accounted as Joint Venture w.e.f. 21st October 2022. Refer Note No. 58

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(6) Commitments and Contingent Liabilities in respect of Joint Venture Companies

(₹ crore)

Particulars	As at 31 st March 2023
Group Share in Commitments in respect of Joint Venture Companies not being included in Note No. 41	10.53
Group Share in Contingent Liabilities in respect of Joint Venture Companies not being included in Note No. 40	5.74

(7) Individually immaterial Joint Venture Companies

The Group also has interest in number of individually immaterial Joint Ventures that are accounted for using Equity Method of Accounting. Below is the combined financial information with respect to those entities.

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Aggregate Carrying Amount of individually immaterial Joint Venture Companies	12.52	11.40

(₹ crore)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Aggregate Amount of the Group Share of:		
Profit for the Year	1.06	1.11
Other Comprehensive Income	0.06	0.03

(8) As per the Shareholders' agreements, Aditya Birla Sun Life Trustee Private Limited and Aditya Birla Wellness Limited cannot distribute their profits until they obtain consent from other venture partners.

(9) Aditya Birla Capital Limited holds, either directly or through its subsidiary, more than half of the equity shares holding in the following entities. However, as per the Shareholders' agreement/statute, the Company needs to jointly decide with other Shareholders of the respective entity on certain relevant activities. Hence, the same are being accounted as per Equity Method of Accounting.

- Aditya Birla Sun Life Trustee Private Limited
- Aditya Birla Wellness Private Limited



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 52 ASSETS AND LIABILITIES OF THE POLICYHOLDERS OF LIFE INSURANCE BUSINESS

(₹ crore)

Particulars	Note No.	As at 31 st March 2023	As at 31 st March 2022
Assets			
Financial Assets			
(a) Cash and Cash Equivalents	(i)	957.29	704.64
(b) Bank Balances other than (a) above	(i)(a)	0.25	0.25
(c) Derivative Financial Instruments	(x)	4.95	-
(d) Trade Receivables	(ii)	315.36	264.53
(e) Loans	(iii)	729.66	664.42
(f) Investments of Policyholders'	(iv)	36,943.85	28,457.95
(g) Assets Held to Cover Linked Liabilities	(v)	30,505.79	30,160.05
(h) Other Financial Assets	(vi)	1,558.76	1,615.62
Sub Total		71,015.91	61,867.46
Non-Financial Assets			
(a) Property, Plant and Equipment	(vii)	38.68	34.82
(b) Right-to-Use of Assets		121.12	124.04
(c) Capital Work-in-Progress		6.43	9.46
(d) Intangible Assets Under Development		17.74	15.59
(e) Other Intangible Assets	(viii)	63.22	62.26
(f) Other Non-Financial Assets	(ix)	165.01	150.44
Sub Total		412.20	396.61
Total Assets of Policyholders of Life Insurance Business		71,428.11	62,264.07
EQUITY AND LIABILITIES			
Financial Liabilities			
(a) Derivative Financial Instruments	(x)	-	43.95
(b) Trade Payables			
- Micro Enterprises and Small Enterprises		2.54	3.42
- Creditors other than Micro Enterprises and Small Enterprises	(xi)	557.15	375.11
(c) Lease Liabilities		131.15	135.05
(d) Life Insurance Contract Liabilities and Restricted Surplus	(xiv)	69,089.93	60,109.04
(e) Other Financial Liabilities	(xii)	1,445.01	1,400.57
Sub Total		71,225.78	62,067.14
Non-Financial Liabilities			
(a) Provisions	(xiii)	111.03	111.89
(b) Deferred Tax Liabilities (Net)		10.27	24.97
(c) Other Non-Financial Liabilities	(xv)	82.24	56.01
Sub Total		203.54	192.87
Total Liabilities of Policyholders of Life Insurance Business		71,429.32	62,260.01

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (i): Cash and Cash Equivalents

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Cash on Hand	6.61	4.39
Balances with Banks		
- Current Accounts	390.07	230.83
- Deposits with original maturity period of three months or less	459.61	396.84
Cheques/Drafts on Hand	101.00	72.58
	957.29	704.64

Note(i)(a): Bank Balances other than (i) above

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Balances at Banks		
- Deposits with original maturity of more than three months"	0.25	0.25
	0.25	0.25

Note (ii): Trade Receivables

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Trade Receivables at Amortised Cost		
Secured, Considered Good	-	-
Unsecured, Considered Good	315.36	264.53
	315.36	264.53

Note (iii): Loans at Amortised Cost

(₹ crore)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Loans and Advances:		
Subsidiaries	-	-
Other Related Parties	6.99	0.55
Agents' Balances (Gross)	1.94	1.48
Less: Provision for Doubtful Debts	(0.31)	(0.56)
Advances Recoverable in Cash or in Kind or for value to be received	315.31	368.89
Loans Against Policies	405.73	294.06
	729.66	664.42
Secured		
Secured by Tangible Assets	405.73	294.06
Unsecured	323.93	370.36
	729.66	664.42
Loans within India		
Public Sectors	-	-
Others	729.66	664.42
	729.66	664.42



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (iv): Financial Assets - Investments of Policyholders'

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
A. Investments in Mutual Funds		
Quoted Investments		
Quoted Investments - at Fair Value through Profit or Loss	-	-
B. Investments in Equity Instruments		
Quoted Investments		
At Fair Value through Profit or Loss	2,744.70	1,926.95
C. Investments in Government or Trust Securities		
Quoted Investments		
At Amortised Cost	17,651.88	12,134.08
At Fair Value through Other Comprehensive Income	4,618.67	3,495.28
	22,270.55	15,629.36
D. Investments in Debentures		
Quoted Investments		
At Amortised Cost	7,091.38	5,950.20
Less: Allowance for Impairment Loss	4.77	3.79
	7,086.61	5,946.41
At Fair Value through Other Comprehensive Income	4,322.63	3,562.98
Less: Allowance for Impairment Loss	2.46	1.84
	4,320.17	3,561.14
	11,406.78	9,507.55
E. Other Investments		
Unquoted Investments		
At Amortised Cost	10.29	-
At Fair Value through Other Comprehensive Income	-	5.31
Quoted Investments		
At Fair Value through Other Comprehensive Income	94.48	411.58
Less: Allowance for Impairment Loss	-	0.03
	94.48	411.55
At Amortised Cost	417.11	977.23
Less: Allowance for Impairment Loss	0.06	-
	417.05	977.23
	521.82	1,394.09
	36,943.85	28,457.95

Note (v): Assets Held to Cover Linked Liabilities

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Quoted Investments at Fair Value through Profit or Loss		
Mutual Funds	337.80	598.40
Equity Instruments	13,795.91	13,028.13
Government or Trust Securities	7,987.30	7,012.11
Debentures	6,939.61	7,789.91
Other Investments	1,314.19	1,855.99
Other Assets	(39.82)	(165.49)
Unquoted Investments at Fair Value through Profit or Loss		
Other Investments	170.80	41.00
	30,505.79	30,160.05

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (vi): Other Financial Assets

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Security Deposits	71.50	50.76
Unclaimed Maturity Fund	197.52	256.69
Re-Insurance Assets	1,274.94	1,256.79
Less: Provision for Doubtful Debts	-	-
Others	10.00	51.38
MTM Margin A/c - FRA Receivables	4.80	-
	1,558.76	1,615.62

Note (vii): Property, Plant and Equipment

Property, Plant and Equipment consist of the following:

Particulars	(₹ crore)					
	Information Technology Equipment	Leasehold Improvement	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31st March 2023						
Gross Carrying Amount						
Opening Gross Carrying Amount	21.69	10.68	10.43	8.23	6.12	57.15
Additions	4.23	3.10	4.68	3.12	2.01	17.14
Disposals	3.25	9.05	1.52	1.65	1.96	17.43
	22.67	4.73	13.59	9.70	6.17	56.86
Accumulated Depreciation						
Opening Depreciation	11.48	1.97	2.19	4.51	2.19	22.34
Depreciation for the Year	4.40	2.64	1.98	1.67	1.75	12.44
Disposals	3.22	8.84	1.36	1.27	1.91	16.60
	12.66	(4.23)	2.81	4.91	2.03	18.18
Net Carrying Amount	10.01	8.96	10.78	4.79	4.14	38.68
As at 31st March 2022						
Gross Carrying Amount						
Opening Gross Carrying Amount	21.51	8.21	8.08	7.31	5.35	50.47
Additions	4.10	6.80	4.47	2.43	2.30	20.11
Disposals	3.92	4.33	2.12	1.51	1.53	13.42
	21.69	10.68	10.43	8.23	6.12	57.16
Accumulated Depreciation						
Opening Depreciation	10.79	4.38	3.03	4.12	2.03	24.35
Depreciation for the Year	4.57	1.82	0.97	1.54	1.63	10.52
Disposals	3.88	4.23	1.81	1.15	1.47	12.53
	11.48	1.97	2.19	4.51	2.19	22.34
Net Carrying Amount	10.21	8.71	8.24	3.72	3.93	34.82



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (viii): Intangible Assets

		(₹ crore)
Particulars		Software
As at 31st March 2023		
Gross Carrying Amount		
Opening Gross Carrying Amount		172.87
Additions		37.35
Disposals		5.88
		204.34
Accumulated Amortisation		
Opening Amortisation		110.60
Amortisation for the Year		35.71
Disposals		5.19
		141.12
Net Carrying Amount		63.22
As at 31st March 2022		
Gross Carrying Amount		
Opening Gross Carrying Amount		152.01
Additions		24.62
Disposals		3.76
		172.87
Accumulated Amortisation		
Opening Amortisation		84.42
Amortisation for the Year		29.37
Disposals		3.19
		110.60
Net Carrying Amount		62.26

Note: All intangibles are other than internally generated.

Note (ix): Other Non-Financial Assets

		(₹ crore)
Particulars	As at 31 st March 2023	As at 31 st March 2022
Capital Advances	3.90	4.88
Prepaid Expenses	42.93	36.08
Deferred Acquisition Cost	1.38	2.58
Leave Encashment Fund	42.10	40.78
Gratuity Fund	65.42	61.50
Advances to Suppliers	1.25	1.00
Other Statutory Receivables	7.54	3.25
Advances to Employees	0.22	0.22
SCWF Fund	0.27	0.15
	165.01	150.44

Note (x): Derivative Financial Instruments

		(₹ crore)
Particulars	As at 31 st March 2023	As at 31 st March 2022
Interest Rate Derivatives (Cash Flow Hedges)	4.95	(43.95)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (xi): Trade Payables

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Dues of Micro and Small Enterprises	2.54	3.42
Dues of Others	557.15	375.11
	559.69	378.53

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 2023 (₹ Nil as at 31st March 2022). This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Terms and Conditions of the above Financial Liabilities:

- Trade payables are non-interest bearing, and are normally settled on 60-90 day terms.
- Other payables are non-interest bearing, and have an average term of six months.

Note (xii): Financial Liabilities

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
At Amortised Cost		
Payables for Salaries, Wages, Bonus and other Employee Benefits	166.92	87.58
Payables for Capital Expenditure	0.04	3.03
Dues to Policyholders'	1,074.85	1,034.47
Unclaimed Amounts of Policyholders'	197.85	256.76
Deposits	2.96	1.48
Interest Payable on NCD	0.07	-
Subvention Money Received	2.32	2.47
MTM - FRA	-	14.78
	1,445.01	1,400.57

Note (xiii): Provisions

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Provision for Employee Benefits	111.03	111.89
	111.03	111.89



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (xiv): Life Insurance Contract Liabilities and Restricted Surplus

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Contract Liabilities of Life Insurance		
Insurance Contract Liabilities	49,520.24	43,254.25
Investment Contract Liabilities	19,287.31	16,386.38
Fair Value Changes of Policyholders' Investments		
Fair Value through Profit and Loss	118.80	177.77
Fair Value through Other Comprehensive Income	95.70	222.18
Policyholder Fund Other Changes		
Fair Value through Profit and Loss	8.17	8.07
Fair Value through Other Comprehensive Income	45.94	56.26
Amortised Cost (Others)	13.77	4.13
	69,089.93	60,109.04

Note (xv): Other Non-Financial Liabilities

(₹ crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Advances from Customers	16.21	12.29
Other Payables		
Deferred Liabilities for Deposits	-	1.24
Deferred Fees	2.06	1.26
Statutory Dues	0.69	41.03
Deposits for Agents Training and Others	62.88	0.19
Payables to Employees	0.40	-
	82.24	56.01

Note (xvi): Income from Life Insurance Operations

(₹ crore)

Particulars	Note No.	Year ended 31 st March 2023	Year ended 31 st March 2022
Life Insurance Premium (Net of Service Tax/GST)		13,381.83	10,657.93
Reinsurance Ceded		(530.23)	(498.78)
Fees and Commission Income		0.57	0.63
Interest Income	(xvi)A	2,233.57	1,737.51
Dividend Income		48.88	30.27
Fair Value Changes	(xvi)B	38.44	241.53
Other Income	(xvi)C	13.02	10.11
		15,186.08	12,179.20

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (xvi)A: Interest Income of Life Insurance Operations

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Interest on Loans		
On Financial Assets Measured at Amortised Cost	1.22	21.73
Interest Income from Investments		
On Financial Assets Measured at Fair Value through OCI	601.05	476.90
On Financial Assets Measured at Amortised Cost	1,574.85	1,212.62
On Financial Assets Classified at Fair Value through Profit or Loss	13.53	8.23
Interest on Deposits with Banks		
On Financial Assets Measured at Fair Value through OCI	0.02	0.31
On Financial Assets Measured at Amortised Cost	0.36	0.03
Other Interest Income		
On Financial Assets Measured at Amortised Cost	42.54	17.69
	2,233.57	1,737.51

Note (xvi)B: Net Gain/(Loss) on Fair Value Changes of Life Insurance Operations

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A. On Financial Instruments at Fair Value through Profit or Loss		
On Trading Portfolio		
Debts	-	-
Equity	42.39	259.10
Derivatives	(12.92)	(23.24)
B. On Financial Instruments at Fair Value through Other Comprehensive Income		
Debts	0.66	0.02
C. On Financial Instruments at Amortised Cost		
Debts	8.21	5.65
Equity	0.10	-
Total Net Gain/(Loss) on Fair Value Changes	38.44	241.53
Fair Value Changes:		
Realised	96.63	216.81
Unrealised	(58.19)	24.72

Note (xvi)C: Other Income of Life Insurance Operations

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Changes in Market Value of Leave Encashment Fund	5.46	7.35
Notional Interest Income	(0.80)	0.43
Others	0.06	2.33
Deferred Lease Income on Refundable Deposits	0.01	-
Sub-Lease Rent Income	8.29	-
	13.02	10.11



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (xvii): Expenses of the Life Insurance Operations

(₹ crore)			
Particulars	Note No.	Year ended 31 st March 2023	Year ended 31 st March 2022
Finance Costs	(xvii)A	10.81	10.87
Fees and Commission Expenses		793.72	565.02
Impairment on Financial Instruments	(xvii)B	2.37	1.09
Employee Benefits Expenses	(xvii)C	1,007.23	770.74
Benefits Payout	(xvii)D	5,211.96	6,572.39
Claims Ceded to Reinsurers		(299.23)	(690.46)
Changes in Valuation of Liabilities	(xvii)E	7,290.58	4,078.30
Depreciation and Amortisation Expenses	(xvii)F	83.21	74.17
Other Expenses	(xvii)G	1,092.60	741.16
		15,193.25	12,123.28
Add: Restricted Life Insurance Surplus Retained in Policyholders' Fund		(67.56)	8.90
		15,125.69	12,132.18

Note (xvii)A: Finance Costs of Life Insurance Operations

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Finance Cost - Lease Liabilities	10.81	10.87
	10.81	10.87

Note (xvii)B: Impairment on Financial Instruments of Life Insurance Operations

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Provision for Security Deposits	0.83	0.50
Provision for Doubtful Investments	1.64	(0.20)
Provision for Standard and Non-Standard Assets	(0.02)	(0.02)
Provision for Doubtful Debts (Agent Balances)	(0.21)	(0.19)
Provision Others	0.13	1.00
	2.37	1.09

Note (xvii)C: Employee Benefits Expenses of Life Insurance Operations

(₹ crore)		
Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Salaries, Wages and Bonus	939.25	719.34
Contribution to Provident and Other Funds	40.01	33.92
Gratuity Expenses	5.57	5.47
Staff Welfare Expenses	21.48	10.86
ESOP Expenses	0.92	1.15
	1,007.23	770.74

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Note (xvii)D: Benefits Payouts of Life Insurance Operations

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Claims by Death	769.67	1,481.90
Claims by Maturity	864.35	1,487.73
Annuities/Pension Payments	30.34	22.71
Surrender and Withdrawals	3,251.07	3,321.84
Other Benefits (Riders)	296.53	258.21
	5,211.96	6,572.39

Note (xvii)E: Changes in Valuation of Liabilities in Respect of Life Insurance Policies in Force of Life Insurance Operations

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Changes in Valuation of Liabilities in respect of Life Insurance Policies	8,198.66	7,176.38
Changes in Premium Discontinuance Funds	247.87	289.40
Investments (Income)/Loss on Life Insurance Policyholders' Fund related to Linked Business	(1,155.95)	(3,387.48)
	7,290.58	4,078.30

Note (xvii)F: Depreciation and Amortisation Expenses of Life Insurance Operations

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Depreciation of Property, Plant and Equipment	12.44	10.54
Amortisation of Intangible Assets	35.71	29.37
Amortisation of Lease Assets	35.06	34.26
	83.21	74.17

Note (xvii)G: Other Expenses of Life Insurance Operations

Particulars	(₹ crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Rent	22.74	5.96
Repairs and Maintenance of:		
Buildings	2.31	1.92
Others	14.79	13.85
Rates and Taxes	63.95	37.09
Electricity Expenses	9.50	7.80
Advertisements	560.47	377.18
Distribution Expenses	48.91	27.84
Legal and Professional Fees	16.99	12.02
Printing and Stationery	4.40	2.82
Travelling and Conveyance	24.56	10.94
Communication Expenses	7.91	6.01
Loss on Sale/Discard of Fixed Assets (Net)	0.02	1.13
Information Technology Expenses	95.23	79.45
Miscellaneous Expenses	174.36	102.59
Others Expenses	46.46	54.56
	1,092.60	741.16



Notes forming part of the Consolidated Financial Statements

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NOTE: 53 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:

(₹ crore)

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Financial Assets related to Life Insurance Business	25,165.83	25,282.33	19,057.72	19,583.08
Financial Assets related to Health Insurance Business	-	-	2.57	2.57
Investments in Debentures/Bonds	323.29	323.29	137.70	137.70
Total	25,489.12	25,605.62	19,197.99	19,723.35
Financial Liabilities at Amortised Cost				
Debt Securities	26,300.33	26,244.94	18,573.75	19,137.56
Borrowings other than Debt Securities	53,815.47	53,815.39	35,931.37	35,931.58
Subordinated Liabilities	3,260.44	3,235.90	3,297.25	3,373.68
Total	83,376.24	83,296.23	57,802.37	58,442.82

The Management assessed that loans against policies, leave encashment, advances to related party and others, security deposits, cash and cash equivalents, trade receivables, trade payables, bank overdrafts, and other current financial liabilities and assets approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Financial Instruments Measured at Fair Value – Fair Value Hierarchy

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.
- **Level 2:** Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities, for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models, whereby the material assumptions are market observable.
- **Level 3:** Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Valuation Technique for Level 2 Instruments

Investments in Preference Shares: Investment made in preference share is not actively traded on stock exchange, and such instruments are classified as Level 2.

Investments in Govt. Securities: The fair values of investments made in Government Securities are based on valuation report from ICRA as at the reporting period, and the same are classified under Level 2.

Investments in Alternate Funds: Units held in funds of AIF are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. NAV represents the price at which the issuer will issue further units of AIF, and the price at which issuers will redeem such units from the investors.

Notes forming part of the Consolidated Financial Statements

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Investments in Debt Securities:

a) NBFC

Fair value of these instruments is derived based on the indicative quote of price and yields prevailing in the market as at reporting date. The Company has used quoted price of National Stock Exchange, wherever bonds are traded actively. In cases where debt securities are not actively traded, the Company has used CRISIL corporate bond valuer model for measuring fair values, i.e., fair value has been computed using the Fixed Income Money Market and Derivatives Association of India ('FIMMDA') data on corporate bond spreads, and such instruments are classified as Level 2.

b) Life Insurance

Fair valuation of Non-Convertible Debentures, AT1 Bonds, Non-Convertible Redeemable Preference Shares are carried basis yield matrix provided by CRISIL on daily basis, using CRISIL Bond Valuer to arrive at security level prices. Similarly, basis the available yield matrix valuation is derived for Commercial Paper, Certificate of Deposit and Treasury Bills. Such instruments are classified as Level 2.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets as at 31st March 2023:

	(₹ crore)			
Particulars	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:				
Derivative Assets	-	5.97	-	5.97
Re-insurance Assets	-	-	1,274.94	1,274.94
FVTOCI Assets				
Equity	-	-	3.08	3.08
Financial Assets Related to Life Insurance Business				
Policyholders	4,618.67	4,414.66	-	9,033.33
Shareholders	1,293.95	1,871.47	0.86	3,166.28
FVTPL Assets:				
Equity	0.35	-	-	0.35
Mutual Funds	-	580.51	-	580.51
Debentures/Bonds	-	1,257.31	-	1,257.31
Government Securities	-	2,595.68	-	2,595.68
Other Investments	-	56.08	510.19	566.27
Financial Assets Related to Life Insurance Business				
Policyholders	23,276.55	10,013.74	-	33,290.29
Shareholders	52.60	84.03	-	136.63
FVTPL Liabilities:				
Debt Securities	-	944.53	-	944.53
	29,242.12	21,823.98	1,789.07	52,855.17
Assets for which Fair Values are disclosed above:				
Investments in Debentures/Bonds	88.00	-	235.29	323.29
Financial Assets Related to Life Insurance Business				
Policyholders	17,686.24	7,596.09	-	25,282.33
Total	47,016.36	29,420.07	2,024.36	78,460.79
Liabilities Measured at Fair Value:				
Derivative Liabilities	-	13.69	-	13.69
Insurance Contract Liabilities	20,497.61	-	29,022.63	49,520.24
Investment Contract Liabilities	10,009.80	-	9,277.51	19,287.31
Liabilities for which Fair Values are disclosed above:				
Debt Securities	-	18,568.77	7,676.17	26,244.94
Borrowings (other than Debt Securities)	-	-	53,815.39	53,815.39
Subordinated Liabilities	-	3,224.69	11.21	3,235.90
Total	30,507.41	21,807.15	99,802.91	152,117.47

There have been no transfers between Level 1 and Level 2 during the period.



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Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets as at 31st March 2022:

	(₹ crore)			
Particulars	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:				
Derivative Assets/(Liabilities) of Life Insurance Business	-	14.39	-	14.39
Re-insurance Assets	-	-	1,256.79	1,256.79
FVTOCI Assets:				
Equity	-	-	2.35	2.35
Financial Assets Related to Life Insurance Business				
Policyholders	3,470.56	4,002.72	-	7,473.28
Shareholders	1,040.24	1,937.65	0.83	2,978.72
Financial Assets Related to Health Insurance Business				
Policyholders	848.04	264.45	-	1,112.49
Shareholders	294.08	32.77	-	326.85
FVTPL Assets:				
Equity	0.45	-	-	0.45
Mutual Funds	-	394.73	-	394.73
Debentures/Bonds	-	1,538.60	-	1,538.60
Government Securities	-	471.38	-	471.38
Other Investments	-	116.91	382.10	499.01
Financial Assets Related to Life Insurance Business				
Policyholders	22,057.84	10,194.65	(165.49)	32,087.00
Shareholders	25.86	38.43	-	64.29
Financial Assets Related to Health Insurance Business				
Policyholders	78.30	-	-	78.30
Shareholders	20.01	-	-	20.01
FVTPL Liabilities:				
Debt Securities	-	249.54	-	249.54
	27,835.41	19,256.25	1,476.61	48,568.21
Assets for which Fair Values are disclosed above:				
Investments in Debentures/Bonds	-	-	137.70	137.70
Financial Assets Related to Life Insurance Business				
Policyholders	12,328.52	7,254.56	-	19,583.08
Financial Assets Related to Health Insurance Business				
Shareholders	2.57	-	-	2.57
	40,166.50	26,510.81	1,614.31	68,291.56
Liabilities Measured at Fair Value:				
Derivative Liabilities	-	78.00	-	78.00
Derivative Liabilities of Life Insurance Business	-	43.95	-	43.95
Insurance Contract Liabilities	20,921.51	-	22,332.74	43,254.25
Investment Contract Liabilities	9,238.68	-	7,147.70	16,386.38
Liabilities for which Fair Values are disclosed above:				
Debt Securities	-	15,146.04	3,991.52	19,137.56
Borrowings (other than Debt Securities)	-	-	35,931.58	35,931.58
Subordinated Liabilities	-	3,362.68	11.00	3,373.68
Total	30,160.19	18,630.67	69,414.54	118,205.40

There have been no transfers between Level 1 and Level 2 during the period.

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Level 3 Fair Value Measurements

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31st March 2023 and 31st March 2022 are as shown below:

				(₹ crore)
Financial Assets/Liabilities Related to Insurance Business	Valuation Techniques	Significant Unobservable Inputs	Range	Sensitivity of the Input to Fair Value
For 31 st March 2023				
Private Equity Investment	Price to Book Value Method	Valuation at 10% Discount compared to peer group	0.45	6.20
Private Equity Investment		Valuation at par with peer group	0.50	6.90
Private Equity Investment		Valuation at 10% Premium compared to peer group	0.55	7.50
For 31 st March 2022				
Private Equity Investment	Price to Book Value Method	Valuation at 10% Discount compared to peer group	0.45	6.00
Private Equity Investment		Valuation at par with peer group	0.50	6.60
Private Equity Investment		Valuation at 10% Premium compared to peer group	0.55	7.28

Impact on Fair Value of Level 3 Financial Instruments measured at Fair Value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities.

Relationships between unobservable inputs have not been incorporated in this summary.

(₹ crore)			
Financial Assets Related to Other Business	Fair Value		
	Level 3 Assets 31 st March 2023	Valuation Technique	Significant Unobservable Inputs
Equity Shares	3.08	Net Worth of Investee Company	Instrument Price
Others	510.19	Discounted Projected Cash Flow	Expected Gross Recoveries and Discount Rates

(₹ crore)			
Financial Assets Related to Other Business	Fair Value		
	Level 3 Assets 31 st March 2022	Valuation Technique	Significant Unobservable Inputs
Equity Shares	2.35	Net Worth of Investee Company	Instrument Price
Others	382.09	Discounted Projected Cash Flow	Expected Gross Recoveries and Discount Rates

Sensitivity of Fair Value Measurements to changes in unobservable market data

(₹ crore)				
Particulars	As at 31 st March 2023		As at 31 st March 2022	
	Favourable Changes (+5%)	Unfavourable Changes (-5%)	Favourable Changes (+5%)	Unfavourable Changes (-5%)
Equity Shares	0.15	(0.15)	0.12	(0.12)
Others	25.51	(25.51)	19.10	(19.10)



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for the year ended 31st March 2023

Reconciliation of Level 3 Fair Value Instruments for the year ended 31st March 2023

Particulars	(₹ crore)	
	Year ended 2022-23	Year ended 2021-22
Balance at the beginning of the Year	1,476.61	1,363.62
Gains or Losses		
in Profit or Loss	(17.55)	44.47
in OCI	0.77	0.27
Purchases	266.34	164.05
Sales	(120.74)	(251.95)
Movement of Other Current Assets	165.49	(286.09)
Movement of Re-Insurance Assets	18.15	442.24
Balance at the end of the Year	1,789.07	1,476.61

NOTE: 54 RISK RELATED TO INSURANCE BUSINESS

Insurance and Financial Risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

1. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Feature (DPF)

Ind AS 104 requires products offered by the Insurance Group to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

A contract would be an insurance contract and investment contract with DPF, if the benefits payable on death is higher by:

- at least 5% of the fund value at any time during the life on the contract for unit-linked products, or
- at 5% of the premium at any time during the life of the contract for other than unit-linked products.

All other contracts are categorised as Investment Contracts.

For contracts with DPF, the participating nature of these contracts result in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, the Group charges for death and disability risks on a quarterly basis. Under these contracts, the Group has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the Group.

The main risks that the Group is exposed to are as follows:

- Persistency Risk** – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.
- Mortality Risk** – risk of loss arising due to policyholder death experience being different than expected.
- Morbidity Risk** – risk of loss arising due to policyholder health experience being different than expected.
- Longevity Risk** – risk of loss arising due to the annuitant living longer than expected.
- Investment Return Risk** – risk of loss arising from actual returns being different than expected.

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- 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 risks are insured to one reinsurer.
- ix) **Concentration Risk** – The Group faces concentration risk by selling business to specific geography or by writing only single line business, etc.

Control Measures

The actuarial department has set up systems to continuously monitor the Group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by the Group also have an investment guarantee. The Group has set aside additional reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The Group has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and the Group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the Group's experience, and so, there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favourable experience. At the present stage, in the Group's development, the focus is on building new distribution, and so, geographical diversification is actively taking place. In future, the actuarial team will need to be alert to assess potential risk aggregations.

The Group has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. The Group has a detailed claims processing manual in place. Complicated and large claims are referred to the Group's Claims Review Committee.

Life Insurance Contracts Liabilities: Change in Liabilities

Particulars	As at 31 st March 2023				As at 31 st March 2022			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liabilities at the beginning of the Year	6,273.04	21,255.67	15,725.52	43,254.25	4,820.53	20,198.66	11,852.69	36,871.88
Add/(Less)								
Premium	1,609.96	2,503.01	9,388.32	13,501.29	1,506.70	2,664.95	5,090.14	9,261.79
Unwinding of the Discount/Interest Credited	515.22	753.83	1,316.65	2,585.70	462.82	2,666.28	1,259.69	4,388.79
Insurance Liabilities Released	(267.36)	(3,213.60)	(1,950.70)	(5,431.66)	(253.03)	(3,787.38)	(2,008.47)	(6,048.88)
Others (Expense overrun, Contribution from S/H and Profit/Loss)	(305.82)	(493.29)	(3,590.23)	(4,389.34)	(263.97)	(486.83)	(468.52)	(1,219.32)
Gross Liabilities at the end of the Year	7,825.04	20,805.62	20,889.56	49,520.24	6,273.04	21,255.67	15,725.52	43,254.25
Recoverable from Reinsurance	5.22	25.11	1,244.61	1,274.94	8.71	29.48	1,218.60	1,256.79
Net Liabilities	7,819.82	20,780.51	19,644.95	48,245.30	6,264.34	21,226.19	14,506.92	41,997.47

(₹ crore)



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Investment Contracts Liabilities

(₹ crore)

Particulars	As at 31 st March 2023				As at 31 st March 2022			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the Year	6,715.04	9,242.17	429.17	16,386.38	5,939.39	8,150.47	293.16	14,383.02
Additions								
Premium	2,072.26	1,332.78	235.61	3,640.65	1,517.67	1,195.79	164.98	2,878.44
Interest and Bonus Credited to Policyholders	509.29	382.85	36.16	928.30	239.98	697.03	28.63	965.65
Deductions								
Withdrawals/Claims	728.79	894.68	33.24	1,656.71	1,189.17	848.70	34.15	2,072.03
Fee Income and Other Expenses	5.66	13.61	7.60	26.87	4.08	11.97	1.29	17.34
Other Profit and Loss	(87.47)	33.90	35.94	(17.63)	(211.25)	(57.60)	22.16	(246.69)
Others (includes DAC, DOF and Profit/Loss)	-	2.07	-	2.07	-	(1.95)	-	(1.95)
At the end of the Year	8,649.61	10,013.54	624.16	19,287.31	6,715.04	9,242.17	429.17	16,386.38

Reinsurance Assets

(₹ crore)

Particulars	31 st March 2023	31 st March 2022
At the beginning of the Year	1,256.79	814.55
Add/(Less)		
Premium	530.23	498.78
Unwinding of the Discount/Interest Credited	53.89	53.22
Insurance Liabilities Released	(299.23)	(690.46)
Others (Experience Variations)	(266.74)	580.69
At the end of the Year	1,274.94	1,256.79

Deferred Acquisition Costs

(₹ crore)

Particulars	Amount
As at 1st April 2021	3.90
Amortisation	(1.32)
As at 31st March 2022	2.58
Amortisation	(1.20)
As at 31st March 2023	1.38

Insurance Contracts Liabilities: Change in Liabilities of Health Insurance Business

(₹ crore)

Particulars	31 st March 2022
Gross Liabilities at the beginning of the Year	610.71
Add/(Less)	
Incurred But Not Reported Provision	(5.14)
Premium Deficiency Reserve	-
Reserve for Unexpired Risk	194.12
Freelook Reserve	(0.03)
Recoverable from Reinsurance	(35.32)
Net Liabilities	764.34

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Key Assumptions

The assumptions play vital role in calculating Insurance Liabilities for the Group. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However, for the purpose of valuation, an additional level of prudence has been kept on all the best estimate assumptions known as MfAD (Margin for Adverse Deviation). The Group keeps adequate MfAD, as prescribed in APS 7, issued by the Institute of Actuaries of India (IAI), in all assumptions over the best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender, etc., if the experience of any category is significantly different, and data is credible for the respective category.

The key assumptions, to which the estimation of liabilities is particularly sensitive, are as follows:

i) Mortality and Morbidity Rates

Assumptions are based on historical experience and for new products based on industry, reinsurers data. An appropriate, but not excessive, allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution channel, gender, etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

ii) Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

iii) Investment Returns and Discount Rates

The weighted-average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to an increase in profits for the shareholders.

Life Insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of the Group, current industry risk rates, adjusted for the Group's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability, and, therefore, reduce profits for the shareholders.

iv) Expenses and Inflation

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation, if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

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 the Statement of Profit and Loss of the Group, are listed below.

Portfolio Assumptions by the Type of Business Impacting Net Liabilities	Mortality Rates		Investment Returns		Lapse and Surrender Rates	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
Insurance						
With DPF	75% - 223% of IALM 2012-14	75% - 223% of IALM 2012-14	7.15% p.a.	7.15% p.a.	PY1: 9% - 25% PY2: 2% PY3+: 1% - 2% (varying by product)	PY1: 10% - 25% PY2: 2% - 10% PY3+: 1% - 2% (varying by product)
Linked Business	55% of IALM 2012-14	55% of IALM 2012-14	a) 9.0% p.a. for assets backing linked liabilities b) 6.9% p.a. for asset backing non-unit liabilities	a) 9.0% p.a. for assets backing linked liabilities b) 6.9% p.a. for asset backing non-unit liabilities	PY1: 10% - 35% PY2: 5% - 35% PY3+: 3% - 20% (varying by product and duration)	PY1: 10% - 35% PY2: 5% - 35% PY3+: 3% - 20% (varying by product and duration)
Others	20% - 295.8% of IALM 2012-14	20% - 292.5% of IALM 2012-14	6.15% - 7.55% p.a.	6.70% - 7.55% p.a.	PY1: 0% - 40% PY2: 0% - 15% PY3+: 0% - 12% (varying by product and duration)	PY1: 0% - 40% PY2: 0% - 15% PY3+: 1% - 12% (varying by product and duration)
Portfolio Assumptions by the Type of Business impacting Net Liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
Insurance						
With DPF	N/A	N/A	Max 782.25 per Policy	Max 745 per Policy	0.05	0.05
Linked Business	0% - 3% p.a.	0% - 3% p.a.	782.25 per Policy	745 per Policy	0.05	0.05
Others	N/A	N/A	Max 782.25 per Policy (varies by product)	Max 745 per Policy (varies by product)	0.05	0.05

Note: Commission scales have been allowed in accordance with the product filing with IRDA.

Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact, due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that the movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Sensitivity Parameters	Current Year				Previous Year			
	Insurance with DPF	Insurance without DPF	Investment with DPF	Investments without DPF	Insurance with DPF	Insurance without DPF	Investments with DPF	Investments without DPF
Lapses Increased by 10%	7,780.69	41,458.92	8,649.64	10,577.39	6,227.30	36,711.55	6,715.06	9,600.79
Lapses Decreased by 10%	7,870.65	41,938.23	8,649.64	10,699.67	6,320.65	37,261.89	6,715.06	9,744.72
Mortality Increased by 10%	7,846.52	41,809.69	8,649.64	10,666.88	6,306.67	37,179.46	6,715.06	9,723.16
Mortality Decreased by 10%	7,801.51	41,569.81	8,649.64	10,605.68	6,240.18	36,787.49	6,715.06	9,620.65
Expenses Increased by 10%	7,840.83	41,779.37	8,649.64	10,659.14	6,311.48	37,207.82	6,715.06	9,730.58
Expenses Decreased by 10%	7,806.90	41,598.53	8,649.64	10,613.01	6,235.14	36,757.81	6,715.06	9,612.89
Interest Rate Increased by 100 bps	7,746.42	41,276.31	8,649.64	10,530.80	6,273.04	36,781.51	6,715.06	9,961.46
Interest Rate Decreased by 100 bps	7,909.87	42,147.24	8,649.64	10,753.00	6,273.04	37,177.20	6,715.06	9,400.52
Inflation Rate Increased by 100 bps	7,844.12	41,796.91	8,649.64	10,663.62	6,319.85	37,257.15	6,715.06	9,743.48
Inflation Rate Decreased by 100 bps	7,807.36	41,601.00	8,649.64	10,613.64	6,234.15	36,751.93	6,715.06	9,611.35

Financial Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. The Group is subject to credit risk in connection with issuers of securities held in our investment portfolio and reinsurers. Losses may occur when a counterparty fails to make timely payments, pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Group to record realised or unrealised losses and increase our provisions for asset default, adversely impacting earnings.

Governance structure, in the form of Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal Norms are built in the Investment system, which monitors the investment limits and exposure norms on real-time basis.

The policyholders' funds are invested in accordance with regulatory norms, investment policy, fund objective of unit-linked funds and risk profile of the respective fund in fixed income segment. Majority of the investments are made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Derivative financial instrument: The settlement risk, the Group is exposed to, is mitigated by an adequate amount of margin money.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Industry Analysis

As on 31st March 2023

(₹ crore)

Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1 Financial Assets at FVTOCI							
Policyholders							
Debt	325.81	3,745.19	-	56.77	176.70	15.71	4,320.18
Government Securities	-	-	4,506.13	86.31	-	26.23	4,618.67
Others	-	-	94.48	-	-	-	94.48
Shareholders							
Debt	287.80	1,320.37	-	42.09	207.03	10.71	1,868.00
Equity	-	76.16	-	-	-	-	76.16
Government Securities	-	-	1,171.75	20.66	-	26.22	1,218.63
Others	-	-	3.49	-	-	-	3.49
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,064.24	5,026.67	-	158.79	658.49	31.41	6,939.60
Equity	1,902.21	4,837.12	-	2,237.63	7,040.75	522.89	16,540.60
Government Securities	-	-	7,987.30	-	-	-	7,987.30
Mutual Fund Units	-	337.79	-	-	-	-	337.79
Others	-	696.12	788.88	-	-	(39.81)	1,445.19
Shareholders							
Debt	1.54	40.36	8.20	-	-	2.51	52.61
Equity	-	82.75	-	-	-	-	82.75
Mutual Fund Units	-	1.27	-	-	-	-	1.27
3 Financial Assets at Amortised Cost							
Policyholders							
Debt	1,480.30	5,373.20	-	42.32	170.52	20.28	7,086.62
Government Securities	-	-	17,596.32	55.56	-	-	17,651.88
Others	-	10.29	417.05	-	-	-	427.34
Total Credit Risk Exposure	5,061.90	21,547.29	32,573.60	2,700.13	8,253.49	616.15	70,752.56

As on 31st March 2022

(₹ crore)

Particulars	Infrastructure	Financial And Insurance	Government	IT Services	Manufacturing	Others	Total
1 Financial Assets at FVTOCI							
Policyholders							
Debt	318.04	3,068.83	-	32.34	244.59	161.79	3,825.59
Government Securities	-	-	4,295.73	19.85	-	27.74	4,343.32
Others	-	29.32	387.53	-	-	-	416.85
Shareholders							
Debt	293.06	1,175.25	-	16.75	261.99	92.58	1,839.63
Equity	-	92.82	-	-	-	-	92.82
Government Securities	-	-	1,266.54	-	-	27.72	1,294.26
Others	-	-	78.86	-	-	-	78.86

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)							
Particulars	Infrastructure	Financial And Insurance	Government	IT Services	Manufacturing	Others	Total
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,178.97	5,288.84	-	166.93	1,028.99	126.18	7,789.91
Equity	1,599.31	3,929.01	-	2,384.42	6,641.44	400.90	14,955.08
Government Securities	-	10.55	7,001.57	-	-	-	7,012.11
Mutual Fund Units	-	598.40	-	-	-	78.30	676.70
Others	-	502.52	1,358.06	-	36.41	(165.49)	1,731.50
Shareholders							
Debt	-	25.41	-	-	-	0.45	25.86
Equity	-	9.93	-	-	-	-	9.93
Mutual Fund Units	-	28.50	-	-	-	20.01	48.51
3 Financial Assets at Amortised Cost							
Policyholders							
Debt	1,540.20	4,149.24	-	42.32	194.37	20.28	5,946.41
Government Securities	-	-	12,104.03	30.05	-	-	12,134.08
Others	-	-	977.23	-	-	-	977.23
Shareholders							
Debt	-	-	-	-	-	2.57	2.57
Total Credit Risk Exposure	4,929.58	18,908.62	27,469.55	2,692.66	8,407.79	793.03	63,201.23

Credit Exposure by Credit Rating

As on 31st March 2023

(₹ crore)								
Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1 Financial Assets at FVTOCI								
Policyholders								
Debt	-	-	3,915.17	210.99	-	194.02	-	4,320.18
Government Securities	-	4,506.13	112.54	-	-	-	-	4,618.67
Others	-	94.48	-	-	-	-	-	94.48
Shareholders								
Debt	-	-	1,363.38	132.33	47.50	300.50	24.29	1,868.00
Equity	76.16	-	-	-	-	-	-	76.16
Government Securities	-	1,171.75	46.88	-	-	-	-	1,218.63
Others	-	3.49	-	-	-	-	-	3.49
2 Financial Assets at FVTPL								
Policyholders								
Debt	-	-	6,186.82	454.95	-	297.83	-	6,939.60
Equity	15,910.12	-	374.86	209.70	-	45.92	-	16,540.60
Government Securities	-	7,987.30	-	-	-	-	-	7,987.30
Mutual Fund Units	337.79	-	-	-	-	-	-	337.79
Others	170.81	788.88	525.31	-	-	-	(39.81)	1,445.19
Shareholders								
Debt	-	8.20	44.41	-	-	-	-	52.61
Equity	-	-	-	51.72	-	31.03	-	82.75
Mutual Fund Units	-	-	-	-	-	-	1.27	1.27



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
3 Financial Assets at Amortised Cost								
Policyholders	-	-	-	-	-	-	-	-
Debt	-	-	6,643.54	163.66	106.63	148.96	23.83	7,086.62
Government Securities	-	17,596.32	55.56	-	-	-	-	17,651.88
Others	10.29	417.05	-	-	-	-	-	427.34
Shareholders								
Others	-	-	-	-	-	-	-	-
Total Credit Risk Exposure	16,505.17	32,573.60	19,268.47	1,223.35	154.13	1,018.26	9.58	70,752.56

As on 31st March 2022

(₹ crore)

Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1 Financial Assets at FVTOCI								
Policyholders								
Debt	-	-	3,494.73	68.00	-	254.64	8.22	3,825.59
Government Securities	-	4,295.77	47.55	-	-	-	-	4,343.32
Others	5.31	387.53	24.01	-	-	-	-	416.85
Shareholders								
Debt	-	-	1,288.45	61.99	72.83	390.00	26.36	1,839.63
Equity	92.82	-	-	-	-	-	-	92.82
Government Securities	-	1,266.54	27.72	-	-	-	-	1,294.26
Others	-	78.87	-	-	-	-	-	78.87
2 Financial Assets at FVTPL								
Policyholders								
Debt	-	-	6,734.46	564.46	57.72	429.40	3.87	7,789.91
Equity	14,606.70	-	314.23	16.73	-	17.42	-	14,955.08
Government Securities	-	7,001.56	10.55	-	-	-	-	7,012.11
Mutual Fund Units	598.40	-	-	-	-	-	78.30	676.70
Others	41.00	1,358.06	497.93	-	-	-	(165.49)	1,731.50
Shareholders								
Debt	-	-	25.41	-	-	-	0.45	25.86
Equity	-	-	-	5.57	-	4.36	-	9.93
Mutual Fund Units	-	-	-	-	-	-	48.51	48.51
3 Financial Assets at Amortised Cost								
Policyholders								
Debt	-	-	5,512.21	210.11	20.80	179.45	23.84	5,946.41
Government Securities	-	12,104.03	30.05	-	-	-	-	12,134.08
Others	-	977.23	-	-	-	-	-	977.23
Shareholders								
Others	-	-	-	-	-	-	2.57	2.57
Total Credit Risk Exposure	15,344.23	27,469.59	18,007.30	926.87	151.35	1,275.27	26.63	63,201.23

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.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

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 ratings provided by the external rating agencies has been considered while assigning PD for each individual company. The PD for each rating category is as under:

Credit Rating	Default Rate (%)
Gsec	0
State	0
AAA	0.03
AAA (so)	0.03
AA	0.5
AA (so)	0.5
AA+	0.5
A+	0.74
AA-	0.74

ECL allowance (or reversal), recognised during the period, is recognised as an expense/income in the Statement of Profit and Loss.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit-impaired on purchase/origination.

ECL Allowance computed, basis above, during the period under consideration is as follows:

Movement of Allowances	Financial Assets
As at 1st April 2021	8.93
Provided during the Year	1.41
Amounts Written Off	(0.19)
As at 31st March 2022	10.15
Provided during the Year	3.11
Amounts Written Off	(0.79)
As at 31st March 2023	12.47

Liquidity Risk

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. The Group's primary funding obligations arise in connection with the payment of policyholder benefits. Sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of the Group's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Group



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

ensures that it is properly funded and maintain adequate liquidity to meet obligations. Based on the Group's historical cash flows and liquidity management processes, we believe that the cash flows from our operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due. A governance structure, in the form of ALM Committee and well defined Asset-Liability Management framework, requires periodic monitoring of the Asset-Liability position of the Group. Insurance Business's asset-liability management techniques aim to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities, as a whole, so as to attain a predetermined acceptable risk/reward ratio. Further, the NAV guarantee products use proprietary monitoring mechanisms to ensure adequate ALM.

Maturity Profiles

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit-linked liabilities are repayable or transferable on demand, and are included in the up-to-a-year column. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

The Group manages its product mix to ensure that there is no significant concentration of credit risk.

The table below summarises the expected settlement of Other Financial Liabilities and Trade Payables.

Maturity Analysis on Expected Maturity Basis

As on 31st March 2023

(₹ crore)							
Particulars	Less than 3 Months	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	> 5 Years	Total
Financial Liabilities							
Other Financial Liabilities	1,424.96	-	-	-	-	2.96	1,427.92
Lease Liabilities	6.94	33.51	36.69	22.77	28.41	29.15	157.47
Life Insurance Contract Liabilities and Restricted Surplus	1,054.87	1,024.29	7,583.95	2,891.61	3,713.02	52,822.19	69,089.93
Subordinated Liabilities	-	-	-	-	-	499.96	499.96
Trade and Other Payables	562.17	-	-	-	-	-	562.17

As on 31st March 2022

(₹ crore)							
Particulars	Less than 3 Months	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	> 5 Years	Total
Financial Liabilities							
Other Financial Liabilities	1,492.11	-	-	-	-	0.61	1,492.72
Derivative Financial Liabilities	1.76	5.82	13.84	13.18	10.92	(1.58)	43.94
Lease Liabilities	6.93	31.96	35.08	30.90	29.35	30.88	165.10
Life Insurance Contract Liabilities and Restricted Surplus	1,242.41	1,160.99	1,418.62	1,042.70	1,196.50	54,047.83	60,109.05
Subordinated Liabilities	-	-	-	-	-	499.74	499.74
Trade and Other Payables	491.39	-	-	-	-	-	491.39

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring, review and reporting to the Senior Management and the Risk Management Committee. The Group has investment policy in place, which deals with guidelines for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

The Group issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Group's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

		(₹ crore)			
Market Indices	Change in Interest Rate	As at 31 st March 2023		As at 31 st March 2022	
		Impact on Profit Before Tax*	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
Interest Rate	25 Basis Point Down	-	135.39	-	135.76
	50 Basis Point Down	-	274.47	-	271.52
	25 Basis Point Up	-	(131.84)	-	(135.76)
	50 Basis Point Up	-	(260.26)	-	(271.52)

* Impact of Interest Rate on FVTOCI instrument. Hence, no impact on Profit Before Tax considered.

Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The Group is exposed to equity risk from a number of sources. A portion of our exposure to equity market risk arises in connection with benefit guarantees on contracts. The cost of providing for these guarantees is uncertain, and will depend upon a number of factors including general capital market conditions, underlying fund performance, policyholder behaviour and mortality experience, which may result in negative impacts on our net income and capital.

The Group has no significant concentration of equity price risk.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

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.

(₹ crore)

Market Indices	Change in Variables	As at 31 st March 2023		As at 31 st March 2022	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
BSE 100	10% Rise	225.76	200.43	193.54	202.82
	10% Fall	(225.76)	(200.43)	(193.54)	(202.82)

Operational Risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks but by initiating a rigorous control framework, and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks, such as changes in environment, technology and the industry, are monitored through the Group's strategic planning and budgeting process.

Operational risks are governed through Operational Risk Management Policy. The Group maintains an operational loss database to track and mitigate risks resulting in financial losses. The Group has also initiated a Risk Control and Self Assessment process to embed the control testing as a part of day-to-day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programmes is designed to equip staff at all levels to meet the demands of their respective positions.

The Group has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business/technology interruption risk. Business Continuity Management System is certified against the global standard ISO 22301. It also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe, thereby complying with various regulatory requirements and minimising the potential business impact to the Group.

Information Security Risk is the risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc., which can cause damage to finances or reputation. Information Security Risks are governed through Information Security Management System, aligned and certified against ISO 27001:2013, which is a global benchmark. The Group has a comprehensive Information Security Policy designed to comply with ISO 27001:2013, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008, and Notification dated 11th April 2011, on protection of sensitive personal information, and it provides direction to Information Security staff, Management and Employees regarding their roles and responsibilities towards Information Security.

Fraud management is handled through an internal committee, and is governed by the Fraud Reporting and Investigation Policy.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Nature and Term of Outstanding Derivative Contracts

a) Forward Rate Agreements

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
i) Total notional principal amount of forward rate agreement undertaken during the year (Instrument-wise)		
7.73% GOI 2034 (MD 19/12/2034)	-	67.10
8.13% GOI 2045 (MD 22/06/2045)	136.84	107.26
8.30% GOI 2040 (MD 02/07/2040)	187.04	50.68
8.30% GOI 2042 (MD 31/12/2042)	482.23	99.31
8.33% GOI 2036 (MD 07/06/2036)	34.82	269.73
8.83% GOI 2041 (MD 12/12/2041)	162.31	171.17
9.23% GOI 2043 (MD 23/12/2043)	245.60	71.87
8.17% GOI 2044 (MD 01/12/2044)	200.42	79.79
7.06% GOI 2046 (MD 10/10/2046)	113.36	76.43
7.72% GOI 2055 (MD 26/10/2055)	-	164.51
7.63% GOI 2059 (MD 17/06/2059)	-	68.09
6.67% GOI 2050 (MD 17/12/2050)	-	187.26
6.64% GOI 2035 (MD 16/06/2035)	-	291.70
6.76% GOI 2061 (MD 22/02/2061)	-	78.07
7.50% GOI 2034 (MD 10/08/2034)	-	47.49
6.99% GOI 2051 (MD 15/12/2051)	73.71	55.94
6.67% GOI 2035 (MD 15/12/2035)	13.40	38.22
7.54% GOI 2036 (MD 23/05/2036)	877.64	-
6.95% GOI 2061 (MD 16/12/2061)	17.40	-
7.40% GOI 2062 (MD 19/09/2062)	438.00	-
7.41% GOI 2036 (MD 19/12/2036)	465.27	-
7.36% GOI 2052 (MD 12/09/2052)	506.01	-
ii) Total notional principal amount of forward rate agreement outstanding as on end of the year (Instrument-wise)		
7.40% GOI 2035 (MD 09/09/2035)	58.86	91.24
7.62% GOI 2039 (MD 15/09/2039)	289.52	403.08
7.73% GOI 2034 (MD 19/12/2034)	141.66	251.92
7.95% GOI 2032 (MD 28/08/2032)	178.68	263.37
8.13% GOI 2045 (MD 22/06/2045)	293.45	156.61
8.24% GOI 2033 (MD 10/11/2033)	90.61	127.42
8.28% GOI 2032 (MD 15/02/2032)	50.21	50.21
8.30% GOI 2040 (MD 02/07/2040)	264.68	77.65
8.30% GOI 2042 (MD 31/12/2042)	654.73	267.71
8.32% GOI 2032 (MD 02/08/2032)	135.85	135.85
8.33% GOI 2036 (MD 07/06/2036)	441.95	490.53
8.83% GOI 2041 (MD 12/12/2041)	382.24	230.36
8.97% GOI 2030 (MD 05/12/2030)	-	26.64
9.20% GOI 2030 (MD 30/09/2030)	170.08	327.74
9.23% GOI 2043 (MD 23/12/2043)	337.19	95.73
8.17% GOI 2044 (MD 01/12/2044)	310.26	109.84
7.06% GOI 2046 (MD 10/10/2046)	214.43	113.65
7.63% GOI 2059 (MD 17/06/2059)	35.66	68.09
7.72% GOI 2055 (MD 26/10/2055)	123.27	164.51
6.67% GOI 2050 (MD 17/12/2050)	156.55	187.27



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
6.76% GOI 2061 (MD 22/02/2061)	32.51	78.07
6.64% GOI 2035 (MD 16/06/2035)	273.49	291.70
6.99% GOI 2051 (MD 15/12/2051)	129.65	55.94
7.50% GOI 2034 (MD 10/08/2034)	44.01	47.49
6.67% GOI 2035 (MD 15/12/2035)	51.62	38.22
6.95% GOI 2061 (MD 16/12/2061)	17.40	-
7.36% GOI 2052 (MD 12/09/2052)	506.01	-
7.54% GOI 2036 (MD 23/05/2036)	696.90	-
7.40% GOI 2062 (MD 19/09/2062)	438.00	-
7.41% GOI 2036 (MD 19/12/2036)	465.27	-
iii) Notional principal amount of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet Date	-	-
iv) Mark-to-market value of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet Date	-	-
v) Loss which would be incurred if counterparty failed to fulfil their obligation under agreements	-	-

b) The fair value mark-to-market (MTM) gains or losses in respect of Forward Rate Agreement Outstanding as at the Balance Sheet Date is stated below:

Hedging Instrument	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
7.40% GOI 2035 (MD 09/09/2035)	0.59	0.96
7.62% GOI 2039 (MD 15/09/2039)	(8.14)	(14.70)
7.73% GOI 2034 (MD 19/12/2034)	(1.82)	(2.27)
7.95% GOI 2032 (MD 28/08/2032)	3.85	1.01
8.13% GOI 2045 (MD 22/06/2045)	(1.20)	(3.84)
8.24% GOI 2033 (MD 10/11/2033)	2.84	2.49
8.28% GOI 2032 (MD 15/02/2032)	2.61	2.67
8.30% GOI 2040 (MD 02/07/2040)	(1.59)	(1.43)
8.30% GOI 2042 (MD 31/12/2042)	(2.97)	(6.17)
8.32% GOI 2032 (MD 02/08/2032)	4.15	3.91
8.33% GOI 2036 (MD 07/06/2036)	(4.61)	(7.61)
8.83% GOI 2041 (MD 12/12/2041)	4.58	(1.71)
8.97% GOI 2030 (MD 05/12/2030)	-	0.66
9.20% GOI 2030 (MD 30/09/2030)	1.97	4.70
9.23% GOI 2043 (MD 23/12/2043)	2.29	0.49
8.17% GOI 2044 (MD 01/12/2044)	(1.94)	(3.43)
7.06% GOI 2046 (MD 10/10/2046)	(0.52)	(1.84)
7.63% GOI 2059 (MD 17/06/2059)	(0.80)	(3.27)
7.72% GOI 2055 (MD 26/10/2055)	0.01	(4.00)
6.67% GOI 2050 (MD 17/12/2050)	(1.62)	(3.92)
6.76% GOI 2061 (MD 22/02/2061)	0.50	0.33
6.64% GOI 2035 (MD 16/06/2035)	(4.95)	(6.25)
6.99% GOI 2051 (MD 15/12/2051)	2.04	(0.63)
7.50% GOI 2034 (MD 10/08/2034)	(0.01)	(0.22)
6.95% GOI 2061 (MD 16/12/2061)	0.32	-
7.40% GOI 2062 (MD 19/09/2062)	0.34	-
7.41% GOI 2036 (MD 19/12/2036)	(0.17)	-
7.36% GOI 2052 (MD 12/09/2052)	4.96	-
7.54% GOI 2036 (MD 23/05/2036)	4.02	-
6.67% GOI 2035 (MD 15/12/2035)	0.22	0.09

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

c) Movement in Hedge Reserve

(₹ crore)

Hedge Reserve Account	As at 31 st March 2023		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	(67.14)	(25.85)	(92.99)
ii) Add: Changes in the Fair Value during the year	5.03	(55.40)	(50.37)
iii) Less: Amounts/Reclassified to Revenue/Profit and Loss Account	(5.30)	-	(5.30)
iv) Balance at the end of the year	(56.81)	(81.25)	(138.06)

(₹ crore)

Hedge Reserve Account	As at 31 st March 2022		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	(34.67)	(79.27)	(113.94)
ii) Add: Changes in the Fair Value during the year	(36.49)	53.42	16.93
iii) Less: Amounts/Reclassified to Revenue/Profit and Loss Account	(4.02)	-	(4.02)
iv) Balance at the end of the year	(67.14)	(25.85)	(92.99)

Particulars	As at 31 st March 2023	As at 31 st March 2022
i) Name of the Counterparty	HSBC Bank, J.P. Morgan, Citi Bank, Credit Suisse, HDFC Bank, Deutsche Bank; Standard Chartered Bank, DBS, Kotak Bank and ICICI Bank	HSBC Bank/J.P. Morgan/Citi Bank/Credit Suisse/HDFC Bank
ii) Hedge Designation	Cash Flow Hedge	Cash Flow Hedge
iii) Likely impact of one percentage change in interest rate (100*PV01)		
a) Underlying being hedged	Sovereign Bonds	Sovereign Bonds
b) Derivative	Forward Rate Agreement	Forward Rate Agreement

Capital Management Objectives and Policies

The Group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position:

- To maintain the required level of stability of the Group, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Group has met all of these requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 55 RISK RELATED TO NBFC & HFC BUSINESS

Credit Risk

Credit risk is the risk that the NBFC & HFC will incur a loss, because its customers or counterparties fail to discharge their contractual obligations. The NBFC & HFC manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The NBFC & HFC has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the NBFC & HFC to assess the potential loss, as a result of the risks to which it is exposed and take corrective action.

Analysis of maximum exposure to credit risk and collateral and other credit enhancements

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
	Amortised Cost	Amortised Cost
i) Secured by Tangible Assets	60,950.49	49,033.36
ii) Covered by Bank/Government Guarantees	3,233.04	3,170.75
iii) Secured by Book Debts, Inventories, Fixed Deposits and Other Working Capital Items	829.38	1,058.77
iv) Unsecured	29,247.90	13,547.82
Total	94,260.81	66,810.70

The NBFC & HFC, by way of loan sanction letter and other loan securing documents, agrees with its customers on collateral security to be provided by the customers in secured loan exposures that are subject to credit risk. Collateral security enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations.

Collateral security accepted could be in the form of:

- Financial collateral in the form of pledge of equity shares, units of mutual funds, assignment of life insurance policies
- Current Assets in the form of inventories meant for sale or receivables arising out of the sale of finished goods
- Fixed Assets (in the form of immovable properties – Real Estate, Plant and Machinery, Equipment)
- Third-party obligation (in the form of Irrevocable Unconditional Guarantee issued by Bank, Third party)
- Risk participation from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
- Assignment of borrower's rights and interests under agreements with third parties.

In addition, we also stipulate escrow of cash flows and a Debt Service Reserve Account (DSRA) for project loans. Collateral serves to mitigate the inherent risk of credit loss in an exposure, by either improving recoveries in the event of a default or substituting the borrower.

As part of the assessment of a credit transaction the availability, adequacy and suitability of collateral for the transaction is evaluated and decided upon. The processes include verification of the title to the collateral offered and valuation by technical experts where warranted. We accept as collateral only securities of good quality and have in place legally effective and enforceable documentation.

For guarantees taken, the guarantor's creditworthiness is assessed during the credit assessment process of the transaction. We have collateral type specific haircuts in place, which are reviewed at intervals as appropriate to the type of collateral.

The NBFC & HFC recognises that collateral can be a credit mitigant (alternative source of repayment), but does not replace or dilute the underwriting standards the Company adopts to underwrite credit exposures.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

The Company is required to provide for impairment allowance basis expected credit loss (ECL), which is calculated using empirical portfolio performance and adjusted for forward-looking macro-economic factors, as prescribed by Ind AS. The overall provisioning made through this approach, continues to be in excess of the floor provisions as prescribed by RBI for NBFCs.

The assessment of credit risk and estimation of ECL is statistically validated. It considers all relevant information about past events, current conditions and some elements of predicted performance of the portfolio.

In the process of determining the PD, the macro-economic impact is intrinsically built in our current approach. The overall performance, through the life cycle of the loan, considers the impact of macro-economic parameters like GDP, unemployment factor or once in events like de-monetisation, etc. Most of the portfolios have seen one to two complete economic cycles, and, hence, the default probabilities experienced by the Company takes into account the upturn, downturn and central (balanced) economic scenario.

In the internally rated portfolio, the Industry Rating Module (sourced from CRISIL under agreement) recognises factors like demand prediction, supply side glut/constraints, impact of imports and exports and the government policies, which are more forward looking and making the through-the-cycle default probabilities to point-in-time default probability.

Financial Risk Management and its Policies for NBFC & HFC Businesses

Liquidity Risk

Liquidity risk is defined as the risk that the NBFC & HFC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the NBFC & HFC might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

NBFC & HFC manages its liquidity requirement by analysing the maturity pattern of NBFC & HFC's cash flows of financial assets and financial liabilities. The Asset-Liability Management of the NBFC & HFC is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the NBFC & HFC's financial liabilities as at 31st March 2023 and 31st March 2022.

Financial Liabilities

(₹ crore)			
As at 31 st March 2023	Within 12 Months	After 12 Months	Total
Trade and Other Payables	702.72	-	702.72
Other Financial Liabilities	829.81	240.53	1,070.34
Debt Securities	11,478.31	19,426.77	30,905.08
Borrowings other than Debt Securities	19,854.27	40,975.55	60,829.82
Subordinated Liabilities	306.23	3,459.33	3,765.56
Total	33,171.34	64,102.18	97,273.52

(₹ crore)			
As at 31 st March 2022	Within 12 Months	After 12 Months	Total
Trade and Other Payables	255.04	-	255.04
Other Financial Liabilities	593.95	221.12	815.07
Debt Securities	7,184.04	12,194.63	19,378.67
Borrowings other than Debt Securities	14,602.97	24,321.54	38,924.51
Subordinated Liabilities	245.13	3,423.44	3,668.57
Total	22,881.13	40,160.73	63,041.86



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework, and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Group, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2023 and 31st March 2022.

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.

To mitigate the interest rate risk, ALM policy of the respective companies stipulates interest rate sensitivity gap of all the time buckets.

Interest Rate Sensitivity

		(₹ crore)			
Market Indices	Change in Interest Rate	31 st March 2023		31 st March 2022	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
Interest Rate	25 Basis Point Down	111.96	83.23	69.29	51.64
	50 Basis Point Down	223.93	166.46	138.59	103.29
	25 Basis Point Up	(111.96)	(83.23)	(69.29)	(51.64)
	50 Basis Point Up	(223.93)	(166.46)	(138.59)	(103.29)

Foreign Exchange Risk

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of fluctuation in foreign exchange rates primarily relates to its External Commercial Borrowings. The Group uses derivative instruments like cross currency swaps to hedge exposure to foreign currency risk.

The Group has taken foreign currency borrowings. For managing the foreign currency risk and interest rate risk, arising from changes in applicable benchmark on such borrowings, the Group has entered into Cross Currency Swap (CCS) for loan liability covering the entire tenor of the loan along with the interest payable.

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.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

The Group manages its capital structure, and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a capital adequacy ratio, which is weighted-assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, the Group, being a Non-Banking Finance group, has to maintain 15% of capital adequacy ratio of NBFC business and 12% of capital adequacy ratio of HFC business.

The actual Capital Adequacy Ratio is as under:

Particulars	31 st March 2023	31 st March 2022
Capital Adequacy Ratio of NBFC	16.38%	21.77%
Capital Adequacy Ratio of HFC	21.58%	23.94%

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 2023 and 31st March 2022.

Risk Related to Other Business

Credit Risk of other Companies

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

(₹ crore)

As at 31 st March 2023	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	6.97	37.54	5.86	0.19	0.58	2.92	54.06
Total	6.97	37.54	5.86	0.19	0.58	2.92	54.06

(₹ crore)

As at 31 st March 2022	Neither Past Due Nor Impaired	Past Due But Not Impaired					Total
		< 30 Days	30 to 60 Days	61 to 90 Days	91 to 120 Days	> 120 Days	
Trade Receivables	52.15	214.70	81.37	3.48	12.89	7.30	371.89
Total	52.15	214.70	81.37	3.48	12.89	7.30	371.89

(₹ crore)

Movement of ECL	31 st March 2023	31 st March 2022
Opening	10.61	9.68
Provided during the year	1.49	2.10
Amounts Written Off	(1.64)	(1.17)
Closing	10.46	10.61

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.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

Investments of surplus funds are made only with approved Financial Institutions/Counterparties. Investments primarily include investments in units of quoted Mutual Funds, quoted Bonds, Non-Convertible Debentures issued by Government/Semi - Government Agencies/PSU Bonds/High Investment Grade Corporates, etc. These mutual funds and counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories, and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Financial Risk Management and Its Policies for Other Businesses

Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of undrawn credit facilities to meet obligations, when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the Senior Management. The Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ crore)

As at 31 st March 2023	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Debt Securities	-	791.52	94.72	171.42	-	1,057.66
Borrowings other than Debt Securities	30.57	2.94	33.14	61.28	-	127.93
Subordinated Liabilities	-	-	-	-	11.21	11.21
Trade and Other Payables	-	126.07	15.68	-	-	141.75
Other Financial Liabilities	278.04	4.42	63.65	15.41	-	361.52
Total	308.61	924.95	207.19	248.11	11.21	1,700.07

(₹ crore)

As at 31 st March 2022	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Debt Securities	-	651.34	112.68	92.22	-	856.24
Borrowings other than Debt Securities	6.89	4.63	7.93	12.59	-	32.04
Subordinated Liabilities	-	-	-	-	11.00	11.00
Trade and Other Payables	-	129.26	0.30	0.02	-	129.58
Other Financial Liabilities	361.18	38.67	60.96	44.81	2.44	508.06
Total	368.07	823.90	181.87	149.64	13.44	1,536.92

Capital Management Objectives and Policies

The primary objective of the Group's capital management is to maximise the shareholder value, comply to the regulatory requirements and maintain an optimal capital structure to reduce the cost of capital to the Company. The Holding Company continues its policy of a conservative capital structure, which has ensured that it retains the highest credit rating.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 56 ECL RISK

Impairment Assessment

The credit loss provisioning approach is based on ECL model. This forces entity to understand the significance of credit risk and its movement, since its initial recognition. This model ensures (a) timely recognition of ECL, (b) assessment of significant increase in credit risk, which will provide better disclosure, and (c) ascertainment of better business ratios.

- The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of Significant Accounting Policies.
- An explanation of the Group's internal grading system (Note 'Definition of Default' below).
- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default. (Note 'The Group's internal rating and PD estimation process', 'Probability of Default', 'Exposure at Default' is given below).
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 'Significant Increase in Credit Risk' is given below).
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 'Grouping Financial Assets Measured on a Collective Basis, is given below).
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note 'Probability of Default', 'Exposure at Default' and 'Loss Given Default' is given below).

Definition of Default

The Group considers a financial instrument defaulted, and, therefore, Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood 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 customers/portfolio pools – (eligible customers for Ratings) and used extensively in internal decision-making.
- b) It is further specified in the policy that internal rating/grading/scoring of the borrower/client is at least Investment grade rating as per ABFL's internal credit rating model or valid/live external rating.



Notes forming part of the Consolidated Financial Statements

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Probability of Default (PD)

PD is calculated basis likelihood that the borrower will default within one year horizon (Basis for Stage 1). For Stage 2 – it is defined as significant increase in credit risk, and probability is defined as borrower's probability to default in lifetime.

Exposure at Default

Gross exposure/potential gross exposure under a facility (i.e., the amount that is legally owed to the lender) at the time of default by a borrower. Exposure at Default gives an estimate of the amount outstanding.

Loss Given Default (LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose, in case the borrower defaults. It depends, among others, on the type of collateral, its value, borrower rating and the expected proceeds from the sale (e.g., sales proceeds from sales of collaterals/securities) of the assets, NPV net of recovery costs.

Significant Increase in Credit Risk

- a) There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.
- b) Further, for large borrowers after assessing the following risks in totality and deterioration in each factor, it is then assessed whether there is a significant increase in credit risk.
 - i. Industry Risk
 - ii. Business Risk
 - iii. Management Risk
 - iv. Financial Risk
 - v. Banking Conduct and Facility - Level Conduct.
- c) Significant increase in credit risk is also gauged through Credit Rating. Credit Rating is an opinion of capacity on borrower to meet its financial obligations to the depositor or bondholder (i.e., lender of money) on a particular issue or type of instrument (i.e., a domestic or foreign currency: short-term or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuer's ability and willingness to repay both interest and principal over the period of the rated instrument, i.e., rating signifies the risk of default of the borrower that is rated.

Grouping Financial Assets Measured on a Collective Basis

The Group calculates ECL either on a collective or an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

Corporate Portfolio

Asset classes where the Group calculates ECL on a collective basis include:

Retail Portfolio

The ECL methodology allows for individual assessment for corporates, and, therefore, these loans are generally measured individually as each of these exposures have unique characteristics and structuring. For retail exposures and exposures which can be clubbed in homogeneous pools, ECL is measured on a collective basis. This has been arrived at based on common characteristics like nature of product, customer profile, etc.

Notes forming part of the Consolidated Financial Statements

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Analysis of Risk Concentration

Concentration analyses are presented for Portfolio pool, Location, Top borrower exposures, Group exposures, etc. These are regularly analysed and presented for further review/action.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans of Housing Finance Business, is as follows:

A Reconciliation of Gross Carrying Amount of Housing Finance Business:

	(₹ crore)			
31 st March 2023	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount - Opening Balance	11,067.05	638.44	422.94	12,128.43
New Assets Originated or Purchased	5,274.93	11.67	12.75	5,299.35
Assets Derecognised or Repaid (excluding Write Offs)	(3,369.93)	(78.73)	(115.09)	(3,563.75)
Transfers to Stage 1	403.70	(325.81)	(77.89)	-
Transfers to Stage 2	(124.32)	135.24	(10.92)	-
Transfers to Stage 3	(128.10)	(136.40)	264.50	-
Amounts Written Off	(3.72)	(1.90)	(50.38)	(56.00)
Gross Carrying Amount Closing Balance	13,119.61	242.51	445.91	13,808.03

	(₹ crore)			
31 st March 2022*	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount - Opening Balance	11,301.54	457.52	230.51	11,989.57
New Assets Originated or Purchased	3,709.27	27.85	14.16	3,751.28
Assets Derecognised or Repaid (excluding Write Offs)	(3,546.34)	(11.96)	(23.33)	(3,581.63)
Transfers to Stage 1	140.97	(111.95)	(29.02)	-
Transfers to Stage 2	(441.31)	441.55	(0.24)	-
Transfers to Stage 3	(91.87)	(163.51)	255.38	-
Amounts Written Off	(5.21)	(1.06)	(24.52)	(30.79)
Gross Carrying Amount Closing Balance	11,067.05	638.44	422.94	12,128.43

* Note: The Company has realigned the methodology of classification of NPA as per IRAC norms, during the year FY 2022-23. For the purposes of comparison, the Company has regrouped the staging as per revised norms.

B Reconciliation of ECL Balance for Housing Finance Business is given below:

	(₹ crore)			
31 st March 2023	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	56.24	45.11	131.64	232.99
New Assets Originated or Purchased	32.38	0.94	4.60	37.92
Assets Derecognised or Repaid (excluding Write Offs)	(18.83)	(5.49)	(9.21)	(33.53)
Transfers to Stage 1	43.40	(24.26)	(19.14)	-
Transfers to Stage 2	(0.80)	3.85	(3.05)	-
Transfers to Stage 3	(0.74)	(9.41)	10.15	-
Impact on year end ECL of exposures transferred between Stages during the year	(34.02)	1.22	73.10	40.30
ECL recognised due to change in credit risk	11.42	4.26	(1.41)	14.27
Recoveries	(1.59)	(0.16)	(3.27)	(5.02)
Amounts Written Off	(0.03)	(0.02)	(35.77)	(35.82)
ECL Allowance - Closing Balance	87.43	16.04	147.64	251.11



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	(₹ crore)			
31 st March 2022*	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	60.72	43.42	82.81	186.95
New Assets Originated or Purchased	23.51	2.22	4.17	29.90
Assets Derecognised or Repaid (excluding Write Offs)	(23.34)	(1.86)	(13.34)	(38.54)
Transfers to Stage 1	11.48	(11.41)	(0.07)	-
Transfers to Stage 2	(2.49)	2.58	(0.09)	-
Transfers to Stage 3	(1.89)	(14.98)	16.87	-
Impact on year end ECL of exposures transferred between Stages during the year	(10.38)	28.17	64.01	81.80
ECL recognised due to change in credit risk	0.23	(3.03)	(4.19)	(6.99)
Recoveries	(1.11)	(0.00)	(0.57)	(1.68)
Amounts Written Off	(0.49)	(0.00)	(17.96)	(18.45)
ECL Allowance - Closing Balance	56.24	45.11	131.64	232.99

* Note: The Company has realigned the methodology of classification of NPA as per IRAC norms, during the year FY 2022-23. For the purposes of comparison the Company has regrouped the staging as per revised norms.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans of NBFC Business is as follows:

A Reconciliation of Gross Carrying Amount of NBFC Business:

	(₹ crore)			
31 st March 2023	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount - Opening Balance	49,770.28	2,955.75	1,956.03	54,682.06
New Assets Originated or Purchased	47,293.49	354.98	315.49	47,963.96
Assets Derecognised or Repaid (excluding Write Offs)	(20,744.66)	(586.20)	(399.43)	(21,730.29)
Transfers to Stage 1	1,219.54	(1,160.05)	(59.49)	-
Transfers to Stage 2	(1,080.95)	1,086.92	(5.97)	-
Transfers to Stage 3	(474.93)	(378.34)	853.27	-
Amounts Written Off	(224.92)	(85.71)	(152.81)	(463.44)
Gross Carrying Amount Closing Balance	75,757.85	2,187.35	2,507.09	80,452.29

	(₹ crore)			
31 st March 2022	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount - Opening Balance	43,536.66	3,659.07	1,422.47	48,618.20
New Assets Originated or Purchased	24,272.95	229.14	161.15	24,663.24
Assets Derecognised or Repaid (excluding Write Offs)	(17,137.68)	(591.11)	(233.72)	(17,962.51)
Transfers to Stage 1	1,168.20	(1,134.11)	(34.09)	-
Transfers to Stage 2	(1,449.32)	1,454.73	(5.41)	-
Transfers to Stage 3	(445.17)	(579.66)	1,024.83	-
Amounts Written Off	(175.36)	(82.31)	(379.20)	(636.87)
Gross Carrying Amount Closing Balance	49,770.28	2,955.75	1,956.03	54,682.06

B Reconciliation of ECL balance is given below for NBFC Business:

	(₹ crore)			
31 st March 2023	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	160.00	141.94	772.88	1,074.82
Increase in New/Existing Assets Originated or Purchased	482.51	62.18	553.49	1,098.18
Assets Derecognised or Repaid (excluding Write Offs)	(79.81)	(9.23)	(17.77)	(106.81)
Transfers to Stage 1	41.34	(27.08)	(14.26)	-
Transfers to Stage 2	(2.56)	5.02	(2.46)	-
Transfers to Stage 3	(1.88)	(16.46)	18.34	-
Amounts Written Off	(224.93)	(85.71)	(152.28)	(462.92)
ECL Allowance - Closing Balance	374.67	70.66	1,157.94	1,603.27

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	(₹ crore)			
31 st March 2022	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	230.22	201.01	589.96	1,021.19
New Assets Originated or Purchased	176.98	116.03	548.67	841.68
Assets Derecognised or Repaid (excluding Write Offs)	(83.01)	(42.14)	(26.03)	(151.18)
Transfers to Stage 1	17.98	(9.76)	(8.22)	-
Transfers to Stage 2	(4.17)	4.69	(0.52)	-
Transfers to Stage 3	(2.64)	(45.58)	48.22	-
Amounts Written Off	(175.36)	(82.31)	(379.20)	(636.87)
ECL Allowance - Closing Balance	160.00	141.94	772.88	1,074.82

Stage 1 represents 'High Grade' internal rating.

Stage 2 represents 'Sub-Standard' internal rating.

Stage 3 represents 'Credit-Impaired'.

NOTE: 57 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.

	31 st March 2023			31 st March 2022		
Particulars	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
I ASSETS						
(1) Financial Assets						
(a) Cash and Cash Equivalents	1,730.79	-	1,730.79	2,048.85	-	2,048.85
(b) Bank Balances other than (a) above	118.90	466.17	585.07	554.93	33.88	588.81
(c) Derivative Financial Instruments	6.01	(0.04)	5.97	14.39	-	14.39
(d) Trade Receivables	411.08	-	411.08	658.50	-	658.50
(e) Loans	22,320.74	71,106.52	93,427.26	14,219.92	51,978.22	66,198.14
(f) Investments						
- Investments of Life Insurance Business						
- Investments of Life Insurance Policyholders'	839.64	36,104.21	36,943.85	1,825.23	26,632.72	28,457.95
- Investments of Life Insurance Shareholders'	60.50	3,242.41	3,302.91	249.14	2,793.87	3,043.01
- Investments of Health Insurance Business						
- Investments of Health Insurance Policyholders'	-	-	-	201.11	989.68	1,190.79
- Investments of Health Insurance Shareholders'	-	-	-	62.83	286.60	349.43
- Other Investments	5,004.34	322.15	5,326.49	2,608.28	435.94	3,044.22
(g) Assets Held to Cover Linked Liabilities of Life Insurance Business	3,662.84	26,842.95	30,505.79	4,022.72	26,137.33	30,160.05
(h) Other Financial Assets	434.78	1,350.64	1,785.42	1,161.69	578.90	1,740.59
Sub Total	34,589.62	139,435.01	174,024.63	27,627.59	109,867.14	137,494.73



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(₹ crore)

Particulars	31 st March 2023			31 st March 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
(2) Non-Financial Assets						
(a) Tax Assets (Net)	-	231.73	231.73	-	447.09	447.09
(b) Deferred Tax Assets (Net)	-	476.73	476.73	-	324.43	324.43
(c) Investment Property	-	14.37	14.37	-	14.81	14.81
(d) Property, Plant and Equipment	-	147.62	147.62	-	114.43	114.43
(e) Capital Work-in-Progress	-	8.62	8.62	-	11.75	11.75
(f) Intangible Assets Under Development	-	35.42	35.42	-	32.87	32.87
(g) Goodwill	-	554.83	554.83	-	570.03	570.03
(h) Other Intangible Assets	-	168.34	168.34	-	258.95	258.95
(i) Right-to-Use of Assets	-	393.58	393.58	-	347.17	347.17
(j) Investments in Associate and Joint Venture Companies	-	4,303.82	4,303.82	-	1,109.72	1,109.72
(k) Other Non-Financial Assets	321.94	72.42	394.36	373.71	39.81	413.52
Sub Total	321.94	6,407.48	6,729.42	373.71	3,271.06	3,644.77
Total Assets	34,911.56	145,842.49	180,754.05	28,001.31	113,138.19	141,139.50
II LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Derivative Financial Instruments	0.27	13.42	13.69	85.58	36.37	121.95
(b) Payables						
- Trade Payables						
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	24.97	-	24.97	28.30	-	28.30
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1,381.60	-	1,381.60	856.14	-	856.14
(c) Debt Securities	11,550.97	15,693.89	27,244.86	7,757.90	11,065.39	18,823.29
(d) Borrowings (other than Debt Securities)	17,745.70	36,069.77	53,815.47	13,239.42	22,691.96	35,931.37
(e) Subordinated Liabilities	617.87	2,642.57	3,260.44	161.90	3,135.35	3,297.25
(f) Lease Liabilities	108.54	308.19	416.73	95.45	278.11	373.56
(g) Policyholders' Liabilities	2,079.16	67,010.78	69,089.94	3,167.74	57,705.64	60,873.38
(h) Other Financial Liabilities	2,548.77	13.97	2,562.74	2,498.54	15.14	2,513.68
Sub Total	36,057.85	121,752.59	157,810.44	27,890.96	94,927.96	122,818.92
(2) Non-Financial Liabilities						
(a) Tax Liabilities (Net)	185.78	-	185.78	34.05	-	34.05
(b) Provisions	159.58	104.46	264.04	267.73	63.92	331.65
(c) Deferred Tax Liabilities (Net)	-	401.54	401.54	-	373.77	373.77
(d) Other Non-Financial Liabilities	267.28	4.90	272.18	486.74	3.66	490.40
Sub Total	612.64	510.90	1,123.54	788.52	441.35	1,229.87
(3) Equity						
(a) Equity Share Capital	-	2,417.99	2,417.99	-	2,416.31	2,416.31
(b) Other Equity	-	17,892.76	17,892.76	-	13,075.80	13,075.80
Equity Attributable to Owners of the Parent	-	20,310.75	20,310.75	-	15,492.11	15,492.11
Non-Controlling Interests	-	1,509.32	1,509.32	-	1,598.60	1,598.60
Total Equity	-	21,820.07	21,820.07	-	17,090.71	17,090.71
Total Liabilities and Equity	36,670.49	144,083.56	180,754.05	28,679.48	112,460.02	141,139.50

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NOTE: 58 DISCLOSURE RELATED TO INVESTMENT IN ADITYA BIRLA HEALTH INSURANCE CO. LIMITED (ABHI)

ABHI has made a preferential allotment of 50,707,454 equity shares of ₹ 10 each to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly-owned subsidiary of Abu Dhabi Investment Authority ("ADIA"), on 21st October 2022 for an aggregate consideration of ₹ 664.27 Crore. Pursuant to such issuance of the equity shares, ADIA owns 9.99% stake in ABHI.

W.e.f. 21st October 2022, ABCL holds 45.91% stake in ABHI. Consequently, ABHI ceased to be a subsidiary and has been accounted as a joint venture. This has resulted in fair value gain of ₹ 2,739.07 Crore representing difference between fair value of retained interest in ABHI and derecognition of net assets of ABHI in accordance with 'Ind AS 110 - Consolidated Financial Statements'.

W.e.f. 21st October 2022, the Group has applied the equity method to account for its investment in ABHI.

NOTE: 59 DERIVATIVE FINANCIAL INSTRUMENTS OF HFC & NBFC BUSINESS

Aditya Birla Housing Finance Limited

1 Nature and Term of Outstanding Derivative Contracts:

a) Cross Currency Interest Rate Swaps (CCIRS)

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
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 the end of the year	-	354.45
iii) Maturity Date of CCIRS	30 th October 2022	30 th October 2022
iv) Hedge Ratio	1:1	1:1
v) Currency Pair	USD/INR	USD/INR

b) Overnight Index Swaps (OIS)

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
i) Total Notional Principal Amount of OIS agreement undertaken during the year	50	-
ii) Total Notional Principal Amount of OIS agreement outstanding as on end of the year	50	-
iii) Maturity Date of OIS	4 th October 2023	-

c) The fair value mark-to-market (MTM) gains or losses in respect of CCIRS agreement outstanding as at the Balance Sheet date, is stated below

Hedging Instrument	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
CCIRS	-	14.20
Overnight Index Swaps (OIS)	0.19	-



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d) Movement in Hedge Reserve

(₹ crore)						
Cash Flow Hedge Reserve Account	As at 31 st March 2023			As at 31 st March 2022		
	Realised	Unrealised	Total	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	(6.65)	(6.65)	-	(12.05)	(12.05)
ii) Add: Changes in the Fair Value during the year	(14.08)	(14.26)	(28.34)	22.29	17.22	39.51
iii) Less: Amounts Reclassified to the Statement of Profit and Loss	(14.08)	(20.91)	(34.99)	22.29	11.83	34.12
iv) Balance at the end of the Year	-	-	-	-	(6.65)	(6.65)

Particulars	As at 31 st March 2023	As at 31 st March 2022
	State Bank of India	State Bank of India
i) Name of the Counterparty	Effective	Effective
ii) Hedge Designation	Effective	Effective
iii) Exchange Rate (USD/INR)	70.89	70.89
iv) Interest Rate (p.a.)	7.79%	7.79%

Particulars - OIS	As at 31 st March 2023	As at 31 st March 2022
	State Bank of India	State Bank of India
i) Name of the Counterparty	Effective	Effective
ii) Hedge Designation	Effective	Effective
iii) Floating Rate	FBIL Mibor	FBIL Mibor
iv) Fixed Rate	6.96%	6.96%

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.

(₹ crore)						
Particulars	As at 31 st March 2023			As at 31 st March 2022		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Cross Currency Interest Rate Swaps	931.49	-	7.15	1,463.68	-	77.71
(ii) INR Interest Rate Swaps	1,000.00	0.84	6.54	250.00	0.19	0.28
(iii) Currency Forward	-	-	-	0.08	-	0.01
Total	1,931.49	0.84	13.69	1,713.76	0.19	78.00
Part II						
(i) Fair Value Hedging						
- Interest Rate Derivatives	900.00	0.51	6.54	250.00	0.19	0.28
(ii) Cash Flow Hedging						
- Cross Currency Interest Rate Swaps	931.49	-	7.15	1,463.68	-	77.71
- Currency Forward	-	-	-	0.08	-	0.01
- Interest Rate derivatives	100.00	0.33	-	-	-	-
Total	1,931.49	0.84	13.69	1,713.76	0.19	78.00

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.

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Derivatives designated as Hedging Instruments

Cash Flow Hedges

The Company is exposed to foreign currency risk arising from its External Commercial borrowings amounting to ₹ 931.49 Crore. Interest on the borrowings is payable at a floating rate. The Company economically hedged the foreign currency risk arising from the debt with a 'receive floating pay fixed' cross-currency interest rate swap ('swap'). The notional amount of swap is disclosed in the table below. The swap contract converts the cash outflows of the foreign currency borrowing as per the table below to cash outflows in INR with a notional amount of ₹ 931.49 Crore at fixed interest rate.

(₹ crore)

Name of the Lender	Foreign Currency Denominated Borrowing Amount	Interest Rate Type	Notional Amount of Swap (₹)	Interest Rate Swap Type
As at 31st March 2023				
JPY Denominated (in JPY Crore) (Maturity Range: February 2026 to March 2026)	838.94	Floating Rate Interest	519.84	Fixed Rate Interest
USD Denominated (in USD Lakh) EDC (Maturity in March 2026)	500.00	Floating Rate Interest	411.65	Fixed Rate Interest
Total	1,338.94		931.49	

(₹ crore)

Name of the Lender	Foreign Currency Denominated Borrowing Amount	Interest Rate Type	Notional Amount of Swap (₹)	Interest Rate Swap Type
As at 31st March 2022				
JPY Denominated (in JPY Crore) (Maturity Range: September 2022 to February 2023)	1,893.66	Floating Rate Interest	1,240.90	Fixed Rate Interest
SMBC Bank (Maturity in March 2023)	3.00	Floating Rate Interest	222.78	Fixed Rate Interest
Total	1,896.66		1,463.68	

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.

The Company has also taken overnight index swap deals to hedge its cash flows for underlying NCDs. The details are disclosed in the table below:

(₹ crore)

Particulars	Borrowing Amount ₹		Interest Rate Type		Notional Amount of Swap ₹		Interest Rate Swap Type	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
Interest Rate Swaps	100.00	-	Floating Rate Interest	-	100.00	-	Fixed Rate Interest	-

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

The Impact of the Hedging Instruments on the Balance Sheet is as follows:

(₹ crore)

Particulars	Notional Amount	Carrying Amount	Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March 2023				
Cross Currency Interest Rate Swaps	931.49	(7.15)	Derivative Financial Instruments	44.75
Currency Forward	-	-	Derivative Financial Instruments	β
Interest Rate Swaps	1,000.00	(5.71)	Derivative Financial Instruments	(5.73)
Total	1,931.49	(12.86)		39.02

(₹ crore)

Particulars	Notional Amount	Accumulated Fair Value Adjustment - Liabilities	Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March 2023				
Fixed Rate NCD	900.00	(5.75)	Derivative Financial Instruments	5.79
Total	900.00	(5.75)		5.79

(₹ crore)

Particulars	Notional Amount	Carrying Amount	Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March 2022				
Cross Currency Interest Rate Swaps	1,463.68	(77.71)	Derivative Financial Instruments	(35.19)
Currency Forward	0.08	(0.01)	Derivative Financial Instruments	0.01
Interest Rate Swaps	250.00	(0.09)	Derivative Financial Instruments	(0.09)
Total	1,713.75	(77.80)		(35.27)

(₹ crore)

Particulars	Notional Amount	Accumulated Fair Value Adjustment - Liabilities	Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March 2022				
Fixed Rate NCD	250.00	(0.03)	Derivative Financial Instruments	(0.03)
Total	250.00	(0.03)		(0.03)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

The Impact of Hedged Items on the Balance Sheet is as follows:

(₹ crore)

Particulars	Change in Fair Value Used for Measuring Ineffectiveness for the Year	Cash Flow Hedge Reserve as at 31 st March 2023
As at 31st March 2023		
Foreign Currency Denominated Floating Rate Borrowings	(41.51)	(2.46)
Debt Securities (NCDs)	-	0.21
Total	(41.51)	(2.25)

(₹ crore)

Particulars	Change in Fair Value Used for Measuring Ineffectiveness for the Year	Cash Flow Hedge Reserve as at 31 st March 2022
As at 31st March 2022		
Foreign Currency Denominated Floating Rate Borrowings	54.48	(5.70)
Total	54.48	(5.70)

The Effect of the Cash Flow Hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ crore)

Particulars	Total Hedging Gain/(Loss) Recognised in OCI	Ineffectiveness Recognised in Profit or Loss
As at 31st March 2023		
Debt securities (NCDs)	-	0.04
Foreign Currency Denominated Floating Rate Borrowings	3.45	-
Total	3.45	0.04

(₹ crore)

Particulars	Total Hedging Gain/(Loss) Recognised in OCI	Ineffectiveness Recognised in Profit or Loss
As at 31st March 2022		
Foreign Currency Denominated Floating Rate Borrowings	19.30	-
Total	19.30	-

Note c): Movements in Cash Flow Hedging Reserve

(₹ crore)

Particulars	As at 1 st April 2022	Add/Less: Changes in Fair Value	Add/Less: Deferred Tax	As at 31 st March 2023
Cash Flow Hedging Reserve	(5.70)	4.61	(1.16)	(2.25)
Total	(5.70)	4.61	(1.16)	(2.25)

(₹ crore)

Particulars	As at 1 st April 2021	Add/Less: Changes in Fair Value	Add/Less: Deferred Tax	As at 31 st March 2022
Cash Flow Hedging Reserve	(25.00)	25.79	(6.49)	(5.70)
Total	(25.00)	25.79	(6.49)	(5.70)



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

The Effect of the Fair Value Hedge in the Statement of Profit or Loss is as follows:

(₹ crore)

Particulars	Hedge Ineffectiveness Recognised in the Statement of Profit and Loss		Line in the Statement of Profit and Loss that includes Hedge Ineffectiveness
	31 st March 2023	31 st March 2022	
Interest Rate Swaps	(0.16)	(0.13)	Net gain on fair value changes

Note d): The following table shows the maturity profile of Hedging Derivatives based on their notional amounts.

(₹ crore)

Particulars	As at 31 st March 2023				As at 31 st March 2022			
	0 to 12 Months	1 to 5 Years	Over 5 Years	Total	0 to 12 Months	1 to 5 Years	Over 5 Years	Total
(i) Cross Currency Interest Rate Swaps	-	931.49	-	931.49	1,463.68	-	-	1,463.68
(ii) Currency Forward	-	-	-	-	0.08	-	-	0.08
(iii) Interest Rate Swaps	400.00	600.00	-	1,000.00	-	250.00	-	250.00
Total	400.00	1,531.49	-	1,931.49	1,463.76	250.00	-	1,713.76

Note:

The Group, its associates and joint ventures have a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group, its associates and joint ventures did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses needed to be provided as required under any law/ accounting standards.

NOTE: 60 RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ crore)

Segment	Name of the Company	Nature of Transaction with Struck Off Company	Balance Outstanding as on 31 st March 2023	Relationship with Struck Off Company
Housing Finance	Maark Vision Architects Private Limited	Loan to Customer (Receivable)	3.23	Customer
Stock and Securities broking	Ceeplast Trading Company Private Limited	AMC Charges	-	Customer
Stock and Securities broking	Chaturbhuja Securities Private Limited	AMC Charges	-	Customer
Stock and Securities broking	Doniv Enterprises Private Ltd.	AMC Charges	-	Customer
Stock and Securities broking	Orion Media Private Limited	AMC Charges	-	Customer
Stock and Securities broking	Pusha Steels Limited	AMC Charges	-	Customer
Stock and Securities broking	Gurukul Commosales Private Limited	AMC Charges	-	Customer
Stock and Securities broking	Savinan Enterprises Private Limited	Commission Charges	β	Creditor
NBFC	Emirate Fashions Private Limited	Outstanding balance (Loan given)	0.10	Customer
NBFC	Chennai School of Ship Management Private Limited	Outstanding balance (Loan given)	0.81	Customer
NBFC	Uttam Consultancy Private Limited	Outstanding balance (Loan given)	6.59	Customer
NBFC	Maxin Hydro Dynamic India Private Limited	Outstanding balance (Loan given)	-	Customer
NBFC	Thanco Natural Foods Private Limited	Outstanding balance (Loan given)	-	Customer
NBFC	Bee Luxe Private Limited	Outstanding balance (Loan given)	-	Customer
NBFC	Alaric Healthcare Private Limited	Outstanding balance (Loan given)	-	Customer
Insurance Broker	Rainbow Automotive Private Limited	Payable towards distribution fees	-	Vendor
Insurance Broker	Vintage Motors Private Limited	Payable towards distribution fees	β	Vendor
Insurance Broker	The Riders Zone Private Limited	Payable towards distribution fees	β	Vendor
Insurance Broker	Dimple Motors Private Limited	Payable towards distribution fees	0.01	Vendor

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

(₹ crore)

Segment	Name of the Company	Nature of Transaction with Struck Off Company	Balance Outstanding as on 31 st March 2022	Relationship with Struck Off Company
Life Insurance	Aligarh Locks Private Limited	Receivable	0.03	Policy Holder
Life Insurance	Atharv Associates Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Columbia Asia Neighborhood Hospitals Private Limited	Payable	0.01	Group Master Policyholder
Life Insurance	Debnath Engineering Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	GAAP Solutions Private Limited	Payable	0.07	Group Master Policyholder
Life Insurance	GBS Associates Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Hariom Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Jayalakshmi Constructions Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Keller Ground Engineering India Private Limited	Payable	0.01	Group Master Policyholder
Life Insurance	Lintas India Limited	Payable	0.13	Group Master Policyholder
Life Insurance	Mahalaxmi Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Pragati Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Sahayata Trademart Private Limited	Payable	β	Policy Holder
Life Insurance	Sika (India) Limited	Payable	β	Policy Holder
Life Insurance	Micro Focus Limited	Payable	-	Vendor
Life Insurance	Perfect Services Private Limited	Payable	-	Agent
General Insurance Broking	Rainbow Automotive Pvt. Ltd.	Payable	β	Vendor
General Insurance Broking	Dimple Motors Pvt. Ltd.	Payable	β	Vendor
General Insurance Broking	Vintage Motors Pvt. Ltd.	Payable	β	Vendor
General Insurance Broking	The Riders Zone Pvt. Ltd.	Payable	β	Vendor
Housing Finance	Maark Vision Architects Private Limited	Receivable	3.25	Loan to Customer
Housing Finance	Sandhya Hotels Private Limited	Receivable	5.24	Loan to Customer
NBFC	Maxin Hydro Dynamic India Private Limited	Receivable	0.04	Loan to Customer
NBFC	Emirate Fashions Private Limited	Receivable	0.10	Loan to Customer
NBFC	Thanco Natural Foods Private Limited	Receivable	0.20	Loan to Customer
NBFC	Bee Luxe Private Limited	Receivable	0.09	Loan to Customer
NBFC	Alaric Healthcare Private Limited	Receivable	0.08	Loan to Customer
Stock and Securities Broking	Ceeplast Trading Company Private Limited	Receivable	β	Customer
Stock and Securities Broking	Chaturbhuja Securities Private Limited	Receivable	β	Customer
Stock and Securities Broking	Doniv Enterprises Private Limited	Receivable	β	Customer
Stock and Securities Broking	Orion Media Private Limited	Receivable	β	Customer
Stock and Securities Broking	Pusha Steels Limited	Receivable	β	Customer
Stock and Securities Broking	Gurukul Commosales Private Limited	Receivable	β	Customer



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

NOTE: 61 DISCLOSURE ON REVENUE RECOGNITION AS PER IND AS 115

Reconciliation of Revenue Recognised from Contract Liabilities:

Particulars	(₹ crore)	
	As at 31 st March 2023	As at 31 st March 2022
Closing Contract Liability - Advance from Customers	70.93	187.20

The Contract Liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March 2023.

NOTE: 62 OTHER SIGNIFICANT NOTES

1. Investment Property

The Group has carried out the valuation activity through an Independent Valuer to assess fair value of its Investment Property. As per report provided by the Independent Valuer, the fair value is ₹ 18.07 Crore as on 31st March 2023 (Previous Year ₹ 19.02 Crore).

The fair value of Investment Property has been derived using the Direct Comparison Method based on recent market prices, without any significant adjustments, being made in observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

The Group 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 31 st March 2023	Year ended 31 st March 2022
Rental Income Derived from Investment Property	0.50	0.50
Direct Operating Expenses (including Repairs and Maintenance) associated with Rental Income	(0.06)	(0.06)
Profit Arising from Investment Property before Depreciation and Indirect Expenses	0.44	0.44
Depreciation for the Year	0.44	0.43
Profit/(Loss) Arising from Investment Property before Indirect Expenses	-	0.01

- Aditya Birla Sun Life Insurance Company Limited and Aditya Birla Health Insurance Co. Limited have paid ₹ 16.80 Crore and ₹ 20.44 Crore respectively, pursuant to the GST query with respect to GST input tax credit on business promotion expenses. Pending further developments on the same, the mentioned amount has been treated as deposit as at 31st March 2023.
- During the previous year, the Company has sold 2,850,880 Equity Shares of face value of ₹ 5 each of Aditya Birla Sun Life AMC Limited (ABSLAMC) at ₹ 712 per Equity Share, by way of offer for sale in the Initial Public Offer (IPO) of ABSLAMC in accordance with the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and recognised gain on sale of these investments amounting to ₹ 177.19 Crore (Net of Tax, Gain is ₹ 160.54 Crore). Consequently, w.e.f. 7th October 2021, ABSLAMC has ceased to be a Joint Venture, and has been accounted as an Associate.
- Board of Directors of the Company, at its meeting held on 27th March 2023, has approved the sale of its entire stake of 50.002% of the issued and paid-up share capital of Aditya Birla Insurance Brokers Limited to Edme Services Private Limited, part of the Samara Capital Group and an affiliate of Samara Alternate Investment Fund. The Company has filed an application dated 20th April 2023 with Insurance Regulatory and Development Authority of India ("IRDAI"), seeking approval of the proposed transaction.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2023

The proposed transaction is subject to receipt of the approval of IRDAI and other regulatory/statutory approvals and satisfaction of other conditions under the Share Purchase Agreement. Upon completion of the proposed transaction, ABIBL shall cease to be a Subsidiary of the Company.

5. The Indian Parliament has approved the Code on Social Security, 2020, which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13th November 2020, and has invited suggestions from stakeholders. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
6. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group ("Ultimate Beneficiaries"). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. Figures of ₹ 50,000/- or less have been denoted by 'β'.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvama
Partner
Membership No.: 109503

Mumbai, 11th May 2023

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

Vishakha Mulye
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Mumbai, 11th May 2023

Arun Kumar Adhikari
Director
(DIN: 00591057)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARIES

Aditya Birla Finance Limited	414
Aditya Birla Housing Finance Limited	421
Aditya Birla Sun Life Insurance Company Limited	426

SECRETARIAL AUDIT REPORTFor the Financial Year Ended 31st March 2023

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

To,
The Members

Aditya Birla Finance Limited

Regd. Office: - Indian Rayon Compound, Veraval,
Gujarat- 362266

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Finance Limited** having **CIN U65990GJ1991PLC064603** (hereinafter called the 'Company') for the financial year ended on 31st March 2023 [(the "Audit Period")/ "(the period under review)"]

We conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our **verification** of the Company's books, papers, minutes books, soft copies of various records, scanned copies of minutes of the Board and its Committee, forms and returns filed and other records maintained by the Company during the financial year ended March 31, 2023 as well as before the date of issue of this report;
- (ii) Our **observations** pursuant to visits to the office/s of the Company;
- (iii) **Compliance certificates** confirming compliance with all laws applicable to the Company as given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and
- (iv) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2023, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism in place to the extent,

in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

- 1.1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder to the extent of transfer of securities;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowing made by the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);
 - (b) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015*, and
- (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial Standards) as applicable mandatorily to the Company.

* The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- 1.2 During the period under review, and also considering the compliance related to action taken by the Company after March 31, 2023, but before the date of issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:



- (i) Complied with the provisions of the Act, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
 - (ii) Generally complied with the applicable provisions/ clauses of:
 - (a) The Act and Rules mentioned under paragraph 1.1 (i)
 - (b) FEMA to the extent of External Commercial Borrowings mentioned under paragraph 1.1 (iv) and
 - (c) The Secretarial Standards on meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to meetings of the Board and its committees held during the year and the **31st Annual General Meeting** held on **25th August 2022** and Extra-Ordinary General Meetings held on **4th October 2022, 7th November 2022**, (at a shorter notice), with the consent of the members and **3rd March 2023**, (at a shorter notice), with the consent of the members. The compliance with the provisions of the Rules made under the Act with regard to the meetings of the Board and its committees held through video conferencing were verified based on the minutes of the meetings provided by the Company.
 - (d) During the year under review, the Company had received 9 (Nine only) complaints under-the Whistle Blower Mechanism and 2 cases (Two only) under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act, 2013") and after resolving the complaints, we are informed that, at the end of the year, 1 (One only) complaint under Whistle Blower Mechanism was outstanding which has been resolved as on the date of this report and there are no cases outstanding under POSH Act, 2013.
- 1.3 We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws / rules / regulations / standards and was consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns thereunder:
- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - (ii) The following Regulations and Guidelines prescribed under the SEBI Act, 1992:-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
 - e. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 1.4 We have also examined, on test check basis, the relevant documents and records maintained by the Company with respect to:
- (a) Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and other relevant guidelines and circulars issued by the Reserve Bank of India, from time to time.

2. BOARD PROCESSES:

We further report that:

2.1 The Board of Directors of the Company as on 31st March 2023 comprised of:

- (i) Managing Director - Mr. Rakesh Singh (DIN 07006067)
- (ii) Two Non-Executive Non-Independent Directors - Ms. Vishakha Mulye (DIN 00203578) and Mr. Kamlesh Rao (DIN 07665616) and;
- (iii) Four Non-Executive Independent Directors, including a Woman Director - Mr. Subhash C. Bhargava (DIN 00020021), Mr. Rajat Kumar Jain (DIN 00046053), Mr. Nagesh Pingre (DIN 00062900), and Ms. Alka Bharucha (DIN 00114067).

2.2 (A) The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel, during the year, were carried out in compliance with the provisions of the Act and LODR:

- (i) Resignation of Mr. Ajay Srinivasan (DIN: 00121181) as Non-Executive Non Independent Director w.e.f August 03, 2022.
- (ii) The Board of Directors at their meeting held on May 11, 2022 has recommended the re-appointment of Mr. Kamlesh Rao (DIN: 07665616), Director retiring by rotation and the same has been approved by the shareholders at their 31st Annual General Meeting held on August 25, 2022
- (iii) The Board of Directors at their meeting held on June 27, 2022 has approved making an application to RBI for appointment of Ms. Vishakha Mulye (DIN: 00203578) as a Non-Executive Director of the Company which was approved by Reserve Bank of India, vide its letter dated October 04, 2022. Her appointment was then approved by the Board of Directors through circular resolution on October 21, 2022 and by the shareholders of the Company w.e.f. October 21, 2022, at the Extra-Ordinary General Meeting held on November 07, 2022.
- (iv) Cessation of directorship of Mr. Darius J. Kakalia (DIN: 00029159) as an Independent Director of the Company under section 149(11) of the

Companies Act, 2013 w.e.f March 8, 2023 on account of completion of term.

- (v) Cessation of directorship of Mr. Jitender Balakrishnan (DIN: 00028320) as an Independent Director of the Company under section 149(11) of the Companies Act, 2013 w.e.f March 8, 2023 on account of completion of term.
- (vi) Cessation of directorship of Mr. Ashwani Puri (DIN: 00160662) as an Independent Director of the Company under section 149(11) of the Companies Act, 2013 w.e.f March 8, 2023 on account of completion of term.
- (vii) The Board of Directors at their meeting held on January 31, 2023 has appointed Mr. Rajat Kumar Jain (DIN: 00046053) as Additional Non-Executive Independent Director of the Company and the same has been approved by the shareholders w.e.f. March 09, 2023 at the Extra- Ordinary General Meeting held on March 03, 2023.
- (viii) The Board of Directors at their meeting held on January 31, 2023 has appointed Mr. Nagesh Pingre (DIN: 00062900) as Additional Non-Executive Independent Director of the Company and the same has been approved by the shareholders w.e.f. March 09, 2023 at the Extra-Ordinary General Meeting held on March 03, 2023.

2.3 Adequate notice of the meetings of the Board and its committees were sent to all the directors to enable them to plan their schedule for the meetings of the Board or its Committees, at least seven days in advance except for the few meetings which were convened at shorter notice, with the consent of the directors /members of the Committee/s, to transact urgent business, at which more than one independent director was present as required under Section 173 (3) of the Act and SS-1.

2.4 Agenda and detailed notes on agenda were sent to the directors at least seven days before the meetings of the Board and its committees, other than in respect of a few meetings which were convened at a shorter notice to transact urgent business, and necessary compliance as required under Section 173 (3) of the Act and SS-1 was in place.



2.5 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement / results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information/ presentations and supplementary notes

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.7 We note from the minutes verified that, at the meetings of the Board held during the year:

- (i) Decisions were carried through majority and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as a part of the minutes.

3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes in the Company, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations. We observe that during the year under review, there has been a delay in filing of return DNBS 10 with the Reserve Bank of India under Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and the delay was due to reasons beyond the control of the Company.

4. SPECIFIC EVENTS / ACTIONS

4.1 During the year, the following specific events/ actions, having a major bearing on the Company's affairs, took place, in pursuance of the above referred laws, rules, regulations and standards:

- a) The Board of directors at its meeting held on August 02, 2022 has approved revision in remuneration payable to Mr. Rakesh Singh (DIN: 07006067) Managing Director & CEO of the Company,

w.e.f. July 01, 2022. The shareholders have approved the same at the 31st AGM of the Company held on August 25, 2022.

- b) The shareholders at the 31st AGM of the Company held on August 25, 2022, by way of special resolution, have approved the payment of interim dividend of ₹ 1.65/- per Equity Share of ₹ 10/- each, declared by the Board of Directors at their meeting held on March 25, 2022 for the financial year ended March 31, 2022.
- c) In compliance with the Reserve Bank of India Master Direction - Credit Card and Debit Card - Issuance and Conduct Directions, 2022 dated April 21, 2022, the Board of Directors at its meeting held on September 28, 2022 has approved the proposal of the Company for undertaking Credit Card business, after obtaining necessary approval from Reserve Bank of India. We are informed that the approval from the Reserve Bank of India is yet to be received by the Company.
- d) The Board of Directors at its meeting held on September 28, 2022 has recommended the approval for Alteration in the Object Clause of the Memorandum of Association by inserting new sub-clause 4A in Clause ID of the Memorandum of Association of the Company. The shareholders have approved the Alteration in the Objects Clause by way of Special Resolution at the Extra-Ordinary General Meeting held on October 04, 2022 and the following clause is inserted in the Object Clause of the Memorandum of Association of the Company:

4A. To carry on the business of issuance and operation of various card products such as credit cards, prepaid cards, smart cards, charge cards, stores value cards, any other payments products such as travellers cheques - domestic / international, gift vouchers etc., of any form and kind and by whatever name called for use in India or any other country outside India and development of such business in India either on its own or in collaboration / partnership / association with other organizations - Indian or international, in compliance with the applicable regulations and subject to requisite regulatory approvals as may be required from time to time and to provide all services incidental thereto including but not limited to servicing thereby collecting, billing, insuring, guaranteeing, underwriting, entering into

agreements (either individually or as a member) with merchant establishments (incorporated or not), managing and carrying out all actions as necessary or appropriate in connection therewith including payment products, loyalty and/or similar programs, swipe / point of sale machines, other terminals / peripherals or accessories including pin cards, authorization systems and software for the same.

- e) (i) The Board of Directors at its meeting held on September 28, 2022 has proposed adoption of the 'Aditya Birla Finance Limited Employee Stock Option Scheme 2022' ("Scheme") for such number of stock options ("Options") not exceeding 25,57,812 (Twenty-Five Lakh Fifty-Seven Thousand Eight Hundred and Twelve) Equity Shares being 0.39% of the fully paid-up capital of the Company as on August 31, 2022. The shareholders have approved the said scheme at the Extra-Ordinary General Meeting held on October 04, 2022.
- (ii) The shareholders of the Company, at the Extra-Ordinary General Meeting held on October 04, 2022 have approved by way of Special Resolution, extension of the benefit of Aditya Birla Finance Limited Employee Stock Option Scheme 2022 to the employees of present or future holding and / or subsidiary company(ies) of the Company.
- f) The Board of Directors at its meeting held on November 05, 2022 has approved an increase in the overall limits of borrowings by way of issuance of Non-Convertible Debentures (NCDs) for an amount not exceeding ₹ 1,00,000 Crore (Rupees One Lakh Crore Only) as against the previous limit of ₹ 70,000 Crore and the shareholders of the Company have approved the increase in the borrowing limits by way of special resolution at the Extra-Ordinary General Meeting, held at a shorter notice, on November 07, 2022.
- g) The Board of Directors at its meeting held on November 05, 2022 has approved creation of Charges on the assets of the Company for an amount not exceeding ₹ 1,00,000 Crore (Rupees One Lakh Crore Only) at any point of time and the shareholders of the Company have approved the same, by way of Special Resolution, at the Extra-Ordinary General Meeting held on November 07, 2022.
- h) The Board of Directors at its meeting held on January 31, 2023 has approved a proposal for Corporate Agency License with Insurance Regulatory Development Authority of India (IRDAI), for expansion and diversification of its business by exploring opportunities for carrying on insurance agency business as corporate agent for life/general/health/insurance policy(ies), etc. to, inter alia, its present/future customers. We are informed that the Company has yet not applied to IRDAI as the Company is awaiting the login credentials from IRDAI.
- i) The Board of Directors at its meeting held on January 31, 2023 has recommended approval for Alteration in the Object Clause of the Memorandum of Association by insertion of new sub-clause 4B after clause 4A in Clause ill. The shareholders have approved the Alteration, by way of special resolution at the Extra-Ordinary General Meeting held on March 03, 2023 and the following clause is inserted in the Object Clause of the Memorandum of Association of the Company:

4B. To carry on the business of selling, distribution, marketing as a Corporate Insurance agent and brokers, of all kinds of insurance products of various companies in various fields of insurance such as life, pension & employee benefit, health, fire, marine, cargo, marine hull, aviation, oil & energy, engineering, accident, liability, motor vehicles, transit & other products of non-life insurance business and to carry on the business of insurance, re-insurance and risk management either directly or as an insurance agent, insurance broker or otherwise and provide advisory and consultancy services relating to insurance business.
- j) In compliance with RBI Circular bearing no: RBI/2022-23/24 Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022, the Board of Directors at its meeting held on March 21, 2023 has approved the remuneration to and appointment of Mr. Jitendra Bhati as the Chief Compliance Officer of the Company for a minimum period of 3 years w.e.f. April 18, 2023.
- k) The Board of Directors at its meeting held on March 21, 2023 has approved the issuance of equity shares, on rights issue basis, to the existing shareholders for an aggregate value (including premium) not exceeding ₹ 7,50,00,00,000 (Rupees Seven Hundred and Fifty Crore Only), from time to time, during the next six months from the date of the said meeting.



- l) The Company has issued, allotted and redeemed Debentures, during the year, in various tranches, as per details given below:

Type of Debentures	Secured Non-Convertible Debentures (Rs in Crore)	Unsecured Sub-debt (Rs in Crore)	Perpetual Non-Convertible Debentures (Rs in Crore)	Unsecured Non-Convertible Debentures (Rs in Crore)
Listing	Listed at BSE and NSE	Listed at BSE and NSE	Listed at BSE and NSE	Listed at BSE and NSE
Opening Balance as on 1st April, 2022	11,923.30	2,179.00	200.00	105.00
Issued during the year	6,870.50	-	-	49.00
Sub. Total	18,793.80	2,179.00	200.00	154.00
Redeemed during the year	2,647.30	35.00	-	-
Outstanding balance as on 31st March, 2023	16,146.50	2,144.00	200.00	154.00

- m) The Company has issued Commercial Papers ("CPs"), in one or more tranches, which were listed on NSE, in accordance with the provisions of SEBI Operational Circular bearing no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. As on March 31, 2023, CPs amounting to ₹ 6,725 Crore were outstanding and listed on NSE.
- n) Securities and Exchange Board of India ("SEBI") - Show Cause Notice received on May 25, 2021 ("SCN") issued by SEBI to Aditya Birla Finance Limited under Section 11(1), 11(4), 11B (1), 11B (2) and 11(4A) of the SEBI Act in the matter of CG Power and Industrial Solutions Limited ("CG Power").

In this regard the Company had submitted an interim reply dated July 15, 2021 and a final reply dated July 29, 2021 to SEBI denying the allegations levelled against it in the SCN and prayed for the withdrawal of the SCN. SEBI, having regard to the facts and circumstances of the case, vide order WTM/AB/CFID/CFID_I/20149 /2022-23 dated October 4, 2022 (SEBI Order) has imposed penalty of ₹ 1 Crore on Aditya Birla Finance Limited under Section 15HA of the SEBI Act, 1992. The Company had then filed an appeal against the said order on October 21, 2022, before the Securities Appellate Tribunal (SAT), against the said Order. Subsequently, by an order dated February 27, 2023 (received by the Company on March 1, 2023), passed in the Appeal filed by the Company, the Securities Appellate Tribunal (SAT) granted a stay on the operation and effect of the SEBI Order, subject to deposit of ₹ 50 Lakh (Rupees Fifty Lakh only) by the Company with SEBI within 3 weeks from the date of the Order. The Company has accordingly deposited the said amount of ₹ 50 lakhs with SEBI on March 06, 2023 and the matter is pending.

- o) The Company has received a Show Cause Notice ("SCN") dated August 03, 2022 from Reserve Bank

of India under the Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, dated September 29, 2016, on failure to comply with reporting of frauds in eight instances involving amounts ranging from ₹ 1 Lakh to ₹ 13 Lakh within the stipulated timelines of 3 weeks from their dates of detection and their reportings were made with delay of duration ranging from 8 to 70 days. The Company has accordingly filed its response on August 10, 2022, with RBI, where the Company specified the reasons for the delay which were during the period of complete lockdown in the Country. The Company also specified that the delays caused were inadvertent and were due to factors which were beyond the control of the Company and the Company has also presented its submission during personal hearings. The RBI, vide its Speaking Order dated January 18, 2023, has communicated not to impose any monetary penalty on the Company considering the challenges faced by the Company in filing Fraud Monitoring Report/s (FMR) on account of COVID-19 Pandemic and that the Company has been submitting FMR, on time, post-pandemic.

Venkataraman K

Associate Partner

ACS:8897/COP:12459

For BNP & Associates

Company Secretaries

Firm Reg No: P2014MH037400

Peer Review No.-637/2019

UDIN: A008897E000275878

Date: May 09, 2023

Place: Mumbai

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

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

To,
The Members,
Aditya Birla Finance Limited

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman K
Associate Partner
ACS:8897/COP:12459

For **BNP & Associates**
Company Secretaries
Firm Reg No: P2014MH037400
Peer Review No.-637/2019
UDIN: A008897E000275878

Date: May 09, 2023
Place: Mumbai



FORM NO. MR.3

SECRETARIAL AUDIT REPORTFor the Financial Year Ended 31st March 2023

[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 of,
Aditya Birla Housing Finance Limited
Indian Rayon Compound,
Veraval, Junagadh,
Gujarat 362266.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Housing Finance Limited** having **CIN: U65922GJ2009PLC083779** (hereinafter called the 'the Company') for the financial year ended on 31st March 2023 (the "Audit Period").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the Company's books, papers, minutes books, forms and returns filed, records provided through virtual data room /physically and other records maintained by the Company;
- (ii) Compliance certificates confirming compliance with corporate laws applicable to the Company given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Company's Audit Committee / Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Company, its officers, agents and authorised representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on 31st March 2023, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
 - (ii) Board processes and compliance mechanisms are in place.
- to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

- 1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year in terms of the applicable provisions / clauses of:
 - (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings;
 - (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 (Prohibition of Insider Trading) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to the obligations of the Company); and
 - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021.
- *The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) and

notified by the Central Government under Section 118(10) of the Act which have mandatory application.

1.2 During the period under review:

- (i) The Company has complied with the all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally complied with the applicable provisions / clauses of:
 - (a) FEMA to the extent of External Commercial Borrowings mentioned under paragraph 1.1 (iv);
 - (b) The Secretarial Standards on meetings of Board of Directors (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, which are applicable to the meetings of the Board, Committees constituted by the Board held during the year, the 13th Annual General Meeting (AGM) held on 24th August 2022 and the Extra-Ordinary General Meeting (EGM) held on 17th May 2022, 21st October 2022 and 07th November 2022 at shorter notice and the resolution passed by circulation. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference / Other Audio-Visual Means (OAVM), for the Board/ Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.

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

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (iii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (vii) 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.

1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following Statute which is applicable to the Company:

- a) National Housing Bank Act, 1987 read with relevant guidelines, circulars, notifications, directions issued by NHB;
- b) Master Directions – Non-Banking Financial Companies (NBFCs) – Housing Finance Companies (Reserve Bank of India) Directions, 2021 read with the relevant guidelines and circulars;
- c) Guidelines on Know your Customer and Anti-Money Laundering Measures; and
- d) Prevention of Money Laundering Act, 2002.

2. BOARD PROCESSES OF THE COMPANY:

We further report that:

2.1 The Board of Directors of the Company as on 31st March 2023 comprised of:

- (i) One Managing Director – Mr. Pankaj Madhav Gadgil (DIN- 08521239);
- (ii) Two Non-Executive Non-Independent Director – Mr. Rakesh Singh (DIN- 07006067) and Mrs. Vishakha Mulye (DIN- 00203578); and
- (iii) Three Non-Executive Independent Directors including a Woman Independent Director- Mr. Venkatadri Chandrasekaran (DIN: 03126243), Ms. Anita Ramachandran (DIN- 00118188), and Mr. Narayanan Nadadur Rajagopalan (DIN:07877022).



2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year but before the issuance of this report, were carried out in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

- 1) Cessation of office of Mr. Ajay Srinivasan (DIN-00121181) with effect from 25th July 2022 as a Non-Executive Non-Independent Director of the Company due to Resignation;
 - 2) Re-appointment of Mr. Rakesh Singh (DIN: 07006067) as a Director liable to retire by rotation. This is approved by the Members of the Company at 13th Annual General Meeting held on 24th August 2022 pursuant to Section 152 of the Companies Act, 2013;
 - 3) Cessation of office of Mrs. Netrapal Singh Raghava with effect from the close of business hours on 17th August 2022 as a Chief Executive Officer;
 - 4) Appointment of Mr. Pankaj Madhav Gadgil with effect from 18th August 2022 as a Chief Executive Officer, by the Board of Directors of the Company in its meeting held on 22nd July 2022;
 - 5) Appointment of Mr. Pankaj Madhav Gadgil (DIN-08521239) as an Additional Director of the Company with effect from 23rd September 2022, by the Board of Directors in its meeting held on 13th October 2022 and appointed as a Managing Director in the category of Executive Director of the Company for a period of five years with effect from 23rd September 2022 at the EGM held on 21st October 2022
 - 6) Appointment of Ms. Vishakha Mulye (DIN-00203578) as a Director (Non-Executive Non-Independent) of the Company with effect from 13th October 2022 at the EGM held on 21st October 2022 and was appointed as an Additional Director of the Company, by the Board of Directors in its meeting held on 13th October 2022;
 - 7) Appointment of Mr. Narayanan Nadadur Rajagopalan (DIN:07877022) as a Director (Non-Executive Independent) of the Company with effect from 19th January 2023 for a term of 5 (five) consecutive years with effect from 19th January 2023 to 18th January 2028, at the EGM held on 12th April 2023. He was appointed as an Additional Director of the Company, by the Board of Directors of the Company through resolution passed by circulation on 18th January 2023.
- 2.3 Adequate notices have been given to all the directors of the Company to enable them to plan their schedules for the Board meeting(s), except few meetings which were convened at a shorter notice to transact urgent business(es) for which necessary consent was received, which were compliant with the provisions of the Act as prescribed.
- 2.4 Notice for the Board meetings has been given to all the directors at least seven days in advance except few meetings convened at a shorter notice, at which more than one Independent Director was present as required under Section 173 (3) of the Act and SS-1.
- 2.5 Agenda and detailed notes on agenda circulated to all the directors at least seven days before the Board meetings, except for few meetings where price sensitive matters were considered hence these meetings were convened at a shorter notice.
- 2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.
- 2.7 We note from the minutes examined that, at the Board meetings held during the year:
- (i) Decisions were taken through the majority of the Board; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

4. SPECIFIC EVENTS / ACTIONS

4.1 During the year under review, the following specific events/actions, having a major bearing on the Company's affairs took place: -

1. The shareholders of the Company at the EGM held on 17th May 2022 and the Board of Directors of the Company at their meeting held on 25th April 2022 approved:
 - a) to borrow funds not exceeding ₹ 20,000 Crore;
 - b) to grant authority for mortgaging or creating charge on company's assets as a security towards borrowings not exceeding ₹ 20,000 Crore;
 - c) authorisation for the issuance of Secured Redeemable Non-Convertible Debenture (NCD) on private placement basis for amount not exceeding ₹ 4000 Crore and Subordinated Debt qualifying as Tier-II Capital in the form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for amount not exceeding ₹ 1000 Crore in one or more tranches. The NCDs may be unlisted or listed, on Debt Market Segment of National Stock Exchange (NSE) and / or BSE Limited.
2. The Board of Directors of the Company at their meeting held on 21st October 2022 approved to accept the offer of NHB vide their letter No. NHB (ND)/ROD/HFC/A-01508/2021-22 dated 17th March 2022. This was for refinance assistance for an amount not exceeding ₹ 1000 Crore (Rupees One Thousand Crore only) during the validity of sanction under its Refinance Schemes for Housing Finance Companies

as applicable from time to time on the terms and conditions as contained in the Letter of Intent number NHB (ND)/ROD/HFC/A-01508/2021-22 dated 17th March 2022 received from NHB.

3. The Members of the Company approved by way of Special resolution at the EGM held on 21st October 2022 and the Board of Directors of the Company provided its approval at meeting held on 13th October 2022 for:
 - A. Adoption of Aditya Birla Housing Finance Limited Employee Stock Option Scheme 2022;
 - B. Extending the benefit of Aditya Birla Housing Finance Limited Employee Stock Option Plan 2022 to the employees of present or future of holding and / or subsidiary company(ies) of the Company.
4. Issued and allotted Secured Redeemable Non-Convertible Debentures worth of ₹ 600 Crore by a way of private placement on 25th October 2022.
5. The Members of the Company approved by way of Special resolution at the EGM held on 07th November 2022 approved Adoption of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 (ABCL Scheme 2022) and extension of the benefits under ABCL Scheme 2022 to the employees of the Company.
6. Issued and allotted Secured Redeemable, Non-convertible Debentures worth of ₹ 250 Crore by a way of private placement on 11th November 2022.
7. The Board of Directors of the Company at their meeting held on 27th January 2023 approved:
 - a. borrowing funds such that the outstanding amount of debt at any point of time does not exceed ₹ 30,000 Crore (Rupees Thirty Thousand Crore Only).



- b. issue of Non-Convertible Debentures - Secured and Unsecured the Company borrow funds by issuance of fully/partly paid; listed/unlisted
- i) Secured Redeemable Non-Convertible Debentures including Principal Protected – Market Linked Non-Convertible Debentures (NCDs) for an amount not exceeding ₹ 10,000 Crore (Rupees Ten Thousand Crore only)
 - ii) Subordinated Debt qualifying as Tier- II Capital in form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for an amount not exceeding ₹ 1000 Crore (Unsecured NCDs) in one or more tranches, which may be unlisted or listed, on Debt Market Segment of National Stock Exchange (NSE) and/or BSE Limited on a private placement basis (NCDs).
8. At the Meeting of Board of Directors of the company held on 27th January 2023, it was approved to borrow

funds by way of issuance Commercial Papers for a period not exceeding 364 days, either on standalone basis or as earmarked against the Working Capital limits sanctioned by the Banks up to a limit of ₹ 4,000 Crore (Rupees Four Thousand Crore Only) and these Commercial Papers will be listed in Stock Exchanges, in accordance with the provisions of Securities and Exchange Board of India operational circular bearing number SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August 2021. As on 31st March 2023 Commercial Papers were amounting to ₹ 210 Crore.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No.: - 637 /2019

Avinash Bagul
Partner

Date: 27th April 2023
Place: Mumbai

FCS No.: 5578/ COP No.: 19862
UDIN.: FO05578E000203622

Annexure A

To,
The Members of,
Aditya Birla Housing Finance Limited
Indian Rayon Compound,
Veraval Junagadh, Gujarat 362266.
Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are

reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No.: - 637 /2019

Avinash Bagul
Partner

Date: 27th April 2023
Place: Mumbai

FCS No.: 5578/ COP No.: 19862
UDIN.: FO05578E000203622

SECRETARIAL AUDIT REPORTFor the Financial Year Ended 31st March 2023

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

To,
The Members,
Aditya Birla Sun Life Insurance Company Limited,
One World Centre, Tower 1, 16th Floor,
Jupiter Mill Compound, 841, S. B. Marg,
Elphinstone Road Mumbai - 400013

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

Auditor's Responsibility:

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

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, 2023 (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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**), and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; (**Overseas Direct Investment and External Commercial Borrowings not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable to the Company during the Audit Period**);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**);
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**);
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**);
 - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**);
 - g. 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;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**);
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**).



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 to the extent applicable to the company. ("Listing Regulations");

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following law applicable specifically to the Company:

- (i) Insurance Act, 1938 and Insurance Rules, 1939
- (ii) Insurance Regulatory and Development Authority Act, 1999 and Rules and Regulation, Circular and Notification issued thereunder

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under except intimation pursuant to SEBI Circular dated 13th April 2022 was submitted by the Company with an inadvertent delay.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the Company has allotted 37,021,200 Equity shares to existing shareholders on right basis.

For **MMJB and Associates LLP**
Company Secretaries

Bhavisha Jewani

Partner

FCS: F8503

CP: 9346

PR: 2826/2022

UDIN: FO08503E000186263

Date: 25th April 2023

Place: Mumbai

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

Annexure A

To,
The Members,
Aditya Birla Sun Life Insurance Company Limited,
One World Centre, Tower 1, 16th Floor,
Jupiter Mill Compound, 841, S. B. Marg,
Elphinstone Road Mumbai - 400013

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

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

Bhavisha Jewani
Partner
FCS: F8503
CP: 9346
PR: 2826/2022
UDIN: F008503E000186263

Date: 25th April 2023
Place: Mumbai

Aditya Birla Capital Limited

CIN: L67120GJ2007PLC058890

Registered Office: Indian Rayon Compound, Veraval - 362 266, Gujarat
+91 2876 243257 | (F) +91 2876 243220

Corporate Office: One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013
+91 22 4356 7000 | (F) +91 22 4356 7111
abc.secretarial@adityabirlacapital.com | www.adityabirlacapital.com



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