

**OUR  
FOCUS ON CUSTOMERS  
ENABLES US TO  
GROW EXPONENTIALLY.**



**Aditya Birla Sun Life  
AMC Ltd.**

(A part of Aditya Birla Capital Ltd.)



**ADITYA BIRLA  
CAPITAL**



**MR. ADITYA VIKRAM BIRLA**

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

## Chairman Message

# Making our mark in the new age

### Dear shareholders,

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

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

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

### GLOBAL ECONOMY: THE STORM BEFORE THE CALM?

The Global economy recovered from the pandemic shock in 2022 on the back of supportive fiscal and monetary policies and mass vaccination programmes. However, at the end of FY22, the war in Ukraine and the subsequent economic sanctions on Russia posed a large shock. It disrupted energy markets & supply chains and added to the already evolving inflationary pressures and concerns over consumer demand. Consequently, growth forecasts have been slashed. The International Monetary Fund (IMF) now expects the world economy to grow by 3.6% in CY22, which is 0.8 percentage points lower than its pre-war projections.

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

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



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

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

## INDIA: AN ENGINE OF GLOBAL GROWTH

The Indian economy has not remained unscathed by these global developments. Partly on account of the elevated commodity prices in global markets, India's inflation has pushed higher than the target of the Reserve Bank of India (RBI). To control inflationary risks, and reduce the pressure on the rupee, RBI has been selling reserves and unwinding the extraordinary liquidity support provided by it during the pandemic.

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

Even as the global headwinds are being felt, India's growth recovery is progressing well, and most estimates peg economic growth during FY23 around the 7% range. India, therefore, is poised to be the fastest-growing major economy in the world and an engine of global growth.

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

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

## ADITYA BIRLA GROUP: DYNAMISM AND RESILIENCE AT PLAY

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

This institutional dynamism and resilience helped us navigate an unprecedented business environment in FY22.

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

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

## WE ARE ONLY AS STRONG AS OUR PEOPLE.

The Group's continued focus and investment in its People Processes in good times have helped us build and sustain a robust and agile workforce that is able to be nimble and responsive at all times. When corporates across the world are facing a rather unusual phenomenon – The Great Resignation, our employee survey score for Intent to stay remained strong. It is higher than the Global High Performing organizations and almost similar to pre-covid levels. This strong affinity is a testimony to our relentless commitment to delivering a world of opportunities with care to our employees.

Internal employee movements of over 5000 (within the businesses) were up 18% from the average of the last two fiscals. We also focussed on bringing in young talent, with 73% of new hires being under 35 years of age. Last year, over 9000 new employees joined the Group refreshing our competence base.

Building an aspirational workplace for a diverse workforce was identified as one of the important aspects of our new HR strategy. Enhancing the diversity of our Group is a journey, and it is getting strengthened with targeted efforts over time.

Our commitment to gender diversity is evident through the appointment of 7 women to senior leadership roles. 21% of all new hires were women, and we had 102 women engineering graduates join us at plant locations.

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

Our learning strategy evolved continually to adapt in response to the dynamic external environment. This was achieved by re-designing innovative learning properties & methodologies focusing on building contemporary & contextual skills. We shifted gears across digital, blended, and now hybrid learning, making it easier to shift across modes of learning for different sets of learners. We strategically increased the adoption and penetration of our digital learning platform (Gyanodaya Virtual Campus) to cover 94% of our employees in the management cadre. Leveraging the power of internal and external networks, 500+ high-quality digital content modules were created on various themes and topics across ABG.

The spirit of ABG's resilience and dynamism was displayed at an individual, team, and business level. This has been reflected in the business results for FY22. This year also saw the launch of new businesses, units, capacity, products, and brands. This happened seamlessly, presenting a unique human story of innovation and grit, and bringing alive our Group values of commitment and passion. We have together navigated an unprecedented period of disruption and emerged stronger and sharper— demonstrating that care, empathy, and results are mutually compatible. And especially so in periods of turmoil.

## YOUR COMPANY'S PERFORMANCE

ABSLAMC has been on an exciting growth journey over the last 27 years. Currently, your Company is the largest non-bank affiliated and the 4<sup>th</sup> largest AMC in the country, with an overall asset under management of over ₹ 3 trillion. Serving more than 7.9 million customers, your Company has expanded its market presence and set new benchmarks.

Over a long arc of time, your Company's growth can be attributed to various factors, such as the broad spectrum of solutions, consistent investment performance, strong presence with multi-channel distribution, digital penetration and growing alternative assets.

Your Company's leadership position, product mix and scale have contributed to a strong financial performance. In FY22, ABSLAMC clocked a total revenue of ₹ 1,409 Cr, up 17%

YoY. I am proud to share that your Company has achieved its highest-ever profitability at ₹ 673 Cr with a 28% YoY growth.

Your Company is focused on growing the overall assets under management across different asset categories. Mutual fund quarterly average AUM (QAAUM) grew at 10% YoY to ₹ 2.96 Lac Cr. Equity MF QAAUM increased by 25% YoY to ₹1.21 Lac Cr in Q4 FY22, mainly on the back of positive flows and investment performance.

Over the last few years, the focus has been on growing the retail franchise and increasing the wallet share from B30 cities (beyond the top-30 cities). Your Company's efforts have worked well, with the contribution of the retail franchise rising to 48% of the overall AUM. Similarly, the contribution from B30 cities has grown to 16% of overall AUM.

Customer acquisition and experience through the digital medium has also been a key focus area for your Company. For FY22, around 84% of overall transactions were done digitally, and 77% of new folios were created digitally.

Your Company's strong performance in FY22 is a testament to the trust and support of our investors, partners, and the commitment of our teams.

Since 1994, your Company has remained committed to its purpose of enabling more and more people to achieve financial well-being. It has strived to provide solutions for investors across platforms and offer a gateway for millions to access India's robust capital markets.

## CONCLUSION

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

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

**Kumar Mangalam Birla**  
Chairman

# Accelerating Growth with a purpose to drive performance.



"Our leadership position, product mix, lean cost model and scale have resulted in our strong financial performance. In FY 2021-22, we clocked a total revenue of ₹ 1,409 crore with the highest-ever profitability of ₹ 673 crore."

### Dear shareholders,

FY 2021-22 turned out to be an eventful year, marked both by resilience and recovery. While on one hand it marked the gradual recuperation from the pandemic with a massive vaccination drive world over and normalisation of business operations, on the other hand it saw geopolitical conflict intensify and a paradigm shift towards localisation. We saw a calibrated normalisation of monetary policy by central banks, inflationary pressures and the imminent interest rate hike. All through these developments, people, businesses, policy makers came together and adapted in a VUCA environment. Financial markets remained resilient and global economy tracked a path of recovery, albeit with intermittent volatility.

Against this backdrop, it is of significance to consider what ABSLAMC has achieved with the support of its employees and associates. Guided by our core values, inherent strengths, and the agility that comes with being a young and

dynamic organisation, we have always aimed to serve our customers. Our financial discipline, constant investment in innovation & digitalisation and ongoing development of our people has helped us persevere in our steadfast dedication to help customers and associates throughout the country.

### FOCUS ON PERFORMANCE

We have been consistent in our growth over the past 27 years and continue to pursue our business growth by expanding our customer base, deepening our market penetration and increasing overall assets under management.

Our Company is one of the leading Asset Management Companies (AMCs) in India and the fourth largest AMC in the country. We manage a total AUM of over ₹ 3,07,409 cr under our suite of mutual fund, portfolio management services, alternative assets, offshore and real estate

offerings. Our total mutual fund QAAUM grew at a CAGR of 9% from ₹ 1,95,049 cr as of March 31, 2017 to ₹ 2,95,805 cr as of 31<sup>st</sup> March 2022. Our monthly SIP contribution including STP has reached ₹ 895 cr as of March 2022.

Our leadership position, product mix, lean cost model and scale have resulted in our strong financial performance. In FY 2021-22, we clocked a total revenue of ₹ 1,409 cr with the highest-ever profitability of ₹ 673 cr. Our net worth stands at ₹ 2,196 cr with a return on equity of 34.49%.

Last year, we brought in a sharper focus to our alternative assets segment and strengthened the leadership to enhance our product offering in passives, AIF, real estate and PMS. Our current passive product offering has yielded good results wherein our assets have gone up by 6 times from last year to around ₹ 10,000 cr as on 31<sup>st</sup> March 2022. On the real estate side, we have collaborated with BentallGreenOak, to jointly raise funds, source and underwrite deals for Real Estate funds. We have completed the first round of fundraising for the Aditya Birla Real Estate Credit Opportunities Fund under Category II AIF.

We have always been committed to delivering value for our shareholders. In line with this, we declared, subject to shareholder's approval, a total dividend of ₹ 11.45 per share in FY 2021-22, reinforcing our commitment to provide strong returns to our shareholders.

Our robust performance in FY 2021-22 is a testament to the trust and support of our investors, partners and shareholders, our diversified business model and the determination of our teams.

## HOLISTIC INVESTMENT SOLUTION PROVIDER

Our purpose lies rooted in our responsibility to enable people to achieve financial well-being. Our objective has been to provide solutions for every need of our investors through the **WITS** model - **W**ealth creation, regular **I**ncome, **T**ax planning and **S**avings. We have a comprehensive investment solution platform across active, passives and alternative asset classes in equity and fixed income catering to people across different geographies through physical and digital presence. We currently cater to more than 7.94 million investor folios.

“

Our objective has been to provide solutions for every need of our investors through the **WITS** model-Wealth creation, regular Income, Tax planning and Savings.

Over the past two years, there has been a reinforcement of the idea of investing as an aid to savings. Our endeavour has always been to offer diversified solutions across equity and fixed income based on active and passive strategies. We strive to be 'Future Ready' by incorporating the necessary technologies and infrastructure, to consistently offer innovative and relevant investment solutions. We believe in empowering our customers and enhancing their investing experience through a whole host of Value-added Products and Value-added Services. We actively engage with our investors through multiple platforms and channels to showcase empathy, handholding them through the investment process and providing guidance on investments across various market cycles.

Along with our commitment to deliver innovative strategies and serve our clients in a way that meets their needs, we also support and are actively involved in delivering value for society at large.

Our investor education and distributor development initiatives have educated and empowered millions of people across India and brought them closer to financial independence. To bring in deeper financial inclusion within the country, we have launched an industry-first initiative 'For Her', in association with The Women's Collection PLC, Canada. We aim to educate and empower women across all corners of the country and to help them lead a prosperous and financially independent life.

We have also introduced SAHYOG – an initiative to further the cause of financial inclusion to the last mile person. We extend support to people, especially from low income groups by making them financially aware and setting them on the path of creating value through investments.

## CUSTOMER-FIRST

At ABSLAMC, providing effective service and placing customer care at the core has helped us create value and mind share with our investors. We continue strengthening our operating structure and transforming our customer management model to improve sentiment and drive sustainable wallet share and revenue growth.

This year, we have set up a Service-to-Sales model that combines the best of both worlds to provide a pleasant investment experience. We have also adopted the virtual relationship manager (VRM) model, wherein the virtual manager will act as a single point of contact for various investment and servicing requirements.

Customer advocacy is significant to our organisation and we use both technology and human empathy to provide a best-in-class personalised customer experience. We have built multi-channel customer service architecture for the customer to choose their preferred channel to transact and service them at various stages.

All these initiatives have had a positive impact and given us business insights to create the right impact which will help us in improving our Net Promoter Score. The score has steadily improved over the last five years.

## ADVANCING DIGITAL CAPABILITIES

We have been at the forefront in adopting the latest digital technologies for providing convenient solutions at the fingertip of our investor. Our company has shown focus on scalability, superior customer servicing and use of data analytics to ecosystem using digital assets including mobile apps, investor and partner portals. We have witnessed record client engagement across our digital platforms. Our continued growth in digital enrollment and engagement has been instrumental to our success in deepening client relationships while reducing costs and driving greater efficiencies across our businesses. Our digital transactions share in the overall transaction pie has increased to 84% in FY 2021-22.

Our constant efforts lie in making our digital assets even more robust and customer-centric. We engage, collaborate and partner with leading fintechs and digital platforms to complement our customer-first digital assets. We will continue to partner with large e-commerce, payment and fintech platforms to widen our reach with contextual product offerings.

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Customer advocacy is significant to our organisation and we use both technology and human empathy to provide a best-in-class personalised customer experience.

## OUR PEOPLE, OUR STRENGTH

At ABSLAMC, serving our investors and delivering for all our stakeholders, culture and people has been critical in creating value. Our strength has always been our people and the culture that we have built over the last 27 years. Our endeavour has always been to build a diverse talent pool, provide development and training opportunities and retain and attract best-in-class talent while fostering a culture where everyone feels seen, heard and empowered. We continue to advocate for equality, diversity and inclusion across the organization.

We offer our employees collaborative working conditions, access to the latest technologies, an inclusive environment and a wide range of individual development opportunities. The safety and well-being of all our employees and their families are paramount to us.

Our culture lies in how we help and look out for each other, which is our greatest strength. This is also reflected in the manner we care for our stakeholders and support communities. While we care about our employees and stakeholders, we also care for our society and its betterment. In conjunction with NGOs and other social organizations, we have worked to establish healthcare facilities for rural masses and provided aid for medical equipment to hospitals. We have established various educational scholarship programs to support those from lower economic backgrounds. We have also supported women farmers through our water and irrigation development programs.

## THE WAY FORWARD

Looking ahead to FY 2022-23, we have the conviction that our business is robust, and our vision is clear. We will continue to strengthen and expand our retail franchise, be digital-ready, deliver consistent investment performance and have a talented and diverse workforce. We remain deeply committed to our purpose of being a trusted steward of our investors' assets and supporting the efficient functioning of capital markets.

With deeper penetration of financial literacy, the financial inclusion bracket has been expanding with people looking for investment solutions to secure their future and achieve financial independence. To address these evolving needs, we have adopted an asset allocation and solution-based approach and moved away from the traditional product-based approach. Through the SIP model, we are helping investors by cultivating a habit of disciplined investing and not being swayed away by the market cycles.

With our cost-effective emerging market, VRM and Sales to Service models we will enter newer markets and penetrate deeper into existing markets to further the cause of financial inclusion. Evolving with the trends in the market, we had introduced a dedicated alternative assets team to focus on serving the needs of investors in this segment. To cater to the needs of the large pool of NRI and Global Investors, we are in the process of setting up a presence in GIFT city.

To cater to various investor segments and needs, we will continue to widen our product portfolio by identifying pockets of product differentiation. For the convenience of investors, we strive to continue to enhance the user experience on our digital assets by incorporating the latest technologies and features while listening to the feedback of our users and adapting to their needs.

We intend to provide consistent investment performance and generate superior risk-adjusted returns through disciplined and structured investment processes. Our customer-centric approach as people's asset manager also guides our efforts towards not just providing the right solutions, but also handholding our stakeholders with holistic financial education catering to every life stage through our large-scale awareness initiatives.

Guidance from our Chairman, Board of Directors and Trustees has helped us immensely navigate through various business cycles and stand firm with conviction in the face of adversities. I thank them for their constant support and guidance. Our strong governance framework guided by Group values, continuous focus on innovation and relentless pursuit of delivering the best value for our investors and shareholders have helped us achieve greater milestones.

I would like to thank our strongest assets – our investors, distributors, esteemed partners and shareholders for their continued faith in us. Our biggest strengths are our employees and their remarkable commitment to address the needs of investors and deliver value to our shareholders. This spirit of solidarity and determination is one of the hallmarks of ABSLAMC's culture, and we are very proud of what our teams continue to achieve together in periods of uncertainty. Everyone associated with ABSLAMC has the conviction to achieve greater milestones and deliver to our investors and shareholders.

**Thank you for your continued patronage and trust in us.**

**A. Balasubramanian**

Managing Director and CEO

**₹ 3,07,409 Cr.**

Total AUM

**7.94 million+**

Investor folios



## KEY HIGHLIGHTS FOR FY 2021-22

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<https://mutualfund.adityabirlacapital.com>

# Our focus on customers enables us to grow exponentially

In the age of new paradigms and newer ideas, we are embarking on an exciting and transformative journey with customer-centricity at the heart of every step we take. For us, the need of the hour is to change our mindset for an exponential shift: from traditional to innovative answers to the same questions. From acquiring the right customers at scale to our approach to customer service, we are leveraging our strengths and moving from reactive to proactive service. We are looking at building experiences that enable us to maximise the revenue per customer while employing data analytics in varied ways to gain further insight into preferences and behaviours. At the same time, we are also looking inwards. Reflecting on our role as talent builders. We are an organisation that champions customer centricity and the entrepreneurial spirit across levels. A spirit that upholds customers above all else—today and in the future.

## KEY HIGHLIGHTS OF FY 2021-22

**₹ 3,07,409 Cr**

Overall AAUM

**₹ 1,20,993 Cr**

MF equity AAUM

**7.9 Mn**

Investor folios

**41%**

MF equity mix

**₹ 1,293 Cr**

Revenue from operations

**₹ 673 Cr**

Highest-ever Profit After Tax

## About ABSLAMC

### Your investing partner

Aditya Birla Sun Life AMC Limited (ABSLAMC) ranked as the largest non-bank affiliated AMC and fourth largest AMC in India managing Assets under management of ₹ 3,07,409 Cr under its suite of Mutual Fund, Portfolio Management Services, Alternate Investment Funds, Offshore and Real estate offerings. It has geographically diversified Pan-India distribution presence of over 280 + Location and Subsidiaries in Singapore, Dubai, and Mauritius.



**₹ 2.96 Lac Cr**

Mutual fund QAAUM

**₹ 1.21 Lac Cr**

Equity QAAUM. mix 41%

**₹ 1.75 Lac Cr**

Non equity QAAUM. mix 59%

**₹ 11,604 Cr**

Alternate assets AAUM

**7.9 Mn**

Investor folios

**72,000+**

MF distributors

## Parentage

The Company was originally incorporated as 'Birla Capital International AMC Limited' in the year 1994 by the Aditya Birla Group and the Capital Group. As on date, Aditya Birla Capital Limited and Sun Life (India) AMC Investments Inc. are the promoters and major shareholders of the Company.

### ABOUT ADITYA BIRLA CAPITAL LIMITED

Aditya Birla Capital Limited (ABCL) is the holding company for the financial services businesses of the Aditya Birla Group, a Fortune 500 global conglomerate. ABCL is a universal financial solutions group catering to diverse needs of its customers across their life stages. ABCL's subsidiaries have a strong presence across Protecting, Investing and Financing solutions.

As of 31<sup>st</sup> March, 2022, Aditya Birla Capital Limited manages aggregate assets under management over ₹3,706 billion, has a consolidated lending book of approx. ₹672 billion, and an active customer base of over 35 million, through its subsidiaries and joint ventures.

### ABOUT SUN LIFE (INDIA) AMC INVESTMENTS INC

Sun Life (India) AMC Investments Inc is a wholly-owned subsidiary of Sun Life Assurance Company of Canada and Sun Life Financial Inc. is its ultimate holding company. As a renowned worldwide financial services company, its expansive offerings span across insurance, wealth and asset management solutions for individuals and corporate clients. Sun Life has operations in Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia, and Bermuda, among other countries.

As of 31<sup>st</sup> March, 2022, the total assets under management stood at C\$1.35 trillion.



## Company presence

# Pan-India distribution network

The Company has a well-diversified distribution network, and it is constantly expanding its reach across the country.



**280+**

Locations

**90+**

Emerging market representatives

**110+**

Banks

**72,000+**

MF distributors

**240+**

National distributors

**80+**

Digital partners

## Offerings

## Serving customer needs

The Company is constantly striving to meet the evolving client needs and exploring newer opportunities with a wide selection of products. Its portfolio features some of the industry's most consistent performing equity, debt, liquid funds, and ETFs.

38

Equity funds

53

Debt funds

02

Liquid funds

08

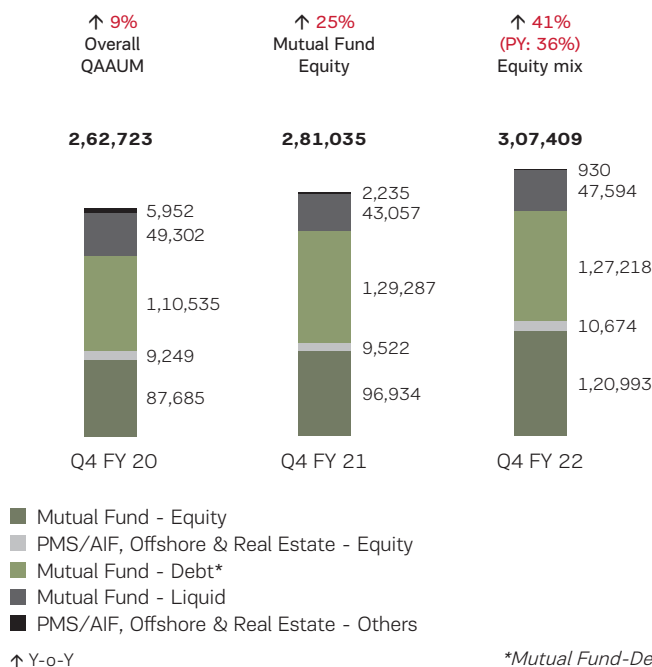
ETFs

07

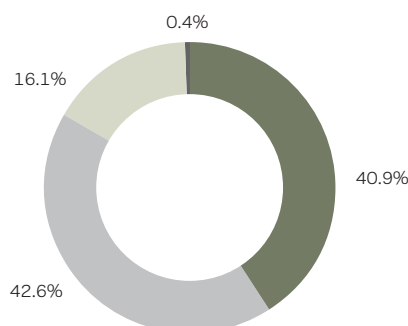
FOF (Domestic) funds

## Average Assets under Management

(All figures in ₹ Crore)



## Total MF AUM Breakup



₹ 2,95,805 Cr.

Total MF AUM

■ Equity funds  
 ■ Debt funds  
 ■ Liquid funds  
 ■ ETF Funds

## Business overview

# Strengthening our position

The Company's remarkable growth is the result of focused efforts across the organisation backed by standout performance, strong distribution network, unique product selection, and utilisation of cutting-edge digital solutions that enhance customer experience. Together, these factors have strengthened its position among India's top four AMC's and as the biggest non-bank affiliated AMC.

The AUM of the Indian MF industry has increased 6 times over the last decade from ₹6.64 trillion on 31<sup>st</sup> March, 2012, to ₹38.38 trillion on 31<sup>st</sup> March 2022. This rapid growth reflects the attractiveness of the industry. However, the MF industry penetration is surprisingly low compared to other global markets.

## 7 major factors

### 1 OPERATING IN A FAST GROWING, UNDERPENETRATED MARKET

India is one of the fastest growing economies in the world, despite that India's AUM to GDP ratio stands at 14% compared to a global average of 75-80%. This shows great potential in a highly underpenetrated market. To back it up, the country has strong demographic drivers.

**6th**

Largest economy in the world

**28**

Median age of population

**35%**

Urban population

### 2 OPERATING WITH A LEADING POSITION AND SCALE

### 2 OPERATING WITH A LEADING POSITION AND SCALE

The Company is one of the largest AMC's in India and is supported by one of the leading conglomerates in the country.

**#1**

Non-bank affiliated AMC in India

**₹ 2,95,805 Cr**

MF QAAUM

**8.6%**

Total MF market share (Ex-ETF)

### 3 GROWING A VALUE ACCRETIVE PRODUCT MIX

The Company is aiming towards a diversified product mix and already holds a dominant position when it comes to its equity product mix.

**₹ 1,20,993 Cr.**

Equity MF QAAUM  
6.5% market share

**₹ 1,73,592 Cr.**

Fixed-Income MF QAAUM  
11.1% market share

**40.9%**

Equity MF QAAUM mix  
↑ 15.3% in last 5 years

There are 7 major factors that allow it to generate value for all its stakeholders.



**Operating in a fast growing, underpenetrated market**



**Operating with a leading position and scale**



**Growing a value accretive product mix**



**Strong retail franchise**



**Multi channel & technology-enabled distribution network**



**Building alternative business**



**Strong financial performance**

#### 4 STRONG RETAIL FRANCHISE

7.9 million folios serviced by the company as of 31<sup>st</sup> March 2022.

**₹ 1,38,019 Cr**      **₹ 45,982 Cr**

Individual MAAUM. mix  
47.8%

B30 MAAUM. mix 15.9%

**₹ 895 Cr**

SIP book (including STP)

**31.7 Lakh**

Live outstanding SIPs

#### 5 MULTI CHANNEL AND TECHNOLOGY ENABLED DISTRIBUTION NETWORK

Large network of distributors exceeding 72,000 in number are instrumental in increasing the Company's reach and furthering its market penetration.

**7,000+**

Distributors empaneled

**88%**

Distributors onboarded  
digitally

**2,500+**

Distributors activated by  
virtual relationship managers

**77%**

Customers onboarded  
digitally

#### 6 FOCUS ON ALTERNATE BUSINESS

The Company's emphasis on building alternative strategies also gained momentum by way of the launch of more products in Passive, Real Estate, PMS/AIF and offshore funds

**6x growth in Passive assets**

since March-21  
AUM of ~ ₹ 10,000 cr

**3,95,000**

Investor folios in passive  
category

**Aditya Birla Real Estate Credit Opportunities Fund**

First close completed

#### 7 STRONG FINANCIAL PERFORMANCE

Strong net income growth with a 3-year CAGR of 15% showcasing the company's growth over the years. Registered highest-ever profit in FY22.

**₹ 1,293 Cr.**

Revenue from operations  
↑ 21% Y-o-Y

**34.49%**

Return on equity (ROE)

**₹ 673 Cr.**

Profit after tax

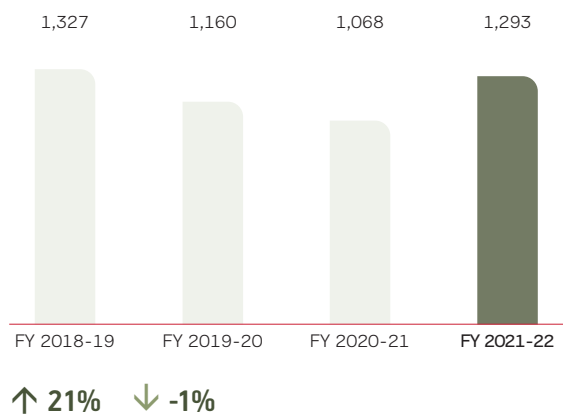
## Key performance indicators

# Creating shareholder value

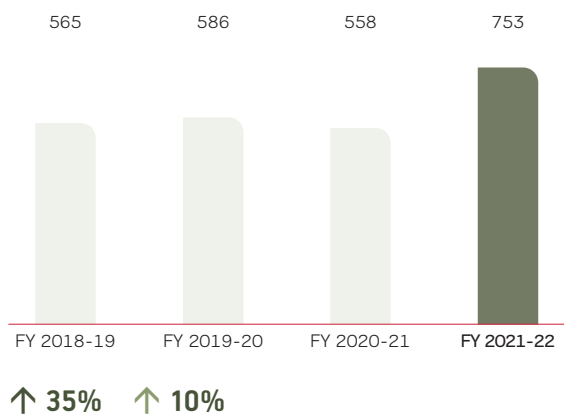
The company continues to create value for our shareholders through strong growth and healthy returns.

All values in ₹ Crore unless mentioned otherwise

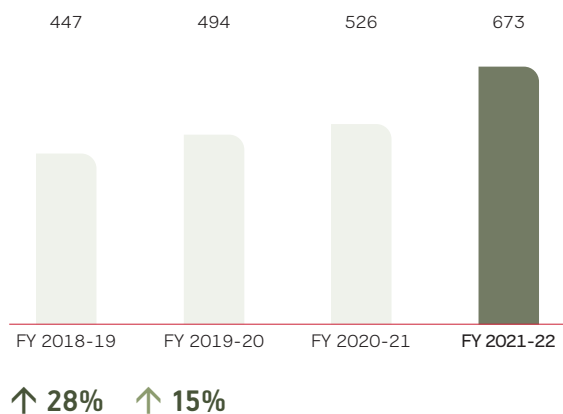
### REVENUE FROM OPERATIONS



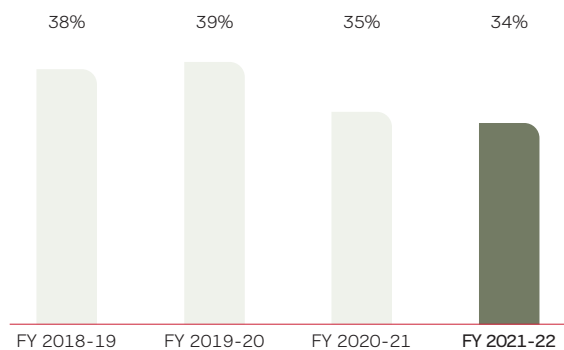
### OPERATING PROFIT



### PROFIT AFTER TAX



### RETURN ON EQUITY

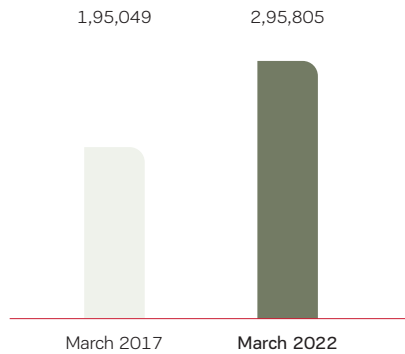


↑ Y-o-Y Growth    ↑ 3-year CAGR

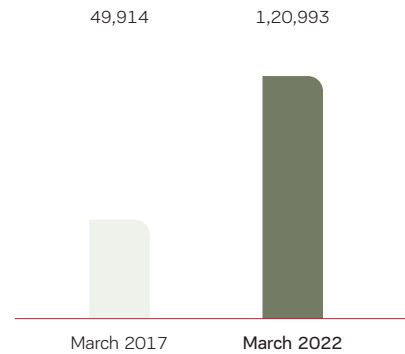
## Mutual Fund Performance Metrics

All values in ₹ Crore unless mentioned otherwise

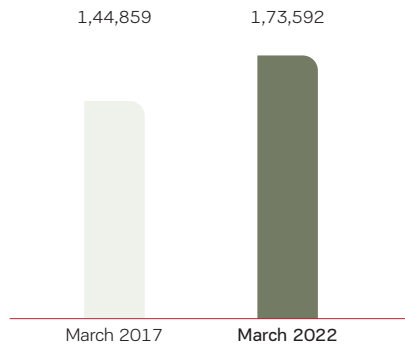
### TOTAL QAAUM ↑ 1.5x



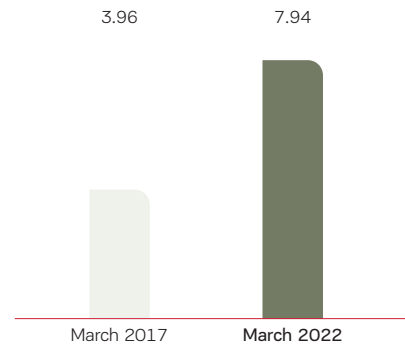
### EQUITY QAAUM ↑ 2.4x



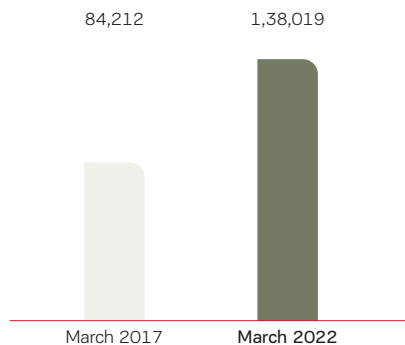
### FIXED INCOME QAAUM<sup>(5)</sup> ↑ 1.2x



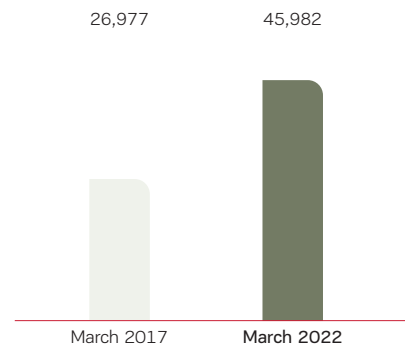
### FOLIOS (#MILLION) ↑ 2.0x



### INDIVIDUAL MAAUM ↑ 1.6x



### B-30 MAAUM<sup>(4)</sup> ↑ 1.7x



↑ Growth (times)

(4) For period prior to March-2018, MAAUM in B-15 cities considered

(5) Fixed Income QAAUM excludes ETF

## Digital initiatives

# Ready for the next

ABSLAMC increased emphasis on automation and digital projects at its facilities, which has elevated its scalability, customer service, and efficiency. The use of effective digital platforms ensures client convenience and faster turnaround, while also expanding access to services.



### SALES

Using digital assets to drive sales directly to consumers

### MARKETING

- Brand and product exposure are increased via digital initiatives.
- Customer interaction on social media speeds up digital purchases.

### INFORMATION TECHNOLOGY

Integrating with digital partners and developing robust service capabilities with the API suite

### OPERATIONS

Integrating with digital partners to increase operational capabilities via digital processes for all physical transactions, including financial and non-financial, with an emphasis on improving customer onboarding and transaction experiences.

## Innovation in digital assets



Biometric login for MFDs on partner assets



Update contact details and nomination on WhatsApp



Investor's account statement download on partner assets



Resend transaction link for all proposed transactions sent by MFDs



Omni channel notification for drop in STP, SWP, SIP pause, redemption and switch



AI based email BOT for instant automated response for customer emails



WhatsApp and chatbot for customer and investor self service



Cloud based IVR and voice-based technology to improve customer experience

# 88%

Customer servicing

# 99%

Digital payments

# 77%

Folios created digitally

# 88%

Distributor onboarding

## Strong IT infrastructure and applications

### Infrastructure

- Implemented disaster recovery for Virtual Desktop Infrastructure (VDI) to provide ongoing remote working
- API gateway for quick interaction with partners and fintechs
- Cloud adoption for scalability, reliability, and performance. Best-in-class solutions and innovation need a multi-cloud approach.

### Information security

- Continuous security monitoring for cloud infrastructure
- Data loss prevention, information and digital rights management solution for identifying and mitigating probable data loss
- Cloud Web application firewall adoption for Internet Hosted application
- Hybrid framework for remote user access

### IT operations

- AppDynamics for Digital Applications to monitor application health and take proactive steps for faster problem resolution and higher uptime
- Latest version update and improvements for Applications
- Revamped Digital Transaction Tracking Module for faster handling of client concerns

### Business applications

- Multi-SIP investing made simple with a single click with Aggressive, Moderate, and Conservative schemes
- Feature to re-initiate digital journeys across assets for faster Onboarding, Transactions, and Servicing with an Omni Channel experience
- Smart Switch from Existing MF Investments to NFO
- Passive products offered on all Digital Assets

## Risks management

# De-risking with prudence

Prudent risk management is a precursor for the Company's business success and growth. ABSLAMC's strong risk management architecture has proven effective in ensuring the highest standards of Governance, Risk, and Compliance across various functions of the organisation.

Due to the pandemic and subsequent lockdowns, the financial year 2021-22 was marked by various difficulties. The well-laid and carefully implemented Business Continuity Plan helped the Company in staying resilient in the face of adversity.

ABSLAMC has developed a strong and effective Risk Management Framework over the years, which is backed up by well-established protocols and processes and a qualified pool of professionals. Through the year, it was able to tackle tremendous obstacles and emerge stronger as a result.

Risk identification, risk assessment, risk response, and risk management strategy are all part of our enterprise risk management framework.. To ensure that risk profiles are managed within policy limitations, strict monitoring and control mechanisms are used, including the formulation of relevant key risk indicators and key performance indicators.

**Strategic risk:** Risk to future profits or capital posed by the Company's inability to execute long-term or strategic business goals.

### **Mitigation measure**

The Enterprise Risk Management framework uses the risk identification and assessment process to manage strategic risks. The Risk Management Committee keeps track of these threats and the measures in place to address them.

**Investment risk:** Risks associated with various asset classes' investment portfolios Equity, Debt, Real Estate across a variety of hazards such as market risk, credit risk, and interest rate risk. Rate risk, liquidity risk, and concentration risk are all factors to consider.

### **Mitigation measure**

The Investment Committee and well-defined investment rules and procedures are in place to ensure that the risks associated with investments are recognised and acceptable levels are determined. The investment system covers regulatory and internal standards and enforces investment restrictions and exposure standards in real-time.

**Operational risk:** The uncertainty that arises from higher-than-expected losses or reputational harm as a consequence of insufficient or failing internal procedures, controls, people, systems, or external events.

### **Mitigation measure**

The Risk Management policy controls operational hazards. The organisation keeps a database of operational losses in order to monitor and prevent risks resulting in financial losses. Regular reviews and updates of operating and reporting procedures are conducted to manage operational risk.

**Information security and cybersecurity risk:** The risk of financial or reputational loss caused by IT systems (data leakage, application vulnerabilities, lack of division of responsibilities and access control), human mistake, and other factors.

### **Mitigation measure**

Information Security risks are regulated by an Information Security Management System that is certified in accordance with ISO 27001, a worldwide standard. The Company's Information Security and Cyber Security policies are designed to comply with ISO 27001, privacy and/or data protection legislations as specified in the Indian Information Technology Act, 2008 and Notification dated 11<sup>th</sup> April 2011 on protection of sensitive personal information. It serves as guidance to information security staff, management, and employees regarding their roles and responsibilities towards information security.

## Corporate social responsibility (CSR)

# Becoming a force for good

As a responsible corporate citizen, ABSLAMC's mission is to "Bettering Lives, Together" and in doing so, become a perpetual force for good to create positive impact in people's lives. Towards this goal, the Company collaborates with various like-minded and established agencies to support its efforts.

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

The Company's community involvement efforts are in line with the Sustainable Development Goals of the United Nations.

The Company's CSR reach extended to six states this year, benefiting over 65,000 individuals across the nation. The three major focus areas are:



Education



Healthcare



Women empowerment and sustainable livelihood



## EDUCATION

Education plays very pivotal role in social development since it expands employment opportunities and allows communities to overcome poverty.

- In 17 Government schools in the NCR area to ensure proper hygiene and sanitation for the girls, toilets were constructed with continuous water supply and drinking water. Moreover, students and teacher's capacity building training were organised to empowered them with knowledge of how to utilise and maintain the amenities offered, over 5,500 pupils have benefited from this.
- In six Kasturba Gandhi Balika Vidyalayas in Uttar Pradesh's Siddharathnagar district, need-based infrastructure support such as an English learning lab, solar power, repairs and plastering of girls' hostels, and other basic requirements are being addressed to make the school environment conducive to learning.
- ABSLAMC's initiative, "Knowledge on Wheel," to stimulate creative thinking and promote science knowledge in schools by showcasing science experiments to pupils from low-income families. Over 10,000 children from grades 6 through 10 have benefitted from this.
- The Company helped 105 deserving students from financially disadvantaged families to complete their professional education by providing scholarship.





## HEALTHCARE

- With the recurring waves of Covid-19, the past year has been difficult for the world, but it has been especially difficult for cancer-affected youngsters. Despite the challenges of the pandemic, the Company's, partner project implementation team in UP continues to work relentlessly in hospitals and care centres to help children with cancer and their families. Through the programme, 1,469 children with cancer received assistance.
- The Company in partnership with other ABC companies, installed 17 bed ICU paediatric wards to enhance two Navi Mumbai Municipal Corporation government hospitals with Covid-19 care assistance. These amenities in both hospitals' ICU wards will be utilised for normal paediatric patients as well as for Covid-19 patients.



## WOMEN EMPOWERMENT AND SUSTAINABLE LIVELIHOOD

- Through sustainable agriculture, helping farmers with land upgradation, technology upgradation, closing the marketing loop, Initiatives like farm-based livelihood interventions, farmer training programmes, farmer producer groups, improved agriculture techniques, and animal husbandry management, take us closer to the goal of sustainable agriculture.
- In Madhya Pradesh through our interface with 33517 women farmers spanning 2878 Self Help Groups (SHG), we floated measures to revitalize agriculture and Infrastructure. These ensure food sufficiency round the year. In this context, over 7000 families saw their income doubling over a period of 2 years



## People

# Growing with our people

At ABSLAMC's, creating and nurturing a positive and safe working environment for people holds paramount importance. It is an organisation where continuous learning and career growth are at the core of all considerations, while also engaging in various initiatives for employees' sound health and wellbeing. It believes that its strength lies in its people, who not only drive the Company's capabilities but also create value for the stakeholders.

ABSLAMC remains committed to building an organisation that attracts, keeps, and allows talent to flourish.

The Company holds the profound belief that employees find meaning at work when they can relate to the organisation's mission, feel connected to their leaders, and experience a sense of belonging. Its efforts are centred on establishing a work environment that values diversity, fosters great relationships, offers challenging job assignments, and creates meritocratic opportunities for employees to advance and develop their careers in accordance with their goals.

### TALENT MANAGEMENT

The Company continues to focus on developing a strong future-ready talent pool with a solid leadership succession pipeline. It continued to place a premium on identifying and developing our high-potential personnel, steering them toward more holistic, comprehensive, and forward-thinking development interventions.

During the last year, the emphasis has been on strengthening key verticals such as Investment, Retail Sales, and Alternate Business by re-aligning structures to drive business growth and strategy.

### EMPLOYEE ENGAGEMENT AND WELLBEING

The Company created a lively and engaging environment as it welcomed its people back to the office and provided assistance and flexibility to ensure a smooth transition. It also introduced various initiatives to promote connection and friendship among people as they returned from remote working.

Through focused programmes and activities, ABSLAMC emphasises health and wellness. During the second and third waves of Covid-19, it provided medical infrastructure support and assistance to workers and their families, and assisted them in receiving timely vaccinations through unique vaccination campaigns in India.

With more solutions and health management efforts, ABSLAMC wants to improve employee health and wellbeing.

### TRAINING AND DEVELOPMENT

The Company's learning interventions have an organisational-wide effect since they enhance people's performance, lend to their skill development and build their functional and behavioural understanding. The 'Birla Way of Learning' is ABSLAMC's learning architecture, which combines functional and behavioural learning, as well as management skills such as growth coaching and delivering constructive feedback.

The programme is conducted using a combination of leadership/expert sessions, classroom trainings, digital learning journals (VYMO), app-based modules and virtual training platforms to achieve maximum effect.

An AI-enabled learning app provides quick and easy access to information that is tailored to unique individual needs along with the opportunity to learn at one's convenience. Gyanodaya Virtual Campus (GVC), Aditya Birla Group's e-Learning portal, offers over 31,000 relevant courses, videos, and webinars, which can be accessed by the Company's employees.

## Board of directors

# Guided by strong leadership

ABSLAMC's Board of Directors guide the Company's journey of growth and steer it towards long-term value generation. It comprises distinct industry leaders whose experience helps the management team strategies for the future while minimising risks and maintaining best-in-class corporate governance practices.



**Mr. Kumar Mangalam Birla**  
Chairman

Mr. Kumar Mangalam Birla is the Chairman of the Board of Directors of the Company and the Chairman of Aditya Birla Group ("Group"), which operates in 36 countries across six continents. He is a Chartered Accountant and holds an MBA degree from the London Business School.

Mr. Birla chairs the Boards of all major Group companies in India and globally. In the 26 years that he has been at the helm of the Group, he has accelerated growth, built meritocracy, and enhanced stakeholder value. In the process he has raised the Group's turnover by over 25 times.

He has been the architect of over 40 acquisitions in India and globally, among the highest by any Indian multinational. Under his stewardship, the Group enjoys a position of leadership in all the major sectors in which it operates, from cement to chemicals, metals to textiles, and apparels to financial services. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of 140,000 employees belonging to 100 different nationalities.

Outside the Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of Directors of the Reserve Bank of India. He was Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and also served on the Prime Minister of India's Advisory Council on Trade and Industry.

As the Chairman of the Securities Exchange Board of India Committee on Corporate Governance, he framed the first-ever governance code for Corporate India.

Over the years, Mr. Birla has been conferred several prestigious awards. In 2021, he received the TiE Global Entrepreneurship Award for Business Transformation, the first Indian business leader to receive this honour. He is also the first Indian Industrialist to be conferred an Honorary degree by the Institute of Company Secretaries of India.

Mr. Birla is deeply engaged with Educational Institutions. He is the Chancellor of the Birla Institute of Technology & Science ("BITS") with campuses in Pilani, Goa, Hyderabad and Dubai. He is also the Chairman of India's premier management institute — Indian Institute of Management, Ahmedabad.

On the global arena, Mr. Birla is an Honorary Fellow of the London Business School. In 2019, Mr. Birla constituted a £15mn scholarship programme at the London Business School in memory of his grandfather, Mr. B. K. Birla, marking the largest ever endowed scholarship gift to a European Business School.

A firm practitioner of the trusteeship concept, Mr. Birla has institutionalised the concept of caring and giving at the Group. With his mandate, the Group is involved in meaningful welfare driven activities that distinctively enrich the lives of millions.



**Mr. Ajay Srinivasan**  
Non-Executive Director

Mr. Ajay Srinivasan is the Non-Executive Director of the Company since 2<sup>nd</sup> August 2007. He is the Chief Executive Officer at Aditya Birla Capital Limited ('ABCL'), the holding company for the financial services businesses of the Aditya Birla Group. He has over three decades of experience in financial services. He joined the Aditya Birla Group in 2007 and since then has successfully led and transformed ABCL into a universal financial solutions provider focusing on protecting, investing and financing needs of its customers. Before joining the Aditya Birla Group, he has had experience in leadership positions with financial institutions having operations in India and internationally such as Prudential ICICI AMC and Prudential Corporation Asia. Prior to his stint at Prudential ICICI AMC, he was Deputy Chief Executive Officer and Chief Investment Officer for ITC Threadneedle Asset Management. He began his career with ICICI Ltd. He is the Chairman of the CII National Committee on NBFCs. He holds a Bachelor's degree in Arts (honours) from University of Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.



**Mr. Sandeep Asthana**  
Non-Executive Director

Mr. Sandeep Asthana is the Non-Executive Director of the Company since 27<sup>th</sup> April 2011. He brings over 27 years of experience across insurance and asset management. He is the Country-Head, India, for Sun Life Financial since 2011. His experience covers leadership roles in Reinsurance Group of America (RGA Re), Unit Trust of India (UTI) and Zurich Risk Management Services (India) Private Limited. Mr. Asthana is also a Director on the Board of Aditya Birla Sun Life Insurance Company Limited and Aditya Birla Sun Life Pension Management Limited.

Mr. Asthana holds a bachelor's degree in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and a Post-Graduate Diploma in Management from Indian Institute of Management, Lucknow.



**Mr. A. Balasubramanian**

Managing Director and CEO

Mr. A. Balasubramanian is the Managing Director & Chief Executive Officer of the Company. A stalwart of the mutual fund industry, he brings with him over three decades of rich experience.

He has been associated with the organisation since 1994. Prior to assuming the role of the CEO in 2009, Mr. Balasubramanian served as Chief Investment Officer from 2006 to 2009. As Managing Director & CEO, Mr. Balasubramanian oversees over ₹ 3.1 lakh crore in Assets Under Management at Aditya Birla Sun Life AMC.

Mr. Balasubramanian has been awarded CEO of the Year title by Asia Asset Management in 2018 and 2020. He has been awarded Chairman's Individual Award by The Aditya Birla group for being an Outstanding Leader in 2015 and for being a Leader of Leaders in 2018.

Mr. Balasubramanian is closely associated with key industry bodies. He has been on the Board of AMFI (Association of Mutual Funds in India) since 2009 and was the Vice Chairman of AMFI in 2015-2016. From 2016-2018, he was the Chairman of AMFI. He has been reappointed as the Chairman of AMFI in 2021 and is also the ex-officio Chairman of AMFI's Financial Literacy Committee. He is also a Governor on the Board of Governors of National Institute of Securities Markets (NISM), and member of the advisory committee of the SEBI Investor Protection and Education Fund (IPEF).

He has completed advanced management programs from Indian Institute of Management (IIM), Bangalore and Harvard Business School. He also holds a bachelor's degree in Science (Mathematics) and a master's degree in Business Administration from GlobalNxt University.



**Mr. Amrit Kanwal**

Additional Director (Non-Executive)

Mr. Amrit Kanwal is the Additional Director (Non-Executive) of the Company since 26<sup>th</sup> April 2022. He is Executive Vice President and Chief Financial Officer of MFS Investment Management® (MFS®). He is in charge of corporate finance, strategy, fund treasury, corporate services, and the firm's transfer agency in this capacity. He is a member of MFS Investment Management's Corporate Board and MFS Meridian Fund's Board of Directors. He was Senior Managing Director and Chief Financial Officer of Putnam Investments before joining MFS. Prior to joining Sequa Corporation as Vice President of Corporate Development and Strategy, he held top strategy and corporate development positions at PepsiCo and Miller Brewing Company.

Mr. Kanwal holds a Bachelor of Business Administration degree from the University of Texas at Austin and a Master of Business Administration degree from the University of Southern California's Marshall School of Business.



**Mr. Bharat Patel**  
Independent Director

Mr. Bharat Patel is the Independent Director of the Company since 27<sup>th</sup> June 2012 and was re-appointed for a second term with effect from 25<sup>th</sup> August 2019. He is also a Director on the Board of Sasken Technologies Limited and Sistema Smart Technologies Limited. He is also a Director on the Board of the Indian Society of Advertisers.

Mr. Patel holds a Master's degree in Arts with a major in Economics from the University of Notre Dame and another Master's degree in Business Administration from the University of Michigan.



**Ms. Alka Marezban Bharucha**  
Independent Director

Ms. Alka Bharucha is the Independent Director of the Company since 31<sup>st</sup> March 2015 and was re-appointed for a second term with effect from 31<sup>st</sup> July 2020. She is also associated with Bharucha & Partners, Advocates and Solicitors as a Partner. She is a Solicitor of the Supreme Court of England and is also an Advocate on Record of the Supreme Court of India. Ms. Bharucha is also a Director on the Board of Birlasoft Limited, Hindalco Industries Limited, Aditya Birla Finance Limited, Ultratech Cement Limited, Orient Electric Limited, Honda India Power Products Limited and Honda Cars India Limited.

Ms. Bharucha has passed the examination of Articled Clerks held by the Bombay Incorporated Law Society and is a qualified solicitor. She holds a Master of Laws degree from the University of London.



**Mr. Harish Engineer**

Independent Director

Mr. Harish Engineer is the Independent Director of the Company with effect from 21<sup>st</sup> June 2019. He has worked extensively for over 40 years in the Banking sector. He was employed with HDFC Bank Limited and Bank of America. He is also a Director on the Board of Navin Fluorine International Limited, ARKA Fincap Limited and HDFC Property Ventures Limited.

Mr. Engineer holds a Bachelor's degree in Science from the University of Mumbai and a diploma in Business Management from Bharati Vidya Bhavan.



**Mr. Navin Puri**

Independent Director

Mr. Navin Puri is the Independent Director of the Company with effect from 4<sup>th</sup> September 2019. He brings with him over three decades of expertise in banking and financial services. He has in - depth knowledge and understanding of the Indian Financial Retail Market and has been a catalyst in driving digitalization and improving customer experience. He has previously worked as part of the senior management team at HDFC Bank Limited. He is also a Director on the Board of Equitas Small Finance Bank Limited. Mr. Puri is a Chartered Accountant.

**Mr. Sunder Rajan Raman**

Independent Director

Mr. Sunder Rajan Raman is the Independent Director of the Company since 1<sup>st</sup> January, 2022. He has served as a Whole Time Member of SEBI from 2012 to 2017. His significant achievement with SEBI includes transition to a new Foreign Portfolio Regime in 2014, curbing the menace of fraudulent fund raisings and introduction of regulatory framework for several new products viz REITS/INVITS/Municipal Bonds. Mr. Raman was also the Chairman and Managing Director of Canara Bank and the Executive Director of Union Bank of India.

Mr. Raman holds Master's degree in Economics and is a law graduate. He also holds diploma in Business Management.

**Mr. Ramesh Abhishek**

Independent Director

Mr. Ramesh Abhishek is the Independent Director of the Company since 1<sup>st</sup> January 2022. He is an Indian Administrative Service (IAS) officer, 1982 batch (Retired July 2019) and served as Secretary to the Government of India in the Department for Promotion of Industry and Internal Trade (DPIIT), the key department spearheading key government initiatives such as Make in India, Start-up India, Ease of Doing Business and Industrial Corridors in the Country. He has also served as Chairman of the Commodity Derivative Markets Regulator and Forward Markets Commission. Mr. Abhishek is also a Director on the Board of Cyient Limited, PAYTM Payments Bank Limited, Edelweiss Securities Limited, Edelweiss Capital Services Limited and Edelweiss Finance & Investment Limited.

Mr. Abhishek holds a Master's degree in Business Administration in Finance, International Politics and Public Administration.

## Leadership team

# Guided by strong leadership



**Mr. A. Balasubramanian**  
Managing Director and CEO



**Mr. Mahesh Patil**  
Chief Investment Officer



**Mr. Bhavdeep Bhatt**  
Head – Retail Sales



**Mr. Anil Shyam**  
Head – Alternate Business



**Mr. Vikas Mathur**  
Head – Institutional Sales



**Mr. Vikas Gautam**  
CEO - International Business



**Mr. Parag Joglekar**  
Chief Financial Officer



**Ms. Keerti Gupta**  
Chief Operations Officer



**Mr. Sidharth Damani**  
Head – Business Enablement  
and Marketing



**Mr. KS Rao**  
Head – Investor Education  
& Distributor Development



**Ms. Hemanti Wadhwa**  
Head – Compliance,  
Legal and Secretarial and  
Company Secretary



**Mr. Hirak Bhattacharjee**  
Head – HR, Admin and  
Business Excellence



**Mr. Hari Babu**  
Chief Risk Officer



**Mr. Basil Dange**  
Chief Information Security officer

## Corporate information

### BOARD OF DIRECTORS

**Mr. Kumar Mangalam Birla**

Chairman (Non-Executive Director)

**Mr. Ajay Srinivasan**

Non-Executive Director

**Mr. Sandeep Asthana**

Non-Executive Director

**Mr. A Balasubramanian**

Managing Director & CEO

**Mr. Amrit Kanwal**

Additional Director (Non-Executive)  
(w.e.f. 26<sup>th</sup> April 2022)

**Mr. Bharat Patel**

Independent Director

**Ms. Alka Bharucha**

Independent Director

**Mr. Harish Engineer**

Independent Director

**Mr. Navin Puri**

Independent Director

**Mr. Ramesh Abhishek**

Independent Director

**Mr. Sunder Rajan Raman**

Independent Director

### COMMITTEES OF THE BOARD

**Audit Committee**

Mr. Sunder Rajan Raman - Chairman  
Mr. Bharat Patel  
Mr. Harish Engineer  
Mr. Navin Puri  
Mr. Ajay Srinivasan  
Mr. Sandeep Asthana

**Nomination, Remuneration and Compensation Committee**

Mr. Bharat Patel - Chairman  
Mr. Harish Engineer  
Mr. Ajay Srinivasan  
Mr. Sandeep Asthana  
Ms. Alka Bharucha  
Mr. Navin Puri

**Corporate Social Responsibility Committee**

Ms. Alka Bharucha - Chairperson  
Mr. Ajay Srinivasan  
Mr. Sandeep Asthana

**Stakeholders' Relationship Committee**

Ms. Alka Bharucha - Chairperson  
Mr. A Balasubramanian  
Mr. Bharat Patel

**Risk Management Committee**

Mr. Harish Engineer - Chairman  
Mr. Sunder Rajan Raman  
Mr. Ajay Srinivasan  
Mr. Sandeep Asthana

**Product Committee**

Mr. Navin Puri - Chairman  
Mr. Harish Engineer  
Mr. Ajay Srinivasan  
Mr. Sandeep Asthana

**Initial Public Offering (IPO) Committee**

Mr. Ajay Srinivasan - Chairman  
Mr. Sandeep Asthana  
Mr. A Balasubramanian

**Share Allotment Committee**

Mr. Ajay Srinivasan - Chairman  
Mr. Sandeep Asthana  
Mr. A Balasubramanian

### KEY MANAGERIAL PERSONNEL

**Mr. A Balasubramanian**

Managing Director & CEO

**Mr. Parag Joglekar**

Chief Financial Officer

**Ms. Hemanti Wadhwa**

Head - Compliance, Legal and Secretarial, Company Secretary

### STATUTORY AUDITORS

**S.R. Batliboi & Co. LLP**

Chartered Accountants

### SECRETARIAL AUDITORS

**Makarand M. Joshi & Co**

Company Secretaries

### INTERNAL AUDITORS

**Grant Thornton Bharat LLP**

### REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited (formerly known as KFin Technology Private Limited)  
Unit: Aditya Birla Sun Life AMC Limited, Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032

### REGISTERED OFFICE

One World Center, Tower-1, 17<sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013  
T: +91 22 4356 8008  
F: +91 22 4356 8110/8111  
CIN: L65991MH1994PLC080811  
Email Address: [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com)  
Website: <https://mutualfund.adityabirlacapital.com>

\* as on 26th April 2022

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# Management Discussion and Analysis

## ECONOMIC ENVIRONMENT: FY 2021-22

### Overview of Global Economy

The year 2021 turned out to be a mirror image of the previous year with growth rebounding from the 2020 pandemic lows. World economy rebounded sharply in 2021 to 5.9% after declining 3.1% in 2020. The sharp uptick was on the back of continued ultra-accommodative monetary policy, impact of strong fiscal response to the pandemic, and the gradual normalization of economic activities from extreme Covid restrictions due to availability of vaccines and focus shifting to live with Covid.

Developed Markets (DMs) economies led by the US were the clear leaders in this growth revival. Emerging Markets' (EMs) growth recovery, adjusted for the base, was relatively modest except for commodity exporters. The policy response to the pandemic and vaccination turned out to be the key differentiator in growth outcomes between DMs and EMs. Although fiscal was expansionary across the globe, DMs underwent an extraordinarily large expansionary fiscal and monetary policy to stimulate demand including substantial direct/indirect transfers to households. Most of the Emerging Market (EMs) saw expansionary fiscal on account of shortfall in receipts due to collapse in economic activity.

The strong burst of demand, much higher than the pre-COVID levels in key markets like the US, was faced with disrupted supply chains, supply curtailment of crude by OPEC+ and weak supply response in many other commodities due to long period of low investment. This resulted in a strong burst of inflation across the globe, reaching multi-decade highs in many important economies. Aggressive monetary and fiscal policy actions undertaken to support the economy after the COVID-induced shock to aggregate demand on one hand, and supply chain disruptions resulting from local lockdowns and rotation from services to goods spending on the other hand, created the perfect storm for inflation. What was initially deemed 'transitory' inflation showed remarkable strength and surprised all analysts with inflation at multi-decade highs in the developed world. Adding further fuel to the fire, the Russian invasion of Ukraine triggered unprecedented sanctions from the West causing energy prices to spike from already elevated levels on the back of resurgent demand and OPEC+ led supply control.

High inflation has forced hawkish pivots from major Central Banks led by the US Fed resulting in a sharp rise in bond yields as market participants re-assess the path of interest rates. Evolution of Russia-Ukraine war and resurgence of COVID-19 in China has emerged as other risk factors for the global economy.

### Overview of Indian economy

After a 6.6% contraction in FY 2020-21, the Indian economy rebounded to 8.9% in FY 2021-22 as per the second advance estimates released by the National Statistical Office(NSO). The strong Delta wave in the beginning of the fiscal had a significant negative impact on growth in the first half of the fiscal. While economy has shown steady recovery from Q2 FY22 onwards, it has largely been a K-shaped recovery with informal and contact intensive sectors lagging, while industry and agriculture doing much better. The Omicron wave in early 2022 also impacted growth, although much lesser than the Delta wave.

Falling infections, rapid vaccination coverage and quick normalisation of mobility have facilitated the recovery in economic activity over the last year. Rural demand has remained resilient while urban demand has also recovered with pent-up demand supporting the recovery in contact-intensive sectors. We are witnessing steady economic recovery in India from the troughs of delta wave, but the recovery is far from complete, and it is a K-shaped recovery with segments most impacted like trade, hotel, transport and other high contact services still running below pre-pandemic levels. Private final consumption expenditure and consumption sentiment survey have been weak. However, recovery has moved much further in industrial sector, construction and exports.

Inflation also rose in India like in much of the world, but largely remained within RBI tolerance band. Higher inflation in India has largely been due to high commodity prices and global supply disruptions. After remaining ultra-accommodative and giving preference to growth over inflation, RBI has pivoted due to high inflation and now gives more importance to inflation over growth, while still remaining accommodative.

The Union Budget for FY 2022-23 was focused on growth revival, budgeting for an aggressive capex spending while setting a fiscal deficit target at an elevated level of 6.4% of GDP. Consequently, government borrowing remains elevated. High inflation, hawkish RBI, sharp increase in bond yields in DMs and the large borrowing programme have caused interest rates in India to rise significantly.

Exports and Imports jumped sharply in FY 2021-22 supported by high oil prices, demand for gold and strong global growth. India's trade deficit rose from \$102.63 Billion in FY 2020-21 to \$192.24 Billion in FY 2021-22 and Current Account Deficit (CAD) is also expected to have widened to 1.5% of GDP from 0.9% of GDP surplus in FY 2020-21. Going forward, oil prices will be the most important variable for the Indian economy as the same impacts India's GDP growth, inflation as well as Balance of Payment (BOP) dynamics.

## MUTUAL FUND INDUSTRY OVERVIEW

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

- The Industry Average Assets under Management (AAUM) for the quarter ended on 31<sup>st</sup> March 2022 reached ₹38.36 Lakh Crore recording a growth of 20% over the same period last year. Corresponding AAUM for the quarter ended 31<sup>st</sup> March 2021 was ₹32.09 Lakh Crore.
- Industry Equity AAUM stood at ₹18.64 Lakh Crore for the quarter ended 31<sup>st</sup> March 2022 growing by 39% over the same period last year. Corresponding Equity AAUM for the quarter ended 31<sup>st</sup> March 2021 was ₹13.41 Lakh Crore.
- As on 31<sup>st</sup> March 2022, the total number of mutual fund investors stood at 13.1 Crore versus 9.9 Crore on 31<sup>st</sup> March 2021, an increase of 33% Y-o-Y.
- The retail investor surge is also reflected in higher industry individual Monthly Average AUM at ₹ 20.81 lakh cr, which grew 21% Y-o-Y and contributed to around 55% of the total Monthly Average AUM.
- The overall mutual fund investment as on 31<sup>st</sup> March 2022 from B30 cities at ₹ 6.24 lakh cr, was 16.6% of the overall AUM.
- The continuous promotion of Systematic Investment Plans (SIPs) has created significant momentum in monthly SIP contributions. Industry SIP book size stands at ₹12,328 Crore in March 2022 as compared to ₹9,182 Crore in March 2021.

## COMPANY'S STRATEGY

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

1. Focus on delivering sustained investment performance and portfolio differentiation
  - a. Continue to build product portfolio by identifying pockets of product differentiation.

- b. Build deeper engagement between investment team and Sales and Business Development team for on-the-ground feedback and market pulse.
2. Continue to increase geographic reach and strengthen relationships with distributors
  - a. To increase footprints in high potential and under penetrated locations by reaching out to all 543 Member of Parliament locations in India.
  - b. Along with focus on Mutual Fund Distributors (MFDs), build scale in banking channel with special focus on co-op and PSU banks to tap their vast network.
  - c. To provide best-in-class service to distributors and customer in order to build deeper engagement and loyalty, resulting in higher wallet share and longevity.
  - d. To be a leader in providing financial literacy to both existing and next generation of investors and distributors.
3. Build alternative product portfolio
  - a. Focus on scaling alternative assets business including Passives, Offshore, Alternate Investment Fund (AIF) / Portfolio Management Services (PMS) and Real Estate.
  - b. Strategic tie-ups with existing and new partners, and digital platforms exclusively for Passives.
  - c. Emphasis on Smart Beta (alternate weighting) passive strategies through Exchange Traded Funds (ETFs), Fund of Funds (FoFs) and Index Funds.
  - d. Exploring merger and acquisition opportunities as well as strategic partnership model to build size in the alternative assets.
4. Leverage digital platforms to increase customer acquisition and enhance customer experience
  - a. Endeavor to build customer base and AUM size through strategic and exclusive partnerships with fintech and new-age tech distributors
  - b. Leverage API based Plug-n-Play onboarding solutions for fintech partners/co-op banks
  - c. Focus on leveraging digital capability to provide the right experience to our customers

## Management Discussion and Analysis (Contd.)

5. Strengthen employee value proposition to continue to attract and retain good quality talent
  - a. Continue to invest in upskilling people in the rapidly evolving financial services sector.
  - b. Foster a culture of ownership for better alignment of the interests of employees with the Company's interests

Investor education initiatives will continue to educate existing as well as the next generation of investors and distributors and contribute to the overall financial inclusion. The Company launched an exclusive initiative – 'For Her', an initiative aimed to provide financial education to women across India.

### PERFORMANCE OVERVIEW

For the year FY 2021-22, the Company continued to be the largest non-bank affiliated AMC with Quarterly Average Assets under Management (QAAUM) market share (excluding ETF) at 8.6% and is the fourth largest AMC in India by QAAUM as on 31<sup>st</sup> March 2022. The Company has a dominant position in the fixed income space with QAAUM Market share as on 31<sup>st</sup> March 2022 at 11.1%. The Company is focused on growing AUM across different asset categories.

The Company's focus continues to remain in achieving a robust asset mix of high margin assets of equity and long-term

debt to improve revenue basis points to AUM. The Company continues to improve profitability over time. The profit before tax for FY 2021-22 was ₹894.70 Crore as compared to ₹695.89 Crore in FY 2020-21. The profit after tax (PAT) increased to ₹672.77 Crore in FY 2021-22 as compared to ₹526.28 Crore in FY 2020-21. The Company delivered return on equity of 34.49% in FY 2021-22.

The Company's growth can be attributed to factors such as broad spectrum of solutions, consistent investment performance, strong presence across India, multi-channel distribution, and growing alternative assets.

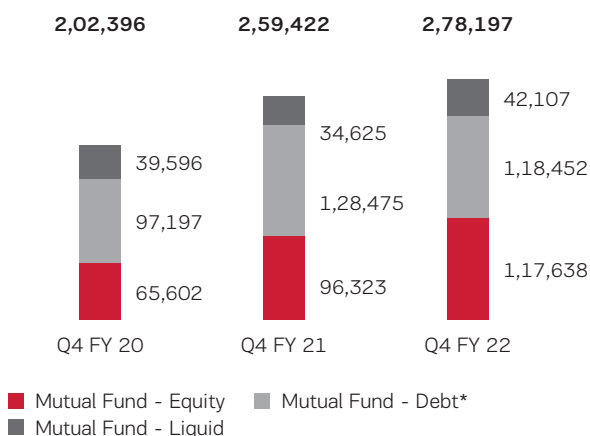
### Growth in AUM

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

### Closing Assets under Management

(All figures in ₹ Crore)

Mutual Fund Total	Equity	Equity Mix
↑ 7% Y-o-Y	↑ 22% Y-o-Y	↑ 42% (PY:37%)

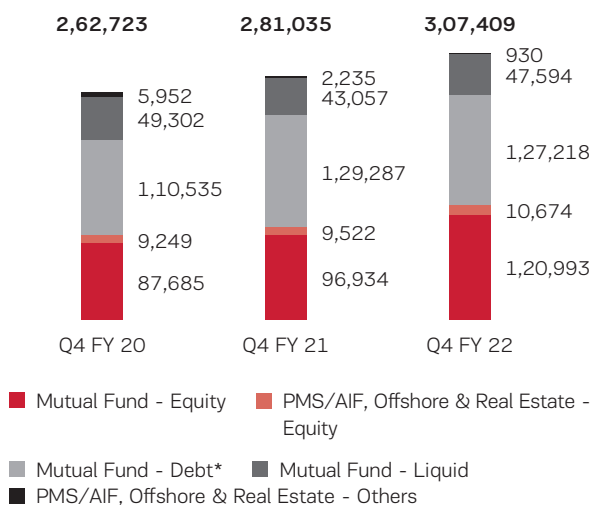


\*Mutual Fund-Debt includes ETF

### Average Assets under Management

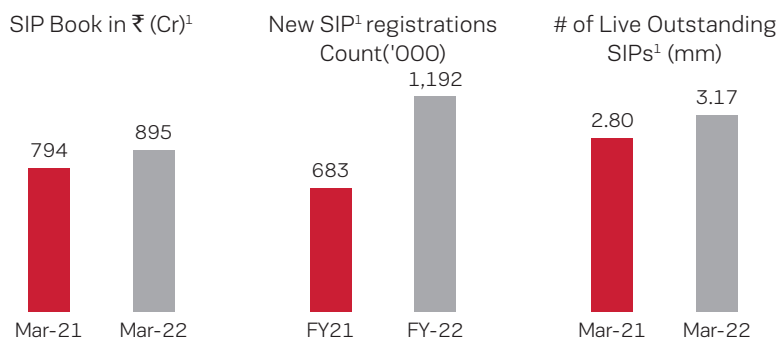
(All figures in ₹ Crore)

Overall QAAUM	Mutual Fund Equity	Equity Mix
↑ 9% Y-o-Y	↑ 25% Y-o-Y	41% (PY: 36%)



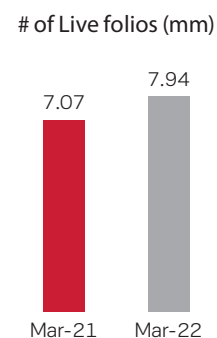
In order to build a culture of sustainable growth in AUM, the Company conceptualised a theme called 'Har Ghar SIP'. Under this concept, the Company has launched many initiatives under the #WinWithSIP campaign, which is gaining traction. This is also creating awareness about the Multi SIP feature that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

### Increasing traction in SIP



<sup>1</sup> Includes STP

### Folio Count



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

Over the last few years, the Company has been focusing on growing retail franchise and increasing the wallet share from B30 cities. Individual Monthly Average Assets under Management (MAAUM) in March 2022 was ₹ 1,38,019 cr, recording growth of 9% Y-o-Y, reflecting the strength of the retail franchise. The Institutional MAAUM size grew from ₹1,44,021 Crore in March 2021 to ₹1,50,612 Crore in March 2022 representing 5% growth. The Company has maintained a market leading position in B30 penetration over the years, which has further contributed to the growth of individual investor base. The B30 MAAUM grew from ₹43,754 Crore in March 2021 to ₹45,982 Crore in March 2022 representing 5% growth.

### Individual MAAUM

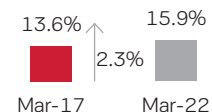
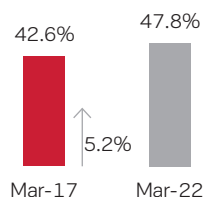
### B-30 MAAUM<sup>1</sup>

#### AAUM Size (Mar-22)

₹1,38,019 cr

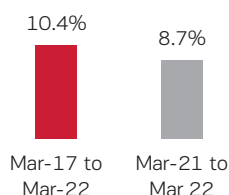
₹45,982 cr

#### Contribution to AUM

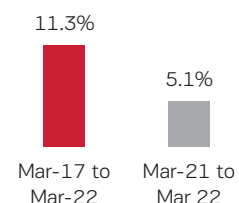


#### Growth

#### MAAUM Growth



#### MAAUM Growth



<sup>1</sup> For March-2017, MAAUM from B-15 cities considered

## Management Discussion and Analysis (Contd.)

### Distribution strength

The Company has a large pan India network of empanelled distributors with presence in 280+ locations with 72,000+ KYD compliant MFDs, 240+ National Distributors and 110+ banks & financial intermediaries. The Company continues to expand its distributor base and has empanelled 7,000+ new MFDs in FY 2021-22.



**280+**

Locations<sup>1</sup>



**110+**

Banks<sup>2</sup>



**90+**

Emerging Market  
Representatives



**240+**

National  
Distributors



**72,000+**

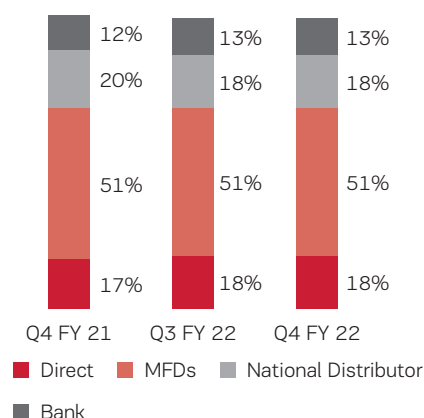
MFDs



**80+**

Digital Partners

### Broad based distribution sourcing of Equity Assets



### B30 markets

Of 280+ locations, **over 80% are in B-30 cities**

<sup>1</sup> Includes 190 branches & 94 branches

<sup>2</sup> Banks and Financial intermediaries

### Multi-Channel Distribution Network Strategy

#### Emerging Markets

**90+**

EM locations



#### Virtual Relationship Manager

**2,500+**

Distributors  
Activated



#### Service to Sales

**~100**

Dedicated  
Service Persons



#### Sampark

**5,000+**

Distributor  
Empaneled



To increase presence in B30 markets, the Build, Operate and Transfer model continues to gain strength. In addition to this, the Company also adopted the virtual relationship manager (VRM) model, wherein virtual managers are focused on converting inactive distributors to active business partners. Under this model, the Company activated around 2,500+ distributors as on 31<sup>st</sup> March 2022. VRMs also acts as a single point of contact for various servicing requirements and are responsible for offering Financial Solutions. In order to build deeper engagement and loyalty, the Company has set up a separate Service to Sales model which results in higher wallet share and longevity. The Company's distribution expansion initiative, 'Sampark', is a tailor-made 6-month engagement program which covers sales training, learning and development. Through this initiative the Company has empaneled 5,000+ distributors.

experienced investment teams with extensive industry experience. The strong execution capabilities of the management and investment teams have successfully scaled the business with improving profitability over the last decade.

The Company has a robust risk management framework that monitors firm-wide governance, risk and compliance. The risk management systems and procedures that the Company has in place demonstrates its 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.

### Consistent performance & Robust risk management framework

Consistent investment performance is key to success of the Company. The Company is supported by its stable and

## Digital assets

Customer  
Onboarding

77%

Customer  
Servicing

88%

Distributor  
Onboarding

88%

Digital  
Payments

99%

Digital remains a key pillar of the growth story. The Company continues to collaborate with fintechs to remain ahead of the curve and enhance process efficiency. The Company has created an omnichannel experience by integrating API platforms in partnership with digital partners. With these initiatives, it has digitally onboarded 77% of new customers. Currently 84% of the overall transactions are done digitally, 88% of customers are now serviced via digital platforms and 99% of transactions are digital. The Company empanelled 88% of new MFDs digitally in FY 2021-22. The Company continues to deploy data analytics across the value chain to support ongoing sales engagement through effective customer engagement.

## Alternate assets

The Company has stepped up efforts to build future capabilities by creating differentiated products in Offshore, PMS and AIF offerings. To address the growing needs of HNIs and family offices, a dedicated team has been created to launch funds, reach out to potential customers and sell through existing channel partners as well as new age platforms.

On the Real Estate front, the Company collaborated with Bentall Green Oak, an arm of SunLife International, to jointly source and underwrite deals for Real Estate funds. The Company completed its first close of Aditya Birla Real Estate Credit Opportunities Fund under Category II AIF.

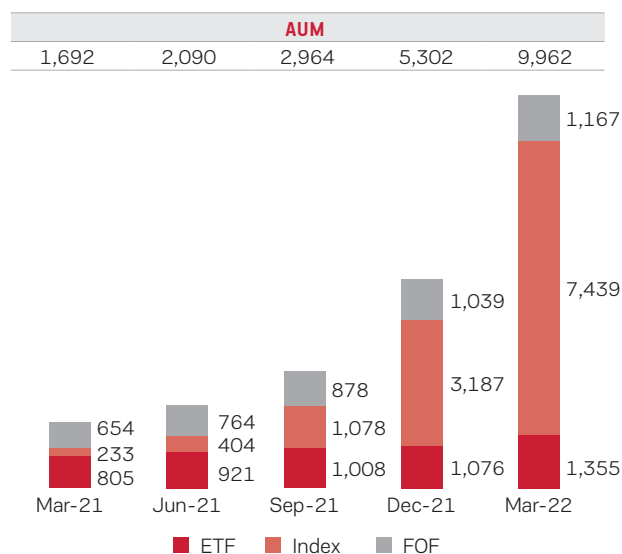
To cater to the needs of the large pool of NRI and Global Investors, the Company has received approval to offer portfolio management service from GIFT City, Gandhinagar. This will help the Company to serve the growing needs of Global Investors keen to invest in India through investment in dollar-based India funds.

## Passive assets

During the year, the Company made decent progress in improving product offering in the Passive space. Passive product offering has yielded good results wherein the Company's assets have gone up by more than 6 times from ₹1,692 Crore in March

2021 to ₹9,962 Crore in March 2022. It has launched 13 new passive products including the Company's 1<sup>st</sup> Smart Beta and 1<sup>st</sup> Debt Index Fund. The customer base in this category has now grown to 3,95,000 folios.

## ABSL AMC Passive AUM (in ₹ cr)



## CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development information or events or otherwise.

# Board's Report

## Dear Member(s),

The Board of Directors of Aditya Birla Sun Life AMC Limited ("the Company" or "ABSLAMC") are pleased to present the 28<sup>th</sup> (Twenty Eighth) Annual Report and the Audited Financial Statements (Consolidated and Standalone) of the Company for the financial year ended 31<sup>st</sup> March 2022 ("financial year under review").

## FINANCIAL SUMMARY AND HIGHLIGHTS

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

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

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations (Fees and Commission)	<b>1,292.96</b>	<b>1,067.90</b>	<b>1,263.47</b>	<b>1,040.68</b>
Profit before share of exceptional items and tax	894.70	695.89	882.28	685.43
Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	894.70	695.89	882.28	685.43
Tax Expense	221.93	169.61	221.92	169.59
Profit / (Loss) after Tax Attributable to:	672.77	526.28	660.36	515.84
Owners of the Company	672.77	526.28	660.36	515.84
Non-Controlling Interest	-	-	-	-
Other Comprehensive Income Attributable	2.63	1.46	0.63	1.26
Total Comprehensive Income Attributable to:	<b>675.40</b>	<b>527.74</b>	<b>660.99</b>	<b>517.10</b>
Owners of the Company	675.40	527.74	660.99	517.10
Non-Controlling Interest	-	-	-	-
Profit / (Loss) attributable to owners of the Company	<b>675.40</b>	<b>527.74</b>	<b>660.99</b>	<b>517.10</b>

(₹ In Cr)

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended.

The financial statements of the Company are consolidated with that of Aditya Birla Capital Limited ("ABCL"), the Holding Company which has adopted Ind AS. The Company has also prepared and submitted to ABCL, the financial statements in Ind AS Fair Value format.

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

For the financial year ended 31<sup>st</sup> March 2022, on a Standalone basis the total revenue of the Company was ₹1379.03 crores and net profit was ₹660.36 crores.

Key Highlights of the Company's performance for the financial year ended 31<sup>st</sup> March 2022 are as under:

- Overall Mutual Fund Quarterly Average Assets Under Management (QAAUM) reached ₹2,95,805 crores representing a 10% Year on Year (Y-o-Y) growth in Q4 FY22 with a market share of 7.71%. Overall Mutual Fund Closing Assets Under Management grew by 7% Year on Year (Y-o-Y) to reach ₹2,78,197 crores.
- Mutual Fund Equity QAAUM reached ₹1,20,993 crores representing 25% Y-o-Y growth in Q4 FY22 with market share of 6.49%. Equity Closing Assets Under Management grew by 22% Year on Year (Y-o-Y) to reach ₹1,17,638 crores.
- Equity QAAUM mix expanded to 41% (Previous year 36%).
- Mutual Fund Fixed Income QAAUM (excluding ETF) of the Company reached to ₹1,73,592 crores in Q4 FY22 with market share of 11.14%.
- The revenue of the Company for FY 2021-22 was ₹1,408.52 crores against FY 2020-21 revenue of ₹1,205.84 crores (consolidated).
- The Company achieved for FY 2021-22 Profit before tax of ₹894.70 crores against FY 2020-21 PBT of ₹695.89 crores (consolidated).

- The Profit after tax for FY 2021-22 was ₹672.77 crores against ₹526.28 crores FY 2020-21 representing a 28% Year on Year (Y-o-Y) growth (Consolidated).
- FY22 Return on Equity (RoE) was at 34.5% with a consistent dividend paying track record.

## ACCOUNTING METHOD

The Consolidated and Standalone Financial Statements of the Company have been prepared in accordance with IND AS 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 and the SEBI Listing Regulations, the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2022, together with the Auditors' Report forms 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://mutualfund.adityabirlacapital.com/shareholders/annual-reports>.

## MATERIAL EVENTS DURING THE YEAR

### Initial Public Offering (IPO)

The financial year 2021-22 has been historic for the Company as the Company came out with its IPO and diluted 13.50% of the paid-up equity share capital in favour of the public. Both the promoters of the Company i.e. Aditya Birla Capital Limited and Sun Life (India) AMC Investments Inc participated in the IPO by way of an Offer for Sale ("OFS") and diluted 0.99% & 12.51% of their holdings, respectively, in favour of the public.

Post IPO, Aditya Birla Capital Limited held 50.01% of the paid-up equity share capital of the Company and Sun Life (India) AMC Investments Inc held 36.49% of the paid-up equity share capital of the Company.

The equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited with effect from 11<sup>th</sup> October 2021.

### Impact on the Business Continuity of the Company and subsidiaries amidst the spread of COVID-19:

The outbreak of COVID-19 pandemic continued during FY 2021-22 with the second wave and third wave during the financial year under review.

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

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

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

## HOLDING/SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES

### Holding Company

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

### Subsidiaries

The Company had 5 (five) foreign subsidiaries including step down subsidiaries (subsidiary by virtue of holding management shares) as on 31<sup>st</sup> March 2022. During the financial year under review, New Horizon Fund SPC ceased to be the step-down subsidiary of the Company with effect from 30<sup>th</sup> September 2021.

As required under Regulations 16(1)(c) and 46 of the SEBI Listing Regulations, the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-on-materiality-of-subsidiary.pdf>. During the financial year under review, the Company did not have any material subsidiaries.

Further the Company received approval from International Financial Services Centres Authority (IFSCA) on 20<sup>th</sup> January,

## Board's Report (Contd.)

2022 to carry out Portfolio Management Services through a branch office in International Financial Services Centre (IFSC) in India. Accordingly, the Company has set up a branch office at the Gujarat International Finance Tec-City (GIFT City).

### Joint Ventures/Associates

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

### TRANSFER TO RESERVES

For the financial year ended 31<sup>st</sup> March 2022, the Company did not transfer any amount to the General Reserves.

### DIVIDEND

During the financial year under review, the Company had declared an interim dividend of ₹5.6 per equity share of face value of ₹5/- each amounting to an aggregate of ₹161.28 crores which was paid to the shareholders of the Company whose name appeared in the Company's register of members as on record date 8<sup>th</sup> November 2021. Further, the Board of Directors have also recommended payment of final dividend of ₹5.85 per equity share of face value of ₹5/- each for the year ended 31<sup>st</sup> March 2022, subject to the approval of the Members at the 28<sup>th</sup> Annual General Meeting. Accordingly, the total dividend pay-out pertaining to financial year 2021-22 i.e. interim dividend along with the final dividend (if declared) would amount to ₹329.76 crores.

The dividend declared/recommended is in accordance with the principles and criteria as set out in the Company's policy on Dividend Distribution. The Dividend Distribution Policy of the Company is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/abslamc-dividend-distribution-policy--081021.pdf>

### SHARE CAPITAL

As on 31<sup>st</sup> March 2022, the authorized share capital of the Company was ₹160 crores comprising of 32,00,00,000 equity shares of ₹5 each and the paid-up equity share capital of the Company was ₹144 crores comprising of 28,80,00,000 equity shares of ₹5 each.

During the financial year under review, the Members of the Company at the Extra Ordinary General Meeting (EGM) held on 6<sup>th</sup> April 2021 had, inter-alia, approved:

- Sub-division of the authorised and paid-up equity share capital of the Company from face value of ₹10 each to ₹5 each
- Increase in authorised share capital of the Company from ₹20 crores to ₹160 crores comprising of 32,00,00,000 equity shares of ₹5 each
- Issue of bonus equity shares of ₹5 each in the ratio of 7:1.

During the financial year under review, the Company did not issue any convertible securities.

### DEPOSITORY

As on 31<sup>st</sup> March 2022, out of the Company's paid-up equity share capital comprising of 28,80,00,000 equity shares, 28,79,99,999 equity shares (99.99%) were held in dematerialised mode. The Company's equity shares are compulsorily tradable in electronic form.

### INVESTMENT IN SUBSIDIARIES

During the financial year under review, the Company had not infused capital in its subsidiaries. Further, details of investment in subsidiaries are stated in the notes to the financial statements forming part of this Annual Report.

### PUBLIC DEPOSITS

The Company, being an Asset Management Company, primarily governed by SEBI (Mutual Funds) Regulations, 1996 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

During the financial year under review, the Company did not give any loans, guarantees or provided any security. Particulars of investments made during the year as required under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 forms a part of the Notes to the financial statements provided in this Annual Report.

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

#### Conservation of Energy:

The Company is in financial services industry and does not consume high levels of energy. However, regular efforts are made to adopt appropriate energy conservation measures and technology absorption methods. With work from home on account of COVID-19, the Company has reduced considerable consumption of energy. 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 the Company's activities.

Some of the steps taken by the Company for conservation of energy include:

- The Company is committed to reducing negative environmental impact.
- The Company has tied up with ViaGreen, an organization that helps us in waste management and recycling.
- Most of the offices of the Company have installed LED lights making them very energy-efficient.
- As a step towards further reducing the environmental impact, the documents for Board and Committee meetings of the Company are transmitted electronically using a secure web-based application, thereby saving paper.

### Technology Absorption, Adaption and Innovation:

#### (i) Efforts made towards technology absorption:

During the financial year under review, the Company had undertaken the following initiatives:

- 1. Websites/Apps**  
Re-engineered customer journeys for Website/Apps to improve customer journeys, making it easier for investors to transact as well as self-service of service request with instant fulfilment.
- 2. Applications on Cloud**  
Cloud technologies have been adopted for applications and solutions, providing scalability, high availability, uptimes for key systems.
- 3. Voice BOTs**  
Automated Voice BOTs technology was implemented for Customer welcome calling and call centre agent feedback.
- 4. Omni Channel Experience-**  
This Platform has been introduced for providing an omni channel experience, enabling investors to re-initiate digital journeys across assets, from the point they left off.
- 5. Application Performance Monitoring (APM)**  
An APM application was launched to enable code level visibility to take proactive measures to improve performance.
- 6. PMS App**  
The PMS application was upgraded to latest features for the PMS customers.

#### (ii) Benefits derived out of the above initiatives:

1. Moving applications to the Cloud has improved performance, and improved server response. This has also brought high availability and scalability.
2. Moving to Public Cloud resulted in saving cost due to flexible cost structure and improving speed to market.

3. Technology initiatives have resulted in improved NPS and investor/distributor satisfaction.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings during the financial year under review was ₹0.16 crores as compared to ₹2.38 crores during the previous year. The foreign exchange expenditure during the financial year under review was ₹14.40 crores as compared to ₹11.30 crores 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 enclosed as **Annexure I** to the Board's Report.

Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided upon request by a Member. In terms of the provisions of Section 136(1) of the Act, the Annual Report is being sent to all the Members of the Company whose email address(es) are registered with the Company / Depository Participants, excluding the aforesaid details 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 [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com).

### BUSINESS RESPONSIBILITY REPORT (BRR)

The Company forms part of the top 1000 listed entities on BSE Limited and National Stock Exchange of India Limited as on 31<sup>st</sup> March 2022. Accordingly, pursuant to Regulation 34(2) of SEBI Listing Regulations, Business Responsibility Report forms part of this Annual Report, describing the initiatives taken by the Company from environmental, social and governance perspective. The report is also available on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

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

## CHANGE IN NATURE OF BUSINESS

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

## EMPLOYEE STOCK OPTION PLAN

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

In view of the above, the Members of the Company at the Extra Ordinary General Meeting ("EGM") held on 6<sup>th</sup> April 2021 and 15<sup>th</sup> April 2021 had approved 'Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021' ("ESOP Scheme 2021") to create, offer, issue and allot in one or more tranches under, such number of stock options ("Options") and/ or restricted stock units ("RSUs"), not exceeding 46,08,000 equity shares being 1.60% of the paid-up equity share capital of the Company.

During the year under review, the ESOP Scheme 2021 was amended with the approval of the shareholders at the EGM held on 8<sup>th</sup> September 2021, aligning it with the regulatory requirements in terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations, 2021). Further, pursuant to Regulation 12 of the SEBI SBEB Regulations, 2021, post IPO of the Company, the ESOP Scheme 2021 was ratified by the shareholders, vide special resolution passed through Postal Ballot on 3<sup>rd</sup> March 2022.

The details/disclosure(s) on the aforesaid ESOP Scheme 2021 as required to be disclosed under the SEBI SBEB Regulations, 2021 are available on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>. The certificate from the Secretarial Auditor of the Company on the implementation of the Company's ESOP Scheme 2021 will be made available via electronic mode at the ensuing Annual General Meeting of the Company for inspection by the Members.

Further, Aditya Birla Capital Limited ("ABCL") had formulated "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" ("Scheme 2017") for the employees of ABCL and its Subsidiaries. The shareholders of ABCL, vide their resolution passed on 19<sup>th</sup> July 2017 had extended the benefits and coverage of the Scheme 2017 to the employees of its Subsidiary Companies. Thereafter, the shareholders of the Company at its meeting held on 10<sup>th</sup> August 2017 had approved the extension of benefits of the Scheme 2017 to the permanent employees in the management cadre of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 is enclosed as **Annexure II** to the Board's Report.

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

A report on the performance and financial position of the Company's Subsidiaries as per the Section 129(3) of the Act and the rules made thereunder in the prescribed Form AOC-1 is enclosed as **Annexure III** to the Board's Report.

## RISK MANAGEMENT

Risk Management is at the core of the business and ensuring the right risk return trade off in keeping with risk appetite is the essence of Risk Management. Company's robust risk management framework monitors firm-wide Governance, Risk and Compliance. The risk management philosophy focusses on the following organizational structure to manage risks through the following three lines of defense:

- First is the 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 its Risk & Compliance Function, Managing Director & Chief Executive Officer and the Risk Management Committees (RMCs);
- Third is Independent Assurance by Internal Audit, conducted by Independent Internal Auditors whose work is reviewed by the Audit Committee.

The Board has constituted a Risk Management Committee as required under Regulation 21 of the SEBI Listing Regulations and SEBI (Mutual Funds) Regulations, 1996 to frame, implement and monitor the risk management plan of the Company and the Schemes of the Mutual Fund.

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

- Risk identification;
- Risk Assessment;
- Risk Response and Risk Management strategy; and
- Risk monitoring, communication and reporting.

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

The financial year 2021-22 witnessed disruption and challenges due to the pandemic and consequent lockdowns. The Company showed good resilience due to the strong Business Continuity Plan and Pandemic Plans in place. Over the years, the Company has built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The Company was able to face the unprecedented challenges during the year and emerged stronger during these turbulent times.

Further, the Company has adopted the Risk Management Framework prescribed by SEBI through circular dated September 27, 2021. Through this framework, the Company has devised the mechanism for identifying and measuring the AMC level and Mutual Fund's Scheme level risk appetite and setup a robust risk control assessment mechanism to report key emerging risks and control environment at functional level to the Management and the Board of the Company.

The Company has an enterprise risk management framework in place, which includes key risk management activities such as risk identification, risk assessment, risk response and risk management strategy. The identified risks are evaluated and managed by either avoidance, transfer, mitigation or retention. The risks faced can be broadly classified as reputation risk, people risk, regulatory risk, operational risk, investment risk, strategic risk and business risk. Close monitoring and control processes, including the establishment of appropriate key risk indicators and key performance indicators are put in place to ensure that risk profiles are managed within policy limits.

The Company's Investment function operates under the Investment Governance framework approved by the Investment Committee and the Board. The framework helps in not only ensuring regulatory compliance but also provides the framework for management and mitigation of the risks associated with investments.

The Company has implemented an Operational Risk Management framework to manage specific risks that may arise from inadequate or failed internal processes, people, systems, or external events. To manage and control such risks, the Company uses various tools including self-assessments, operational risk event management and key risk indicator monitoring. The

Company recognises that information is a critical business asset and, accordingly, the Company has an information security and cyber security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organization.

The risk management systems and procedures that are in place demonstrate the commitment of the Company towards working ethically and functioning profitably while maintaining compliance with best practices, applicable laws, rules and regulations. They are intended to provide reasonable but not absolute 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.

The detailed Risk Management framework is enclosed as **Annexure IV** to the Board's Report.

## Business Continuity

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

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

The Business Continuity Plan was also supplemented with a Business Normalisation plan. This enabled entities to resume Business Operations wherever the conditions normalised.

The Risk team and business functions worked closely on the resumption strategy and ensure functions seamlessly resume business operations in a hybrid manner enabling parallel work from Office and Home for Primary and Secondary personnel as identified under the BCP strategy.

The world seems to be moving beyond Pandemic now and all the offices of the Company and its subsidiaries have resumed normal business operations from its various offices located throughout the country. However, there is still an element of uncertainty from different Covid variants emerging globally. We continue to monitor the situation and will act in best interest of our stakeholders in case of any eventuality.

## Board's Report (Contd.)

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

The Risk management team of the Company is keeping a look out on emerging Risk landscape and revisiting our strategies to deal with these risks and also to capitalize upon the opportunities presented in the new scenario.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

Pursuant to Regulation 23(9) of SEBI Listing Regulations, disclosures of RPTs are submitted to the stock exchanges on a half-yearly basis and published on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/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 contracts and arrangements with related parties of the Company for the financial year under review, are given in notes to the Standalone Financial Statements, which forms part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-on-related-party-transaction-060422.pdf>.

### INTERNAL FINANCIAL CONTROLS

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

undertaken on periodic basis to independently validate the existing controls as per scope assigned to Internal Audit Function. The Internal audit program is approved by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Internal Audit Reports are regularly reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems.

Significant audit observations, if any, are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations. During the financial year under review, no material or serious observation was identified for inefficacy or inadequacy of such controls.

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

### INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization'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 approach.

The internal audit plan is developed based on the risk profile of business activities of the organization. The audit plan covers process audits at the head office and across various branches of the organization. The Internal audits are carried out by an independent external firm, the in-house internal audit team of the Company. The audit plan is approved by the Audit Committee, which regularly reviews the compliance to the plan.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March 2022, the applicable accounting standards have been followed and there were no material departures from the same;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2022 and of the profit of the Company for financial year ended on that date;

- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Statement of Accounts for the Financial Year ended 31<sup>st</sup> March 2022 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;
- 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 31<sup>st</sup> March 2022, the Board of Directors of the Company ("the Board") comprised of 11 Directors including 1 Woman Independent Director.

During the financial year under review, Mr. Sunder Rajan Raman (DIN: 02511138) and Mr. Ramesh Abhishek (DIN:07452293) were appointed as Additional Directors (Independent) for a term of 5 years with effect from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2026. Further, Mr. Sunder Rajan Raman and Mr. Ramesh Abhishek were regularized as Independent Directors by the shareholders of the Company vide special resolution passed through postal ballot on 3<sup>rd</sup> March 2022.

Mr. Bobby Parikh (DIN: 00019437) retired as an Independent Director with effect from close of business hours on 2<sup>nd</sup> February 2022, upon completion of his tenure as an Independent Director of the Company. Mr. Sushobhan Sarker (DIN: 00088276) resigned as an Independent Director of the Company with effect from 6<sup>th</sup> April 2021 due to personal reason. There was no material reason for resignation of Mr. Sushobhan Sarker.

Further, Mr. Amrit Kanwal (DIN:09545814) was appointed as an Additional Director (Non-Executive) representative of Sun Life (India) AMC Investments Inc with effect from 26<sup>th</sup> April 2022. Mr. Colm Freyne (DIN:07627357) resigned as a Non-Executive Director, representative of Sun Life (India) AMC Investments Inc with effect from 25<sup>th</sup> April 2022.

The Board placed on record its sincere appreciation for the valuable contribution and services rendered by Mr. Sushobhan

Sarker, Mr. Bobby Parikh and Mr. Colm Freyne during their tenure as Director(s) of the Company.

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

## RETIREMENT BY ROTATION

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, Mr. Kumar Mangalam Birla (DIN:00012813), Chairman & Non-Executive Director retires by rotation and being eligible, offers himself for re-appointment at the 28<sup>th</sup> Annual General Meeting of the Company. The information as required to be disclosed under regulation 36(3) of the SEBI Listing Regulations in case of re-appointment of Mr. Kumar Mangalam Birla is provided in the Notice of the 28<sup>th</sup> Annual General Meeting.

## DECLARATION BY INDEPENDENT DIRECTORS

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

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity. Further, all the Independent Directors have confirmed that in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database as prescribed under the Act.

## KEY MANAGERIAL PERSONNEL (KMP)

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. A Balasubramanian, Managing Director & Chief Executive Officer (CEO), Mr. Parag Joglekar, Chief Financial Officer (CFO) and Ms. Hemanti Wadhwa, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company.

## FIT AND PROPER CRITERIA

All the Directors meet the fit and proper criteria stipulated under SEBI (Mutual Fund) Regulations, 1996 and SEBI (Intermediaries) Regulations, 2008 (as amended from time to time).

### ANNUAL PERFORMANCE EVALUATION

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

Pursuant to the provisions of the Act and SEBI Listing Regulations and in terms of the Framework of the Board Performance Evaluation, the Board of Directors have carried out an annual performance evaluation of the Board, performance of various Committees of the Board, Individual Directors, the Chairman and the Managing Director & CEO. A separate meeting of the Independent Directors was also held during the year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of 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. The details of the programme for familiarisation of the Independent Directors of the Company are available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/familiarisation-programme-for-independent-directors-r.pdf>.

### 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 law, 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.

### MEETINGS OF THE BOARD AND ITS COMMITTEES

#### Board

The Board meets at regular intervals, inter-alia, to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 15 (fifteen) times on 5<sup>th</sup> April 2021, 14<sup>th</sup> April 2021, 19<sup>th</sup> April 2021, 8<sup>th</sup> May 2021, 26<sup>th</sup> July 2021, 6<sup>th</sup> August 2021, 17<sup>th</sup> August 2021, 8<sup>th</sup> September 2021, 22<sup>nd</sup> September 2021, 23<sup>rd</sup> September 2021, 29<sup>th</sup> September 2021, 4<sup>th</sup> October 2021, 25<sup>th</sup> October 2021, 25<sup>th</sup> January 2022 and 16<sup>th</sup> March 2022.

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

### Audit Committee

The Board of Directors have constituted an Audit Committee with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations.

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of 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 Board of Directors have constituted a Nomination, Remuneration and Compensation Committee ("NRCC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations.

The NRCC has formulated a policy on remuneration under the provisions of Section 178(3) of the Act, which is enclosed as **Annexure V** to the Board's Report and the same is uploaded on the website of the Company at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/07-executive-remuneration-policy-amc-081021.pdf>. Further, details on the NRCC are provided in the Corporate Governance Report, which forms part of this Annual Report.

### Other Board Committees

The Board of Directors have also constituted the following Committees of the Board under the relevant provisions of the Companies Act, 2013 read with applicable SEBI laws:

- Risk Management Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Product Committee
- Initial Public Offer (IPO) Committee
- Share Allotment Committee

Details of mandatory Committees of the Board as per the Act and SEBI Listing Regulations are provided in the Corporate Governance Report, which forms part of this Annual Report.

## ANNUAL RETURN

Pursuant to the provisions of 92(3) read with 134(3)(a) of the Act, the Annual Return in Form MGT-7 for the financial year 2021-22 is available on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>.

## AUDITORS

### STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, as amended, M/s. S. R. Batliboi & Co, LLP, Chartered Accountants, (Firm Registration No.: 301003E/E300005) were appointed as Statutory Auditor of the Company for a term of 5 (Five) years i.e. from the conclusion of 25<sup>th</sup> Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company.

The observation(s) made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

### SECRETARIAL AUDIT REPORT 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 re-appointed M/s. Makarand M Joshi & Co, Practicing 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, Practicing Company Secretaries, is enclosed as **Annexure VI** to the Board's Report.

The Secretarial Audit Report does not contain any observation, qualification, reservation or adverse remark.

The Secretarial Compliance Report as received from M/s. Makarand M Joshi & Co, Practicing Company Secretaries for the financial year ended 31<sup>st</sup> March 2022, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, pursuant to requirement of regulation 24A of the SEBI Listing Regulations, is available on the website of the Company and can be accessed at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/shareholder-intimation/secretarial-compliance-report.pdf>

## 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

During the year under review, neither the statutory auditor nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, the Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the CSR 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://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/csr-policy-absl-amc-september-22-2020\\_clean-180421.pdf](https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/csr-policy-absl-amc-september-22-2020_clean-180421.pdf).

As a part of its initiatives under CSR, the Company has undertaken projects in the areas of Education, Health and Women Empowerment & Sustainable Livelihood. The projects are also in line with the statutory requirements under the Companies Act, 2013 and its CSR Policy.

During the financial year 2021-22, the Company had spent ₹ 6.66 crores on various CSR projects. The unspent CSR amount of ₹ 4.77 crores is towards various ongoing CSR projects and the same has been transferred to the unspent CSR account and shall be spent as per the annual CSR plan for FY 2021-22.

The Annual Report on CSR activities as per the Rule 8 of Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 is enclosed as **Annexure VII** to the Board's 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://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower\\_policy-amc.pdf](https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower_policy-amc.pdf).

## **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. 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. We further state that during the financial year under review, there were no complaints received/cases filed / cases pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **HUMAN RESOURCES**

The Company has always aspired to be an organization and a workplace which attracts, retains, and provides a canvas for talent to operate.

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

As on 31<sup>st</sup> March 2022, the employee strength of the Company was 982.

## **Talent Management**

Building a strong future ready talent pool and robust leadership succession pipeline continue to be priority areas for us in Talent Management. We continued to give prominence to identifying and developing our high potential employees and have steered towards more holistic, comprehensive, and future oriented development interventions for them.

During the financial year under review, the Company has continuously recognised high talent, strengthened its structures, and provided higher responsibilities to talent. We have re-vamped our investment team by providing larger roles to existing leaders which will not only help us build a credible & stable equity franchise but also develop succession depth within the function.

## **Employee Wellness and Engagement**

The Company constantly strives to provide a happy, vibrant and engaging work environment. The Company welcomed back its employees to work and significant attention was given to help them restart and settle comfortably through support mechanisms and flexibility.

Revitalising a culture of connect and camaraderie has been yet another area of significant attention of the Company.

The Company continues to reinforce the importance of health and wellbeing through wellness programs and initiatives. The Company had extended its support to employees and their family members through medical infrastructure support and assistance programs during Wave 2 and 3 of COVID. Assisting employees and their family members get access to the COVID vaccine was of prime importance. Through exclusive vaccination camps across office locations in India, the Company ensured a smooth and seamless process for its employees and their family members to get vaccinated.

The Company's comprehensive wellness program for employees launched last year gained impetus and saw greater uptake. With wider offerings and health management initiatives, the Company aims to ensure that every employee invests in improving their health and wellness.

## **Learning**

The Company's learning interventions create an organisation wide impact as these are focused on enabling employees to do better at work. The Company has introduced various initiatives to enhance functional & behavioural capabilities of the employees. The Company's Learning Architecture - 'Birla Way Of Learning' is a blend of functional and behavioural learning including managerial skills like GROW coaching and constructive feedback culture. While executing the initiative, the Company leverage a blend of People, Classroom, Digital Learning Journals (VYMO), App based and Virtual training platforms to gain maximum impact at minimum cost.

An AI enabled learning app provides employees easy access to super personalized content that meets their unique individual requirements with the flexibility to learn anytime from anywhere. Over 31K+ relevant courses, videos & webinars were hosted on Gyanodaya Virtual Campus (GVC) which is Aditya Birla Group's e-Learning platform, and these were leveraged by our employees to enhance their skills and knowledge.

## SECRETARIAL STANDARDS OF INSTITUTE OF COMPANY SECRETARIES OF INDIA ("ICSI")

The Company is in compliance with the Secretarial Standards specified by the 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 policy/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 form part of the Corporate Governance Report.

## AWARDS AND CERTIFICATIONS

During the financial year under review, the Company was felicitated with the following awards:

- i. **Asia Asset Management 2022 – Best of the best awards**
  - Leaders in Asset Management in Asia - Mr. A Balasubramanian
  - Best Investor Education (Investor Education)
  - Fintech Innovation in Asset Management (Digital Team)
- ii. **Outlook Money Awards** - Best Investor Education - Gold
- iii. **Business Leader of the Year Awards** - Best Fund House for Investor Education
- iv. **ET BFSI Excellence Award** - Best Digital Customer Experience - Investment Management
- v. **Business Standard - Medium to Long Duration Debt category** - Fund Manager of the year-Mr. Bhupesh Bameta
- vi. **14<sup>th</sup> Customer Fest Leadership Awards (Privilege Club)**
  - Best use of Innovation in Loyalty Marketing
  - Best overall Loyalty Program (Multi-Industry)

## OTHER DISCLOSURES

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

- i. There was no issue of shares to employees of the Company under Employee Stock Option Scheme of the Company.
- 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 rights issue or preferential issue, etc. during the year under review.

- iv. There was no issue of shares with differential rights.
- v. There was no transfer of un-paid or unclaimed dividend amount to Investor Education and Protection Fund (IEPF).
- vi. There was no significant or material orders 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 were no failures to implement any Corporate Action.
- xi. There were no borrowings from Banks or Financial Institutions.

## ACKNOWLEDGEMENTS

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

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

The Board would like to thank the Aditya Birla Group and Sun Life Financial Inc., for their constant support, guidance and co-operation.

The Board would also like to express sincere appreciation for the continued support, guidance and assistance from the Trustees of Aditya Birla Sun Life Mutual Fund, Securities and Exchange Board of India, Reserve Bank of India, Financial Intelligence Unit (FIU-IND), Association of Mutual Funds in India (AMFI), Stock Exchanges, Depositories, Clearing Corporations, Depository Participants, Custodians, Bankers, Registrars & Transfer Agents, Distributors & Agents, business associates and other service providers who have always supported and helped the Company to achieve its objectives.

For and on behalf of the Board of Directors  
**Aditya Birla Sun Life AMC Limited**

**Kumar Managalam Birla**  
Chairman  
(DIN: 00012813)

Date: 26<sup>th</sup> April 2022  
Place: Mumbai

# Annexure I

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

- i. **Ratio of the remuneration of directors to the median remuneration of the employees of the company for the financial year 2021-2022:**

Sr.no	Name	Designation	ratio of remuneration in the financial Year 2021-22
1	Mr. A. Balasubramanian	Managing Director & CEO	101:1

The Independent Directors were paid only sitting fees for attending the Meetings of the Board of Directors and the Committees of which they were Members. This remuneration, by way of fees, is not related to the performance or profit of the Company and hence, the ratio of remuneration of Independent Director to the median employees' remuneration is not computed.

- ii. **Percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company during the financial year 2021-22 was as under:**

Sr.no	Name	Designation	ratio of remuneration in the financial Year 2021-22
1	Mr. A. Balasubramanian	Managing Director & CEO	8%
2	Mr. Parag Joglekar	Chief Financial Officer	17.6%
3	Ms. Hemanti Wadhwa	Company Secretary & Compliance Officer	12%

- iii. **The percentage increase in the median remuneration of employees in the financial year:**

There was no increase in the median remuneration of employees.

- iv. **The number of permanent employees on the rolls of the company :**

The Company had 982 permanent employees as on 31<sup>st</sup> March 2022.

- v. **Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average percentile increases in the salary of all employees for FY 21-22 was 10.1%. The average increase in managerial remuneration was 12.5%. The criteria for remuneration evaluation is based on appraisal process. The increase in remuneration is also dependent on the overall performance of the Company and not only on individual's performance.

- vi. **It is hereby affirmed that the remuneration paid is as per the Executive Remuneration Philosophy/Policy of the Company.**

# Annexure II

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To  
The Members,  
**Aditya Birla Sun Life AMC Limited,**  
One World Center, Tower 1, 17<sup>th</sup> Floor,  
Jupiter Mills, Senapati Bapat Marg,  
Elphinstone Road, Mumbai - 400013

We have examined the compliance of conditions of Corporate Governance by **Aditya Birla Sun Life AMC Limited** ("the Company") for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) 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.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the company, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) 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.

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**  
**Practising Company Secretaries**

**Kumudini Bhalerao**  
**Partner**

**FCS No.** 6667  
**CP No.** 6690  
**UDIN:** F006667D000211333  
**Peer Review No:** 640/2019

**Place:** Mumbai  
**Date:** 26<sup>th</sup> April 2022

# Annexure III

## FORM AOC-1

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

### PART "A": SUBSIDIARIES

	(in ₹)		
	1	2	3
Name of Subsidiaries	Aditya Birla Sun Life AMC (Mauritius) Ltd	Aditya Birla Sun Life Asset Management Company Ltd, DIFC, Dubai	Aditya Birla Sun Life Asset Management Company Pte Ltd., Singapore
Date since Subsidiary was acquired	20th May, 1996	9th November, 2010	25th January, 2010
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 Mar 22	31 Mar 22	31 Mar 22
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	USD and the exchange rate is ₹75.7862/USD		SGD and the exchange rate is ₹55.9655 /SGD
Share capital	34,10,379	23,68,31,875	76,11,30,800
Reserves & surplus	9,04,82,508	(16,33,26,461)	(27,89,69,773)
Total assets	9,56,36,122	9,74,79,166	53,05,11,134
Total Liabilities	17,43,234	2,39,73,752	4,83,50,107
Investments	-	-	-
Turnover /Total Income	1,50,33,634	11,43,29,524	28,94,01,808
Profit before taxation	33,54,725	43,97,269	11,64,32,881
Provision for taxation	90,755	-	-
Tax adjustment for earlier year	-	-	-
Profit after taxation	32,63,970	43,97,269	11,64,32,881
Proposed Dividend	-	-	-
% of shareholding	100%	100%	100%

**Note :** The Company holds 100% management shares of India Advantage Fund Limited (IAFL), having no beneficial interest or ownership on IAFL's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IAFL. Similarly, Aditya Birla Sun Life Asset Management Company Pte Ltd., Singapore holds 100% management shares of International Opportunities Fund – SPC and by virtue of that it is a subsidiary of the Company. Hence these Companies are not included in AOC-1.

#### Ajay Srinivasan

Director  
(DIN: 00121181)

#### A Balasubramanian

Managing Director & CEO  
(DIN: 02928193)

#### Parag Joglekar

Chief Financial Officer

#### Hemanti Wadhwa

Company Secretary

Place: Mumbai,  
Date: 26<sup>th</sup> April 2022

# Annexure IV

## RISK MANAGEMENT FRAMEWORK

### A. RISK MANAGEMENT COMMITTEE

The Company follows the below levels of Risk Mitigation Structure:



The risk management structure comprises of the Risk Management Team and Functional Heads governed by Board level Risk Management Committee.

Further, the Company has adopted the Risk Management Framework prescribed by SEBI through circular dated 27<sup>th</sup> September 2021. Through this framework, the Company has devised the mechanism for identifying and measuring the AMC level and Mutual Fund's Scheme level risk appetite and setup a robust risk control assessment mechanism to report key emerging risks and control environment at functional level to the Management and the Board of the Company.

### B. RISK MITIGATION STRATEGIES:

The Company is exposed to several risks in the course of its business. The overall business risks and mitigation strategies are as described below:

Strategic Risk	<p>Risk to future earnings or capital in terms of failure to achieve the Company's strategic or long-term business plans.</p> <p><b>Mitigation Strategy:</b> Strategic risks are managed through the Enterprise Risk Management framework using the risk identification and review process. The Risk Management Committee monitors these risks and the action plans for mitigating these risks.</p>
Investment Risk	<p>Risks pertaining to the investments portfolios across asset classes such as Equity, Debt, Real estate and Commodities and encompasses various risks such as market risk, credit risk, interest rate risk, liquidity risk and concentration risk.</p> <p><b>Mitigation Strategy:</b> A governance structure, in form of the Investment Committee, and well-defined investment policies &amp; processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. All Regulatory and Internal norms are built in the Investment system, which enforces the Investment limits and exposure norms on real-time basis.</p>
Operational Risk	<p>The uncertainty arising from more than expected losses or damage to finances or reputation resulting from inadequate or failed internal processes, controls, people, systems or external events.</p> <p><b>Mitigation Strategy:</b> Operational risks are governed through Risk Management policy. The Company maintains an operational loss database to track and mitigate risks resulting in financial losses. To control operational risk, operating and reporting processes are reviewed and updated regularly.</p> <p>The Company has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business / technology interruption risk. 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 minimizing the potential business impact to the Company.</p> <p>Fraud management is handled through an internal committee and is governed by the Fraud Risk Management Policy.</p>

## Annexure IV (Contd.)

Information Security and Cyber Security Risk	<p>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.</p> <p><b>Mitigation Strategy:</b> Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001 which is a global benchmark. The Company has a comprehensive Information Security and Cyber security policy designed to comply with ISO 27001, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008 and Notification dated 11<sup>th</sup> 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.</p>
----------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### C. RISK POLICIES:

The following key risk policies among others govern and implement effective risk management practices:

Risk Management Policy, Investment Policies, Stewardship Policy, Dealer's code of Conduct and Best Execution Policy, Broker Empanelment Policy, Valuation Policy, Policy for Proxy Voting in Public Limited Companies, Voting Policy for voting in Public Listed Companies, Stress Testing Policy, Information Security Policy, Risk Management Policy, Fraud Risk Management Policy, Outsourcing and Vendor Risk Management Policy and Anti Money Laundering Policy.

# Annexure V

## Executive Remuneration Philosophy/ Policy

Aditya Birla Sun Life AMC Limited, ("the Company"), an Adiya Birla Group Company has adopted this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

### Executive Remuneration Philosophy/Policy

At the Company, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders. This is in line with and is guided by our Rewards Philosophy.

Our business and organizational model

Our Group is a conglomerate and organized in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

#### I. Objectives of the Executive Remuneration Programme

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

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis
2. Emphasize "Pay for Performance" by aligning holistic remuneration including incentive programmes with business strategies to reward executives who achieve or exceed Group, business and individual goals.

#### II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company (as per applicable laws).
2. Key Managerial Personnel (KMP): Managing Director & Chief Executive Officer and equivalent, Chief Financial Officer, Company Secretary and any other person designated as KMP as per Companies Act, 2013 and other applicable laws.
3. Senior Management

#### III. Appointment Criteria and Qualifications

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

#### IV. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

#### V. Executive Pay Positioning

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

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

#### VI. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long- Term Incentives (iv) Perks and Benefits (v) ESOP's

**Annual Incentive Plan:**

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

**Long-Term Incentive:**

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

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

**VII. Performance Goal Setting**

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

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

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

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

**VIII. Executive Benefits and Perquisites**

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

**Other Remuneration Elements**

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

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

**Risk and Compliance**

We aim to ensure that the Group's remuneration programmes do not encourage excessive risk taking. We review our remuneration programmes for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

**Claw back Clause:**

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

**Implementation**

The Group and Business Centre of Expertise teams will assist the Nomination, Remuneration and Compensation Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

# Annexure VI

## FORM NO. MR.3

### SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March 2022

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

To  
The Members,  
**Aditya Birla Sun Life AMC Limited,**  
One World Center, Tower 1, 17<sup>th</sup> Floor,  
Jupiter Mills, Senapati Bapat 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 AMC Limited** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

#### Auditor's Responsibility:

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

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

#### Unmodified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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 31<sup>st</sup> March, 2022 (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-

processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2022 according to the provisions of:

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

## Annexure VI (Contd.)

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

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

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

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

**We further report that,** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following law applicable specifically to the Company:

- (i) Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
- (ii) Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- (iii) Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**We further report that** during the audit period the Company has taken shareholder approvals for below transactions:

1. sub-division of the normal value and paid-up value of (Authorised, Issued subscribed and paid-up) of the Company from one equity shares of ₹ 10 each into two equity shares of ₹ 5 each
2. increase in Authorised Share Capital of the Company from ₹ 20,00,00,000 consisting of 4,00,00,000 Equity shares of ₹ 5 each to ₹ 160,00,00,000 consisting of 32,00,00,000 Equity shares of ₹ 5 each
3. issue of bonus shares in the proportion of 7 Bonus Equity Shares of ₹ 5 each for every 1 fully paid-up Equity shares of ₹ 5 each
4. adoption of new set of Article of Association
5. Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021, for the benefits of present and future employees and Directors of the Holding and/or subsidiaries of the Company
6. The Company came out with Initial Public Offer by way of Offer for Sale and thereby was listed on BSE Limited and National Stock Exchange of India Limited on 11<sup>th</sup> October 2021

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

**Kumudini Bhalerao**  
Partner

**FCS No.** 6667  
**CP No.** 6690  
**UDIN:** F006667D000211168  
**Peer Review No:** 640/2019

**Place:** Mumbai  
**Date:** 26<sup>th</sup> April, 2022

\*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 AMC Limited,**  
One World Center, Tower 1, 17<sup>th</sup> Floor,  
Jupiter Mills, Senapati Bapat Marg,  
Elphinstone Road, Mumbai – 400013

Our report of event 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**

**Kumudini Bhalerao**  
Partner

**FCS No.** 6667  
**CP No.** 6690  
**UDIN:** F006667D000211168  
**Peer Review No:** 640/2019

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

# Annexure VII

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

### 1. Brief outline on CSR Policy of the Company:

CSR Policy of the Company is enunciated in accordance with Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and CSR Voluntary Guidelines issued by Ministry of Corporate Affairs.

Our CSR Vision is - "To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index" - Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development.

Our CSR Activities are undertaken broadly in the areas of 'Education', 'Health Care', 'Sustainable Livelihood', 'Infrastructure Development,' and 'Social Change'. Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Alka Bharucha	Chairperson (Independent Director)	2	2
2	Mr. Ajay Srinivasan	Member (Non-Executive Director)	2	2
3	Mr. Sandeep Asthana	Member (Non-Executive Director)	2	2

Note: Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, Dr. Pragnya Ram, Group Executive President, CSR, and Mr. A Balasubramanian, Managing Director & CEO are permanent invitees to the Meetings of CSR Committee.

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company <https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance>

### 4. Details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Pursuant to Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, ("CSR Amendment Rules") the Company is not required to appoint an Independent Agency for carrying out Impact Assessment for its CSR Projects for FY 2021-22.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	-	-
2	2021-22	₹1,13,699	₹1,13,699

### 6. Average net profit of the company as per section 135(5): ₹5,71,42,36,667

### 7.

7(a)	Two percent of average net profit of the company as per section 135(5):	₹11,42,84,733
7(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	Nil
7(c)	Amount required to be set off for the financial year, if any:	₹1,13,699
7(d)	Total CSR obligation for the financial year (7a+7b-7c):	₹11,41,71,034

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)		Amount Unspent (in ₹)	
Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
Amount	Date of transfer	Name of the Fund	Amount.
₹6,65,85,782	₹4,76,98,951	31st March 2022	-

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Sl. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project (State)	Location of the project (District)	Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
1	Pride India*	promoting health care	Yes	Maharashtra	Mumbai	2 Years	40,00,000	40,00,000	-	No	
2	Aditya Birla Education Trust	promoting health care	Yes	Maharashtra	Mumbai	2 Years	50,00,000	27,00,000	23,00,000	No	
3	Cankids kidscan	promoting health care including preventive health	Yes	Uttar Pradesh	Lucknow	2 Years	1,00,00,000	75,00,000	25,00,000	No	
4	Smile Foundation*	promoting education	No	Uttar Pradesh	Siddharth Nagar	2 Years	50,00,000	50,00,000	-	No	
5	AROH Foundation	promoting health care including preventive health & sanitation	No	Uttar Pradesh	Gautam Buddha Nagar	2 Years	1,20,00,000	82,37,350	37,62,650	No	Aditya Birla Capital Foundation
6	G D Birla Medical Research and Education Foundation	promoting health care	Yes	Maharashtra	Mumbai	2 Years	3,00,00,000	1,40,00,000	1,60,00,000	No	CSR
7	A World of Opportunity Foundation*	promoting education	No	Pan India		2 Years	1,00,00,000	1,00,00,000	-	No	Registration No. CSR00003351
8	Birla Institute of Technology & Science	promoting education	No	Rajasthan	Jhunjhunu	2 Years	1,50,00,000	50,00,000	1,00,00,000	No	
9	Seva Sahayog Foundation	promoting education	Yes	Maharashtra	Mumbai, Thane	2 Years	50,00,000	15,00,000	35,00,000	No	
10	PRADAN	conservation of natural resources and maintaining quality of soil, air and water	No	Madhya Pradesh	Mandla & Dindori	2 Years	1,20,00,000	22,50,000	97,50,000	No	
11	Prashanthi Balamandira Trust*	promoting education	No	Karnataka	Multiple District	2 Years	50,00,000	50,00,000	-	No	

\* The funds earmarked to these ongoing projects were fully spent and utilised in the financial year 2021-22.

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
-	-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-

(d) Amount spent in Administrative Overheads: ₹12,84,733

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹6,65,85,782

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	11,42,84,733
(ii)	Total amount spent for the Financial Year	6,65,85,782
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No	Preceding Financial Year (FY)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
	FY 2018-19						
	FY 2019-20						
	FY 2020-21				NA		

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-	-

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

During the financial year 2021-22, the Company had spent ₹ 6,65,85,782 on various CSR projects as per the annual CSR plan for FY 2021-22. The unspent CSR amount of ₹ 4,76,98,951 is towards various ongoing CSR projects which has been transferred to the unspent CSR account and shall be spent as per the annual CSR plan in accordance with the CSR Amendment Rules.

**Alka Bharucha**Chairperson, CSR Committee  
(DIN: 00114067)Date: 26<sup>th</sup> April, 2022  
Place: Mumbai**A Balasubramanian**Managing Director and CEO  
(DIN: 02928193)

# Corporate Governance Report

## 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

## Corporate Governance Report (Contd.)

The Aditya Birla Group is one of the pioneers in the field of Corporate Governance. As a part of the Group, the 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.

The 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, the 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 the Company is based on an effective and independent Board, separation of 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 the Board detailed reports on the Company's performance periodically.

### Compliance with Corporate Governance Guidelines

The Company is in compliance with the requirements stipulated under Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") with respect to corporate governance.

The details of compliance with Corporate Governance requirements during the financial year ended 31<sup>st</sup> March 2022 ("financial year under review") are as follows:

## I. BOARD OF DIRECTORS

### Composition

The Board of Directors of the Company ("the Board") comprised of 11 (Eleven) Directors including 1(One) Managing Director & CEO, 4 (Four) Non-Executive Directors and 6 (Six) Independent Directors, of whom one is a Woman Independent 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, as amended, and provided 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 in SEBI Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

All Independent Directors have also confirmed that they have registered themselves with the Independent Directors' Database.

Mr. Kumar Mangalam Birla, the Chairman of the Board, is not related to Mr. A Balasubramanian, Managing Director & CEO of the Company, as per the definition of the term "relative" defined under the Act.

The brief profile of the present Directors on the Board is available on the Company's website at <https://mutualfund.adityabirlacapital.com/about-us/Board-Of-Directors> and is also mentioned at the beginning of this Annual Report.

The details of the Directors of the Company with regard to their outside Directorships, Committee positions held and names of the listed entities as on 31<sup>st</sup> March 2022 were as follows:

Name of the Director	Category of Directorship held in the Company	No. of outside Directorship(s) held <sup>1</sup>	Committee Positions held in other Companies <sup>2</sup>			Names of other listed entities where Director holds Directorship (excluding the Company and the category of directorship held in such other listed entity) <sup>3</sup>
		Public	Member	Chairperson		
Mr. Kumar Mangalam Birla (DIN:00012813)	Non-Executive Non-Independent Director	7	-	-		1. Century Textile and Industries Limited* 2. Grasim Industries Limited* 3. UltraTech Cement Limited* 4. Hindalco Industries Limited* 5. Aditya Birla Capital Limited* 6. Aditya Birla Fashion and Retail Limited*
Mr. Bharat Patel (DIN: 00060998)	Independent Director	2	2	1		Sasken Technologies Limited <sup>#</sup>
Mr. Harish Engineer (DIN: 01843009)	Independent Director	3	-	-		Navin Fluorine International Limited <sup>#</sup>
Ms. Alka Bharucha (DIN:00114067)	Independent Director	8	6	3		1. Ultratech Cement Limited <sup>#</sup> 2. Orient Electric Limited <sup>#</sup> 3. Birlasoft Limited <sup>#</sup> 4. Hindalco Industries Limited <sup>#</sup> 5. Honda India Power Products Limited <sup>#</sup>
Mr. Navin Puri (DIN:08493643)	Independent Director	1	-	1		Equitas Small Finance Bank Limited <sup>#</sup>
Mr. Sunder Rajan Raman <sup>4</sup> (DIN: 02511138)	Independent Director	-	-	-		Nil
Mr. Ramesh Abhishek <sup>4</sup> (DIN: 07452293)	Independent Director	5	4	-		Cyient Limited <sup>#</sup>
Mr. Sandeep Asthana (DIN:00401858)	Non-Executive Non-Independent Director	2	1	-		Nil
Mr. Colm Freyne <sup>5</sup> (DIN:07627357)	Non-Executive Non- Independent Director	1	-	-		Nil
Mr. Ajay Srinivasan (DIN:00121181)	Non-Executive Non-Independent Director	5	5	-		Nil
Mr. A Balasubramanian (DIN:02928193)	Managing Director & CEO	1	-	-		Nil

<sup>1</sup>Category of Directorship is Non-Independent and Non-Executive

<sup>#</sup> Category of Directorship is Independent

## Corporate Governance Report (Contd.)

### Notes:

1. Excluding Directorship in the Company, Foreign Companies, Private Limited Companies and Companies 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.
4. Mr. Ramesh Abhishek and Mr. Sunder Rajan Raman were appointed as Additional Directors (Independent) with effect from 1<sup>st</sup> January 2022.
5. Mr. Colm Freyne resigned as a Non-Executive Director with effect from 25<sup>th</sup> April 2022.
- Mr. Bobby Parikh retired as an Independent Director upon completion of his tenure with effect from close of business hours on 2<sup>nd</sup> February 2022.
- Mr. Amrit Kanwal was appointed as an Additional Director (Non-Executive) with effect from 26<sup>th</sup> April 2022.
- Mr. Sushobhan Sarker resigned as an Independent Director with effect from 6<sup>th</sup> April 2021.


























































































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

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

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

### Director wise skills/ expertise/ competencies:

Name of the Director	Skills identified and area of core expertise									
Mr. Kumar Mangalam Birla										
Mr. Bharat Patel										
Mr. Harish Engineer										
Ms. Alka Bharucha										
Mr. Navin Puri										
Mr. Sunder Rajan Raman <sup>1</sup>										
Mr. Ramesh Abhishek <sup>1</sup>										
Mr. Sandeep Asthana										
Mr. Colm Freyne <sup>2</sup>										
Mr. Ajay Srinivasan										
Mr. A Balasubramanian										

#### Notes:

<sup>1</sup> Mr. Sunder Rajan Raman and Mr. Ramesh Abhishek were appointed as Additional Directors (Independent) with effect from 1<sup>st</sup> January 2022

<sup>2</sup> Mr. Colm Freyne resigned as a Non-Executive Director with effect from 25<sup>th</sup> April 2022

- Mr. Bobby Parikh retired as an Independent Director upon completion of his tenure with effect from close of business hours on 2<sup>nd</sup> February 2022
- Mr. Sushobhan Sarker resigned as an Independent Director with effect from 6<sup>th</sup> April 2021
- Mr. Amrit Kanwal was appointed as an Additional Director (Non-Executive) with effect from 26<sup>th</sup> April 2022

### 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 the Company are professionals, possessing wide experience and expertise in their areas of function and with their collective wisdom fuel the Company's growth.

## Non-Executive Directors' Compensation and Disclosures

Sitting fees paid to the Independent 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

The Company's Board plays a pivotal role in ensuring good governance and functioning of the 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 discussion.

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 the Company. The information as required under Part A of Schedule II of the SEBI Listing Regulations is made available to the Board.

The Company makes available video conferencing or other audio-visual facility to enable larger participation of Directors in Meetings. In accordance with the relaxations provided by the SEBI and Ministry of Corporate Affairs, during the financial year under review, the meetings of the Board were held through audio-visual mode.

In consultation with the Chairman, the Managing Director & CEO and the Chief Financial Officer, the Company Secretary prepares the Agenda of Board/ Committee Meetings along with the explanatory notes therein and circulates it to the Directors and invitees.

The details of attendance of each Director at the Board Meeting(s) held during the financial year under review and at the previous Annual General Meeting ("AGM") of the Members of the Company held on 28<sup>th</sup> June 2021 via audio visual mode, are as under:

Name of the Director	No. of Board Meetings		Attended Last AGM
	Held during the tenure	Attended	
Mr. Kumar Mangalam Birla	15	4	No
Mr. Bharat Patel	15	14	No
Mr. Harish Engineer	15	14	Yes
Ms. Alka Bharucha	15	15	No
Mr. Navin Puri	15	15	Yes
Mr. Bobby Parikh <sup>1</sup>	14	13	Yes
Mr. Sushobhan Sarker <sup>2</sup>	1	1	NA
Mr. Sunder Rajan Raman <sup>5</sup>	2	2	NA
Mr. Ramesh Abhishek <sup>3</sup>	2	2	NA
Mr. Sandeep Asthana	15	15	Yes

15 (Fifteen) 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
5 <sup>th</sup> April 2021	11	10
14 <sup>th</sup> April 2021	10	7
19 <sup>th</sup> April 2021	10	9
8 <sup>th</sup> May 2021	10	10
26 <sup>th</sup> July 2021	10	8
6 <sup>th</sup> August 2021	10	8
17 <sup>th</sup> August 2021	10	8
8 <sup>th</sup> September 2021	10	9
22 <sup>nd</sup> September 2021	10	7
23 <sup>rd</sup> September 2021	10	10
29 <sup>th</sup> September 2021	10	8
4 <sup>th</sup> October 2021	10	9
25 <sup>th</sup> October 2021	10	8
25 <sup>th</sup> January 2022	12	10
16 <sup>th</sup> March 2022	11	9

The Board has unfettered and complete access to any information within the 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 Chairman. 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, projects and capital expenditure. The Board provides strategic direction and oversight to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.

Name of the Director	No. of Board Meetings		Attended Last AGM
	Held during the tenure	Attended	
Mr. Colm Freyne <sup>4</sup>	15	6	No
Mr. Ajay Srinivasan	15	15	Yes
Mr. A Balasubramanian	15	14	Yes

**Note:**

<sup>1</sup>Mr. Bobby Parikh retired as an Independent Director upon completion of his tenure with effect from close of business hours on 2<sup>nd</sup> February 2022

<sup>2</sup>Mr. Sushobhan Sarker resigned as an Independent Director with effect from 6<sup>th</sup> April 2021.

<sup>3</sup> Mr. Sunder Rajan Raman and Mr. Ramesh Abhishek were appointed as Additional Directors (Independent) with effect from 1<sup>st</sup> January 2022.

<sup>4</sup> Mr. Colm Freyne resigned as Non Executive Director with effect from 25<sup>th</sup> April, 2022.

## 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 Personnel of the Company ("the Code"). The Code is applicable to all the Board Members and Senior Management of the Company. The Code is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/code-of-conduct-for-the-bod-and-the-smp.pdf>

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, obligations, 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://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/corporate-governance/terms-and-conditions-of-appointment-of-independent-directors-281221.pdf>

The Directors are familiarised with the Company's businesses and its operations. Interactions are held between the Directors and Senior Management of the Company. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. The details of the said familiarisation programmes are available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/familiarisation-programme-for-independent-directors-r.pdf>

## Performance evaluation of the Board

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

## Performance evaluation criteria for Independent Directors

The Directors other than Independent Directors of the 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:

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

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

### Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act, Regulation 25 (3) of the SEBI Listing Regulations and SS 2.3 of the Secretarial Standard on the Meetings of Board of Directors, a Meeting of the Independent Directors of the Company was held on 16<sup>th</sup> March 2022 without the presence of the Non-Independent Directors and the Members of the Management. The Meeting was attended by all 6 (six) Independent Directors. They discussed matters including the performance/ functioning of the Company, reviewing the performance of the Chairman, taking into account the views of 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, the Company adopted a Policy on Prohibition of Insider Trading to Regulate, Monitor and Report trading by Designated Persons in listed or proposed to be listed securities of the Company ("the Policy"). The Policy aims at preserving and prohibiting misuse of unpublished price sensitive information. All Designated Persons of the Company (as defined under the policy) are covered under the Policy, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in the securities of the Company.

The Company has in place, a tracking mechanism for monitoring trade in the equity shares of the Company by Designated Persons identified under the Policy. Further, a structured digital database is maintained, which contains the names and other particulars as prescribed, of the persons covered under the Policy. The Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") which also includes details of the Company's policy for determination on 'legitimate purposes' as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and is available on the website of the Company at [https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/code\\_for\\_fair\\_disclosure-of-upsi.pdf](https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/code_for_fair_disclosure-of-upsi.pdf)

Ms. Hemanti Wadhwa, Company Secretary is the Compliance Officer in terms of the Policy.

## II. COMMITTEES OF THE BOARD

The Board has constituted the Committees of the Board with specific terms of reference as per the requirements of the SEBI Listing Regulations, the Act, SEBI (Mutual Funds) Regulations, 1996 and other applicable provisions. The Board accepted all recommendations of the Committees of the Board which were mandatorily required, during the financial year under review.

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

The Mandatory Committees of the Board as per the Act and SEBI Listing Regulations 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 and Regulation 18 of the SEBI Listing Regulations.

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. Moreover, the Chairman and Members of the Audit Committee have accounting or related financial management expertise.

The Statutory and Internal Auditors of the Company are invited to attend the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Audit Committee Meetings from time to time, for providing such information as may be necessary. The Committee and the Company also engage outside experts and advisors to the extent it considers appropriate to assist in its functioning. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee had attended the last Annual General Meeting of the Company held on 28<sup>th</sup> June 2021.

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

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

The terms of reference of the Audit Committee include:

1. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investments, if any;
6. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
7. Valuation of undertakings or assets of the Company, wherever it is necessary;
8. Evaluation of internal financial controls and risk management system;
9. Monitoring the end use of funds raised through public offers and related matters.
10. 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;
11. 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 listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualification or modified opinion(s) in the draft audit report, if any;
12. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
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 monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
14. Management discussion and analysis of financial condition and results of operations;
15. Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;
16. Reviewing statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
17. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
18. Evaluation of internal financial controls and risk management systems;
19. Discussion with internal auditors of any significant findings and follow up there on;
20. 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;
21. Reviewing Internal audit reports relating to internal control weaknesses; and
22. Management letters / letters of internal control weaknesses issued by the statutory auditors

## Corporate Governance Report (Contd.)

### 23. Appointment of Statutory Auditor, Internal Auditor & CFO and review of performance of Statutory & Internal Auditor:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iv. 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;
- v. Reviewing the adequacy and structure of the internal audit function, including the credentials of a third party firm appointed if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- vi. The Audit Committee of the Company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;
- vii. The appointment, removal and terms of remuneration of the Internal auditor shall be subject to review by the Audit Committee
- viii. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems; and
- ix. Approval of appointment of Chief Financial Officer (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.

### 24. Review the effectiveness of the system for monitoring compliance with laws and regulations;

### 25. Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be 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;

### 26. Review:

- a) Any Show cause, demand, prosecution and penalty notices against the Company or its Directors which are

materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

- b) Any material default in financial obligations by the Company;
- c) Any significant or important matters affecting the business of the Company.

### 27. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

### 28. To review the functioning of the Whistle Blower mechanism;

### 29. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

### 30. To review the functioning of the Whistle Blower mechanism

### 31. To review, consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

### 32. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

## Meetings, Composition and attendance during the financial year under review:

During the financial year under review, the Audit Committee met 8 (Eight) times to deliberate on various matters and meetings were held on 13<sup>th</sup> April 2021, 8<sup>th</sup> May 2021, 26<sup>th</sup> July 2021, 6<sup>th</sup> August 2021, 17<sup>th</sup> August 2021, 25<sup>th</sup> October 2021, 25<sup>th</sup> January 2022 and 17<sup>th</sup> March 2022.

The details of composition of the Audit Committee as on 31<sup>st</sup> March 2022 and attendance of the members at the Audit Committee meetings held during FY 2021-22 are given below:

Name of the Director	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Sunder Rajan Raman (Chairman) <sup>1</sup>	Independent Director	1	1
Mr. Bharat Patel	Independent Director	8	8
Mr. Harish Engineer <sup>2</sup>	Independent Director	8	7
Mr. Navin Puri <sup>2</sup>	Independent Director	8	8
Mr. Ajay Srinivasan	Non-Executive Non-Independent Director	8	8
Mr. Sandeep Asthana	Non-Executive Non-Independent Director	8	8

The Company Secretary acts as the Secretary to the Committee

**Note:**

- <sup>1</sup> Mr. Sunder Rajan Raman was appointed as Chairman of the Committee with effect from 3<sup>rd</sup> February 2022
- <sup>2</sup> Mr. Harish Engineer and Mr. Navin Puri were appointed as members with effect from 13<sup>th</sup> April 2021
- Mr. Bobby Parikh ceased as Chairman of the Committee with effect from 2<sup>nd</sup> February 2022
- Mr. Sushobhan Sarker ceased as a member with effect from 6<sup>th</sup> April 2021

## 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 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The nomenclature of the Nomination and Remuneration Committee was changed to Nomination, Remuneration and Compensation Committee w.e.f 14<sup>th</sup> April 2021. The Committee is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, Key Managerial Personnel and Senior Management.

The terms of reference of the Nomination, Remuneration and Compensation Committee ('NRCC') include:

- Set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Managers of the quality required to run the Company successfully;
- For every appointment of an independent director, the Committee shall evaluate 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- Set the relationship of remuneration to performance;
- Check whether the remuneration provided to Directors, Key Managerial Personnel and Senior Management includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Review performance of such other executives as may be prescribed by SEBI;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal from time to time;
- Review and Implement succession and development plans for Managing Director / Chief Executive Officer, Executive Directors and Senior Managers;
- Devise a policy on Board diversity;
- Formulate, supervise and monitor the process of issuance/ grant/ vesting/ cancellation of Employee Stock Options and such other instruments as may be decided to be granted to the eligible grantees under the respective Employee

## Corporate Governance Report (Contd.)

Stock Options Scheme(s), from time to time, as per the provisions of the applicable laws, more particularly in terms of [Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

11. Formulate the criteria for determining qualifications, positive attributes and independence of Directors;
12. Formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
13. Decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
14. Establish evaluation criteria and conduct the process of performance evaluation of each Director in a structured manner;

15. Establish evaluation criteria of Board and Board Committees;
16. Review and make 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);
17. The Committee shall review and discuss with management the disclosures required to be included in the Directors report, as specified in the Companies Act, 2013 and the Rules thereunder.

### Meetings, Composition and attendance during the financial year under review:

During the financial year under review, the Committee met 6 (Six) to deliberate on various matters and the Meeting was held on 5<sup>th</sup> April 2021, 8<sup>th</sup> April 2021, 12<sup>th</sup> April 2021, 6<sup>th</sup> August 2021, 29<sup>th</sup> September 2021 and 25<sup>th</sup> January 2022.

The details of composition of the NRCC as on 31<sup>st</sup> March 2022 and attendance of the members at the NRCC meetings held during FY 2021-22 are given below:

Name of the Director	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Bharat Patel (Chairman)	Independent Director	6	6
Mr. Harish Engineer	Independent Director	6	6
Mr. Ajay Srinivasan	Non-Executive Non-Independent Director	6	5
Mr. Sandeep Asthana	Non-Executive Non-Independent Director	6	6
Ms. Alka Bharucha <sup>1</sup>	Independent Director	2	2
Mr. Navin Puri <sup>1</sup>	Independent Director	2	2

#### Note:

<sup>1</sup> Ms. Alka Bharucha and Mr. Navin Puri were appointed as members of the Committee with effect from 17<sup>th</sup> August 2021

### Employee Stock Option Plan

The details with respect to Employee Stock Option Scheme is mentioned in the Board's Report.

### Remuneration Policy

The 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://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/O7-executive-remuneration-policy-amc-081021.pdf>.

## 3. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations and SEBI (Mutual Funds) Regulations, 1996 to frame, implement and monitor the risk management plan of the Company.

The terms of reference of the Risk Management Committee include:

- i. To periodically review the risk management policy / framework at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- ii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems at AMC and scheme level;
- iii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iv. To review the risk appetite, risk matrices of the Company and schemes;
- v. To review and approve the roles and responsibilities of the CXOs and CRO and Delegation of Power

- vi. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vii. To review the appointment, removal and terms of remuneration of the chief risk officer (if any);
- viii. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- ix. Require management to identify and review with the Committee the major areas of risk faced through business activities of the Company i.e. Mutual Funds, Portfolio Management Service, Alternative Investment Funds (Real Estate and Alternate Assets) and strategies to manage those risks;
- x. Review of Risk Control & Self-Assessment done by functions as per timelines;
- xi. Review the status of compliance, regulatory reviews and business practice reviews;
- xii. Review market conduct practices, fraud risk reports, incidents, and losses and subsequent corrective actions received from respective stakeholders / CEO / CRO;
- xiii. Review the results of the stress testing on schemes, Early Warning Signals
- xiv. Review procedures for dealing with customer complaints, and monitor & review the effectiveness of and compliance with those procedures for the Company and all the business lines managed by the Company;
- xv. Assist the Board in determining the measures that can be adopted to mitigate the risk;
- xvi. Review the findings and action plan on the annual RMF compliance review prior to submission to SEBI
- xvii. Approve terms of reference for the Operational Risk Management Committee (ORMC)
- xviii. Delegate matters to CEO, CRO and other CXOs on ORMC, as may be required
- xix. Ensure 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;
- xx. To attend to such other matters and functions as may be prescribed by the Board from time to time; and
- xxi. Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations, and applicable laws of SEBI for the nature of business conducted by the Company.

#### Meetings, Composition and attendance during the financial year under review:

During the financial year under review, the Risk Management Committee met 4 (Four) times on 23<sup>rd</sup> April 2021, 22<sup>nd</sup> July 2021, 22<sup>nd</sup> October 2021 and 21<sup>st</sup> January 2022.

The details of composition of the Risk Management Committee as on 31<sup>st</sup> March 2022 and attendance of the members at the Risk Management Committee meetings held during FY 2021-22 are given below:

Name of the Director	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Harish Engineer <sup>1</sup> (Chairman)	Independent Director	4	4
Mr. Sunder Rajan Raman <sup>2</sup>	Independent Director	-	-
Mr. Ajay Srinivasan	Non-Executive Non-Independent Director	4	4
Mr. Sandeep Asthana	Non-Executive Non-Independent Director	4	4

#### Notes:

<sup>1</sup>Mr. Harish Engineer was appointed as a Chairman of the Committee with effect from 14<sup>th</sup> April 2021.

<sup>2</sup>Mr. Sunder Rajan Raman was appointed as a member with effect from 3<sup>rd</sup> February 2022.

- Mr. Bobby Parikh ceased as a member with effect from 2<sup>nd</sup> February 2022

- Mr. Sushobhan Sarker ceased as a Chairman of the Committee with effect from 6<sup>th</sup> April 2021.

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee has been constituted on 14<sup>th</sup> April 2021, in accordance with the applicable provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee include:

1. To resolve grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. To review measures taken for effective exercise of voting rights by shareholders.
3. To monitor the complaints received by the Company from the Shareholders, Debenture holders of the Company, other security holders, Securities and Exchange Board of India (SEBI), Stock Exchanges, Department of Company Affairs, Registrar of Companies etc. and the action taken by the Company for redressal of the same;
4. To approve 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;
5. To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
6. To authorize 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;
7. To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
8. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
9. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company, as applicable;
10. To perform such other acts, deeds, and things as may be delegated to the Committee by the Board 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 1 (one) time on 21<sup>st</sup> January 2022. The details of composition as on 31<sup>st</sup> March 2022 and attendance of the members at the Stakeholders Relationship Committee meeting held during FY 2021-22 is given below:

Name of the Director	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Ms. Alka Bharucha (Chairperson)	Independent Director	1	1
Mr. A Balasubramanian	Managing Director & CEO	1	1
Mr. Bharat Patel	Independent Director	1	1

#### 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee has been constituted pursuant to the provisions of Section 135 of the Act read with applicable rules thereunder.

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

- i. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- ii. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- iii. To monitor the CSR policy of the Company from time to time;
- iv. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors 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 2 (Two) times on 13<sup>th</sup> September 2021 and 21<sup>st</sup> March 2022.

The details of composition of CSR Committee as on 31<sup>st</sup> March 2022 and attendance of the members at the CSR Committee meetings held during FY 2021-22 are given below:

Name of the Director	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Ms. Alka Bharucha (Chairperson)	Independent Director	2	2
Mr. Ajay Srinivasan	Non-Executive Non-Independent Director	2	2
Mr. Sandeep Asthana	Non-Executive Non-Independent Director	2	2

Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, Dr. Pragnya Ram, Group Executive President, CSR, and Mr. A Balasubramanian, Managing Director & CEO are permanent invitees to the Meetings of Corporate Social Responsibility Committee.

### 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 framed the Whistle Blower Policy. The Whistle Blower Policy/Vigil mechanism provides a mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail the mechanism and direct access to the Chairperson of the Audit Committee is provided to them. During the financial year under review, no personnel was denied access to the Audit Committee. Summary of cases as and when reported, along with status is placed before the Audit Committee for their review and discussion. The Policy is in line with the Company's Code of Conduct, Vision and Values and is available on the Company's website at [https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower\\_policy-amc.pdf](https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower_policy-amc.pdf).

### IV. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated financial statements/results of the Company and investments made by foreign Subsidiary Companies. The minutes of the Board Meetings along with a report on significant developments of all the Subsidiary Companies are periodically placed before the Board. The Management of all the Subsidiaries periodically brings to the notice of the Board, a statement of all significant transactions and arrangements entered into by the Subsidiaries, as applicable.

The Company has formulated a "Policy for determining Material Subsidiary Companies" of the Company and has complied with all the obligations relating to material Subsidiaries of the Company under SEBI Listing Regulations. The policy for determining material Subsidiary Companies of the Company is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-on-materiality-of-information.pdf>.

### 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 Securities and Exchange Board of India or any other statutory authority.

#### Related Party Transactions

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

Particulars of related party transactions are listed out under the notes to accounts forming part of this Annual Report. The policy on Related Party Transactions is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-on-related-party-transaction-060422.pdf>

#### Disclosure of accounting treatment

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

## Corporate Governance Report (Contd.)

### Management

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

### Remuneration of Directors

Sitting fees of ₹1,00,000/- for each Meeting of the Board and ₹75,000/- for each Meeting of the Audit Committee and ₹50,000/- for each Meeting of other Committees is paid to the Independent Directors of the Company. The 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 are as follows:

Name of the Director	No. of Shares held	(Amount in ₹)
		Sitting Fees Paid
Mr. Kumar Mangalam Birla	160	NA
Mr. Bharat Patel	-	24,00,000
Mr. Harish Engineer	-	26,25,000
Ms. Alka Bharucha	-	18,00,000
Mr. Navin Puri	-	24,00,000
Mr. Sunder Rajan Raman	-	3,25,000
Mr. Ramesh Abhishek	-	2,50,000
Mr. Sandeep Asthana	-	NA
Mr. Colm Freyne <sup>1</sup>	-	NA
Mr. Ajay Srinivasan	11086	NA
Mr. A Balasubramanian <sup>2</sup>	18701	NA
Mr. Bobby Parikh <sup>3</sup>	NA	21,25,000
Mr. Sushobhan Sarker <sup>4</sup>	NA	1,00,000

#### Note:

<sup>1</sup> Mr. Colm Freyne resigned as a Non-Executive Director with effect from 25<sup>th</sup> April 2022.

<sup>2</sup> includes 416 equity shares held as a nominee of Aditya Birla Capital Limited

<sup>3</sup> Mr. Bobby Parikh retired as an Independent Director upon completion of his tenure with effect from close of business hours on 2<sup>nd</sup> February 2022.

<sup>4</sup> Mr. Sushobhan Sarker resigned as an Independent Director with effect from 6<sup>th</sup> April 2021

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

### CEO / CFO CERTIFICATION

Mr. A Balasubramanian, Managing Director & CEO and Mr. Parag Joglekar, Chief Financial Officer of the Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, which was placed before the Board at its Meeting held on 26<sup>th</sup> April, 2022, and the same forms part of this Annual Report.

### COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

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

### ARCHIVAL POLICY FOR WEBSITE CONTENT

In terms of Regulation 30 of the SEBI Listing Regulations, the Company has formulated a policy on maintaining and preserving timely and accurate records. The Policy is available on the website of the Company at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-for-archival-of-documents.pdf>.

### COMPLIANCE CERTIFICATE

The 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 APPOINTMENT/ RE-APPOINTMENT

The Company has provided the details of the Director seeking appointment/re-appointment in the Notice of the 28th Annual General Meeting.

## GENERAL BODY MEETINGS

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

Year	Date	Time	Venue	Particulars of Special Resolutions passed
2018-19	15 <sup>th</sup> July 2019	11.30 AM	Registered Office of the Company	1. To re-appoint Mr. Bharat Patel as a Non-Executive Independent Director of the Company 2. To re-appoint Mr. Bobby Parikh as a Non-Executive Independent Director of the Company
2019-20	20 <sup>th</sup> July 2020	10.00 AM	Registered Office of the Company	1. Revision in terms & conditions of appointment and remuneration of Mr. A Balasubramanian – Managing Director and CEO 2. Adoption of new set of Articles of Association of the Company
2020-21	28 <sup>th</sup> June 2021	11.00 AM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	No Special business

(ii) During the preceding three years, the Company's Extra Ordinary General Meetings ("EGM") were held as under:

Date	Time	Venue	Particulars of Special Resolutions passed
5 <sup>th</sup> August 2019	11.30 AM	Registered Office of the Company	1. To appoint Mr. A Balasubramanian (DIN: 02928193) as a Managing Director of the Company
23 <sup>rd</sup> September 2019	11.30 AM	Registered Office of the Company	1. Re-appointment of Mr. Bharat Patel as a Non-Executive Independent Director of the Company 2. Re-appointment of Mr. Bobby Parikh as a Non-Executive Independent Director of the Company
6 <sup>th</sup> April 2021	5:15 PM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	1. Increase in Authorised Capital of the Company 2. Approval for the adoption of the Aditya Birla Sun life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent employees and directors of the company) 3. Approval for the adoption of the Aditya Birla Sun Life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent employees and directors of the Holding and/or Subsidiaries of the company).
15 <sup>th</sup> April 2021	4:00 PM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	1. Continuation of Directorship of Mr. Bharat Patel as an Independent Director of the Company till expiry of his existing term notwithstanding he had attained age of 75 years. 2. Adoption of new set of Article of Association 3. Approval for the adoption of amended Aditya Birla Sun Life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent Employees and Directors of the Company) 4. Approval for the adoption of amended Aditya Birla Sun Life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent Employees and Directors of the Holding and/or subsidiaries of the Company).
8 <sup>th</sup> September 2021	4:45 PM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	1. Adoption of new set Articles of Association 2. Approval of amendment to Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme, 2021.

## Postal Ballot

During the year, the Company had sought approval of shareholders through postal ballot on the following resolutions through remote e-voting (voting through electronic means) in compliance with provisions of the Act read with the Companies (Management and Administration) Rules, 2014, and the General circulars issued by the Ministry of Corporate Affairs, in this regard.

Mr. Vijay Kondalkar, Partner of M/s. VKMG & Associates LLP, Company Secretaries, was appointed as scrutinizer for the process of Postal Ballot. Please refer to notice of Postal Ballot

at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/shareholder-postal-ballot/postal-ballot-notice-dated-25th-jan-2022.pdf>. 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 3<sup>rd</sup> March 2022 and are also available on the website of the Company at <https://mutualfund.adityabirlacapital.com/shareholders/shareholders-meetings>.

The following special resolutions were deemed as passed on 3<sup>rd</sup> March, 2022:

Particulars	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
Appointment of Mr. Ramesh Abhishek (DIN:07452293) as an Independent Director of the Company	264557375	7646	99.9971%	0.0029%
Appointment of Mr. Sunder Rajan Raman (DIN:02511138) as an Independent Director of the Company	264558174	7527	99.9972%	0.0028%
Amendment to the Articles of Association of the Company	264404019	160762	99.9392%	0.0608%
Ratification of the 'Aditya Birla Sun Life AMC Limited-Employee Stock Option Scheme 2021'	254189768	10374765	96.0786%	3.9214%

## MEANS OF COMMUNICATION

### Quarterly Results

The Company's quarterly/ half yearly/ annual financial results are submitted to the Stock Exchanges and published in newspapers, Business Standard and Navshakti.

Further, the quarterly/ half yearly/ annual financial results are approved by the Board and the result presentations are made available on Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/financials>.

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://mutualfund.adityabirlacapital.com/shareholders/financials>.

### Website Disclosure

The Company's website contains a separate section namely "Shareholders" at <https://mutualfund.adityabirlacapital.com> where shareholders' related information is available.

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) and BSE Portal for Electronic filing

The NSE and the BSE have developed web-based applications, NEAPS and BSE Listing Centre for corporates to electronically file compliances such as financial results, shareholding pattern and corporate governance report etc. Further, in order to enhance customer experience and operational excellence, NSE, during the year, has launched Digital Portal, wherein listed entities are required to file corporate announcements and disclosures under SEBI Takeovers Regulations.

### Adoption of Mandatory and Discretionary Requirements

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

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

1. For the financial year 2021-22, the Company's financial statements are with unmodified audit opinion.
2. The Internal Auditors directly report to the Audit Committee.

## Other Disclosures:

1. Total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor of the Company viz. M/s S.R. Batliboi & Co. LLP, and all entities in the network firm/network entity of which the Statutory Auditor was a part during the financial year under review was ₹0.96 crores.
2. During the financial year under review, there were no complaints filed, disposed or pending as at the end of financial year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
3. A certificate from M/s. VKMG & Associates LLP., Practising Company Secretaries has been received stating / confirming that none of the Directors on the Board has been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority and is enclosed as a part of this report.

## General Shareholder Information

### 1. Annual General Meeting

Date and Time	Thursday, 21 <sup>st</sup> July 2022 at 10:30 AM (IST)
Venue	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Financial Year	2021-22
Commencement of remote e-voting:	9.00 AM (IST) on Monday, 18 <sup>th</sup> July 2022
End of remote e-voting:	5.00 PM (IST) on Wednesday, 20 <sup>th</sup> July 2022.

The details of process of e-voting is provided in the notice of the 28<sup>th</sup> Annual General Meeting.

### 2. Financial Calendar for Reporting (Tentative Dates)

Financial Year of the Company	1 <sup>st</sup> April to 31 <sup>st</sup> March
For the quarter ending 30 <sup>th</sup> June 2022	On or before 14 <sup>th</sup> August 2022
For the quarter/half year ending 30 <sup>th</sup> September 2022	On or before 14 <sup>th</sup> November 2022
For the quarter ending 31 <sup>st</sup> December 2022	On or before 14 <sup>th</sup> February 2023
For the quarter/year ending 31 <sup>st</sup> March 2023	On or before 30 <sup>th</sup> May 2023
29 <sup>th</sup> Annual General Meeting for the year ending 31 <sup>st</sup> March 2023	On or before 31 <sup>st</sup> July 2023

### 3. Dividend Payment Date

Record date	Thursday, 14 <sup>th</sup> July 2022
Dividend payment date	Within 30 days from the date of AGM

### 4. Investor Correspondence

#### (i) Registered Office

#### Ms. Hemanti Wadhwa

#### Company Secretary & Compliance Officer

One World Center, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills,

Senapati Bapat Marg, Elphinstone Road Mumbai - 400013

Tel.: +91 22 4356 8000

Fax: +91 22 4356 8110

CIN : L65991MH1994PLC080811

Website: <https://mutualfund.adityabirlacapital.com>

Email: [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com)

#### (ii) Registrar and Transfer Agent (RTA)

#### KFin Technologies Limited

Unit: Aditya Birla Sun Life AMC Limited

Selenium Tower B, Plot Nos. 31 & 32, Nanakramguda,

Serilingampally Mandal, Hyderabad – 500 032, Telangana, India

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Tel: +91 40 6716 1611, Toll Free no: 1800-572-4001

Website: <https://www.kfintech.com>

### 5. Listing Details

Equity Shares	<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051

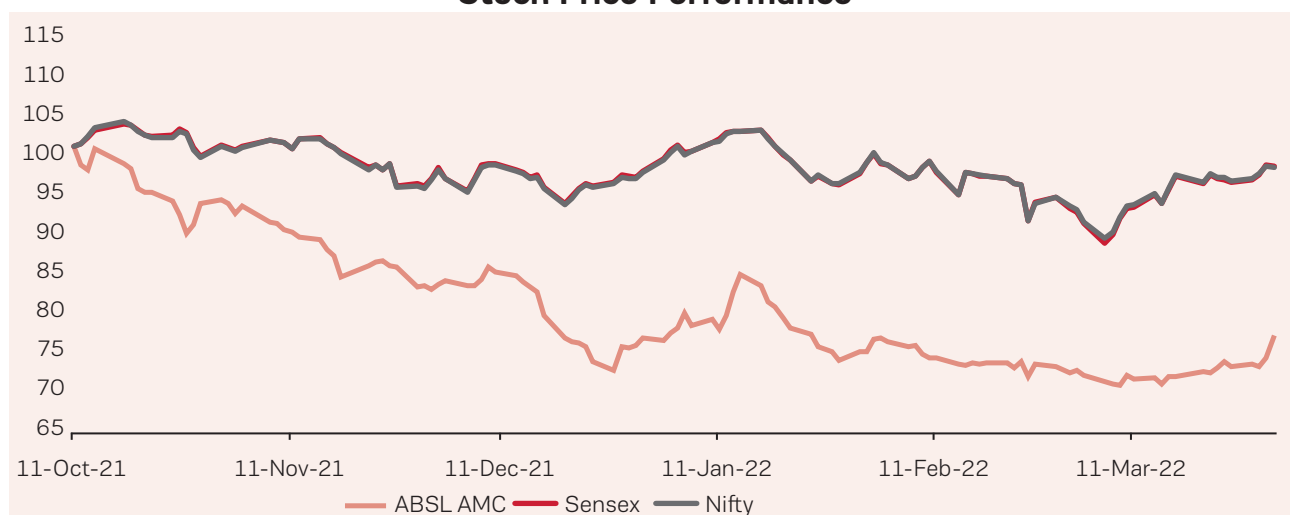
**Note:** Annual Listing Fees has been paid to all the Stock Exchanges for FY 2022-23.

### 6. Stock Code

	Stock Code
BSE Limited	543374
National Stock Exchange of India Limited	ABSLAMC
ISIN of Equity Shares	INE404A01024

**7. Stock Price Data\*:**

Month	BSE Limited				National Stock Exchange of India Limited			
	High	Low	Close Price	No. of shares traded	High	Low	Close Price	No. of shares traded
	(In ₹)	(In ₹)	(In ₹)	(In Nos.)	(In ₹)	(In ₹)	(In ₹)	(In Nos.)
Oct-21*	721.00	616.30	649.00	20,27,617	722.90	616.15	649.10	1,71,68,822
Nov-21	664.65	570.00	577.65	5,63,132	665.00	570.00	577.15	58,81,723
Dec-21	598.00	499.95	531.90	7,17,084	598.00	499.25	531.35	57,74,074
Jan-22	591.05	505.10	519.85	5,50,577	590.00	511.00	519.40	63,82,507
Feb-22	537.95	490.00	505.85	6,23,237	538.20	496.00	506.45	61,72,569
Mar-22	540.00	483.40	532.95	4,65,649	540.25	483.15	533.85	69,23,404

**8. Indexed Stock Performance\*****Stock Price Performance**

\*The Shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited with effect from October 11, 2021

**9. Share Transfer System:**

Trading in shares of the Company is permitted only in dematerialised form.

**10. Investor Services:**

Complaints received during the year ended 31<sup>st</sup> March 2022:

Nature of Complaints	2021-22	
	Received	Redressed
Relating to refund of IPO application, Change of address, Receipt of Annual Report, Dividend, Share Certificate, etc.	24	24

**11. Distribution of Shareholding as on 31<sup>st</sup> March 2022:**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
1 - 5000	499824	99.78	14695706	5.10
5001 - 10000	560	0.11	811137	0.28
10001 - 20000	234	0.05	665394	0.23
20001 - 30000	91	0.02	458151	0.16
30001 - 40000	37	0.01	263348	0.09
40001 - 50000	26	0.01	240417	0.08
50001 - 100000	54	0.01	772088	0.27
100001 - Above	83	0.01	270093759	93.78
<b>Total</b>	<b>500909</b>	<b>100</b>	<b>288000000</b>	<b>100</b>

**12. Categories of Shareholding as on 31<sup>st</sup> March 2022:**

Sr.no.	Description	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
1	Promoters and Promoters Group*	7	0.000	249120000	86.50
2	Alternative Investment Fund	4	0.001	418123	0.15
3	Banks	2	0.000	29795	0.01
4	Clearing Members	126	0.025	201577	0.07
5	Directors & Relatives	3	0.001	71135	0.02
6	Foreign Portfolio – Corp	15	0.003	3489115	1.21
7	H U F	12323	2.460	663711	0.23
8	Bodies Corporates	330	0.066	1261557	0.44
9	Mutual Funds	20	0.004	9063603	3.15
10	NBFC	1	0.000	1115	0.00
11	Non-Resident Indians	1916	0.383	249957	0.09
12	NRI Non-Repatriation	891	0.178	92983	0.03
13	Resident Individuals	485259	96.876	17426891	6.05
14	Qualified Institutional Buyer	10	0.002	5909387	2.05
15	Trusts	2	0.000	1051	0.00
<b>Total:</b>		<b>500909</b>	<b>100</b>	<b>288000000</b>	<b>100</b>

\*Includes 3 Nominees of Aditya Birla Capital Limited

**13. Dematerialization of Shares and Liquidity:**

99.99% of the outstanding equity shares has been dematerialised as on 31<sup>st</sup> March 2022. Trading in the equity shares of the Company is permitted only in dematerialised form.

Shares held in Demat mode in NSDL:	278050589
Shares held in Demat mode in CDSL:	9949410
Physical	01
<b>Total</b>	<b>288000000</b>

**14. Details on use of public funds obtained in the last three years:**

No public funds have been obtained in the last three years.

### 15. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

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

### 16. Plant Location

The Company is engaged in financial services business and hence does not have any plant location.

#### Other useful Information for Shareholders:

#### Updating Permanent Account Number (PAN), Bank details and e-mail address

Members are requested to update their details such as PAN, Bank details and any changes in the registered address with the concerned DPs and in case of physical holding with the RTA. Further, non-resident members are additionally requested to provide an Indian address and Indian bank account details for sending all communications, if not provided earlier, either to the RTA or DP as applicable.

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/ RTA or their DPs for easier and faster correspondence.

The Company has also published a newspaper advertisement in Business Standard and Navshakti on 29<sup>th</sup> January 2022 informing members the process for registration of their e-mail ids.

#### Unclaimed Shares

Regulation 39 (4) of SEBI Listing Regulations, 2015 provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue and which remains unclaimed with the Company. In case your shares are lying unclaimed with the Company, you are requested to claim the same by writing a letter to the Company/ RTA. A report in respect of the Equity Shares lying in the Unclaimed Suspense Account as on 31<sup>st</sup> March 2022 is as under:

Sr. no	Description	No of Shareholders	No. of equity shares (face value of ₹ 5 each)
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 11 <sup>th</sup> October 2021*	10	200
2	Number of shareholders who have approached the issuer for transfer of shares from the Unclaimed Suspense Account during the financial year	9	180
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the financial year under review		
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31 <sup>st</sup> March 2022	1	20

\*The Shares of the Company were listed on 11<sup>th</sup> October 2021 on BSE Ltd and National Stock Exchange of India Limited. The voting rights on the shares in the suspense account as on 31<sup>st</sup> March 2022, shall remain frozen till the rightful owners of such shares claim the shares.

#### Correspondence with the Company

Members/ Beneficial Owners are requested to quote their Folio No. /DP ID and Client ID, as the case may be, in all correspondence with the Company's RTA. All correspondence regarding the shares of the Company should be addressed to KFin Technologies Limited.

#### 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 and SEBI, has allowed companies to send Notices of General Meetings/other

Notices, Audited Financial Statements, Board's Reports, Auditors' Reports, etc., henceforth to their members electronically as a part of its Green Initiative in Corporate Governance.

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.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
The Members of  
**ADITYA BIRLA SUN LIFE AMC LIMITED**  
One World Center, Tower 1, 17<sup>th</sup> Floor,  
Jupiter Mills, Senapati Bapat Marg,  
Elphinstone Road, Mumbai 400013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aditya Birla Sun Life AMC Limited** having CIN L65991MH1994PLC080811 and having registered office at One World Center, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road Mumbai 400013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31<sup>st</sup> March 2022, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No.	Name of Directors	DIN	Date of Appointment
1	Mr. Kumar Mangalam Birla	00012813	28/10/1995
2	Mr. Bharat Vithalbhai Patel	00060998	27/06/2012
3	Ms. Alka Marezbhan Bharucha	00114067	31/03/2015
4	Mr. Ajay Srinivasan	00121181	02/08/2007
5	Mr. Sandeep Asthana	00401858	27/04/2011
6	Mr. Harish Hansubhai Engineer	01843009	21/06/2019
7	Mr. Sunder Rajan Raman	02511138	01/01/2022
8	Mr. Balasubramanian Athmanathan	02928193	25/07/2019
9	Mr. Ramesh Abhishek	07452293	01/01/2022
10	Mr. Colm Joseph Freyne	07627357	25/10/2016
11	Mr. Navin Puri	08493643	04/09/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate 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 VKMG & Associates LLP**  
**Company Secretaries**  
**FRN: L2019MH005300**

**Manish Rajnarayan Gupta**  
**Partner**  
**M. NO. 43802**  
**CP NO. 16067**  
**PRN: 1279/2021**

Place: Mumbai  
Date: 26<sup>th</sup> April 2022  
UDIN: AO43802D000206118

## 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 of Directors and Senior Management of the Company during the financial year ended 31<sup>st</sup> March 2022.

Date: 26<sup>th</sup> April 2022

Place: Mumbai

**A Balasubramanian**

Managing Director & CEO

(DIN: 02928193)

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## CEO - CFO CERTIFICATION

To

The Members,

**Aditya Birla Sun Life AMC Limited,**

We certify that:

1. We have reviewed the Audited Financial Statements and the cash flow statement of Aditya Birla Sun Life AMC Limited ("the Company") for the financial year ended 31<sup>st</sup> March 2022 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions have been entered into by the Company during the financial year ended 31<sup>st</sup> March 2022, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee:-
  - i. significant changes in the Company's internal control over financial reporting, if any, during the financial year ended 31<sup>st</sup> March 2022;
  - ii. significant changes in accounting policies, if any, during the financial year ended 31<sup>st</sup> March 2022 have been disclosed in the notes to the Financial Statements; and
  - iii. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

**A Balasubramanian**

Managing Director & CEO

**Parag Joglekar**

Chief Financial Officer

Date: 26<sup>th</sup> April 2022

Place: Mumbai

# BUSINESS RESPONSIBILITY REPORT

## Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L65991MH1994PLC080811
2. Name of the Company	Aditya Birla Sun Life AMC Limited
3. Registered address	One World Center, Tower 1, 17 <sup>th</sup> floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013
4. Website	<a href="http://www.mutualfund.adityabirlacapital.com">www.mutualfund.adityabirlacapital.com</a>
5. E-mail id	<a href="mailto:abslamc.cs@adityabirlacapital.com">abslamc.cs@adityabirlacapital.com</a>
6. Financial Year Reported	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	66301 (this code has been mentioned as per industrial activity code-wise)
8. List three key products/services that the Company manufactures /provides (as in balance sheet)	Asset Management (Mutual Funds), Portfolio Management Services and Alternative Investment Funds.
9. Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations	Through its Subsidiaries in Dubai, Mauritius and Singapore
b) Number of National Locations	280 plus Investor Service Centers
10. Markets served by the Company	Pan India and several International markets

## Section B: Financial Details of the Company

Sr. No.	Particulars	
1.	Paid-up Equity Capital as on 31 <sup>st</sup> March, 2022	₹144 crore
2.	Total Turnover	₹1379.03 crore
3.	Total Profits after taxes	₹660.36 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax(%)	Total spending on CSR is 2% of average net profits of the Company for last three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	The details of Company CSR activities are available in annexure on Annual Report on CSR which forms part of this Annual Report.

## Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?  
Yes
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):  
Yes, the Subsidiary Company participate in the business responsibility initiatives of the Parent Company.
- Do any other entity/entities (e.g.suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:  
No

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director responsible for implementation of the BRR policy/ policies

DIN Number (if applicable)	02928193
Name	Mr. A. Balasubramanian
Designation	Managing Director & CEO
Telephone no	022-43568000
Email id	<a href="mailto:abslamc.cs@adityabirlacapital.com">abslamc.cs@adityabirlacapital.com</a> <a href="mailto:ir.abslamc@adityabirlacapital.com">ir.abslamc@adityabirlacapital.com</a>

## Business Responsibility Report (Contd.)

### 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

P1	Businesses should conduct and govern themselves with ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### 2a. Details of compliances:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Y		Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	(Refer note 1)	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y		Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y		Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Employee focused policies are accessible only to the employees of the Company and its Subsidiaries and are not shared in the public domain. Various policies of the Company adopted a in accordance with applicable laws and regulations are available on the website of the Company at <a href="https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance">https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y		Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y		Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y**		Y**	Y**	Y**	Y**	Y**	Y**	Y**

\*\* Internal Auditors of the Company from time-to-time review implementation of these policies.

#### Note:

- The Company's main business is to provide Investment Management and advisory services and hence this principle has limited applicability. However, the Company complies with all applicable regulations in respect of its operation.

### 3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year**

The Company was listed on the BSE Ltd and National Stock Exchange of India Limited ("Stock Exchanges") on October 11, 2021 and hence, this is the first year for preparation of Business Responsibility Report ("BRR"). The Company shall on an ongoing basis review and assess its BR initiatives annually.

- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes its maiden report on Business Responsibility for financial year 2021-22 upon listing of shares on Stock Exchanges. The Company shall publish this Report on an annual basis. It forms part of this Annual Report and will be available on the website of the Company.

## Section E: Principle – wise performance

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

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Venture/ Suppliers/ Contractors/ NGOs/ Others?**

The Corporate Principles and Code of Conduct and Whistle Blower Policy covers all employees of the Company and its Subsidiaries. The Company also has a Code of Conduct that is specifically designed for all the Board Members and Senior Management. The said Code is approved by the Board of Directors of the Company and is available on the Company's website: <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/code-of-conduct-for-the-bod-and-the-smp.pdf>.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so**

The Company has been listed on Stock Exchanges with effect from 11<sup>th</sup> October 2021. During the period from 11<sup>th</sup> October 2021 till the financial year as on 31<sup>st</sup> March

2022, the Company had received 24 complaints from the Shareholders, all of which were attended to/resolved.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- a) The Company has launched Aditya Birla Sun Life ESG fund with a focus on investing in the companies following the Environment, Social & Governance (ESG) theme. ESG factors and Responsible Investing ("RI") form an integral part of the Company's investment process for the Scheme.
- b) Go Green Initiative: Annual Reports, which run into several pages, and had to be mandatorily sent to all investors, are now being sent only through e-mail, significantly reducing usage of physical papers.

2. **For each such product, provide following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

Considering the nature of business of the Company, this question is not applicable.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.**

Considering the nature of business of the Company, this question is not applicable.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Considering the nature of business of the Company, this question is not applicable.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof in 50 words or so.**

Considering the nature of business of the Company, this question is not applicable.

**Principle 3 - Businesses should promote the well-being of all employees****1. Please indicate the Total number of employees.:**

The total number of employees on rolls of the Company were 982 as on 31<sup>st</sup> March 2022.

**2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

The Company had 508 employees hired on temporary/ contractual/casual basis as on 31<sup>st</sup> March 2022.

**3. Please indicate the Number of permanent women employees.**

The Company had 257 permanent women employees as on 31<sup>st</sup> March 2022.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year 2021-22	No. of complaints pending as on 31st March 2022
1	Child labour / forced Labour / involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Sr. No.	Category of Employees	Category of Employees	Skill Upgradation
1	Permanent Employees	-	94.9%
2	Permanent Women Employees	-	94.2%
3	Casual/ Temporary/Contractual Employees	-	42%
4	Employees with Disabilities	NA	NA

Employee health and safety is of prime importance for the Company. The Company conducts robust and periodic training on fire safety and evacuation related training for floor marshals and employees across offices and branches. Periodic fire evacuation drills are conducted at the office locations as well as branches, to sensitise employees about fire safety norms and regulation.

As a part of skill upgradation and continuous learning, the Company uses different modes - virtual trainings, class room based trainings, E-Learnings, etc. to ensure skill upgradation of its employees in a formalised manner both in technical and soft skill areas. The Company also conducted various programmes, designed to meet the changing skill requirements of its employees. These training programmes include orientation sessions for new employees, programmes conducted by various skill-enhancing role specific functional academies, leadership mentoring programmes and other management development programmes for mid-level and senior executives.

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

The Company did not have any permanent employee having disability as on 31<sup>st</sup> March 2022.

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

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

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

Not applicable.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.****1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal as well as external stakeholders and carries out engagements with investors, employees, clients and business partners etc. The internal stakeholders like employees of the Company are reached through surveys and regular engagements. The external stakeholders are reached through defined activities such as press releases, analyst/investor meets, client events, participation in events organised by various associations, etc.

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

The Company has identified the disadvantaged, vulnerable and marginalized stakeholders through need assessment and engagement with such marginalised communities under their Corporate Social Responsibility (CSR) activities.

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

The Company remains committed to bettering the lives of the underprivileged, through its CSR efforts. Our CSR Activities are undertaken broadly in the areas of 'Education', 'Health Care', 'Sustainable Livelihood', 'Infrastructure Development,' and 'Social Change'.

**Principle 5: Businesses should respect and promote human rights.**

**1. Does the policy of the Company on Human Rights cover only the Company or extends to the Group/Joint Ventures /Suppliers / Contractors/ NGOs/ others?**

The Company does not have any specific policy on human rights. However, the Aditya Birla Group has put in place a Human Rights Policy which extends to the Company and its Subsidiaries. The Company and its Subsidiaries adhere to all statutes which embody the principles of human rights such as prevention of child labour, prevention of sexual harassment, equal employment opportunities, rights to raise grievances over relevant issues etc. The Company is committed to foster a work environment in which all individuals are treated with respect and dignity.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any stakeholder complaints on human rights issues during the financial year under review.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment.**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors/NGOs/others?**

The Company is guided by Aditya Birla Group's Sustainability Vision and is extended to its Subsidiaries and their projects as applicable.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company's initiative to shift toward Green methods of conducting business, such as shift towards electronic transactions, eliminating paper reports and forms where possible, recycling and reducing waste in all premises, etc. form part of our contribution towards this cause.

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

Considering the nature of business of the Company, this question is not applicable.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof in, about 50 words or so. If Yes, whether any environmental compliance report is filed?**

Considering the nature of business of the Company, this question is not applicable.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

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

To reduce consumption of paper, we make maximum use of electronic and digital media for various internal and external communication.

The Company, in support of Ministry of Corporate Affairs 'Green Initiative', sends its various notices and documents, including Annual Report, to its Members through electronic mode at their registered e-mail addresses, thus saving a large quantity of paper and as a measure of protecting the environment saving many trees. We have also requested shareholders to register their e-mail IDs to receive Annual Report and other communications through e-mail instead of physical form.

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

Considering the nature of business of the Company, this question is not applicable.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

During the financial year under review, no show cause notice or legal notices were received by the Company from CPCB/ SPCB.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes, the major associations of the Company are as follows:

- a. Association of Mutual Funds in India (AMFI)
- b. Member of Indian Association of Alternative Investments Funds (IAAIF)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company actively engages in investor education programmes for mutual funds in line with AMFI guidelines. Also, the Company has advocated through AMFI, various governance, administration, economic and educational reforms.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company have put in place a Policy on Corporate Social Responsibility ("CSR") to guide its efforts on CSR initiatives that contribute to inclusive growth and equitable development. The CSR Policy of the Company articulates positive contribution towards economic, environmental and social well-being of communities through its CSR

activities. Various projects are implemented in the areas related to healthcare, education, women empowerment & sustainable livelihood and sports.

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

The programmes/projects are undertaken through inhouse teams and Aditya Birla Capital Foundation, a Section 8 Company incorporated to incur expenditure towards Corporate Social Responsibility activities on behalf of the Company, in partnership with the project implementation entity.

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

The Company has conducted social audit of its key CSR initiatives by an independent agency to ascertain efficiency and effectiveness of the projects by using a multi-stakeholder model. Impact assessment for the projects will be conducted, as applicable under the Companies Act, 2013 and rules thereto.

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

In accordance with the Section 135 of the Companies Act 2013, the total CSR budget of the Company for FY 2021-22 was ₹11.43 crores and the same was earmarked towards the CSR Projects as per the annual CSR plan for FY 2021-22. The details of CSR activities are available in annexure of Annual Report on CSR activities which forms part of the Board's Report for FY 2021-22.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

In all the CSR projects undertaken by the Company, it endeavors to ensure active engagement of key stake holders from project planning to implementation stage to facilitate, developing and building community ownership in the project to ensure sustainability of the program. We encourage participation of all key stakeholders at every stage of the project.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year**

The Company has a well-defined system of addressing customer complaints. All complaints are appropriately addressed and resolved. With regards to our large customer base and business reach, the percentage of pending complaints is very miniscule.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Yes. The Company complies with all the disclosure requirements prescribed by SEBI and AMFI on product labelling.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

During the last five years, no cases have been filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour.

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

Yes, consumer satisfaction surveys are being conducted to assess consumer satisfaction.

# Independent Auditors' Report

To the Members of

**Aditya Birla Sun Life AMC Limited**

## **REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying standalone financial statements of Aditya Birla Sun Life AMC Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those

Standards are further described in the 'Auditors' 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 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 audit opinion on the standalone financial statements.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31<sup>st</sup> March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services</b> (as described in Note 2(xiv) of the standalone financial statements)</p> <p>Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of:</p> <ul style="list-style-type: none"> <li>- Asset Management and Advisory Fees amounting to ₹ 1,22,016.84 lacs.</li> <li>- Management Fees from Portfolio Management and Other Services amounting to ₹ 4,330.56 lacs.</li> </ul> <p>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.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the accounting policy for revenue recognition.</li> <li>• 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.</li> <li>• Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees.</li> <li>• Obtained and assessed independent assurance reports for the relevant controls at the third-party administrators.</li> <li>• 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.</li> <li>• On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records.</li> <li>• On sample basis, verified the input of contractual terms with rates approved by the management.</li> <li>• On a sample basis, checked the receipts of such income in bank statements.</li> <li>• Re-calculated Management Fees from Portfolio Management and Other Services in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts.</li> <li>• Evaluated the disclosure relating to management fee income earned by the Company.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

### Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of auditors' report.

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 such other information is materially inconsistent with the 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.

### Responsibilities of management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Independent Auditors' Report (Contd.)

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the 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 auditors' 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 for the financial year ended 31<sup>st</sup> March 2022 and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared/paid during the year by the Company is in compliance with section 123 of the Act.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 22123596AHVXWP3828

Place of Signature: Mumbai

Date: 26<sup>th</sup> April, 2022

# Annexure -1

Referred to in paragraph 1 under the heading "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" of our report of even date

**Re: Aditya Birla Sun Life AMC Limited (hereinafter referred to as 'the Company')**

- (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 intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31<sup>st</sup> March 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/ services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) There are no dues of goods and services tax, provident fund, income tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has one Core Investment Company as part of the Group.

## Independent Auditors' Report (Contd.)

- (xvii) The Company has not incurred cash losses in the current financial year or the previous financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 29 to the financial statements.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 29 to the financial statements.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**  
Partner

Membership Number: 123596  
UDIN: 22123596AHVXWP3828

Place of Signature: Mumbai  
Date: 26<sup>th</sup> April, 2022

## Annexure -2

To the Independent Auditors' Report of even date on the Standalone Financial Statements of Aditya Birla Sun Life AMC Limited

To the Members of

**Aditya Birla Sun Life AMC Limited**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls with reference to standalone financial statements of Aditya Birla Sun Life AMC Limited ("the Company") as of 31<sup>st</sup> March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's responsibility for internal financial controls**

The Company's Management is responsible for establishing and maintaining internal financial controls over financial reporting based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy

and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 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 over financial reporting with reference to these standalone financial statements.

### Meaning of internal financial controls over financial reporting with reference to these standalone financial statements

A company's internal financial controls over financial reporting with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**  
Partner

Membership Number: 123596  
UDIN: 22123596AHVXWP3828

Place of Signature: Mumbai  
Date: 26<sup>th</sup> April, 2022

# Standalone Balance Sheet

as at 31<sup>st</sup> March 2022

(₹ in lakh)

Particulars	Note	As at 31 Mar 22	As at 31 Mar 21
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	655.26	1,003.61
(b) Bank balances other than (a) above	4	3,268.20	30.70
(c) Receivables			
(i) Trade receivables	5	1,970.58	2,460.71
(d) Investments	6	219,000.13	179,527.39
(e) Other Financial Assets	7	1,796.05	1,887.38
<b>Total Financial Assets</b>		<b>226,690.22</b>	<b>184,909.79</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)		3,053.14	1,689.31
(b) Property, Plant and Equipment	8.1	1,349.33	1,204.71
(c) Right of use Assets	33	4,758.62	5,066.50
(d) Capital work-in-progress	8.1	153.18	7.81
(e) Intangible assets under development	8.2	138.71	100.94
(f) Other Intangible Assets	8.2	980.99	1,325.80
(g) Other non-Financial Assets	9	6,306.78	5,439.84
<b>Total Non-Financial Assets</b>		<b>16,740.75</b>	<b>14,834.91</b>
<b>Total Assets</b>		<b>243,430.97</b>	<b>199,744.70</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	10	9.25	3.50
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10	3,017.40	3,678.03
(b) Lease Liabilities	33	5,341.57	5,845.61
(c) Other Financial Liabilities	11	6,307.64	4,325.77
<b>Total Financial Liabilities</b>		<b>14,675.86</b>	<b>13,852.91</b>
<b>(2) Non Financial Liabilities</b>			
(a) Current tax liabilities (net)		-	941.33
(b) Provisions	12	3,700.64	9,383.10
(c) Deferred tax liabilities (net)	13	2,519.26	1,373.40
(d) Other non-financial liabilities	14	2,473.82	1,876.16
<b>Total Non-Financial Liabilities</b>		<b>8,693.72</b>	<b>13,573.99</b>
<b>(3) Equity</b>			
(a) Equity Share Capital	15	14,400.00	1,800.00
(b) Other Equity	16	205,661.39	170,517.80
<b>Total Equity</b>		<b>220,061.39</b>	<b>172,317.80</b>
<b>Total Liabilities and Equity</b>		<b>243,430.97</b>	<b>199,744.70</b>
Contingent Liabilities and Commitments	23		
Corporate Information and Significant Accounting Policies	1 and 2		
The accompanying Notes are an integral part of the Financial Statements.	23-42		

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April, 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April, 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2022

(₹ in lakh)

Particulars	Note	For the year ended 31 Mar 22	For the year ended 31 Mar 21
<b>Income</b>			
<b>Revenue from Operations</b>			
Fees and Commission income	17	126,347.40	104,068.49
<b>Total Revenue from Operations</b>		<b>126,347.40</b>	<b>104,068.49</b>
Other Income	18	11,555.53	13,732.21
<b>Total Income (A)</b>		<b>137,902.93</b>	<b>117,800.70</b>
<b>Expenses</b>			
Employee Benefit Expense	19	23,818.44	22,471.61
Other Expense	20	19,940.93	17,898.06
Fees and Commission Expense		1,975.69	4,705.69
Finance Cost	21	482.30	550.18
Depreciation and Amortisation Expense	22	3,457.29	3,632.21
<b>Total Expenses (B)</b>		<b>49,674.65</b>	<b>49,257.75</b>
<b>Profit Before Tax (C = A - B)</b>		<b>88,228.28</b>	<b>68,542.95</b>
<b>Income Tax Expense</b>			
Current tax		21,068.99	17,053.91
Deferred tax		1,145.85	(88.19)
Adjustments in respect of current income tax of previous years		(22.56)	(6.47)
<b>Income Tax Expense (D)</b>	13	<b>22,192.28</b>	<b>16,959.25</b>
<b>Profit for the year (E = C - D)</b>		<b>66,036.00</b>	<b>51,583.70</b>
<b>Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
i) Re-measurement gains/(losses) on defined benefit plans		84.71	169.37
ii) Income tax relating to the items that will not be reclassified to the Profit and Loss		(21.32)	(42.63)
<b>Other Comprehensive Income for the Year (F)</b>		<b>63.39</b>	<b>126.74</b>
<b>Total Comprehensive Income for the Year (G = E + F)</b>		<b>66,099.39</b>	<b>51,710.44</b>
<b>Earnings per share of ₹ 5 each</b>			
– Basic profit for the year attributable to ordinary equity shareholders of the Company	27	<b>22.93</b>	<b>17.91</b>
– Diluted profit for the year attributable to ordinary equity shareholders of the Company		<b>22.86</b>	<b>17.91</b>
Corporate Information and Significant Accounting Policies	1 and 2		
The accompanying Notes are an integral part of the Financial Statements.	23-42		

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April, 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April, 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March 2022

(₹ in lakh)

Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
<b>Cash Flow from Operating activities</b>		
Profit Before Tax	88,228.28	68,542.95
<b>Adjustments for:</b>		
Depreciation and Amortisation	3,457.29	3,632.21
Finance cost	482.30	550.18
Profit on Sale of Investments	(2,559.16)	(3,992.32)
Fair valuation of investments	(7,241.38)	(8,319.79)
Loss or (Profit) on Sale of Property, Plant & Equipment	12.78	7.03
Share-based payments by the Company	4,828.21	-
Interest on Fixed Deposits and Investments	(1,422.84)	(1,062.09)
Rent concession	(265.16)	(353.94)
<b>Operating Profit before working capital changes</b>	<b>85,520.32</b>	<b>59,004.23</b>
(Increase)/Decrease in Receivables	490.13	1,111.35
(Increase)/Decrease in Other Financial Assets	(3,146.17)	(627.91)
(Increase)/Decrease in Other Non-Financial Assets	(825.93)	3,703.66
Increase/(Decrease) in Payables	(654.87)	(890.42)
Increase/(Decrease) in Financial Liabilities	1,981.87	(109.31)
Increase/(Decrease) in Provisions	(5,682.45)	2,555.89
Increase/(Decrease) in Non-Financial Liabilities	682.38	543.50
<b>Cash generated from Operations</b>	<b>78,365.28</b>	<b>65,290.99</b>
Income Tax paid (net)	(23,372.93)	(15,095.24)
<b>Net cash generated from Operating activities</b>	<b>54,992.35</b>	<b>50,195.75</b>
<b>Cash Flow from Investing activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(1,646.21)	(1,144.06)
Sale proceeds from Property, Plant and Equipment and Intangible Assets	57.36	86.75
Interest on Fixed Deposits and Investments	1,152.13	857.23
Purchase of Investments	(2,11,608.80)	(2,03,969.74)
Sale of Investments	1,82,207.10	1,70,197.12
<b>Net cash generated/(used) in investing activities</b>	<b>(29,838.42)</b>	<b>(33,972.70)</b>
<b>Cash Flow from Financing activities</b>		
Final/Interim Dividend Paid during the year (including tax thereon)	(23,184.00)	(14,000.40)
Lease Liability - Interest Portion (refer note 33)	(482.30)	(550.18)
Lease Liability - Principal Portion (refer note 33)	(1,835.98)	(1,604.52)
<b>Net cash used in financing activities</b>	<b>(25,502.28)</b>	<b>(16,155.10)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(348.35)</b>	<b>67.94</b>
Cash and Cash Equivalents at beginning of the year	1,003.61	935.65
Cash and Cash Equivalents at end of the year (Refer Note 3)	655.26	1,003.61

- Statement of cash flows have been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standard) Rules, 2015.
- Purchase of Property, Plant and Equipment represents addition to property, plant and equipment, and other intangible assets adjusted for movement of capital work in progress for property, plant and equipment, and other intangible assets under development during the year.
- Cash and cash equivalents include in the Statement of cash flows comprise the following :  
Cash and cash equivalents disclosed under Financial Assets: 655.26 1,003.61

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April, 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April, 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2022

## (A) EQUITY SHARE CAPITAL

(₹ in Lakh)

Equity shares issued, subscribed and fully paid	No of shares	Amount
<b>As 1<sup>st</sup> April 2020 (Face Value ₹ 10)</b>	18,000,000	1,800.00
Issue of Shares	-	-
<b>As 31<sup>st</sup> March 2021 (Face Value ₹ 10)</b>	18,000,000	1,800.00
Split of shares into Face value of ₹ 5 each (Refer note 15)	18,000,000	-
Issue of Bonus Equity Shares of ₹ 5 each (Refer note 15)	252,000,000	12,600.00
<b>At 31<sup>st</sup> March 2022 (Face Value ₹ 5)</b>	<b>288,000,000</b>	<b>14,400.00</b>

## (B) OTHER EQUITY

For the year ended 31<sup>st</sup> March 2022

(₹ in Lakh)

Particulars	Reserve and Surplus				Total Equity
	Retained Earnings	General Reserve	Share premium	Share Option Outstanding Account	
<b>Balance as at 1<sup>st</sup> April 2021</b>	169,566.91	686.66	264.23	-	170,517.80
Profit for the year	66,036.00	-	-	-	66,036.00
Other Comprehensive Income for the year	63.39	-	-	-	63.39
Total Comprehensive Income	235,666.30	686.66	264.23	-	236,617.19
Utilised in issue of bonus equity shares (Refer note 15)	(12,335.77)	-	(264.23)	-	(12,600.00)
Share-based payments by the Company (Refer note 35)	-	-	-	4,828.21	4,828.21
Interim Dividend paid to Equity shareholders	(16,128.00)	-	-	-	(16,128.00)
Final Dividend paid to Equity shareholders	(7,056.00)	-	-	-	(7,056.00)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>200,146.53</b>	<b>686.66</b>	<b>-</b>	<b>4,828.21</b>	<b>205,661.39</b>

For the year ended 31<sup>st</sup> March 2021

(₹ in Lakh)

Particulars	Reserve and Surplus			Total Equity
	Retained Earnings	General Reserve	Share premium	
<b>Balance as at 1<sup>st</sup> April 2020</b>	131,856.88	686.66	264.23	132,807.78
Profit for the year	51,583.68	-	-	51,583.68
Other Comprehensive Income for the year	126.74	-	-	126.74
Total Comprehensive Income	183,567.31	686.66	264.23	184,518.20
Interim Dividend paid to Equity shareholders	(14,000.40)	-	-	(14,000.40)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>169,566.91</b>	<b>686.66</b>	<b>264.23</b>	<b>170,517.80</b>

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Significant Accounting policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## NOTE: 1 CORPORATE INFORMATION

The Company is a public listed entity and its registered office is situated at One World Centre, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013. The Company was incorporated under the provisions of the Companies Act on September 5, 1994. The shareholders of the Company are Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) which holds 50.01% of the stake, Sun Life (India) AMC Investments Inc., (wholly owned subsidiary of Sun Life Financial, Inc.) which holds 36.49% and remaining 13.50% stake of the Company is held by general public.

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 is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (“PMS”) and investment advisory services to offshore funds and high net worth investors. The Company also acts as an Investment Manager to Aditya Birla Real Estate Debt Fund (Category II) registered with SEBI. Further, the Company has also received SEBI registration for Alternative Investment Fund (AIFs) Category III namely Aditya Birla Sun Life AIF Trust – I and AIF Category II namely Aditya Birla Sun Life AIF Trust – II.

## NOTE: 2 SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial instruments, measured at fair value
- Gratuity plan assets, measured at fair value

The Financial Statements are presented in Indian rupees and all values are rounded to the nearest lakh, except when otherwise indicated.

#### Note to the financial statements

In preparing the accompanying financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at 31<sup>st</sup> March 2022. Further, there has been no material change in the controls or processes followed in the preparation of the financial statements.

The management does not, at this juncture, believe that the impact of COVID-19 pandemic on the value of the Company's assets is likely to be material. As the situation is evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements.

### ii. Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

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 34

### iii. Use of estimates

The preparation of the Financial Statements in conformity with the Indian Accounting Standards (Ind AS) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future years.

Significant estimates and judgements used for: -

- Estimates of useful lives and residual value of property, plant and equipment, and other intangible assets (Refer Note 8.1 and 8.2)
- Measurement of defined benefit obligations, actuarial assumptions (Refer Note 25)

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

- Recognition of deferred tax assets/liabilities (Refer Note 13)
- Recognition and measurement of provisions and contingencies (Refer Note 12 and Note 23)
- Financial instruments – Fair values, risk management and impairment of financial assets (Refer Note 6)
- Determination of lease term (Refer Note 33)
- Discount rate for lease liability (Refer Note 33)
- Estimates of Share based payments (Refer Note 19, 25 and 35)

## iv. Functional and presentation currency

The Financial Statements of the Company are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

## v. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and cash in hand and short-term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

## vi. Property, plant and equipment

Property, Plant and equipment are stated at their cost of acquisition less accumulated depreciation, and accumulated impairment losses. The cost of acquisition is inclusive of taxes (except those which are refundable), duties, freight and other incidental expenses related to acquisition and installation of the assets. As on April 1, 2017, i.e., its date of transition to IND AS, the Company has used Indian GAAP carrying value as deemed costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the

net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

## vii. Capital work in progress

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.

## viii. 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. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. As at 1<sup>st</sup> April 2017, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

## ix. Intangible assets under development

The intangible assets under development includes cost of intangible assets that are not ready for their intended use less accumulated impairment losses.

## x. Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided on a straight-line basis at the rates and useful life as prescribed in Schedule II of the Companies Act, 2013 or as determined by the management based on technical advice, except assets individually costing less than ₹5,000 which are fully depreciated in the year of purchase / acquisition. Depreciation commences when assets are ready for its intended use.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

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 year and adjusted prospectively, if appropriate. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Following is the summary of useful life of the assets as per management estimates and as required by the Companies Act, 2013.

No	Particulars	Useful life (In Years)	
		Estimated Useful Life	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
<b>A</b>	<b>Depreciation on property, plant and equipment</b>		
1	Computers		
	- Servers and networks*	3 Years	6 Years
	- Other	3 Years	3 Years
2	Office Equipment	5 Years	5 Years
3	Vehicles – Motor Car/Two Wheelers*	5 Years	8 Years
4	Furniture and Fixtures*	5 Years	10 Years
5	Mobile Phone (Included in office equipment)	2 Years	Not specified
6	Leasehold Improvements	Over the primary period of the lease term or 3 years, whichever is less	Not specified
<b>B</b>	<b>Amortisation of intangible assets</b>		
1	Investment Management Rights	10 Years	Not specified
2	Software	3 Years	Not specified

\* Based on technical advice, Management believes that the useful life of assets reflect the periods over which they are expected to be used. Depreciation on assets sold during the year is recognized on a pro-rata basis in the Statement of Profit and Loss from/till the date of acquisition/sale.

## xi. Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated impaired when the carrying cost of an asset or cash-generating unit's (CGU) exceeds its recoverable value. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the greater of the assets' or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss, if any, is charged to Statement of Profit and Loss Account in the year in which an asset is identified as impaired. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## xii. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

For the purpose of fair value disclosures, the Company 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.

## xiii. 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 to another entity.

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value, with the exception of trade receivables. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Trade receivables that do not contain a significant financing component for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Purchase 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 trade date while, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI, financial assets at fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL. The classification of financial instruments depends on the contractual cash flow characteristics and the objective of the business model for which it is held and whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal outstanding.

Management determines the classification of its financial instruments at initial recognition.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Classification of financial assets:

### a) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

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

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

- Reports reviewed by the entity's key management personnel on the performance of financial assets
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by investments in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and other financial assets.

### b) Debt Instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- The asset's contractual cash flows represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model. Currently, the Company does not hold any interest-bearing debt instrument that qualifies to be classified under this category.

### c) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL, described below. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which are not subsequently

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

recycled to Profit or Loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Currently, the Company has not classified any equity instrument at FVTOCI.

## d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. For all equity instruments at FVTPL, dividend is recognised in Profit or Loss when the right of payment has been established.

## Financial liabilities

### a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value and subsequently carried at amortized 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 as finance costs in the statement of profit and loss.

### b) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss

within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or 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.

## xiv. Revenue recognition

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. Revenue from contracts with customers is recognised when control of services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company 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 good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised 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 Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

### I. Rendering of services

The Company principally generates revenue by providing asset management services to Aditya Birla Sun Life Mutual Fund and other clients.

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

- a) Management fees are recognized on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- b) Portfolio Management Fees and Advisory Fees are recognized on an accrual basis as per the terms of the contract with the customers.
- c) Management fees from other services are recognized on an accrual basis as per the terms of the contract with the customers at specific rates applied on net assets.

These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or advisory fees earned are considered as variable consideration.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

## II. Dividend and interest income

- a) Dividend income is recognised when the Company's right to receive dividend is established, it is probable that economic benefits associated with dividend will flow to the entity and the amount of dividend can be measured reliably. This is generally when shareholders approve the dividend.
- b) Interest income from financial assets, is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

## xv. Foreign currency transactions and balances

The Company's Financial Statements are presented in INR, which is also the functional currency. Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction.

Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the Statement of Profit and Loss. Other non-monetary items, like Property Plant & Equipment and Intangible Assets are carried in terms of historical cost using the exchange rate at the date of transaction.

## xvi. Employee benefits

- a) Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- b) Gratuity: The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the

# Significant Accounting Policies

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net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - Net interest expense or income
- c) Leave Encashment: Provision for leave encashment is made on the basis of actuarial valuation of the expected liability. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.
- d) Long Term Incentive Plan: The Company has long term incentive plan for different cadre of employees. The same is actuarially determined and assessed on yearly basis. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.

## xvii. Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right – of – use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Company applies the short-term lease recognition exemption to its short-term leases of its branches/rental offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. For these short-term and low value leases, the Company recognizes the lease payments as an 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 includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and accumulated 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. The estimated useful life of right-of-use assets (primarily buildings) range between 1 year to 9 years. The right-of-use assets are also subject to impairment. Refer Note 2(xi) on impairment of non-financial assets.

The lease liability is initially measured at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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.

### Amendments to Ind AS 116: COVID-19-Related Rent Concessions.

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election

# Significant Accounting policies

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accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- ii) Any reduction in lease payments affects only payments originally due on or before 31<sup>st</sup> March 2023 (for example, a rent concession would meet this condition if it results in reduced lease payments before 31<sup>st</sup> March 2023 and increased lease payments that extend beyond 31<sup>st</sup> March 2023).
- iii) There is no substantive change to other terms and conditions of the lease.

The lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.

The amendments are applicable for annual reporting periods beginning on or after the 1<sup>st</sup> April 2020. The Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification for all rent concessions which are granted due to COVID-19 pandemic. This amendment had no significant impact on the standalone financial statements of the Company (Refer Note 18 – Other Income).

## xviii. Earnings per share ("EPS")

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company 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.

## xix. Fund and commission expenses:

Prior to 21<sup>st</sup> October 2018, certain scheme related expenses and commission were being borne by the Company in

accordance with circulars and guidelines issued by SEBI and the Association of Mutual Funds in India (AMFI). Commission paid for future period for the mutual fund schemes (including for Equity Linked Savings Schemes) until 21<sup>st</sup> October 2018 is treated as prepaid expenses and is amortized on the contractual period and charged to Statement of Profit and Loss account unless considered recoverable from schemes. Pursuant to circulars issued by SEBI in this regard, after 21<sup>st</sup> October 2018, these expenses, subject to some exceptions, are being borne by the mutual fund schemes. New Fund Offer (NFO) expenses on the launch of schemes are borne by the Company and recognised in profit or loss as and when incurred.

Commission is paid to the brokers for Portfolio Management and other services as per the terms of agreement entered into with respective brokers. In case of certain portfolio management schemes and other services, the brokerage expenses are amortised over the tenure of the product or commitment period. Unamortised brokerage is treated as Non-financial Assets considering the normal operating cycle of the Company.

## xx. Taxes

### Current tax:

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### 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.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a

# Significant Accounting Policies

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transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxable entity and the same taxation authority.

## xxi. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Claims against the Company, where the possibility of any outflow of resources in settlement is remote are not disclosed as contingent liabilities. A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is virtually certain.

## xxii. Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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

# Significant Accounting policies

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to the valuation model including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

Also, a separate Employee stock options scheme (ESOP) ("the scheme") has been established by Aditya Birla Capital Limited ("ABCL") (Entity having significant influence). The

scheme provides that employees are granted an option to subscribe to equity shares of ABCL that vest in a graded manner. The options may be exercised within a specified period. Measurement and disclosure of Employee share-based payment plan is done in accordance with Ind AS 102 Share Based Payments.

ABCL follows the Black-Scholes Merton Value method to account for its stock-based employee compensation plans. The cost incurred by the ABCL, in respect of options granted to employees of the Company is charged to the Statement of Profit and Loss during the year and recovered by them.

## xxiii. Cash dividend to equity holders of the company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in the case of interim dividend. A corresponding amount is recognised directly in equity.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 3 CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Cash on Hand	-	0.18
Balances with Bank		
- Current Accounts	610.00	958.17
- Deposit Accounts ( with original maturity less than 3 months)	45.26	45.26
<b>Total Cash and Cash equivalents</b>	<b>655.26</b>	<b>1,003.61</b>

Note:- Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has not taken any bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

## NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments:		
Earmarked accounts		
- Unclaimed Dividend	5.92	-
- Unspent CSR (Refer note 29)	478.13	-
Term Deposits against the bank guarantee	2,784.15	30.70
<b>Total Bank Balances other than cash and cash equivalents</b>	<b>3,268.20</b>	<b>30.70</b>

## NOTE: 5 TRADE RECEIVABLES (AT AMORTISED COST)

### Unsecured, considered good

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Asset Management and Advisory Fees receivable	1,131.20	1,500.20
Management Fees receivable from Portfolio Management and Other Services	839.38	960.51
Less: Impairment loss allowance	-	-
<b>Total Trade Receivables*</b>	<b>1,970.58</b>	<b>2,460.71</b>

\* There are no dues from directors or other officers of the company either severally or jointly with any other person, due from firms or private companies respectively in which any director is a partner, a director or a member.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## Trade Receivables ageing schedule

Trade receivables as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from 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	1,970.58	-	-	-	-	1,970.58
(ii) Undisputed Trade receivables - which have significant increase in credit	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,970.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,970.58</b>

## Trade Receivables ageing schedule

Trade receivables as on 31<sup>st</sup> March 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from 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	2,460.71	-	-	-	-	2,460.71
(ii) Undisputed Trade receivables - which have significant increase in credit	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,460.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,460.71</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 6 INVESTMENTS

Particulars	31 Mar 22				31 Mar 21			
	Amortised Cost	At Fair Value through Profit or Loss	At cost	Total	Amortised Cost	At Fair Value through Profit or Loss	At cost	Total
Mutual Funds	-	197,186.14	-	197,186.14	-	161,126.84	-	161,126.84
Debt Securities	10,482.81	1,006.98	-	11,489.79	10,335.60	-	-	10,335.60
Equity Instruments	-	1,754.91	-	1,754.91	-	79.69	-	79.69
Subsidiaries	-	-	7,424.99	7,424.99	-	-	7,424.99	7,424.99
Alternative Investment funds	-	1,667.30	-	1,667.30	-	1,083.27	-	1,083.27
<b>Total Gross Investments (A)</b>	<b>10,482.81</b>	<b>201,615.33</b>	<b>7,424.99</b>	<b>219,523.13</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>7,424.99</b>	<b>180,050.39</b>
<b>Less: Allowance for Impairment</b>	<b>-</b>	<b>-</b>	<b>523.00</b>	<b>523.00</b>	<b>-</b>	<b>-</b>	<b>523.00</b>	<b>523.00</b>
<b>Total Net Investments</b>	<b>10,482.81</b>	<b>201,615.33</b>	<b>6,901.99</b>	<b>219,000.13</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>6,901.99</b>	<b>179,527.39</b>
Investments Outside India	-	0.38	7,424.99	7,425.37	-	0.38	7,424.99	7,425.37
Investments in India	10,482.81	201,614.95	-	212,097.76	10,335.60	162,289.42	-	172,625.02
<b>Total (B)</b>	<b>10,482.81</b>	<b>201,615.33</b>	<b>7,424.99</b>	<b>219,523.13</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>7,424.99</b>	<b>180,050.39</b>
<b>Less: Allowance for Impairment</b>	<b>-</b>	<b>-</b>	<b>523.00</b>	<b>523.00</b>	<b>-</b>	<b>-</b>	<b>523.00</b>	<b>523.00</b>
<b>Total Net Investments</b>	<b>10,482.81</b>	<b>201,615.33</b>	<b>6,901.99</b>	<b>219,000.13</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>6,901.99</b>	<b>179,527.39</b>

(₹ in lakh)

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE 7: OTHER FINANCIAL ASSETS (AT AMORTISED COST)

	As at 31 Mar 22	As at 31 Mar 21
Deposits to Related Party (Refer Note 26)	148.91	71.32
Security Deposits	1,405.37	1,093.85
Recoverable From Schemes	6.21	267.41
Receivable from Related Party (Refer Note 26)	235.56	3.19
Reimbursement receivables	-	6.61
Application money towards Investments	-	445.00
<b>Total Other Financial Assets</b>	<b>1,796.05</b>	<b>1,887.38</b>

## NOTE: 8.1 PROPERTY, PLANT AND EQUIPMENT

	Computer	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvement	Total
<b>Gross carrying value</b>						
As at 1 <sup>st</sup> April 2020	1,385.37	225.36	959.60	885.83	1,093.09	4,549.25
Additions	169.92	12.74	43.15	49.43	85.93	361.17
Disposals	8.21	12.38	121.24	15.99	59.64	217.46
<b>As at 31<sup>st</sup> March 2021</b>	<b>1,547.08</b>	<b>225.72</b>	<b>881.51</b>	<b>919.27</b>	<b>1,119.38</b>	<b>4,692.96</b>
Additions	134.45	81.23	365.59	58.48	332.34	972.09
Disposals	33.04	15.54	165.19	19.18	159.86	392.81
<b>As at 31<sup>st</sup> March 2022</b>	<b>1,648.49</b>	<b>291.41</b>	<b>1,081.91</b>	<b>958.57</b>	<b>1,291.86</b>	<b>5,272.24</b>
<b>Accumulated Depreciation and Impairment</b>						
As at 1 <sup>st</sup> April 2020	949.20	161.78	390.15	418.12	744.60	2,663.84
Depreciation for the year	325.45	30.26	179.66	166.73	248.39	950.49
Disposals	8.06	10.22	57.49	9.59	40.72	126.08
<b>As at 31<sup>st</sup> March 2021</b>	<b>1,266.59</b>	<b>181.82</b>	<b>512.32</b>	<b>575.26</b>	<b>952.27</b>	<b>3,488.25</b>
Depreciation for the year	204.84	40.40	185.42	149.01	177.65	757.32
Disposals	33.03	14.07	101.79	17.40	156.37	322.66
<b>As at 31<sup>st</sup> March 2022</b>	<b>1,438.40</b>	<b>208.15</b>	<b>595.95</b>	<b>706.87</b>	<b>973.55</b>	<b>3,922.91</b>
<b>Net carrying value amount as at 31<sup>st</sup> March 2021</b>	<b>280.49</b>	<b>43.90</b>	<b>369.19</b>	<b>344.01</b>	<b>167.11</b>	<b>1,204.71</b>
<b>Net carrying value amount as at 31<sup>st</sup> March 2022</b>	<b>210.09</b>	<b>83.26</b>	<b>485.96</b>	<b>251.70</b>	<b>318.31</b>	<b>1,349.33</b>

### Capital work-in-progress

Capital work in progress as at 31<sup>st</sup> March 2022 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹153.18 lacs (31<sup>st</sup> March 2021: ₹7.81 lacs)

### CWIP ageing schedule as on 31<sup>st</sup> March 2022

	Amount in CWIP for a period of				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	153.18	-	-	-	153.18

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## CWIP ageing schedule as on 31<sup>st</sup> March 2021

(₹ in Lakh)

CWIP	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	7.81	-	-	-	7.81

There are no overdue or cost overrun projects compared to its original plan, on the above mentioned reporting dates

## NOTE: 8.2 OTHER INTANGIBLE ASSETS

(₹ in lakh)

	Software	Investment Management Rights (Refer Note 24)	Total
<b>Gross carrying value</b>			
As at 1 <sup>st</sup> April 2020	2,074.81	284.90	2,359.71
Additions	784.58	-	784.58
Disposals	40.69	-	40.69
As at 31 <sup>st</sup> March 2021	2,818.70	284.90	3,103.60
Additions	450.18	-	450.18
Disposals	-	-	-
As at 31 <sup>st</sup> March 2022	3,268.88	284.90	3,553.78
<b>Accumulated Amortisation and Impairment</b>			
As at 1 <sup>st</sup> April 2020	1,007.62	113.55	1,121.17
Amortization for the year	657.07	37.85	694.92
Disposal	38.29	-	38.29
As at 31 <sup>st</sup> March 2021	1,626.40	151.40	1,777.80
Amortization for the year	757.14	37.85	794.99
Disposals	-	-	-
As at 31 <sup>st</sup> March 2022	2,383.54	189.25	2,572.79
Net carrying value amount as at 31 <sup>st</sup> March 2021	1,192.30	133.50	1,325.80
Net carrying value amount as at 31 <sup>st</sup> March 2022	885.34	95.65	980.99

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March 2022

(₹ in Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	131.46	7.25	-	-	138.71

(₹ in Lakh)

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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March 2021

					(₹ in Lakh)
Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	91.19	-	-	-	<b>91.19</b>
					(₹ in Lakh)
Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	9.75	-	-	-	<b>9.75</b>

There are no overdue or cost overrun projects compared to its original plan, on the above mentioned reporting dates

## NOTE: 9 OTHER NON-FINANCIAL ASSETS

			(₹ in Lakh)
	As at 31 Mar 22	As at 31 Mar 21	
Prepaid expenses	1,321.33	1,873.95	
Capital advance for Tangible Assets	42.73	1.72	
Advance for Services	1,836.15	568.98	
Gratuity - Plan Funded Asset (Refer Note 25)	3,106.57	2,995.19	
<b>Total Other Non-Financial Assets</b>	<b>6,306.78</b>	<b>5,439.84</b>	

## NOTE: 10 TRADE PAYABLES (AT AMORTISED COST)

			(₹ in Lakh)
	As at 31 Mar 22	As at 31 Mar 21	
Trade Payables			
Others			
- Total outstanding dues to micro enterprises and small enterprises*	9.25	3.50	
- Total outstanding dues to creditors other than micro enterprises and small enterprises	-	-	
Related Parties (Refer Note 26)	748.09	884.93	
Other than Related Parties	2,269.31	2,793.10	
<b>Total Trade Payables</b>	<b>3,026.65</b>	<b>3,681.53</b>	

\* This information is required to be disclosed under MSMED Act(2006), has been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the auditors.

## \* Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

			(₹ in Lakh)
	As at 31 Mar 22	As at 31 Mar 21	
a) Principal amount and interest thereon remaining unpaid at the end of year	9.25	3.50	
b) Interest paid including payment made beyond appointed day during the year	5.88	0.26	
c) Interest due and payable for delay during the year	-	-	
d) Amount of interest accrued and unpaid as at year end	0.50	0.57	
e) The amount of further interest due and payable even in the succeeding year	-	-	

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## Trade Payables Ageing schedule

Trade payables as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	9.25	-	-	-	9.25
(ii) Others	2,929.98	29.82	0.46	57.14	3,017.40
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>2,939.23</b>	<b>29.82</b>	<b>0.46</b>	<b>57.14</b>	<b>3,026.65</b>

Trade payables as on 31<sup>st</sup> March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.50	-	-	-	3.50
(ii) Others	3,609.19	8.29	3.41	57.14	3,678.03
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>3,612.69</b>	<b>8.29</b>	<b>3.41</b>	<b>57.14</b>	<b>3,681.53</b>

## NOTE: 11 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST)

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Employee Dues	6,129.00	4,311.81
Payables for Capital Expenditure	12.27	13.96
Deposits from Related parties (Refer Note 26)	166.37	-
<b>Total Other Financial Liabilities</b>	<b>6,307.64</b>	<b>4,325.77</b>

## NOTE: 12 PROVISIONS

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
<b>Provision for Employee Benefits</b>		
Leave Encashment	382.51	387.45
Gratuity (Refer Note 25)	3,092.80	2,961.40
Provision for Long Term Incentive Plan	225.33	6,034.25
<b>Total Provisions</b>	<b>3,700.64</b>	<b>9,383.10</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 13 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets	(634.14)	(566.98)
Provision for Employee Benefits	(162.35)	(1,466.86)
Fair Valuation of Investments	1,981.95	2,602.26
Lease Liability net of Right of use Assets	1,333.80	804.98
<b>Deferred Tax Liabilities</b>	<b>2,519.26</b>	<b>1,373.40</b>
<b>Reconciliation of effective tax rate:</b>		
(a) Income before tax	88,228.28	68,542.95
(b) Expected tax rate in India (applicable to the Company)	25.168%	25.168%
(c) Expected income tax amount	22,205.29	17,250.89
<b>(d) Tax impact on:</b>		
Expenses disallowed/(allowed) as per income tax computation	(1,863.10)	(3,331.10)
Items which are taxed at different rates	650.80	2,013.77
Effect on Deferred tax balances for items taxed at different rates	1,165.54	1,055.00
Adjustments in respect of current income tax of previous years	(22.56)	(6.47)
Others	56.31	(22.84)
<b>(e) Tax expenses recognised in Profit &amp; Loss Account(c + d)</b>	<b>22,192.28</b>	<b>16,959.25</b>

Significant components and movement in deferred tax assets and liabilities

(₹ in Lakh)

Particulars	As on 31 Mar 22 Closing Balance	As on 31 Mar 21 Opening Balance	YTD March 22 Deferred Tax Expense / (Credit)
<b>Deferred Tax Liabilities</b>			
Fair Valuation of Investments	1,981.95	2,602.26	(620.31)
Lease Liability net of Right of use assets	1,333.80	804.98	528.82
<b>Total</b>	<b>3,315.75</b>	<b>3,407.24</b>	
<b>Deferred Tax Assets</b>			
Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets	(634.14)	(566.98)	(67.16)
Provision for employee benefits	(162.35)	(1,466.86)	1,304.51
<b>Total</b>	<b>(796.49)</b>	<b>(2,033.84)</b>	
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>2,519.26</b>	<b>1,373.40</b>	<b>1,145.85</b>

Particulars	As on 31 Mar 21 Closing Balance	As on 31 Mar 20 Opening Balance	YTD Mar 21 Deferred Tax Expense /(Credit)
<b>Deferred Tax Liabilities</b>			
Fair Valuation of Investments	2,602.26	2,577.22	25.04
Lease Liability net of Right of use assets	804.98	312.08	492.90
<b>Total</b>	<b>3,407.24</b>	<b>2,889.30</b>	
<b>Deferred Tax Assets</b>			
Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets	(566.98)	(495.06)	(71.92)
Provision for employee benefits	(1,466.86)	(932.66)	(534.20)
<b>Total</b>	<b>(2,033.84)</b>	<b>(1,427.72)</b>	
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>1,373.40</b>	<b>1,461.58</b>	<b>(88.19)</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 14 OTHER NON-FINANCIAL LIABILITIES

	(₹ in Lakh)	
	As at 31 Mar 22	As at 31 Mar 21
Payable on account of Statutory Dues :		
- Withholding Tax payable	230.97	206.14
- GST payable	1,633.50	1,540.36
- Professional Tax payable	0.01	1.48
- Employee provident fund & Other dues payable	126.43	128.18
CSR payable (Refer note 29)	476.99	-
Unclaimed Dividend	5.92	-
<b>Total</b>	<b>2,473.82</b>	<b>1,876.16</b>

## NOTE: 15 EQUITY SHARE CAPITAL

	(₹ in Lakh)	
	As at 31 Mar 22	As at 31 Mar 21
<b>Authorised:</b>		
Equity Shares of ₹ 5 each (31 <sup>st</sup> March, 2021 : ₹ 10 each)	16,000.00	2,000.00
320,000,000 (31 <sup>st</sup> March, 2021 : 20,000,000) Equity shares fully paid up <sup>#</sup>		
<b>Issued, Subscribed and Paid up</b>		
Equity Shares of ₹ 5 each (31 <sup>st</sup> March, 2021 : ₹ 10 each)	14,400.00	1,800.00
288,000,000 (31 <sup>st</sup> March, 2021 : 18,000,000) Equity shares fully paid up <sup>#</sup>		
<b>Total Issued, Subscribed and Paid up</b>	<b>14,400.00</b>	<b>1,800.00</b>

### a. Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the company after distributions of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in the proportion to the number of equity shares held by the shareholders.

### b. Reconciliation of the shares outstanding at the beginning and at the end of the year

Description	No. of Equity shares	Amount (in Lakh)
As at 1 <sup>st</sup> April 2020	1,80,00,000	1,800.00
Issued during the year	-	-
As at 31 <sup>st</sup> March 2021	<b>1,80,00,000</b>	<b>1,800.00</b>
Split of shares into Face Value of ₹ 5 each <sup>#</sup>	1,80,00,000	-
Bonus equity shares issued in the ratio of 7 for every 1 share held <sup>#</sup>	25,20,00,000	12,600.00
<b>As at 31<sup>st</sup> March 2022</b>	<b>28,80,00,000</b>	<b>14,400.00</b>

<sup>#</sup>Pursuant to a resolution passed by our Board on 5th April 2021 and a resolution of shareholders dated, 6th April 2021, each equity share of face value of ₹ 10 each has been split into two equity shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 180,00,000 equity shares of face value of ₹ 10 each to 360,00,000 equity shares of face value of ₹ 5 each. Pursuant to a resolution of Board of Directors dated 5th April 2021 and the shareholders meeting dated 6th April 2021, the Authorised Share Capital of the Company has been increased from ₹ 2,000 lakhs consisting of 4,00,00,000 Equity Shares of ₹ 5/- (Rupees Five only) each to ₹ 16,000 lakhs consisting of 32,00,00,000 Equity Shares of ₹ 5/- each.

The Board of Directors pursuant to a resolution dated 5th April 2021 and the shareholders special resolution dated 6th April 2021 have approved the issuance of seven bonus equity shares of face value ₹ 5 each for every one existing fully paid up equity share of face value ₹ 5 each and accordingly 25,20,00,000 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

Aggregate number of equity shares issued as bonus other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	31 Mar 22	31 Mar 21
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and retained earnings	252,000,000	-

The Shares reserved for issue under Employee Stock Option Scheme (ESOP) of the Company (Refer Note No. 35)

## c. Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholder	As at 31 Mar 22		As at 31 Mar 21	
	No. of Equity shares held	% of Shareholding	No. of Equity shares held	% of Shareholding
Aditya Birla Capital Limited and its Nominees <sup>#</sup>	14,40,28,800	50.01%*	91,79,980	51.00%*
Sun Life (India) AMC Investment Inc. Canada	10,50,90,880	36.49%	88,20,000	49.00%

<sup>#</sup> 512 Equity shares (31st March 2021 : 32 Equity Shares), 416 Equity shares (31st March 2021 : 24 Equity Shares) and 192 Equity shares (31st March 2021 : 12 Equity Shares) each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\*Approximate percentages

Shareholding of promoters as on 31<sup>st</sup> March 2022

Shares held by promoters at the end of the year		No. of Shares	% of total shares	% Change during the year
Sr. No	Promoter Name			
1	Aditya Birla Capital Limited(ABCL) <sup>#</sup>	144,028,800	50.01%*	(0.99)%
2	Sun Life (India) AMC Investments Inc.	105,090,880	36.49%	(12.51)%
<b>Total</b>		<b>249,119,680</b>	<b>86.50%</b>	

<sup>#</sup> 512 Equity shares, 416 Equity shares and 192 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\*Approximate percentages

Shareholding of promoters as on 31<sup>st</sup> March 2021

Shares held by promoters at the end of the year		No. of Shares	% of total shares	% Change during the year
Sr. No	Promoter Name			
1	Aditya Birla Capital Limited(ABCL) <sup>#</sup>	9,179,980	51.00%*	No change
2	Sun Life (India) AMC Investments Inc.	8,820,000	49.00%	No change
<b>Total</b>		<b>17,999,980</b>	<b>100.00%*</b>	

<sup>#</sup> 32 Equity shares, 26 Equity shares and 12 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\*Approximate percentages

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 16 OTHER EQUITY

(₹ in Lakh)

<b>1</b>	<b>Share Premium Account</b>	
	<b>At 1<sup>st</sup> April 2020</b>	264.23
	Arising during the year	-
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2021</b>	<b>264.23</b>
	Arising during the year	-
	Utilised in issue of bonus equity shares(Refer note 15)	(264.23)
	<b>At 31<sup>st</sup> March 2022</b>	<b>-</b>
<b>2</b>	<b>General Reserve</b>	
	<b>At 1<sup>st</sup> April 2020</b>	686.66
	Arising during the year	-
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2021</b>	<b>686.66</b>
	Arising during the year	-
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2022</b>	<b>686.66</b>
<b>3</b>	<b>Retained Earnings</b>	
	<b>At 1<sup>st</sup> April 2020</b>	131,856.89
	Profit for the year	51,583.68
	Other Comprehensive Income for the year	126.74
	Dividend for the year*	(14,000.40)
	<b>At 31<sup>st</sup> March 2021</b>	<b>169,566.91</b>
	Profit for the year	66,036.00
	Other Comprehensive Income for the year	63.39
	Utilised in issue of bonus equity shares(Refer note 15)	(12,335.77)
	Dividend for the year*	(23,184.00)
	<b>At 31<sup>st</sup> March 2022</b>	<b>200,146.53</b>
<b>4</b>	<b>Share Option Outstanding Account</b>	
	<b>At 1<sup>st</sup> April 2020</b>	-
	Charges during the year	-
	Exercise of share options during the year	-
	<b>At 31<sup>st</sup> March 2021</b>	<b>-</b>
	Charges during the year	4,828.21
	Exercise of share options during the year	-
	<b>As at 31<sup>st</sup> March 2022</b>	<b>4,828.21</b>
	<b>As at 31<sup>st</sup> March 2022</b>	<b>205,661.39</b>
	<b>As at 31<sup>st</sup> March 2021</b>	<b>170,517.80</b>

### \* Cash dividends on equity shares declared and paid:

(₹ in Lakh)

	<b>As at 31 Mar 22</b>	<b>As at 31 Mar 21</b>
Final dividend for the year ended 31 <sup>st</sup> March, 2021: ₹ 2.45 per share for 28,80,00,000 equity shares (for the year ended 31 <sup>st</sup> March, 2020 : NIL) and Interim dividend for the year ended 31 <sup>st</sup> March, 2022: ₹ 5.6 per share for 28,80,00,000 equity shares (Interim dividend for the year ended 31 <sup>st</sup> March 2021: ₹ 77.78 per share for 1,80,00,000 equity shares) (Refer Note 15)	23,184.00	14,000.40
	<b>23,184.00</b>	<b>14,000.40</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## Proposed dividends on equity shares:

	As at 31 Mar 22	As at 31 Mar 21
Final dividend for the year ended on 31 <sup>st</sup> March, 2022: ₹ 5.85 per share for 28,80,00,000 equity shares (Final dividend for the year ended 31 <sup>st</sup> March 2021: ₹ 2.45 per share for 28,80,00,000 equity shares) (Refer Note 41)	16,848.00	7,056.00
	<b>16,848.00</b>	<b>7,056.00</b>

## Nature and Purpose of the reserves

### Share Premium:

Share Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of Section 52 of Companies Act, 2013. The Company has utilised the Share Premium in issue of bonus equity shares in the current year.

### General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year.

Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

### Retained earnings:

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

### Share Option Outstanding Account:

The grant date fair value of equity-settled share-based payment transactions with employees and directors are recognised in the Statement of Profit and Loss with the corresponding credit to this account over the vesting period.

## NOTE: 17 FEES AND COMMISSION INCOME

	For the year ended 31 Mar 22	For the year ended 31 Mar 21
<b>Revenue from contracts with customers</b>		
Asset Management and Advisory Fees	122,016.84	99,098.37
Management Fees from Portfolio Management and Other Services	4,330.56	4,970.12
<b>Total Fees and Commission income</b>	<b>126,347.40</b>	<b>104,068.49</b>

## NOTE: 18 OTHER INCOME

	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Gain on Investments		
- Realsised gain	2,559.16	3,992.32
- Unrealised gain	7,241.38	8,319.79
Interest Income	1,422.84	1,062.09
Rent concession	265.16	353.94
Rent income	62.27	-
Miscellaneous income	4.72	4.07
<b>Total Other Income</b>	<b>11,555.53</b>	<b>13,732.21</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 19 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Salaries and allowances	17,446.35	20,713.25
Contribution to provident and other funds (Refer Note 25)	714.34	724.22
Gratuity expenses (Refer Note 25)	282.35	287.00
Staff welfare expenses	616.44	359.65
Share-based payments by ABCL (Entity having significant influence) (Refer Note 26)	(4.71)	387.49
Share based payments by the Company (Refer Note 35)	4,763.66	-
<b>Total Employee Benefit Expense</b>	<b>23,818.44</b>	<b>22,471.61</b>

## NOTE: 20 OTHER EXPENSE

(₹ in Lakh)

	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Rent	64.49	79.21
Repairs and Maintenance	1,149.06	1,085.70
Insurance	445.62	382.78
Rates and Taxes	336.35	94.73
Electricity	243.82	258.10
Software and Technology Expenses	2,297.14	2,216.24
Database Research Expenses	882.83	897.51
Travelling and Conveyance	640.10	349.63
Communication Expenses	217.65	283.95
Outsourced Fund Accounting Expenses	258.58	303.84
Legal and Professional Charges	1,041.02	1,128.00
Auditor's Remuneration* :		
- Audit Fees	21.00	18.00
- Tax Audit Fees	7.00	6.00
- Other Services	9.25	13.25
- Reimbursement of expenses	0.01	0.03
Services Charges	2,051.51	2,243.13
Directors Sitting Fees	120.25	21.80
Printing and Stationery	180.39	111.81
Loss on Sale of Fixed Assets (net)	12.78	7.03
Asset Utilisation Charges	607.42	556.58
Bank Charges	3.80	2.74
Miscellaneous Expenses	668.73	552.81
Foreign Exchange Loss (net)	10.83	1.26
Donation	10.00	7.00
Corporate Social Responsibility Expenses (Refer Note 29)	1,141.71	1,062.89
Business Promotion Expenses	5,438.82	4,781.68
Fund expense	2,080.77	1,432.36
<b>Total Other Expense</b>	<b>19,940.93</b>	<b>17,898.06</b>

\*Excludes fees paid to Statutory auditors in relation to IPO which is recovered from Selling shareholders

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 21 FINANCE COST

	(₹ in Lakh)	
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Finance Cost on Lease Liability (measured at amortised cost) (Refer Note 33)	482.30	550.18
<b>Total Finance Cost</b>	<b>482.30</b>	<b>550.18</b>

## NOTE: 22 DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Lakh)	
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Depreciation on Right-of-use Assets (Refer Note 33)	1,904.98	1,986.80
Depreciation on Property, Plant & Equipment (Refer Note 8.1)	757.32	950.49
Amortisation of Intangible Assets (Refer Note 8.2)	794.99	694.92
<b>Total Depreciation and Amortisation Expense</b>	<b>3,457.29</b>	<b>3,632.21</b>

## Other notes to accounts:

### NOTE: 23 CONTINGENT LIABILITIES AND COMMITMENTS

#### (i) Contingent liabilities:

		(₹ in Lakh)	
No	Particulars	As at 31 Mar 22	As at 31 Mar 21
	Claims against the Company not acknowledged as debts in respect of;		
i)	Income tax matters	4,638.78	3,284.27
ii)	Other matters	83.85	84.21

#### (ii) Commitments - unexecuted contracts:

	(₹ in Lakh)	
Particulars	As at 31 Mar 22	As at 31 Mar 21
Commitments for the acquisition of property, plant and equipment	543.76	137.67
Commitments for investment activities	*14,445.95	-

\*This includes commitment to invest ₹ 13,820.95 lakh in Mutual Fund schemes managed by the Company vide SEBI circular SEBI/HO/IMD/IMD-IDOF5/P/CIR/2021/624 dated 2nd September 2021

#### (iii) Bank guarantee

In the current year, the Company has issued a bank guarantee of ₹ 2,468.25 lakh to NSE for the purpose of IPO.

### NOTE: 24 MANAGEMENT RIGHTS

During financial year ended 31<sup>st</sup> March 2015 Aditya Birla Sun Life Trustee Company Private Limited took over the mutual fund schemes from ING Trust Company Private Limited and simultaneously the Company acquired the right to manage the said schemes from ING Asset Management (India) Private Limited.

The consideration paid to acquire the right to manage the said schemes along with the incidental expenditure incurred thereon aggregating to ₹ 378.51 lakh has been treated as Investment Management Right. The Investment Management Right will be amortized over a period of 120 months. For the year ended 31<sup>st</sup> March 2022, an amount of ₹ 37.85 lakh (Previous year ₹ 37.85 lakh) has been amortised. Balance life of Investment Management Right is 30 months.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### NOTE: 25 EMPLOYEE BENEFITS

In accordance with the Indian Accounting Standard (Ind AS) 19 "Employee Benefits", the Company has classified the various benefits provided to the employees as under:

#### a. Defined contribution plan

Defined Contribution Plan – The Company has recognized the following amounts in the Statement of Profit and Loss Account which are included under contribution to Provident Fund and other fund.

		(₹ in Lakh)	
No	Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
i)	Employers Contribution to Provident Fund (PF)	474.45	465.74
ii)	Employers Contribution to Employees Pension Fund	134.84	141.76
iii)	Employers Contribution to Labour Welfare Fund	0.46	0.72
iv)	Contribution to Employees Deposit Linked Insurance	8.82	9.28
<b>Total</b>		<b>618.57</b>	<b>617.50</b>

Above figures are excluding contribution to PF and Other Funds of ₹ 95.77 lakh (Previous year ₹ 106.72 lakh) reimbursed to related parties – Aditya Birla Financial Shared Services Limited & Aditya Birla Capital Limited.

#### b. Share based payments

Pursuant to ESOP Plan by ABCL, stock options were granted to the employees of the Company during the year. Total cost incurred by ABCL (net of reversals) till date is being recovered from the Company over the period of vesting of the ESOP grants. A sum of ₹ (4.71) lakh (Previous year 387.49 lakh) has been charged to the Statement of Profit and Loss. The balance sum of ₹ 78.42 lakh will be recovered in future years as at 31<sup>st</sup> March 2022.

#### c. Gratuity (Defined Benefit Plan)

The following table sets out the status of the gratuity plan as required under IND AS 19 as certified by actuary. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

		(₹ in Lakh)	
Particulars	As at 31 Mar 22	As at 31 Mar 21	
<b>Amounts recognised in the Balance Sheet in respect of Gratuity</b>			
Present Value of the funded Defined Benefit Obligations at the end of the year	3,092.80	2,961.40	
Fair Value of Plan Assets	(3,106.57)	(2,995.19)	
<b>Net (Asset) / Liability</b>	<b>(13.77)</b>	<b>(33.79)</b>	
<b>Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity</b>			
<b>Amounts recognised during the period:</b>			
In P&L	282.35	287.00	
In Other Comprehensive Income	(72.29)	(83.13)	
<b>Total Expenses Recognised during the period</b>	<b>210.06</b>	<b>203.87</b>	
<b>Actual Return on Plan Assets:</b>			
Expected Return on Plan Assets	190.06	168.79	
Actuarial Gain/(Loss) on Plan Assets	(31.52)	39.50	
<b>Actual Return on Plan Assets:</b>	<b>158.54</b>	<b>208.29</b>	

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

Particulars	(₹ in Lakh)	
	As at 31 Mar 22	As at 31 Mar 21
<b>Reconciliation of Present Value of Obligation and the Fair Value of the Plan Assets:</b>		
<b>Change in Present Value of the Obligations:</b>		
Opening Defined Benefit Obligations	2,961.40	2,678.22
Current Service Cost	284.49	280.48
Interest Cost	187.92	175.30
Actuarial (Gain)/Loss arising from:	-	-
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(108.89)	99.89
- Experience variance (i.e. actual experience vs assumption)	5.08	(143.52)
Liabilities Settled on Divestment	-	-
Benefits Paid	(237.20)	(128.97)
<b>Closing Defined Benefit Obligations</b>	<b>3,092.80</b>	<b>2,961.40</b>
<b>Change in Fair Value of the Plan Assets:</b>		
Opening Fair Value of the Plan Assets	2,995.19	2,578.75
Expected Return on the Plan Assets	190.06	168.79
Actuarial (Gain)/Loss	(31.52)	39.50
Contributions by the Employer	190.04	337.12
Asset Distributed on Divestment	-	-
Benefits Paid	(237.20)	(128.97)
<b>Closing Fair Value of the Plan Assets</b>	<b>3,106.57</b>	<b>2,995.19</b>
<b>Expense Recognised in Income Statement</b>		
Current Service Cost	284.49	280.48
Net Interest cost / (income) on the defined Benefit Liability / (Asset)	(2.14)	6.51
<b>Expense Recognised in Income Statement</b>	<b>282.35</b>	<b>286.99</b>
<b>Other Comprehensive Income</b>		
Actuarial (Gain)/Loss arising from:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(108.89)	99.89
- Experience variance (i.e. actual experience vs assumption)	5.08	(143.52)
Return on plan asset, excluding amount recognised in net interest expense	31.52	(39.50)
<b>Remeasurement gain/loss in other comprehensive income</b>	<b>(72.29)</b>	<b>(83.13)</b>
<b>Investment details of Plan Assets</b>		
<b>Plan assets are invested with:</b>		
Aditya Birla Sun Life Insurance Company Limited	3,106.57	2,995.19
<b>Composition of the plan assets are as follows:</b>	<b>Allocation %</b>	<b>Allocation %</b>
Government Bonds	23.17%	24.30%
Corporate Bonds	69.29%	65.33%
Others	7.54%	10.37%

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
<b>Assumptions</b>		
Discount rate	6.90%	6.35%
Compensation Escalation rate	8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter	8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter
Average Age	34.31	34.15
Mortality Basis	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2012-14)

### A. Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

			(₹ in Lakh)
No.	Particulars	As at 31 Mar 22	As at 31 Mar 21
1	Defined Benefit Obligation (Base)	3,092.80	2,961.40

(₹ in Lakh)					
No.	Particulars	As at 31 Mar 22		As at 31 Mar 21	
		Decrease	Increase	Decrease	Increase
1	Discount Rate (- / + 0.50 %) (% change compared to base due to sensitivity)	3,234.23 4.6%	2,960.58 -4.3%	3,107.92 4.9%	2,824.97 -4.6%
2	Compensation Escalation Rate (- / + 0.50 %) (% change compared to base due to sensitivity)	2,960.55 -4.3%	3,232.94 4.5%	2,825.62 -4.6%	3,105.81 4.9%
3	Mortality Rate (- / + 10%) (% change compared to base due to sensitivity)	3,090.00 -0.1%	3,095.59 0.1%	2,958.94 -0.1%	2,963.85 0.1%

There is no change in the method of valuation for the prior period. For change in assumptions refer assumptions table above.

# Significant Accounting policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### B. Effect of plan on group's future cash flows

#### i) Funding arrangements and funding policy

The scheme is managed on funded basis.

#### ii) Expected contribution during the next annual reporting period

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
The Company's best estimate of Contribution during the next year	286.56	287.65

#### iii) Maturity profile of defined benefit obligation

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Weighted average duration	9 years	10 years

#### Expected cash flows over the next (valued on undiscounted basis)

(₹ in Lakh)		
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
1 year	192.93	169.28
2 to 5 years	1,191.60	800.85
6 to 10 years	1,358.79	1,453.76
More than 10 years	3,610.10	3,582.52

The estimate of future salary increases, considered in the actuarial valuation, takes into account inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary based on assumptions provided by the Company.

## NOTE: 26 DISCLOSURE IN RESPECT OF RELATED PARTY PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 24:

### a. List of related parties:

<b>A</b>	<b>Parent of the Entity having significant influence</b>
	Grasim Industries Limited
<b>B</b>	<b>Entity having significant influence</b>
	Aditya Birla Capital Limited (ABCL)
	Sun Life (India) AMC Investments Inc, Canada
<b>C</b>	<b>Other Related Party</b>
	SLGI Asset Management Inc, Canada
	Aditya Birla Management Corporation Private Limited
	Green Oak India Investment Advisors Private Limited
	Aditya Birla Capital Foundation

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### D Subsidiaries of Entity having significant influence

Aditya Birla Health Insurance Company Limited  
Aditya Birla Sun Life Insurance Company Limited  
Aditya Birla Sun Life Trustee Private Limited  
Aditya Birla Money Mart Limited  
Aditya Birla Finance Limited  
Aditya Birla Money Limited  
Aditya Birla Financial Shared Services Limited  
Aditya Birla Insurance Brokers Limited  
Aditya Birla Money Insurance Advisory Services Limited  
Aditya Birla Commodities Broking Limited  
Aditya Birla PE Advisors Private Limited  
Aditya Birla ARC Limited  
ABCAP Trustee Company Private Limited  
Aditya Birla Sun Life Pension Management Limited  
Aditya Birla Housing Finance Limited  
ABC SL- Employee Welfare Trust (Up to 10<sup>th</sup> November 2020)  
Aditya Birla Wellness Private Limited  
Aditya Birla Trustee Company Private Limited  
Aditya Birla Stressed Asset AMC Private Limited  
Aditya Birla Capital Technology Services Limited

### E The entities in respect of which Funds are managed by the Company

India Advantage Fund Limited  
International Opportunities Fund SPC  
New Horizon Fund SPC (wound up on 30<sup>th</sup> September 2021)

### F Subsidiaries

Aditya Birla Sun Life AMC (Mauritius) Limited  
Aditya Birla Sun Life AMC Pte. Limited, Singapore  
Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai

### G Directors and Key Management Personnel

Kumar Mangalam Birla (Non-Executive Director)  
Ajay Srinivasan (Non-Executive Director)  
A. Balasubramanian (Managing Director and Chief Executive Officer)  
Sandeep Asthana (Non-Executive Director)  
Colm Freyne (Non-Executive Director)  
Bharat Patel (Independent Director)  
Alka Bharucha (Independent Director)  
Harish Engineer (Independent Director)  
Navin Puri (Independent Director)  
Bobby Parikh (Independent Director up to 2<sup>nd</sup> February 2022)  
Sushobhan Sarker (Independent Director up to 6<sup>th</sup> April 2021)  
Sunder Rajan Raman (Independent Director from 1<sup>st</sup> January 2022)  
Ramesh Abhishek (Independent Director from 1<sup>st</sup> January 2022)

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### b. Related Parties with whom the Company has entered into transactions during the Year

(₹ in Lakh)

Sr. No.	Particulars	Category	For the year ended	
			31 Mar 22	31 Mar 21
<b>1</b>	<b>Income</b>			
	<b>Advisory Fee</b>			
	Aditya Birla Sun Life AMC Pte. Limited, Singapore	F	65.23	-
<b>2</b>	<b>Fees and Commission</b>			
	Aditya Birla Finance Limited	D	135.75	88.62
	Aditya Birla Money Limited	D	0.09	-
	<b>Professional Charges - Marketing</b>			
	Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai	F	1,124.58	1,048.69
	Aditya Birla Sun Life AMC Pte Limited., Singapore	F	49.69	50.73
	<b>Contribution to Group Mediclaim/Insurance Premium/Gratuity</b>			
	Aditya Birla Sun Life Insurance Company Limited	D	339.79	370.46
	Aditya Birla Health Insurance Company Limited	D	-	25.62
	<b>Business Promotion Expenses</b>			
	Aditya Birla Sun Life Insurance Company Limited (Insurance Premium) (Note 1)	D	1,702.48	991.36
	Aditya Birla Health Insurance Company Limited (Insurance Premium)	D	2.11	1.90
	<b>Rent</b>			
	Aditya Birla Capital Limited	B	-	35.22
	Grasim Industries Limited	A	64.89	87.69
	<b>Advisory Services</b>			
	GreenOak India Investment Advisors Private Limited	C	101.92	174.77
	<b>Software &amp; Technology Expenses</b>			
	Aditya Birla Capital Technology Services Limited	D	323.28	276.00
	<b>Employee Benefit Expenses</b>			
	Aditya Birla Wellness Private Limited	D	0.05	0.75
<b>3</b>	<b>Reimbursements of Costs Paid</b>			
	Aditya Birla Financial Shared Services Limited (Employee benefit expense)	D	592.73	574.64
	Aditya Birla Financial Shared Services Limited (Administrative and other expense)	D	2,109.63	1,716.47
	Aditya Birla Finance Limited (Employee benefit expenses)	D	4.76	4.89
	Aditya Birla Finance Limited (Rent)	D	12.19	4.30
	Aditya Birla Sun Life Insurance Company Limited (Rent)	D	14.77	3.29
	Aditya Birla Sun Life Insurance Company Limited (Administrative and other expense)	D	2.57	-
	Aditya Birla Sun Life Insurance Company Limited (Employee benefit expenses)	D	3.45	15.59
	Aditya Birla Capital Limited (Employee benefit expenses)	B	1,822.96	2,250.92
	Aditya Birla Capital Limited (Administrative and other expenses)	B	608.55	562.53
	Aditya Birla Health Insurance Company Limited (Employee benefit expenses)	D	-	16.91
	Aditya Birla Housing Finance Limited (Rent)	D	14.64	3.80
	SLGI Asset Management Inc, Canada (Employee Benefit Expenses)	C	14.19	70.56
	Aditya Birla Money Limited (Employee Benefit Expenses)	D	1.89	7.50
	Aditya Birla Management Corporation Private Limited (Employee Benefit Expenses)	C	4.17	4.92

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

(₹ in Lakh)

Sr. No.	Particulars	Category	For the year ended	
			31 Mar 22	31 Mar 21
	Aditya Birla Management Corporation Private Limited (Administrative and other expense)	C	2.34	5.06
	Aditya Birla Sun Life Trustee Private Limited (Employee Benefit Expenses)	D	3.67	4.17
	Aditya Birla Capital Foundation (Administrative and other expense)	C	-	0.89
<b>4</b>	<b>Reimbursements of Costs Received</b>			
	Aditya Birla Finance Limited (Employee benefit expenses)	D	1.07	2.20
	Aditya Birla Finance Limited (Rent)	D	49.30	4.13
	Aditya Birla Sun Life Trustee Private Limited (Employee benefit expenses)	D	1.77	-
	Aditya Birla Money Limited (Employee benefit expenses)	D	1.89	-
	Aditya Birla Money Limited (Rent)	D	1.43	-
	Aditya Birla Sun Life Insurance Company Limited (Employee benefit expenses)	D	27.22	3.01
	Aditya Birla Sun Life Insurance Company Limited (Administrative and other expenses)	D	0.21	0.76
	Aditya Birla Sun Life Insurance Company Limited (Rent)	D	11.25	-
	Aditya Birla Capital Limited (Administrative and other expenses)	B	0.19	0.19
	Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai (Employee benefit expenses)	F	37.76	-
	Aditya Birla Sun Life AMC Pte. Limited, Singapore (Employee benefit expenses)	F	24.58	-
	Aditya Birla Sun Life AMC (Mauritius) Limited (Employee benefit expenses)	F	2.21	-
	Aditya Birla Management Corporation Private Limited (Employee benefit expenses)	C	0.30	4.22
	Aditya Birla Insurance Brokers Limited (Employee benefit expenses)	D	-	0.83
	Grasim Industries Limited (Administrative and other expenses)	A	-	2.95
	Aditya Birla Housing Finance Limited (Rent)	D	6.16	1.27
	Aditya Birla Health Insurance Company Limited (Rent)	D	5.99	-
	Aditya Birla Health Insurance Company Limited (Administrative and other expenses)	D	0.42	0.42
	Aditya Birla Health Insurance Company Limited (Employee benefit expenses)	D	-	12.66
	Aditya Birla Insurance Brokers Limited (Rent)	D	0.43	-
	Aditya Birla Money Insurance Advisory Services Limited (Rent)	D	2.69	-
<b>5</b>	<b>Managerial Remuneration</b>			
	Managerial Remuneration paid (Note 2)	G	1,589.69	550.28
<b>6</b>	<b>Director's Sitting Fees</b>			
	Director's Sitting Fees paid	G	120.25	21.80
<b>7</b>	<b>Interim Dividend Paid</b>			
	Aditya Birla Capital Limited	B	11,664.16	7,140.19
	Sun Life (India) AMC Investments Inc	B	9,342.53	6,860.20
	Key Managerial Personnel/Directors	G	1.33	0.01
<b>8</b>	<b>CSR Contribution</b>			
	Aditya Birla Capital Foundation	C	651.87	1,062.00
<b>9</b>	<b>Sale of Fixed Assets</b>			
	Aditya Birla Health Insurance Company Limited	D	-	9.95
	Aditya Birla Management Corporation Private Limited	C	12.67	9.25
	Aditya Birla Sun Life Insurance Company Limited	D	-	25.31

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

		(₹ in Lakh)	
Sr. No.	Particulars	Category	For the year ended
			31 Mar 22
			31 Mar 21
<b>10</b>	<b>Purchase of Fixed Assets</b>		
	Aditya Birla Management Corporation Private Limited	C	-
	Aditya Birla Health Insurance Company Limited	D	-
<b>11</b>	<b>Software Development (Capitalised)</b>		
	Aditya Birla Capital Technology Services Limited	D	13.26
<b>12</b>	<b>Software Development (Capital WIP – Intangible)</b>		
	Aditya Birla Capital Technology Services Limited	D	-
<b>13</b>	<b>Refund of Security Deposit Received</b>		
	Aditya Birla Capital Limited	B	-
<b>14</b>	<b>Security Deposit Given and Refundable</b>		
	Aditya Birla Sun Life Insurance Company Limited	D	77.60
<b>15</b>	<b>Security Deposit Taken and Payable</b>		
	Aditya Birla Health Insurance Company Limited	D	3.61

## c. Outstanding Balances:

		(₹ in Lakh)	
Sr. No.	Particulars	Category	As at
			31 Mar 22
			31 Mar 21
<b>1</b>	<b>Payable</b>		
	Aditya Birla Financial Shared Services Limited (Trade Payable)	D	237.59
	Aditya Birla Capital Limited (Trade Payable)	B	253.39
	SLGI Asset Management Inc, Canada (Trade Payable)	C	-
	Aditya Birla Capital Technology Services Limited (Trade Payable)	D	35.12
	Aditya Birla Management Corporation Private Limited (Trade Payable)	C	1.36
	Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai (Trade Payable)	F	218.12
	Aditya Birla Sun Life AMC Pte Limited, Singapore (Trade Payable)	F	-
	Aditya Birla Sun Life Insurance Company Limited (Trade Payable)	D	-
	Aditya Birla Finance Limited (Trade Payable)	D	-
	GreenOak India Investment Advisors Private Limited (Trade Payable)	C	-
	Aditya Birla Wellness Private Limited (Trade Payable)	D	-
	Grasim Industries Limited (Trade Payable)	A	2.38
	Aditya Birla Money Limited (Trade Payable)	D	-
	Aditya Birla Sun Life Trustee Private Limited (Trade Payable)	D	-
	Aditya Birla Housing Finance Limited (Trade Payable)	D	2.89
	Aditya Birla Health Insurance Company Limited (Deposit)	D	3.61
<b>2</b>	<b>Receivable</b>		
	Aditya Birla Sun Life AMC (Mauritius) Limited - (Receivables)	F	0.56
	Aditya Birla Financial Shared Services Limited (Prepaid Expenses)	D	45.88
	Aditya Birla Capital Technology Services Limited (Prepaid Expenses)	D	9.49
	Aditya Birla Money Insurance Advisory Services Limited (Receivables)	D	-
	Grasim Industries Limited (Receivables)	A	-
	Grasim Industries Limited (Deposit)	A	71.32
	Aditya Birla Insurance Brokers Limited (Receivables)	D	0.39

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

(₹ in Lakh)				
Sr. No	Particulars	Category	As at 31 Mar 22	As at 31 Mar 21
	Aditya Birla Sun Life Insurance Company Limited (Deposit Recovery)	D	30.88	-
	Aditya Birla Sun Life Insurance Company Limited (Receivables)	D	26.82	-
	Aditya Birla Sun Life Insurance Company Limited (Deposit)	D	77.60	-
	Aditya Birla Finance Limited (Receivables)	D	40.60	-
	Aditya Birla Finance Limited (Deposit Recovery)	D	120.00	-
	Aditya Birla Housing Finance Limited (Deposit Recovery)	D	2.78	-
	Aditya Birla Housing Finance Limited (Receivables)	D	-	0.59
	Aditya Birla Money Limited (Deposit Recovery)	D	2.33	-
	Aditya Birla Money Limited (Receivables)	D	1.31	-
	Aditya Birla Health Insurance Company Limited (Deposit Recovery)	D	6.77	-
	Aditya Birla Health Insurance Company Limited (Receivables)	D	5.90	1.95
	Aditya Birla Sun Life AMC Pte Limited. Singapore (Receivables)	F	62.82	-

Related parties are as identified by the Company and relied upon by the Auditors

All the above figures are inclusive of GST wherever applicable.

Note 1 - Total Amount paid ₹ 1,702.48 lakh (Previous Year ₹991.36 Lakh), out of which ₹ 1,490.90 lakh (Previous Year ₹ 844.67 Lakh) debited to profit and loss during the year and balance amortised.

Note 2 – Managerial Remuneration:

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
1) Short term employment benefits		
a) Gross Salary	927.62	539.54
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.85	10.74
2) Share-based payments by ABCL (Entity having significant influence)	0.81	-
3) Share based payments by the Company	648.41	-
<b>Total Remuneration</b>	<b>1,589.69</b>	<b>550.28</b>

Managerial Remuneration also includes Share based payments of ₹ 648.41 lakh included in other long term employment benefits.

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly have not been considered in the above information.

## NOTE: 27 EARNINGS PER SHARE

Earnings per Share (EPS) is calculated as under:		As at 31 Mar 22	As at 31 Mar 21
Net Profit before Other Comprehensive Income as per Statement of Profit and Loss (₹ in lakh)	A	66,036.00	51,583.70
Weighted average number of basic equity shares after split of shares into ₹ 5 each (refer note 15)	B	3,60,00,000	3,60,00,000
Bonus shares issued (refer note 15)	C	25,20,00,000	25,20,00,000
Number of equity shares considered for computation of Basic EPS (B+C)	D	28,80,00,000	28,80,00,000
Add: Dilutive impact of Employee stock options	E	8,38,100	-
Number of equity shares considered for computation of Diluted EPS (D+E)	F	28,88,38,100	28,80,00,000
Basic Earnings Per Share (₹)	A/D	22.93	17.91
Diluted Earnings Per Share (₹)	A/F	22.86	17.91
Nominal Value of Shares (₹)		5	5

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of EPS as per the requirement of IND AS 33.

### NOTE: 28 SEGMENT INFORMATION

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 - "Operating Segments". The CODM evaluates the Company's performance and allocates resources. The Company's operations predominantly relate to providing asset management services, portfolio management and other advisory services. In the opinion of the CODM and Management, the risks and rewards attached to the business are similar in nature. Hence the separate Segment under Ind AS 108 on "Operating Segments" is not required to be reported as the Company's business is restricted to single Operating Segment i.e., Asset Management Services.

There is only one customer contributing in excess of 10% of the Company's total revenue in the following years:

Particulars	(₹ in Lakh)	
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Revenue from Aditya Birla Sun Life Mutual Fund	1,21,951.61	99,098.38

### NOTE: 29 CORPORATE SOCIAL RESPONSIBILITY

		(₹ in Lakh)	
No	Particulars	As at 31 Mar 22	As at 31 Mar 21
1	Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)	1,142.84	1,061.76
2	Amount approved by the Board to be spent during the year	1,141.71	1,061.76
3	Amount of expenditure incurred	664.71	1,062.89
4	Excess/(Shortfall) at the end of the period	-	1.13
5	Total of previous years excess/(shortfall)	1.13	-
6	Reason for shortfall	-	-
7	Nature of CSR activities		
	-Construction/acquisition of assets	183.49	614.00
	-On purpose other than (i) above	468.38	448.89
8	Amount yet to be spent/paid	477.00	-
9	Details of Related party transactions		
	- Aditya Birla Capital Foundation	651.87	1,062.00
10	Liability incurred by entering into contractual obligations	-	-

Details of ongoing project and other than ongoing project

		In case of S. 135(6) (Ongoing Project)				
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	1,142.84	665.84	-	-	477.00

In case of S. 135(5) Excess amount spent					
Opening Balance		Amount required to be spent during the year	Amount spent during the year	Closing Balance	
1.13		-	1.13		

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### NOTE: 30 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March 2022.

### NOTE: 31 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total Fair Value
<b>As at 31 Mar 22</b>							
<b>Financial Assets</b>							
Investments in:							
Mutual Funds	1,97,186.14	-	1,97,186.14	1,97,186.14	-	-	1,97,186.14
Alternative Investment Funds	1,667.30	-	1,667.30	438.69	-	1,228.61	1,667.30
Debt Securities	1,006.98	10,482.81	11,489.79	11,752.94	-	-	11,752.94
Equity Instruments	1,754.91	-	1,754.91	-	-	1,754.91	1,754.91
Subsidiaries	-	6,901.99	6,901.99	-	-	-	-
Cash and cash equivalents	-	655.26	655.26	-	-	-	-
Bank balances other than those mentioned above	-	3,268.20	3,268.20	-	-	-	-
Trade receivables	-	1,970.58	1,970.58	-	-	-	-
Other financial assets	-	1,796.05	1,796.05	-	-	-	-
<b>Total Financial Assets</b>	<b>2,01,615.33</b>	<b>25,074.89</b>	<b>2,26,690.22</b>	<b>2,09,377.77</b>	<b>-</b>	<b>2,983.52</b>	<b>2,12,361.29</b>
<b>Financial Liabilities</b>							
Trade Payables	-	3,026.68	3,026.68	-	-	-	-
Lease Liabilities	-	5,341.57	5,341.57	-	-	-	-
Others Financial Liabilities	-	6,307.64	6,307.64	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>14,675.86</b>	<b>14,675.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total Fair Value
<b>As at 31 Mar 21</b>							
<b>Financial Assets</b>							
Investments in:							
Mutual Funds	1,61,126.84	-	1,61,126.84	1,61,126.84	-	-	1,61,126.84
Alternative Investment Funds	1,083.27	-	1,083.27	94.36	-	988.91	1,083.27
Debt Securities	-	10,335.60	10,335.60	10,695.40	-	-	10,695.40
Equity Instruments	79.69	-	79.69	-	-	79.69	79.69

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total Fair Value
As at 31 Mar 21							
Subsidiaries	-	6,901.99	6,901.99	-	-	-	-
Cash and cash equivalents	-	1,003.61	1,003.61	-	-	-	-
Bank balances other than those mentioned above	-	30.70	30.70	-	-	-	-
Trade receivables	-	2,460.71	2,460.71	-	-	-	-
Other financial assets	-	1,887.38	1,887.38	-	-	-	-
<b>Total Financial Assets</b>	<b>1,62,289.80</b>	<b>22,619.99</b>	<b>1,84,909.79</b>	<b>1,71,916.60</b>	<b>-</b>	<b>1,068.60</b>	<b>1,72,985.20</b>
<b>Financial Liabilities</b>							
Trade Payables	-	3,681.53	3,681.53	-	-	-	-
Lease Liabilities	-	5,845.61	5,845.61	-	-	-	-
Others Financial Liabilities	-	4,325.77	4,325.77	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>13,852.91</b>	<b>13,852.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The management assessed that cash and cash equivalents, trade receivables, other financial assets, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

Valuation techniques used to determine fair value:-

- Mutual Funds:- Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed
- Alternative Investment Funds:- Net Asset Value (NAV) provided by issuer fund which is arrived at based on valuation from independent valuer for unlisted portfolio companies, quoted price of listed portfolio companies and price of recent investments
- Debt Securities:- Fair value of debt securities which are actively traded bonds, is derived on the basis of quoted price available on the National Stock Exchange
- Equity Instruments:- Discounted cash flow based on present value of the expected future economic benefit

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies (including unlisted portfolio companies of venture capital funds and alternative investment funds) on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

## Fair value reconciliation for Level 3 instruments:

The following table shows reconciliation from opening to closing balances for Level 3 assets:

(₹ in Lakh)

<b>Balance as at 1<sup>st</sup> April 2020</b>	<b>1,206.29</b>
Net gain/ (loss) recognised in Profit & Loss	(147.00)
Purchases of financial instrument	9.31
Sales of financial instruments	-
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>1,068.60</b>
Net gain/ (loss) recognised in Profit & Loss	3.50
Purchases of financial instrument	2,309.53
Sales of financial instruments	(398.11)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>2,983.52</b>

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### NOTE: 32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual fund units, debt and equity instruments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by Risk Management Committee and the auditors have relied on the same. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### A. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

##### (i) 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 sensitivity of the portfolio towards the interest rate is mentioned in the table below

##### Sensitivity

The following table demonstrates the sensitivity to :

- Interest Rate Risk is basis impact on debt portfolios for 1% change in interest rates.
- Hybrid funds considered at 100% as a conservative basis for assessing interest rate impact on portfolio. (which form approximately 1% of the entire portfolio of schemes).

##### Impact on profit and loss:

(₹ in Lakh)		
Risk	As at 31 Mar 22	As at 31 Mar 21
Interest Rate Risk – (Impact of 1% increase in interest rate)	1.64%	1.60%
Effect on Profit and Loss	(2,774.86)	(2,448.88)
Interest Rate Risk – (Impact of 1% decrease in interest rate)	1.64%	1.60%
Effect on Profit and Loss	2,774.86	2,448.88

##### (ii) Foreign currency risk

The Company has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

##### (iii) Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, caused by factors specific to an individual investment, its issuer and market.

The Company's exposure to price risk arises from investments in Units of mutual funds, alternative investment funds, etc which are classified as financial asset at Fair Value through Profit and Loss and is as follows:

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Investment exposure to price risk	1,98,853.44	1,62,210.11

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices/ market value by 5%:

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Effect on Profit and Loss		
5% increase in prices	9,942.67	8,110.51
5% decrease in prices	(9,942.67)	(8,110.51)

## B. Credit risk

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's has clearly defined policies to mitigate counterparty risks. Cash and liquid investments are held primarily in mutual funds and banks with good credit ratings. Defined limits are in place for exposure to individual counterparties in case of mutual fund houses and banks.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Company has major receivable from mutual fund schemes.

Trade receivables ageing:

(₹ in Lakh)						
Trade Receivables	Neither past due nor impaired	Past dues but not impaired				
		<30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days
31 <sup>st</sup> March 2022	1,970.58	-	-	-	-	-
31 <sup>st</sup> March 2021	2,460.71	-	-	-	-	-

The carrying amounts of following financial assets represent the maximum credit risk exposure:

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Trade Receivables	1,970.58	2,460.71
Cash and cash equivalents	655.26	1,003.61
Bank balances other than those mentioned above	3,268.20	30.70
Other financial assets measured at amortised cost	12,278.86	12,222.98

### Expected Credit Loss on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL or life time ECL, the company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. The company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e., the difference between the cash flows due to the company in accordance with contract and the cash flows that the Company expects to receive).

The Company has three types of financial assets that are subject to the expected credit loss:

- Cash and cash equivalent
- Trade and other receivables
- Investment in debt securities measured at amortised cost

### Trade and Other Receivables:-

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables.

### Cash and Cash Equivalents:-

The Company holds cash and cash equivalents and other bank balances as per note 3 and 4. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

### Investment in Debt Securities measured at amortised cost:-

Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

## C. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

### 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.

(₹ in Lakh)

As at 31 Mar 22	Within 12 Months	After 12 Months	Total
Trade Payables	3,026.65	-	3,026.65
Employee Dues	6,129.00	-	6,129.00
Payable for Capital Expenditure	12.27	-	12.27
Deposits from Related parties	-	166.37	166.37
Lease Liabilities	1,947.73	4,424.67	6,372.40
	11,115.65	4,591.04	15,706.69

(₹ in Lakh)

As at 31 Mar 21	Within 12 Months	After 12 Months	Total
Trade Payables	3,681.53	-	3,681.53
Employee Dues	4,311.81	-	4,311.81
Payable for Capital Expenditure	13.96	-	13.96
Lease Liabilities	2,286.09	4,490.35	6,776.44
	10,293.39	4,490.35	14,783.74

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### NOTE: 33 LEASES

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March 2022:

(₹ in Lakh)

Particulars	Category of ROU Asset Leasehold premises
Balance as at 1 <sup>st</sup> April 2021	5,066.50
Add: New Lease Agreements	2,381.63
Less: Deletion	(784.53)
Less: Depreciation	(1,904.98)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>4,758.62</b>

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March 2021:

(₹ in Lakh)

Particulars	Category of ROU Asset Leasehold premises
Balance as at 1 <sup>st</sup> April 2020	5,281.00
Add: New Lease Agreements	1,950.43
Less: Deletion	(178.13)
Less: Depreciation	(1,986.80)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>5,066.50</b>

## Amounts recognised in statement of profit and loss

(₹ in Lakh)

Particulars	Year ended 31 Mar 22	Year ended 31 Mar 21
<b>Depreciation and Amortisation Expenses</b>		
Depreciation expense on right-of-use assets	1,904.98	1,986.80
<b>Finance Cost</b>		
Interest expense on lease liabilities	482.30	550.18
<b>Other Income</b>		
Rent concession	(265.16)	(353.94)
<b>Other Expense</b>		
Expense relating to short-term leases	46.06	39.04

The following is the break-up of current and non-current lease liabilities: -

(₹ in Lakh)

Particulars	As at 31 Mar 22	As at 31 Mar 21
Current Lease Liabilities	1,957.63	2,200.32
Non-Current Lease Liabilities	3,383.94	3,645.29
<b>Total</b>	<b>5,341.57</b>	<b>5,845.61</b>

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March 2022:

(₹ in Lakh)	
Particulars	Amount
Balance as at 1 <sup>st</sup> April 2021	5,845.61
Additions	2,381.63
Deletions	(986.93)
Finance Cost accrued during the year	482.30
Payment of Lease Liabilities	(2,318.28)
Rent concession	(62.76)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>5,341.57</b>

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March 2021:

(₹ in Lakh)	
Particulars	Amount
Balance as at 1 <sup>st</sup> April 2020	6,031.76
Additions	1,950.43
Deletions	(178.13)
Finance Cost accrued during the year	550.18
Payment of Lease Liabilities	(2,154.69)
Rent concession	(353.94)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>5,845.61</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakh)		
Particulars	Year ended 31 Mar 22	Year ended 31 Mar 21
Less than one year	1,947.73	2,286.09
One to Five years	3,137.49	3,925.88
More than Five years	1,287.18	564.47
<b>Total</b>	<b>6,372.40</b>	<b>6,776.44</b>

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.

All the future cash flows to which the lease is potentially exposed are reflected in the measurement of lease liabilities.

## Critical accounting judgements and key sources of estimation uncertainty

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

## NOTE: 34 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.

(₹ in Lakh)

Assets/Liabilities	As at 31 Mar 22			As at 31 Mar 21		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	655.26	–	655.26	1,003.61	–	1,003.61
Other bank balances	3,268.20	–	3,268.20	30.70	–	30.70
Trade receivables	1,970.58	–	1,970.58	2,460.71	–	2,460.71
Investments	1,36,297.64	82,702.49	2,19,000.13	1,54,507.99	25,019.40	1,79,527.39
Other Financial Assets	241.77	1,554.28	1,796.05	527.40	1,359.98	1,887.38
<b>Non-Financial Assets</b>						
Current tax assets (net)	–	3,053.14	3,053.14	–	1,689.31	1,689.31
Property, Plant and Equipment	–	1,349.33	1,349.33	–	1,204.71	1,204.71
Right of use Assets	–	4,758.62	4,758.62	–	5,066.50	5,066.50
Capital work-in-progress	–	153.18	153.18	–	7.81	7.81
Intangible assets under development	–	138.71	138.71	–	100.94	100.94
Other Intangible Assets	–	980.99	980.99	–	1,325.80	1,325.80
Other Non-Financial Assets	6,098.57	208.21	6,306.78	5,002.10	437.74	5,439.84
<b>Total Assets</b>	<b>1,48,532.02</b>	<b>94,898.95</b>	<b>2,43,430.97</b>	<b>1,63,532.51</b>	<b>36,212.19</b>	<b>1,99,744.70</b>
<b>Financial Liabilities</b>						
Trade Payables	3,026.65	–	3,026.65	3,681.53	–	3,681.53
Lease Liabilities	1,957.63	3,383.94	5,341.57	2,200.32	3,645.29	5,845.61
Other Financial Liabilities	6,141.27	166.37	6,307.64	4,325.77	–	4,325.77
<b>Non-Financial Liabilities</b>						
Current tax liabilities (net)	–	–	–	941.33	–	941.33
Provisions	131.64	3,569.00	3,700.64	8,480.36	902.74	9,383.10
Deferred tax liabilities (net)	–	2,519.26	2,519.26	–	1,373.40	1,373.40
Other non-financial liabilities	2,473.82	–	2,473.82	1,876.16	–	1,876.16
<b>Total Liabilities</b>	<b>13,731.01</b>	<b>9,638.57</b>	<b>23,369.58</b>	<b>21,505.47</b>	<b>5,921.43</b>	<b>27,426.90</b>

## NOTE: 35 EMPLOYEE STOCK OPTIONS SCHEME

At the Board Meeting held on 14<sup>th</sup> April 2021 the Company approved the grant of not more than 46,08,000 Equity Shares by way of grant of Stock Options and restricted Stock Units (“RSUs”). Out of these, the Nomination, Remuneration and Compensation Committee has granted 32,32,899 ESOPs, 5,08,117 PRSU, 1,96,374 Long Term RSU & 2,46,863 RSU Founder under the Scheme titled “Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021 ” in 4 categories of Long Term Incentive Plans (“LTIP”) identified as LTIP 1, LTIP 2, LTIP 3 & LTIP 4 respectively. 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. There are no cash settlement alternatives. The Group accounts for the employees stock option scheme as an equity-settled plan.

# Significant Accounting Policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

Category of ESOPs	LTIP 1	LTIP 2	LTIP 3	LTIP 4
Type of ESOP	ESOP	RSU	RSU	RSU
Plan Period	2021- 2025	2021-2025	2021-2024	2021-2023
Quantum of Grant	32,32,899	5,08,117	1,96,374	2,46,863
Method of Accounting	Fair Value of options at Grant date	Fair Value of options at Grant date	Fair Value of options at Grant date	Fair Value of options at Grant date
Vesting Period	End of Year 1: 20% of options granted End of Year 2: 20% of options granted End of Year 3: 30% of options granted End of Year 4: 30% of options granted	End of Year 3: 50% of options granted End of Year 4: 50% of options granted	End of Year 3: 100% of options granted	End of Year 2: 100% of options granted
Vesting Conditions	Employees of the Group: Achievement of 75% of Annual Planning & Budgeting Profit Before Tax	Employees of the Group: Achievement of 80% of Annual Planning & Budgeting Profit Before Tax	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	5 years from the date of vesting
Grant Date	12/04/2021	12/04/2021	12/04/2021	12/04/2021
Exercise Price as on Grant date (per share)	694.00	5.00	5.00	5.00
Value of Equity Shares as at the Date of Grant of Original Option (₹ Per Share)	671.50	671.50	671.50	671.50

There were no cancellations or modifications to the Employee Stock Options Scheme in period ending 31<sup>st</sup> March 2022.

There were no Employee Stock Options Scheme issued by the Company till year ended 31<sup>st</sup> March 2021

## Movements during the year ended 31<sup>st</sup> March 2022

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

Category of ESOPs	LTIP 1	LTIP 2	LTIP 3	LTIP 4
Type of ESOP	ESOP	RSU	RSU	RSU
Options/RSUs Outstanding at the beginning of the period	Nil	Nil	Nil	Nil
Granted during the period	32,32,899	5,08,117	1,96,374	2,46,863
Exercised during the period	Nil	Nil	Nil	Nil
Forfeited during the period	1,79,268	28,175	4,817	46,431
Options/RSUs Outstanding at the end of the period	30,53,631	4,79,942	1,91,557	2,00,432
Options/RSUs Vested/Exercisable at the end of the period	Nil	Nil	Nil	Nil
The weighted average remaining contractual life for the share options outstanding as at 31 <sup>st</sup> March 2022	2.50 years	3.50 years	4.50 years	5.50 years

Since all the options were granted/lapsed, at the same exercise price per option under the respective category of ESOPs, the weighted average exercise price per option for all these line items under the respective category of ESOPs is the same.

# Significant Accounting policies

and other explanatory information(notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### Fair valuation

The fair value at grant date is independently determined by valuer using Black-Scholes Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and historical volatility of the Peer companies and Index, the expected dividend yield and the risk-free interest rate for the term of the option.

The key inputs and the Fair Value for options granted during the year ended 31<sup>st</sup> March 2022 are as follow:

Category of ESOPs	LTIP 1	LTIP 2	LTIP 3	LTIP 4
Type of ESOP	ESOP	RSU	RSU	RSU
Risk-Free Interest Rate (%)	5.4 to 6.4%	6.3 to 6.4%	6.3%	5.7%
Option Life (Years)	3.5 to 6.5 Yrs	5.5 to 6.5 Yrs	5.5 Yrs	4.5 Yrs
Historical Volatility	32.0% to 34.0%	32.0% to 34.0%	32.4%	32.7%
Expected Dividend Yield (%)	1.4%	1.4%	1.4%	1.4%
Weighted-Average Fair Value per Option as on 12 <sup>th</sup> April 2021 (₹)	186 to 258.40	610.60 to 618.90	618.90	627.20

### NOTE: 36

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### NOTE: 37

The Company has completed its Initial Public Offering (IPO) of 3,88,80,000 equity shares of face value of ₹ 5/- each for cash at an issue price of 712/- per equity share aggregating to ₹ 2,76,825.60 lakh, consisting of an offer for sale of 3,88,80,000 equity shares aggregating to ₹ 2,76,825.60 lakh by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 11<sup>th</sup> October 2021.

### NOTE: 38 THE DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES ARE AS FOLLOWS:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding
Murlidhar Press Private Limited	Marketing & Selling	Nil

### NOTE: 39

With regard to the new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" there are no balances that are required to be disclosed or there are no ratios which are applicable/ calculable with regard to the following clauses WA, WB (i),(ii),(iii),(iv),(v),(viii),(ix),(x),(xii),(xiii),(xiv),(xv) and (xvi) for the Company.

### NOTE: 40

With regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" there are no transactions that are required to be disclosed with regard to the following clauses 11(v) and 11(vii) for the Company.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Other notes to accounts:

### NOTE: 41 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have proposed a final dividend of ₹ 5.85 per equity share (face value of ₹ 5 each) for the year ended 31<sup>st</sup> March 2022, subject to the approval of the shareholders at the ensuing Annual General Meeting. Please refer note 16 for details.

### NOTE: 42 PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Independent Auditor's Report

To the Members of

**Aditya Birla Sun Life AMC Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated financial statements of Aditya Birla Sun Life AMC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated balance sheet as at 31<sup>st</sup> March 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified

under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group 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 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 audit opinion on the consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services</b> (as described in Note 2(xv) of the consolidated financial statements)</p> <p>Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of:</p> <ul style="list-style-type: none"> <li>- Asset Management and Advisory Fees amounting to ₹ 1,24,965.61 lacs.</li> <li>- Management Fees from Portfolio Management and Other Services amounting to ₹ 4,330.55 lacs.</li> </ul> <p>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.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the accounting policy for revenue recognition.</li> <li>• 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.</li> <li>• Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees.</li> <li>• Obtained and assessed independent assurance reports for the relevant controls at the third-party administrators.</li> <li>• 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.</li> <li>• On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records.</li> <li>• On sample basis, verified the input of contractual terms with rates approved by the management.</li> <li>• On a sample basis, checked the receipts of such income in bank statements.</li> <li>• Re-calculated Management Fees from Portfolio Management and Other Services in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts.</li> <li>• Evaluated the disclosure relating to management fee income earned by the Company.</li> </ul>

## Information other than the financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;

## Independent Auditor's Report (Contd.)

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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether

the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other matter

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of ₹ 7,236.79 lacs as at 31<sup>st</sup> March 2022, and total revenues of ₹ 4,187.70 lacs and net cash inflows of ₹ 1,058.73 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls') for the subsidiary companies, since according to the information and explanation given to us, the said report on internal

## Independent Auditor's Report (Contd.)

financial controls is not applicable to the Subsidiaries, basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated 13<sup>th</sup> June 2017, read with corrigendum dated 13<sup>th</sup> July 2017 on reporting on internal financial controls over financial reporting;

- (g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March 2022 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 24 to the consolidated financial statements;
  - ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31<sup>st</sup> March 2022 ;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended 31<sup>st</sup> March 2022.
  - iv. a) The management of the Holding Company have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in

other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management of the Holding Company have represented to us that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The dividend declared or paid during the year by the Holding company, is in compliance with section 123 of the Act.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 22123596AHVYGV4599

Place of Signature: Mumbai

Date: 26<sup>th</sup> April 2022

# Annexure -1

Referred to in paragraph 1 under the heading “report on other legal and regulatory requirements” of our report of even date

**Re: Aditya Birla Sun Life AMC Limited (hereinafter referred to as ‘the Holding Company’)**

Based on the audit reports of the subsidiary companies, which are incorporated outside India, we noted that reporting Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable to the subsidiary companies. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 22123596AHVYGV4599

Place of Signature: Mumbai

Date: 26<sup>th</sup> April 2022

## Annexure - 2

To the independent auditor's report of even date on the consolidated financial statements of Aditya Birla Sun Life AMC limited

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

In conjunction with our audit of the consolidated financial statements of Aditya Birla Sun Life AMC Limited as of and for the year ended 31<sup>st</sup> March 2022, we have audited the internal financial controls over financial reporting of Aditya Birla Sun Life AMC Limited (hereinafter referred to as the "Holding Company").

#### **Management's responsibility for internal financial controls**

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls,

both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of internal financial controls over financial reporting with reference to consolidated financial statements**

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

to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent limitations of internal financial controls over financial reporting with reference to consolidated financial statements**

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

### **Opinion**

In our opinion, the Holding Company, has maintained in all material respects, adequate internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting with reference to consolidated financial statements were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 22123596AHVYGV4599

Place of Signature: Mumbai

Date: 26<sup>th</sup> April 2022

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2022

(₹ in Lakh)

Particulars	Note	As at 31 Mar 22	As at 31 Mar 21
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	6,524.73	5,653.07
(b) Bank balances other than (a) above	4	3,268.20	30.70
(c) Receivables			
(I) Trade receivables	5	2,615.94	3,095.36
(d) Loans	6	1.00	3.20
(e) Investments	7	212,098.14	172,625.40
(f) Other Financial Assets	8	1,827.07	1,918.67
<b>Total Financial Assets</b>		<b>226,335.08</b>	<b>183,326.40</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)		3,053.14	1,689.31
(b) Property, Plant and Equipment	9.1	1,371.43	1,224.47
(c) Right of use Assets	35	4,854.12	5,155.88
(d) Capital work-in-progress	9.1	153.18	7.81
(e) Intangible assets under development	9.2	138.71	100.94
(f) Other Intangible Assets	9.2	981.85	1,327.90
(g) Other non-Financial Assets	10	6,586.83	5,622.40
<b>Total Non-Financial Assets</b>		<b>17,139.26</b>	<b>15,128.71</b>
<b>Total Assets</b>		<b>243,474.34</b>	<b>198,455.11</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	11	9.25	3.50
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11	3,031.53	3,735.17
(b) Lease Liabilities	35	5,436.80	5,931.43
(c) Other Financial Liabilities	12	6,594.81	4,661.03
<b>Total Financial Liabilities</b>		<b>15,072.39</b>	<b>14,331.13</b>
<b>(2) Non Financial Liabilities</b>			
(a) Current tax liabilities (net)		1.41	942.00
(b) Provisions	13	3,745.15	9,454.80
(c) Deferred tax liabilities (net)	14	2,519.26	1,373.40
(d) Other non-financial liabilities	15	2,490.56	1,892.45
<b>Total Non-Financial Liabilities</b>		<b>8,756.38</b>	<b>13,662.65</b>
<b>(3) Equity</b>			
(a) Equity Share capital	16	14,400.00	1,800.00
(b) Other Equity	17	205,245.57	168,661.33
<b>Equity attributable to equity holders of the parent</b>		<b>219,645.57</b>	<b>170,461.33</b>
Non-Controlling Interests		-	-
<b>Total Equity</b>		<b>219,645.57</b>	<b>170,461.33</b>
<b>Total Liabilities and Equity</b>		<b>243,474.34</b>	<b>198,455.11</b>
Contingent Liabilities & Commitments	24		
Corporate Information and Significant Accounting Policies	1 & 2		
The accompanying Notes are an integral part of the Financial Statements.	24-44		

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2022

(₹ in Lakh)

Particulars	Note	For the year ended 31 Mar 22	For the year ended 31 Mar 21
<b>INCOME</b>			
<b>Revenue from Operations</b>			
Fees and Commission income	18	129,296.16	106,790.71
<b>Total Revenue from Operations</b>		<b>129,296.16</b>	<b>106,790.71</b>
Other Income	19	11,556.02	13,793.44
<b>Total Income (A)</b>		<b>140,852.18</b>	<b>120,584.15</b>
<b>EXPENSES</b>			
Employee Benefit Expense	20	25,324.69	24,069.79
Other Expense	21	20,033.13	17,919.73
Fees and Commission Expense		1,975.69	4,705.69
Finance cost	22	486.34	555.68
Depreciation and Amortisation Expense	23	3,561.96	3,744.25
<b>Total Expenses (B)</b>		<b>51,381.81</b>	<b>50,995.14</b>
<b>Profit Before Tax (C = A-B)</b>		<b>89,470.37</b>	<b>69,589.01</b>
<b>Income Tax Expense</b>			
Current tax		21,069.90	17,055.56
Deferred tax		1,145.85	(88.18)
Adjustments in respect of current income tax of previous year		(22.56)	(6.47)
<b>Income Tax Expense (D)</b>	14	<b>22,193.19</b>	<b>16,960.91</b>
<b>Profit for the year (E = C - D)</b>		<b>67,277.18</b>	<b>52,628.10</b>
<b>Other Comprehensive Income</b>			
A Items that will be reclassified to profit or loss			
i) Exchange difference on translation of foreign operations		199.46	19.63
B Items that will not be reclassified to profit or loss			
i) Re-measurement gains/(losses) on defined benefit plans		84.71	169.37
ii) Income tax relating to the items that will not be reclassified to the Profit and Loss		(21.33)	(42.63)
<b>Other Comprehensive Income for the Year (F)</b>		<b>262.84</b>	<b>146.37</b>
<b>Total Comprehensive Income for the Year (G = E+F)</b>		<b>67,540.02</b>	<b>52,774.47</b>
<b>Profit for the year</b>			
Attributable to :			
Owners of the Company		67,277.18	52,628.10
Non-controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>67,277.18</b>	<b>52,628.10</b>
Attributable to :			
Owners of the Company		67,540.02	52,774.47
Non-controlling interests		-	-
		<b>67,540.02</b>	<b>52,774.47</b>
<b>Earnings per share of ₹ 5 each</b>			
- Basic profit for the year attributable to ordinary equity shareholders of the Company	28	<b>23.36</b>	<b>18.27</b>
- Diluted profit for the year attributable to ordinary equity shareholders of the Company		<b>23.29</b>	<b>18.27</b>
Corporate Information & Significant Accounting Policies	1 & 2		
The accompanying Notes are an integral part of the Financial Statements.	24-44		

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Consolidated Statement of Cash Flow Statement

for the year ended 31<sup>st</sup> March 2022

(₹ in Lakh)

Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	<b>89,470.37</b>	<b>69,589.01</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation	3,561.96	3,744.25
Finance cost	486.34	555.68
Profit on Sale of Investments	(2,559.17)	(3,992.31)
Fair valuation of investments	(7,241.38)	(8,319.80)
Exchange differences on translating the financial statements of a foreign operation	199.46	19.59
Loss or (Profit) on Sale of Property, Plant and Equipment	12.78	7.03
Share-based payments by the Company	4,828.21	-
Interest on Fixed Deposits and Investments	(1,422.97)	(1,062.35)
Rent concession	(265.16)	(353.94)
<b>Operating Profit before working capital changes</b>	<b>87,070.43</b>	<b>60,187.16</b>
(Increase)/Decrease in Receivables	479.42	951.08
(Increase)/Decrease in Loans and advances	2.19	9.30
(Increase)/Decrease in Other Financial Assets	(3,145.91)	(627.62)
(Increase)/Decrease in Other Non-Financial Assets	(923.42)	3,724.58
Increase/(Decrease) in Payables	(697.88)	(1,001.77)
Increase/(Decrease) in Other Financial Liabilities	1,933.78	(32.80)
Increase/(Decrease) in Provisions	(5,709.65)	2,567.70
Increase/(Decrease) in Other Non-Financial Liabilities	682.83	544.33
<b>Cash generated from Operations</b>	<b>79,691.80</b>	<b>66,321.96</b>
Income Tax paid (net)	(23,373.78)	(15,096.89)
<b>Net cash generated from Operating activities</b>	<b>56,318.02</b>	<b>51,225.07</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(1,638.16)	(1,154.22)
Sale proceeds from Property, Plant and Equipment and Intangible Assets	39.02	86.75
Interest on Fixed Deposits and Investments	1,152.26	857.75
Purchase of Investments	(211,608.80)	(203,969.74)
Sale of Investments	182,207.10	170,197.12
<b>Net cash generated/(used) in investing activities</b>	<b>(29,848.58)</b>	<b>(33,982.34)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Final/Interim Dividend Paid during the year (including tax thereon)	(23,184.00)	(14,000.40)
Lease Liability - Interest portion (refer note 35)	(486.34)	(555.68)
Lease Liability - Principal portion (refer note 35)	(1,927.44)	(1,694.12)
<b>Net cash used in financing activities</b>	<b>(25,597.78)</b>	<b>(16,250.20)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>871.66</b>	<b>992.52</b>
Cash and Cash Equivalents at beginning of the year	5,653.07	4,660.55
Cash and Cash Equivalents at end of the year (Refer Note 3)	<b>6,524.73</b>	<b>5,653.07</b>

1) Statement of cash flows have been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standard) Rules, 2015.

2) Purchase of Property, Plant and Equipment represents addition to property, plant and equipment, and other intangible assets adjusted for movement of capital work in progress for property, plant and equipment, and other intangible assets under development during the year.

3) Cash and cash equivalents include in the Statement of cash flows comprise the following :

Cash and cash equivalents disclosed under Financial Assets:

6,524.73

5,653.07

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2022

## (A) EQUITY SHARE CAPITAL

	(₹ in Lakh)	
	No of shares	Amount
Equity shares issued, subscribed and fully paid		
As 1 <sup>st</sup> April 2020 (Face Value ₹ 10)	18,000,000	1,800.00
Issue of Shares	-	-
As 31 <sup>st</sup> March 2021 (Face Value ₹ 10)	18,000,000	1,800.00
Split of shares into Face value of ₹ 5 each (Refer note 16)	18,000,000	-
Issue of Bonus Equity Shares of ₹ 5 each (Refer note 16)	252,000,000	12,600.00
At 31 <sup>st</sup> March 2022 (Face Value ₹ 5)	288,000,000	14,400.00

## (B) OTHER EQUITY

For the year ended 31<sup>st</sup> March 2022

(₹ in Lakh)

Particulars	Attributable to equity holders of the Company				Foreign Currency Translation Reserve	Total Equity
	Reserve and Surplus					
	Retained Earnings	General Reserve	Share premium	Share Option Outstanding Account		
Balance as at 1 <sup>st</sup> April 2021	166,879.04	686.66	264.23	-	831.40	168,661.33
Profit for the year	67,277.18	-	-	-	-	67,277.18
Other Comprehensive Income for the year	63.38	-	-	-	199.46	262.84
Total Comprehensive Income for the year	234,219.60	686.66	264.23	-	1,030.86	236,201.36
Utilised in issue of bonus equity shares (Refer note 16)	(12,335.77)	-	(264.23)	-	-	(12,600.00)
Share-based payments by the Company (Refer note 20)	-	-	-	4,828.21	-	4,828.21
Interim Dividend paid to Equity shareholders	(16,128.00)	-	-	-	-	(16,128.00)
Final Dividend paid to Equity shareholders	(7,056.00)	-	-	-	-	(7,056.00)
Balance as at 31 <sup>st</sup> March 2022	198,699.83	686.66	-	4,828.21	1,030.86	205,245.57

For the year ended 31<sup>st</sup> March 2021

					(₹ in Lakh)
Particulars	Attributable to equity holders of the Company			Foreign Currency Translation Reserve	Total Equity
	Reserve and Surplus				
	Retained Earnings	General Reserve	Share premium		
Balance as at 1 <sup>st</sup> April 2020	128,124.58	686.66	264.23	811.77	129,887.26
Profit for the year	52,628.12	-	-	-	52,628.12
Other Comprehensive Income for the year	126.74	-	-	19.63	146.37
Total Comprehensive Income for the year	180,879.44	686.66	264.23	831.39	182,661.74
Interim Dividend paid to Equity shareholders	(14,000.40)	-	-	-	(14,000.40)
Balance as at 31 <sup>st</sup> March 2021	166,879.04	686.66	264.23	831.39	168,661.33

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## NOTE: 1 CORPORATE INFORMATION

The Company is a public listed entity and its registered office is situated at One World Centre, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013. The Company was incorporated under the provisions of the Companies Act on 5<sup>th</sup> September 1994. The shareholders of the Company are Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) which holds 50.01% of the stake, Sun Life (India) AMC Investments Inc., (wholly owned subsidiary of Sun Life Financial, Inc.) which holds 36.49% and remaining 13.50% stake of the Company is held by general public.

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 is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (“PMS”) and investment advisory services to offshore funds and high net worth investors. The Company also acts as an Investment Manager to Aditya Birla Real Estate Debt Fund (Category II) registered with SEBI. Further, the Company has also received SEBI registration for Alternative Investment Fund (AIFs) Category III namely Aditya Birla Sun Life AIF Trust – I and AIF Category II namely Aditya Birla Sun Life AIF Trust – II.

## NOTE: 2 SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial instruments, measured at fair value
- Gratuity plan assets, measured at fair value

The consolidated financial statements are presented in Indian rupees and all values are rounded to the nearest lakh, except when otherwise indicated.

#### Note to the financial statements

In preparing the accompanying financial statements, the Group’s management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at 31<sup>st</sup> March 2022. Further, there

has been no material change in the controls or processes followed in the preparation of the financial statements.

The management does not, at this juncture, believe that the impact of COVID-19 pandemic on the value of the Group’s assets is likely to be material. As the situation is evolving, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial statements.

### ii. Presentation of financial statements

The Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

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 36

### iii. Use of estimates

The preparation of the financial statements in conformity with the Indian Accounting Standards (IND AS) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future periods.

Significant estimates and judgements used for: -

- Estimates of useful lives and residual value of Property, Plant and Equipment, and other intangible assets (Refer Note 9.1 and 9.2)

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

- Measurement of defined benefit obligations, actuarial assumptions (Refer Note 26)
- Recognition of deferred tax assets/liabilities (Refer Note 14)
- Recognition and measurement of provisions and contingencies (Refer Note 13 and Note 24)
- Financial instruments – Fair values, risk management and impairment of financial asset (Refer Note 7)
- Determination of lease term (Refer Note 35)
- Discount rate for lease liability (Refer Note 35)
- Estimates of Share based payments (Refer Note 20, 26 and 37)

## iv. Functional and presentation currency

The consolidated financial statements of the Group are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency.

## v. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31<sup>st</sup> March 2022. The Group consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

- The Group also considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

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

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies of the subsidiaries have been harmonised to ensure the consistencies with the policies that have been adopted by the Company. The financial statements of the Company and its subsidiaries combined have been consolidated on a line-by-line basis by adding together the values of like items of assets, liabilities, income and expenses, after eliminating intra-Group balances and transactions and offsetting the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity in each subsidiary as per Ind AS 110 "Consolidated Financial Statements".

The Financial statements of the wholly owned Subsidiaries used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended on 31<sup>st</sup> March. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

List of Subsidiary companies included in consolidation are as below:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership Interest as on 31 Mar 22	Proportion of ownership Interest as on 31 Mar 21	Principle Activities
Aditya Birla Sun Life AMC (Mauritius) Limited	Mauritius	100%	100%	To act as Investment Manager to India Advantage Fund Limited.
Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore	Singapore	100%	100%	To act as a Fund Manager and Investment advisory.
Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai	Dubai	100%	100%	Arranging deals in investment and advisory on financial products.

The Company acts as the fund manager for Aditya Birla Sun Life Mutual Fund and therefore has a significant involvement with the funds. However, fund managers are subject to substantial investment restrictions and guidelines. In all cases, the Company could be removed without cause, by the majority of the unit holders. The Company does not have significant investments in the units of mutual funds. Therefore, the funds managed by the Company are not consolidated.

India Advantage Fund Limited (IAFL) is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Profit and Loss account. The Profit / Loss of each such class belongs to the participating shareholders of that class. Aditya Birla Sun Life Asset Management Company Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit / loss of various classes nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.

Aditya Birla Sun Life AMC Pte. Limited, Singapore has made investment in International Opportunities Fund. All these funds are segregated portfolio company set up as a fund in Cayman Islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, all these funds has various segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares has its own Balance Sheet and Profit and Loss account. The Profit / Loss of each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Company Pte. Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in

the profit / loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated these funds in the Consolidated Financial Statements.

## vi. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and cash in hand and short-term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

## vii. Property, plant and equipment

Property, Plant and equipment are stated at their cost of acquisition less accumulated depreciation, and impairment losses. The cost of acquisition is inclusive of taxes (except those which are refundable), duties, freight and other incidental expenses related to acquisition and installation of the assets. As on 1<sup>st</sup> April 2017, i.e. its date of transition to IND AS, the Group has used Indian GAAP carrying value as deemed costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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## viii. Capital work in progress

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.

## ix. 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. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. As on 1<sup>st</sup> April 2017, i.e. its date of transition to IND AS, the Group has used Indian GAAP carrying value as deemed costs. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

## x. Intangible assets under development

The intangible assets under development includes cost of intangible assets that are not ready for their intended use less accumulated impairment losses.

## xi. Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided on a straight-line basis at the rates and useful life as prescribed in Schedule II of the Companies Act, 2013 or as determined by the management based on technical advice, except assets individually costing less than ₹ 5,000 which are fully depreciated in the year of purchase / acquisition. Depreciation commences when assets are ready for its intended use.

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 and adjusted prospectively, if appropriate. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Following is the summary of useful life of the assets as per management estimates and as required by the Companies Act, 2013.

No	Particulars	Useful life (In Years)	
		Estimated Useful Life	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
<b>A</b>	<b>Depreciation on property, plant and equipment</b>		
1	Computers		
	- Servers and networks*	3 Years	6 Years
	- Other	3 Years	3 Years
2	Office Equipment	5 Years	5 Years
3	Vehicles – Motor Car/Two Wheelers*	5 Years	8 Years
4	Furniture and Fixtures*	5 Years	10 Years
5	Mobile Phone (Included in office equipment)	2 Years	Not specified
6	Leasehold Improvements	Over the primary period of the lease term or 3 years, whichever is less	Not specified
<b>B</b>	<b>Amortisation of intangible assets</b>		
1	Investment Management Rights	10 Years	Not specified
2	Software	3 Years	Not specified

\* Based on technical advice, Management believes that the useful life of assets reflect the periods over which they are expected to be used. Depreciation on assets sold during the year is recognized on a pro-rata basis in the Statement of Profit and Loss from/till the date of acquisition/sale.

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## xii. Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated impaired when the carrying cost of an asset or cash-generating unit's (CGU) exceeds its recoverable value. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the greater of the assets' or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss, if any, is charged to Statement of Profit and Loss Account in the year in which an asset is identified as impaired. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## xiii. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

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.

## xiv. 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 to another entity.

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value, with the exception of trade receivables. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Trade receivables that do not contain a significant

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financing component for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Purchase 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 trade date while, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI, financial assets at fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL. The classification of financial instruments depends on the contractual cash flow characteristics and the objective of the business model for which it is held and whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal outstanding.

Management determines the classification of its financial instruments at initial recognition.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## Classification of Financial assets:

### a) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

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

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

- Reports reviewed by the entity's key management personnel on the performance of financial assets
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by investments in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and other financial assets.

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## b) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- The asset's contractual cash flows represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model. Currently, the Group does not hold any interest-bearing debt instrument that qualifies to be classified under this category.

## c) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL, described below. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which are not subsequently recycled to Profit or Loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Currently, the Group has not classified any equity instrument at FVTOCI.

## d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at fair value through profit or loss are carried

in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. For all equity instruments at FVTPL, dividend is recognised in Profit or Loss when the right of payment has been established.

## Financial liabilities

### a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value and subsequently carried 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 as finance costs in the statement of profit and loss.

### b) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

## xv. Revenue recognition

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. Revenue from contracts with customers is recognised when control of services are transferred to the customer at an amount

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that reflects the consideration to which the Group expects to be entitled in exchange for those services.

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 good or service 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 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.

## I. Rendering of services

The Group principally generates revenue by providing asset management services to Aditya Birla Sun Life Mutual Fund and other clients.

- a) Management fees are recognized on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- b) Portfolio Management Fees and Advisory Fees are recognized on an accrual basis as per the terms of the contract with the customers.
- c) Management fees from other services are recognized on an accrual basis as per the terms of the contract with the customers at specific rates applied on net assets.

These contracts include a single performance obligation (series of distinct services) that is satisfied

over time and the management fees and/or advisory fees earned are considered as variable consideration.

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

## II. Dividend and interest Income

- a) Dividend income is recognised when the Group's right to receive dividend is established, it is probable that economic benefits associated with dividend will flow to the entity and the amount of dividend can be measured reliably. This is generally when shareholders approve the dividend.
- b) Interest income from financial assets, is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

## xvi. Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currency are recorded by the Group's entities at their respective functional currency spot rates at the date of transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Foreign currency monetary items are reported using functional currency spot rates of exchange at the reporting date. The resulting exchange gain/loss is reflected in the Statement of Profit and Loss with the exception of exchange differences arising on monetary items that form part of a Company's net investment in the subsidiaries which are recognised in profit or loss in the separate financial statements of the Company or the individual financial statements of the subsidiaries, as appropriate. In the consolidated financial statements, such exchange differences are recognised initially OCI. Other non-monetary items, like Property Plant & Equipment and Intangible

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Assets are carried in terms of historical cost using the exchange rate at the date of transaction.

Translation of foreign subsidiaries is done in accordance with Indian Accounting Standard (Ind AS) 21 "The Effects of Changes in Foreign Exchange Rates". On consolidation, the assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

## xvii. Employee benefits

- a) **Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- b) **Gratuity:** The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

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

- The date of plan amendment or curtailment

- The date that the Group recognises related restructuring costs

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - Net interest expense or income
- c) **Leave Encashment:** Provision for leave encashment is made on the basis of actuarial valuation of the expected liability. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.
- d) **Long Term Incentive Plan:** The Group has long term incentive plan for different cadre of employees. The same is actuarially determined and assessed on yearly basis. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.

## xviii. Leases

The Group's lease asset classes primarily consist of leases for buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes right – of – use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Group applies the short-term lease recognition exemption to its short-term leases of its branches/rental offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. For these short-term and low value leases, the Group recognizes

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the lease payments as an 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 includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and accumulated 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. The estimated useful life of right-of-use assets (primarily buildings) range between 1 year to 9 years. The right-of-use assets are also subject to impairment. Refer Note 2(xii) on impairment of non-financial assets.

The lease liability is initially measured at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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.

## Amendments to Ind AS 116: COVID-19 related rent concessions.

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election

accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- ii) Any reduction in lease payments affects only payments originally due on or before 31<sup>st</sup> March 2023 (for example, a rent concession would meet this condition if it results in reduced lease payments before 31<sup>st</sup> March 2023 and increased lease payments that extend beyond 31<sup>st</sup> March 2023).
- iii) There is no substantive change to other terms and conditions of the lease.

The lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.

The amendments are applicable for annual reporting periods beginning on or after the 1<sup>st</sup> April 2020. The Group has elected to apply the practical expedient of not assessing the rent concessions as a lease modification for all rent concessions which are granted due to COVID-19 pandemic. This amendment had no significant impact on the consolidated financial statements of the Group (Refer note 19-Other income).

## xix. Earnings per share ("EPS")

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company 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.

## xx. Fund and commission expenses

Prior to 21<sup>st</sup> October 2018, certain scheme related expenses and commission were being borne by the Company in accordance with circulars and guidelines issues by SEBI

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and the Association of Mutual Funds in India (AMFI). Commission paid for future period for the mutual fund schemes (including for Equity Linked Savings Schemes) until 21<sup>st</sup> October, 2018 is treated as prepaid expenses and is amortised on the contractual period and charged to Statement of Profit and Loss account unless considered recoverable from schemes. Pursuant to circulars issued by SEBI in this regard, after 21<sup>st</sup> October 2018, these expenses, subject to some exceptions, are being borne by the mutual fund schemes. New Fund Offer (NFO) expenses on the launch of schemes are borne by the Company and recognised in profit or loss as and when incurred.

Commission is paid to the brokers for Portfolio Management and other services as per the terms of agreement entered into with respective brokers. In case of certain portfolio management schemes and other services, the brokerage expenses are amortised over the tenure of the product or commitment period. Unamortised brokerage is treated as Non-financial Assets considering the normal operating cycle of the Company.

## xxi. Taxes

### Current tax:

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### 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.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and,

at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

relate to the same taxable entity and the same taxation authority.

## xxii. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Claims against the Group, where the possibility of any outflow of resources in settlement is remote are not disclosed as contingent liabilities. A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is virtually certain.

## xxiii. Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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.

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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Also, a separate Employee stock options scheme (ESOP) ("the scheme") has been established by Aditya Birla Capital Limited ("ABCL") (Entity having significant influence). The scheme provides that employees are granted an option to subscribe to equity shares of ABCL that vest in a graded manner. The options may be exercised within a specified period. Measurement and disclosure of Employee share-based payment plan is done in accordance with Ind AS 102 Share Based Payments.

ABCL follows the Black-Scholes Merton Value method to account for its stock-based employee compensation plans. The cost incurred by the ABCL, in respect of options granted to employees of the Company is charged to the Statement of Profit and Loss during the year and recovered by them.

## xxiv. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in the case of interim dividend. A corresponding amount is recognised directly in equity.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 3 CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

	As at 31 Mar 22	As at 31 Mar 21
Cash on Hand	2.07	1.77
Balances with Bank		
- Current Accounts	6,477.40	5,606.02
- Deposit Accounts (with original maturity less than 3 months)	45.26	45.28
<b>Total Cash and Cash equivalents</b>	<b>6,524.73</b>	<b>5,653.07</b>

Note:- Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The Group has not taken any bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

## NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

	As at 31 Mar 22	As at 31 Mar 21
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments:		
Earmarked accounts		
- Unclaimed Dividend	5.92	-
- Unspent CSR (Refer note 31)	478.13	-
Term Deposits against the bank guarantee	2,784.15	30.70
<b>Total Bank Balances other than cash and cash equivalents</b>	<b>3,268.20</b>	<b>30.70</b>

## NOTE: 5 TRADE RECEIVABLES (AT AMORTISED COST)

### Unsecured, considered good

	As at 31 Mar 22	As at 31 Mar 21
Asset Management & Advisory Fees receivable	1,776.56	2,134.84
Management Fees from Portfolio Management and Other services	839.38	960.52
Less: Impairment loss allowance	-	-
<b>Total Trade Receivables*</b>	<b>2,615.94</b>	<b>3,095.36</b>

\* There are no dues from directors or other officers of the company either severally or jointly with any other person, due from firms or private companies respectively in which any director is a partner, a director or a member.

### Trade Receivables ageing schedule

Trade receivables as on 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from 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	2,615.94	-	-	-	-	2,615.94
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iv) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,615.94</b>	-	-	-	-	<b>2,615.94</b>

## Trade receivables as on 31<sup>st</sup> March 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from 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	3,095.36	-	-	-	-	3,095.36
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>3,095.36</b>	-	-	-	-	<b>3,095.36</b>

## NOTE: 6 LOANS (AT AMORTISED COST)

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Staff Loan	1.00	3.20
Less: Impairment Loss Allowance	-	-
<b>Total</b>	<b>1.00</b>	<b>3.20</b>
a) Secured by tangible assets (property, plant and equipment including land and building)	-	-
b) Secured by book debts, inventories, fixed deposit and other working capital items	-	-
c) Covered by bank and government guarantee	-	-
d) Unsecured	1.00	3.20
Less: Impairment Loss Allowance	-	-
<b>Total</b>	<b>1.00</b>	<b>3.20</b>
<b>Loans In India</b>		
i) Public Sector	-	-
ii) Others:	-	-
Less: Impairment Loss Allowance	-	-
<b>Total (I)</b>	<b>-</b>	<b>-</b>
<b>Loans outside India</b>		
i) Public Sector	-	-
ii) Others:	-	-
Staff Loan	1.00	3.20
Less: Impairment Loss Allowance	-	-
<b>Total (II)</b>	<b>1.00</b>	<b>3.20</b>
<b>Total (I + II)</b>	<b>1.00</b>	<b>3.20</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 7 INVESTMENTS

Particulars	As at 31 Mar 22			As at 31 Mar 21		
	Amortised Cost	At Fair Value through Profit or Loss	Total	Amortised Cost	At Fair Value through Profit or Loss	Total
Mutual Funds	-	197,186.14	197,186.14	-	161,126.84	161,126.84
Debt Securities	10,482.81	1,006.99	11,489.79	10,335.60	-	10,335.60
Equity Instruments	-	1,754.91	1,754.91	-	79.69	79.69
Alternative Investment funds	-	1,667.30	1,667.30	-	1,083.27	1,083.27
<b>Total Gross Investments (A)</b>	<b>10,482.81</b>	<b>201,615.34</b>	<b>212,098.14</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>172,625.40</b>
Less: Allowance for Impairment	-	-	-	-	-	-
<b>Total Net Investments</b>	<b>10,482.81</b>	<b>201,615.34</b>	<b>212,098.14</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>172,625.40</b>
Investments Outside India	-	0.38	0.38	-	0.38	0.38
Investments in India	10,482.81	2,01,614.95	212,097.76	10,335.60	162,289.42	172,625.02
<b>Total (B)</b>	<b>10,482.81</b>	<b>201,615.34</b>	<b>212,098.14</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>172,625.40</b>
Less: Allowance for Impairment (C)	-	-	-	-	-	-
<b>Total Net Investments</b>	<b>10,482.81</b>	<b>201,615.34</b>	<b>212,098.14</b>	<b>10,335.60</b>	<b>162,289.80</b>	<b>172,625.40</b>

(₹ in Lakh)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE 8: OTHER FINANCIAL ASSETS (AT AMORTISED COST)

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Application money towards Investments	-	445.00
Recoverable From Schemes	6.22	267.42
Receivable from Related Party (Refer Note 27)	235.56	3.19
Reimbursement receivables	-	6.61
Security Deposits	1,436.38	1,125.13
Deposits to Related Parties (Refer Note 27)	148.91	71.32
<b>Total Other Financial Assets</b>	<b>1,827.08</b>	<b>1,918.67</b>

## NOTE: 9.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

	Computer	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvement	Total
<b>Gross carrying value</b>						
<b>As at 1<sup>st</sup> April 2020</b>	<b>1,410.82</b>	<b>240.45</b>	<b>959.60</b>	<b>894.42</b>	<b>1,104.12</b>	<b>4,609.40</b>
Additions	175.31	12.74	43.15	53.78	85.93	370.91
Foreign Exchange Translation Difference	(1.03)	0.18	-	(2.38)	0.28	(2.95)
Disposals	8.21	12.38	121.24	15.99	59.64	217.46
<b>As at 31<sup>st</sup> March 2021</b>	<b>1,576.89</b>	<b>240.99</b>	<b>881.51</b>	<b>929.83</b>	<b>1,130.69</b>	<b>4,759.90</b>
Additions	138.21	81.23	365.59	66.35	332.34	983.72
Foreign Exchange Translation Difference	0.79	0.69	-	0.44	0.33	2.24
Disposals	33.60	15.54	165.19	19.18	159.86	393.38
<b>As at 31<sup>st</sup> March 2022</b>	<b>1,682.29</b>	<b>307.37</b>	<b>1,081.91</b>	<b>977.44</b>	<b>1,303.50</b>	<b>5,352.48</b>
<b>Accumulated Depreciation and Impairment</b>						
<b>As at 1<sup>st</sup> April 2020</b>	<b>962.55</b>	<b>172.42</b>	<b>390.15</b>	<b>422.26</b>	<b>755.64</b>	<b>2,703.00</b>
Depreciation for the year	332.71	32.50	179.66	168.30	248.39	961.56
Foreign Exchange Translation Difference	(1.10)	0.19	-	(2.43)	0.28	(3.06)
Disposals	8.05	10.22	57.49	9.59	40.72	126.07
<b>As at 31<sup>st</sup> March 2021</b>	<b>1,286.11</b>	<b>194.89</b>	<b>512.32</b>	<b>578.54</b>	<b>963.59</b>	<b>3,535.43</b>
Depreciation for the year	211.10	41.54	185.42	151.58	177.65	767.29
Foreign Exchange Translation Difference	0.70	0.40	-	0.11	0.33	1.56
Disposals	33.60	14.07	101.79	17.40	156.37	323.21
<b>As at 31<sup>st</sup> March 2022</b>	<b>1,464.31</b>	<b>222.76</b>	<b>595.95</b>	<b>712.83</b>	<b>985.20</b>	<b>3,981.06</b>
<b>Net carrying value amount as at 31<sup>st</sup> March 2021</b>	<b>290.78</b>	<b>46.10</b>	<b>369.19</b>	<b>351.29</b>	<b>167.10</b>	<b>1,224.47</b>
<b>Net carrying value amount as at 31<sup>st</sup> March 2022</b>	<b>217.98</b>	<b>84.61</b>	<b>485.96</b>	<b>264.61</b>	<b>318.30</b>	<b>1,371.42</b>

### Capital work-in-progress

Capital work in progress as at 31<sup>st</sup> March 2022 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 153.18 lacs (31<sup>st</sup> March 2021: 7.81 lacs)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## CWIP ageing schedule as on 31<sup>st</sup> March 2022

(₹ in Lakh)

CWIP	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	153.18	-	-	-	<b>153.18</b>

## CWIP ageing schedule as on 31<sup>st</sup> March 2021

(₹ in Lakh)

CWIP	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	7.81	-	-	-	<b>7.81</b>

There are no overdue or cost overrun projects compared to its original plan, on the above mentioned reporting dates

## NOTE: 9.2 OTHER INTANGIBLE ASSETS

(₹ in Lakh)

	Software	Investment Management Rights (Refer Note 25)	Total
<b>Gross carrying value</b>			
<b>As at 1<sup>st</sup> April 2020</b>	<b>2,079.43</b>	<b>284.90</b>	<b>2,364.33</b>
Additions	784.58	-	<b>784.58</b>
Foreign Exchange Translation Difference	(0.07)	-	<b>(0.07)</b>
Disposals	40.69	-	<b>40.69</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,823.25</b>	<b>284.90</b>	<b>3,108.15</b>
Additions	450.19	-	<b>450.19</b>
Foreign Exchange Translation Difference	0.16	-	<b>0.16</b>
Disposals	-	-	<b>-</b>
<b>As at 31<sup>st</sup> March 2022</b>	<b>3,273.60</b>	<b>284.90</b>	<b>3,558.50</b>
<b>Accumulated Amortisation and Impairment</b>			
<b>As at 1<sup>st</sup> April 2020</b>	<b>1,008.66</b>	<b>113.55</b>	<b>1,122.21</b>
Amortization for the year	657.61	37.85	<b>695.46</b>
Foreign Exchange Translation Difference	0.87	-	<b>0.87</b>
Disposal	38.29	-	<b>38.29</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>1,628.85</b>	<b>151.40</b>	<b>1,780.25</b>
Amortization for the year	758.44	37.85	<b>796.29</b>
Foreign Exchange Translation Difference	0.11	-	<b>0.11</b>
Disposals	-	-	<b>-</b>
<b>As at 31<sup>st</sup> March 2022</b>	<b>2,387.40</b>	<b>189.25</b>	<b>2,576.65</b>
<b>Net carrying value amount as at 31<sup>st</sup> March 2021</b>	<b>1,194.40</b>	<b>133.50</b>	<b>1,327.90</b>
<b>Net carrying value amount as at 31<sup>st</sup> March 2022</b>	<b>886.20</b>	<b>95.65</b>	<b>981.85</b>

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March 2022

(₹ in Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	131.46	7.25	-	-	<b>138.71</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

(₹ in Lakh)

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

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March 2021

(₹ in Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	91.19	-	-	-	91.19

(₹ in Lakh)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	9.75	-	-	-	9.75

There are no overdue or cost overrun projects compared to its original plan, on the above mentioned reporting dates

## NOTE: 10 OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Prepaid expenses	1,583.61	2,023.63
Input Tax Credit	17.01	9.73
Capital advance for Tangible Assets	42.74	1.72
Advance for Services	1,836.90	592.13
Gratuity - Plan Funded Asset (Refer Note 26)	3,106.57	2,995.19
<b>Total Other Non-Financial Assets</b>	<b>6,586.83</b>	<b>5,622.40</b>

## NOTE: 11 TRADE PAYABLES (AT AMORTISED COST)

(₹ in Lakh)

	As at 31 Mar 22	As at 31 Mar 21
Others		
- Total outstanding dues to micro enterprises and small enterprises*	9.25	3.50
- Total outstanding dues to creditors other than micro enterprises and small enterprises	-	-
Related Parties (Refer Note 27)	466.58	597.87
Other than Related Parties	2,564.95	3,137.30
<b>Total Trade Payables</b>	<b>3,040.78</b>	<b>3,738.67</b>

\* This information is required to be disclosed under MSMED Act(2006), has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

## \* Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

Particulars	As at 31 Mar 22	As at 31 Mar 21
a) Principal amount and interest thereon remaining unpaid at the end of year	9.25	3.50
b) Interest paid including payment made beyond appointed day during the year	5.88	0.26
c) Interest due and payable for delay during the year	-	-
d) Amount of interest accrued and unpaid as at year end	0.50	0.57
e) The amount of further interest due and payable even in the succeeding year	-	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## Trade Payables Ageing schedule

Trade payables as on 31<sup>st</sup> March 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	9.25	-	-	-	9.25
(ii) Others	2,944.11	29.82	0.46	57.14	3,031.53
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>2,953.36</b>	<b>29.82</b>	<b>0.46</b>	<b>57.14</b>	<b>3,040.78</b>

Trade payables as on 31<sup>st</sup> March 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.50	-	-	-	3.50
(ii) Others	3,666.33	8.28	3.41	57.14	3,735.16
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>3,669.83</b>	<b>8.28</b>	<b>3.41</b>	<b>57.14</b>	<b>3,738.66</b>

## NOTE: 12 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 Mar 22	As at 31 Mar 21
Employee dues	6,416.17	4,647.07
Payables for Capital Expenditure	12.27	13.96
Deposits from Related parties (Refer Note No. 27)	166.37	-
Payable to Schemes	-	-
<b>Total Other Financial Liabilities</b>	<b>6,594.81</b>	<b>4,661.03</b>

## NOTE: 13 PROVISIONS

(₹ in Lakh)

Particulars	As at 31 Mar 22	As at 31 Mar 21
<b>Provision for Employee Benefits</b>		
Leave Encashment	427.01	447.48
Gratuity (Refer Note No. 26)	3,092.80	2,961.40
Provision for Long Term Incentive Plan	225.34	6,045.92
Deposits from Related parties (Refer Note No. 27)	-	-
<b>Total Provisions</b>	<b>3,745.15</b>	<b>9,454.80</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 14 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31 Mar 22	As at 31 Mar 21
Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets	(634.14)	(566.98)
Provision for Employee Benefits	(162.35)	(1,466.86)
Fair Valuation of Investments	1,981.95	2,602.26
Lease Liability net of Right of use Assets	1,333.80	804.98
<b>Total Deferred Tax Liabilities</b>	<b>2,519.26</b>	<b>1,373.40</b>
<b>Reconciliation of effective tax rate:</b>		
(a) Income before tax	89,470.37	69,589.01
(b) Expected tax rate in India (applicable to the Company)	25.168%	25.168%
(c) Expected income tax amount	22,517.90	17,514.16
<b>(d) Tax impact on:</b>		
Expenses disallowed/(allowed) as per income tax computation	(1,863.10)	(3,331.10)
Items which are taxed at different rates	650.80	2,013.77
Effect on Deferred tax balances for items taxed at different rates	1,165.54	1,055.00
Effect of lower tax rate in Offshore units	0.85	1.65
Adjustments in respect of current income tax of previous years	(22.56)	(6.47)
Others	(256.24)	(286.10)
<b>(e) Tax expenses recognised in Profit &amp; Loss Account(c + d)</b>	<b>22,193.19</b>	<b>16,960.91</b>

Significant components and movement in deferred tax assets and liabilities

(₹ in Lakh)

Particulars	As on 31 Mar 22 Closing Balance	As on 31 Mar 21 Opening Balance	YTD March 22 Deferred Tax Expense / (Credit)
<b>Deferred Tax Liabilities</b>			
Fair Valuation of Investments	1,981.95	2,602.26	(620.31)
Lease Liability net of Right of use assets	1,333.80	804.98	528.82
<b>Total</b>	<b>3,315.75</b>	<b>3,407.24</b>	
<b>Deferred Tax Assets</b>			
Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets	(634.14)	(566.98)	(67.16)
Provision for employee benefits	(162.35)	(1,466.86)	1,304.51
<b>Total</b>	<b>(796.49)</b>	<b>(2,033.84)</b>	
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>2,519.26</b>	<b>1,373.40</b>	<b>1,145.85</b>

Particulars	As on 31 Mar 2021 Closing Balance	As on 31 Mar 2020 Opening Balance	YTD Mar 21 Deferred Tax Expense / (Credit)
<b>Deferred Tax Liabilities</b>			
Fair Valuation of Investments	2,602.26	2,577.22	25.04
Lease Liability net of Right of use assets	804.98	312.08	492.90
<b>Total</b>	<b>3,407.24</b>	<b>2,889.30</b>	
<b>Deferred Tax Assets</b>			
Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets	(566.98)	(495.06)	(71.92)
Provision for employee benefits	(1,466.86)	(932.66)	(534.20)
<b>Total</b>	<b>(2,033.84)</b>	<b>(1,427.72)</b>	
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>1,373.40</b>	<b>1,461.58</b>	<b>(88.19)</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 15 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Provision for Reinstatement	16.72	16.25
Payable on account of Statutory Dues :		
- Withholding Tax payable	230.97	206.14
- GST payable	1,633.50	1,540.36
- Professional Tax payable	0.01	1.48
- Employee provident fund & Other dues payable	126.45	128.22
CSR payable (Refer note 31)	476.99	-
Unclaimed Dividend	5.92	-
<b>Total Other Non-Financial Liabilities</b>	<b>2,490.56</b>	<b>1,892.45</b>

## NOTE: 16 EQUITY SHARE CAPITAL

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
<b>Authorised:</b>		
Equity Shares of ₹ 5 each (31 <sup>st</sup> March 2021 : ₹ 10 each)	16,000.00	2,000.00
320,000,000 (31 <sup>st</sup> March 2021 : 20,000,000) Equity shares fully paid up#		
<b>Issued, Subscribed and Paid up</b>		
Equity Shares of ₹ 5 each (31 <sup>st</sup> March 2021 : ₹ 10 each)	14,400.00	1,800.00
288,000,000 (31 <sup>st</sup> March 2021 : 18,000,000) Equity shares fully paid up#		
<b>Total Issued, Subscribed and Paid up</b>	<b>14,400.00</b>	<b>1,800.00</b>

### a. Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the company after distributions of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in the proportion to the number of equity shares held by the shareholders.

### b. Reconciliation of the shares outstanding at the beginning and at the end of the year

Description	No. of Equity shares	Amount (in Lakh)
As at 1 <sup>st</sup> April 2020	18,000,000	1,800.00
Issued during the year	-	-
As at 31 <sup>st</sup> March 2021	<b>18,000,000</b>	<b>1,800.00</b>
Split of shares into Face Value of ₹ 5 each#	180,000,000	-
Bonus equity shares issued in the ratio of 7 for every 1 share held#	252,000,000	12,600.00
<b>As at 31<sup>st</sup> March 2022</b>	<b>288,000,000</b>	<b>14,400.00</b>

# Pursuant to a resolution passed by our Board on 5th April 2021 and a resolution of shareholders dated, 6th April 2021, each equity share of face value of ₹10 each has been split into two equity shares of face value of ₹5 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 180,00,000 equity shares of face value of ₹10 each to 360,00,000 equity shares of face value of ₹5 each.

Pursuant to a resolution of Board of Directors dated 5th April 2021 and the shareholders meeting dated 6th April 2021, the Authorized Share Capital of the Company has been increased from ₹ 2,000 Lakh consisting of 4,00,00,000 Equity Shares of ₹ 5/- (Rupees Five only) each to ₹ 16,000 lakh consisting of 32,00,00,000 Equity Shares of ₹ 5/- each. The Board of Directors pursuant to a resolution dated 5th April 2021 and the shareholders special resolution dated 6th April 2021 have approved the issuance of seven bonus equity shares of face value ₹5 each for every one existing fully paid up equity share of face value ₹5 each and accordingly 25,20,00,000 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

Aggregate number of equity shares issued as bonus other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	31 Mar 22	31 Mar 21
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and retained earnings	252,000,000	-

The Shares reserved for issue under Employee Stock Option Scheme (ESOP) of the Company (Refer Note No. 38)

## c. Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Name of the Shareholder	As at 31 Mar 22		As at 31 Mar 21	
	No. of Equity shares held	% of Shareholding	No. of Equity shares held	% of Shareholding
Aditya Birla Capital Limited and its Nominees <sup>#</sup>	144,028,800	50.01%*	9,179,980	51.00%*
Sun Life (India) AMC Investment Inc. Canada	105,090,880	36.49%	8,820,000	49.00%

<sup>#</sup> 512 Equity shares(31st March 2021 : 32 Equity Shares), 416 Equity shares(31st March 2021 : 24 Equity Shares) and 192 Equity shares(31st March 2021 : 12 Equity Shares) each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\*Approximate percentages

Shareholding of promoters as on 31<sup>st</sup> March 2022

Shares held by promoters at the end of the year				% Change during the year
Sr. No	Promoter Name	No. of Shares	% of total shares	
1	Aditya Birla Capital Limited(ABCL) <sup>#</sup>	144,028,800	50.01%*	(0.99%)
2	Sun Life (India) AMC Investments Inc.	105,090,880	36.49%	(12.51%)
<b>Total</b>		<b>249,119,680</b>	<b>86.50%</b>	

<sup>#</sup> 512 Equity shares, 416 Equity shares and 192 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\*Approximate percentages

Shareholding of promoters as on 31<sup>st</sup> March 2021

Shares held by promoters at the end of the year				% Change during the year
Sr. No	Promoter Name	No. of Shares	% of total shares	
1	Aditya Birla Capital Limited(ABCL) <sup>#</sup>	9,179,980	51.00%*	No change
2	Sun Life (India) AMC Investments Inc.	8,820,000	49.00%	No change
<b>Total</b>		<b>17,999,980</b>	<b>100.00%*</b>	

<sup>#</sup> 32 Equity shares, 26 Equity shares and 12 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\*Approximate percentages

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 17 OTHER EQUITY

(₹ in Lakh)

<b>1</b>	<b>Share Premium Account</b>	
	<b>At 1<sup>st</sup> April 2020</b>	264.23
	Arising during the year	-
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2021</b>	<b>264.23</b>
	Arising during the year	-
	Utilised in issue of bonus equity shares(Refer note 16)	(264.23)
	<b>At 31<sup>st</sup> March 2022</b>	<b>-</b>
<b>2</b>	<b>General Reserve</b>	
	<b>At 1<sup>st</sup> April 2020</b>	686.66
	Arising during the year	-
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2021</b>	<b>686.66</b>
	Arising during the year	-
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2022</b>	<b>686.66</b>
<b>3</b>	<b>Retained Earnings</b>	
	<b>At 1<sup>st</sup> April, 2020</b>	128,124.58
	Profit for the year	52,628.12
	Other Comprehensive Income for the year	126.74
	Dividend for the year*	(14,000.40)
	<b>At 1<sup>st</sup> April 2021</b>	<b>166,879.04</b>
	Profit for the year	67,277.18
	Other Comprehensive Income for the year	63.39
	Utilised in issue of bonus equity shares(Refer note 16)	(12,335.77)
	Dividend for the year*	(23,184.00)
	<b>At 31<sup>st</sup> March 2022</b>	<b>198,699.84</b>
<b>4</b>	<b>Foreign Currency Translation Reserve</b>	
	<b>At 1<sup>st</sup> April 2020</b>	811.77
	Arising during the year	19.63
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2021</b>	<b>831.40</b>
	Arising during the year	199.46
	Utilised during the year	-
	<b>At 31<sup>st</sup> March 2022</b>	<b>1030.86</b>
<b>5</b>	<b>Share Option Outstanding Account</b>	
	<b>At 1<sup>st</sup> April 2020</b>	-
	Charges during the year	-
	Exercise of share options during the year	-
	<b>At 31<sup>st</sup> March 2021</b>	<b>-</b>
	Charges during the year	4,828.21
	Exercise of share options during the year	-
	<b>At 31<sup>st</sup> March 2022</b>	<b>4,828.21</b>
	<b>Total Other Equity</b>	
	<b>As at 31<sup>st</sup> March 2022</b>	<b>205,245.57</b>
	<b>As at 31<sup>st</sup> March 2021</b>	<b>168,661.33</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## \* Cash dividends on equity shares declared and paid:

	As at 31 Mar 22	As at 31 Mar 21
Final dividend for the year ended 31 <sup>st</sup> March 2021: ₹ 2.45 per share for 28,80,00,000 equity shares (for the year ended 31 March 2020 : NIL) and Interim dividend for the year ended 31 <sup>st</sup> March 2022: ₹ 5.6 per share for 28,80,00,000 equity shares (Interim dividend for the year ended 31 <sup>st</sup> March 2021: ₹ 77.78 per share for 1,80,00,000 equity shares) (Refer Note 16)	23,184.00	14,000.40
	<b>23,184.00</b>	<b>14,000.40</b>

(₹ in Lakh)

## Proposed dividends on equity shares:

	As at 31 Mar 22	As at 31 Mar 21
Final dividend for the year ended on 31 <sup>st</sup> March 2022: ₹ 5.85 per share for 28,80,00,000 equity shares (Final dividend for the year ended 31 <sup>st</sup> March 2021: ₹ 2.45 per share for 28,80,00,000 equity shares) (Refer Note 43)	16,848.00	7,056.00
	<b>16,848.00</b>	<b>7,056.00</b>

(₹ in Lakh)

## Nature and Purpose of the reserves

### Share Premium:

Share Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of Section 52 of Companies Act, 2013. The Group has utilised the Share Premium in issue of bonus equity shares in the current year.

### General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year.

Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

### Retained earnings:

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

### Foreign Currency Translation Reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

### Share Option Outstanding Account:

The grant date fair value of equity-settled share-based payment transactions with employees and directors are recognised in the Statement of Profit and Loss with the corresponding credit to this account over the vesting period.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

## NOTE: 18 FEES AND COMMISSION INCOME

	(₹ in Lakh)	
	Year ended 31 Mar 22	Year ended 31 Mar 21
<b>Revenue from contracts with customers</b>		
Asset Management and Advisory Fees	124,965.61	101,820.60
Management Fees from Portfolio Management and Other services	4,330.55	4,970.11
<b>Total Fees and Commission income</b>	<b>129,296.16</b>	<b>106,790.71</b>

## NOTE: 19 OTHER INCOME

	(₹ in Lakh)	
	Year ended 31 Mar 22	Year ended 31 Mar 21
Gain on Investments		
- Realised	2,559.17	3,992.31
- Unrealised	7,241.38	8,319.80
Interest Income	1,422.97	1,062.35
Rent concession	265.16	353.94
Rent income	62.27	-
Miscellaneous income	5.07	65.04
<b>Total Other Income</b>	<b>11,556.03</b>	<b>13,793.44</b>

## NOTE: 20 EMPLOYEE BENEFIT EXPENSE

	(₹ in Lakh)	
	Year ended 31 Mar 22	Year ended 31 Mar 21
Salaries and allowances	18,777.03	22,225.56
Contribution to provident and other funds (Refer Note 26)	773.49	781.67
Gratuity expenses (Refer Note 26)	282.35	287.00
Staff welfare expenses	668.32	388.07
Share-based payments by ABCL (Entity having significant influence)(Refer Note 26)	(4.71)	387.49
Share based payments by the Company (Refer Note 38)	4,828.21	-
<b>Total Employee Benefit Expense</b>	<b>25,324.69</b>	<b>24,069.79</b>

## NOTE: 21 OTHER EXPENSE

	(₹ in Lakh)	
	Year ended 31 Mar 22	Year ended 31 Mar 21
Rent	62.73	80.97
Repairs and Maintenance	1,171.63	1,108.74
Insurance	597.80	516.49
Rates and Taxes	366.84	123.69
Electricity	250.71	262.95
Software and Technology Expenses	2,297.14	2,216.24
Database Research Expenses	998.98	1,009.66
Travelling and Conveyance	660.56	354.59
Communication Expenses	259.89	332.62
Outsourced Fund Accounting Expenses	258.58	303.84
Legal and Professional Charges	1,582.85	1,648.13

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2022

(₹ in Lakh)

	Year ended 31 Mar 22	Year ended 31 Mar 21
Auditor's Remuneration* :		
- Audit Fees	105.43	102.76
- Tax Audit Fees	7.00	6.00
- Other Services	9.25	13.25
- Reimbursement of expenses	0.01	0.03
Services Charges	2,074.03	2,256.76
Directors Sitting Fees	183.04	79.60
Printing and Stationery	184.70	116.37
Loss on Sale of Fixed Assets (net)	12.78	7.03
Asset Utilisation Charges	607.42	556.58
Bank Charges	14.09	14.78
Miscellaneous Expenses	705.29	591.81
Foreign Exchange Loss (net)	44.06	13.43
Donation	10.00	7.00
Corporate Social Responsibility Expenses (Refer Note 31)	1,141.71	1,062.89
Business Promotion Expenses	4,345.84	3,701.16
Fund Expense	2,080.77	1,432.36
<b>Total Other Expense</b>	<b>20,033.13</b>	<b>17,919.73</b>

\*Excludes fees paid to Statutory auditors in relation to IPO which is recovered from Selling shareholders

## NOTE: 22 FINANCE COST

(₹ in Lakh)

	Year ended 31 Mar 22	Year ended 31 Mar 21
Finance Cost on Lease liability (measured at amortised cost) (Refer Note 35)	486.34	555.68
<b>Total Finance Cost</b>	<b>486.34</b>	<b>555.68</b>

## NOTE: 23 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

	Year ended 31 Mar 22	Year ended 31 Mar 21
Depreciation on Right-of-use Assets (Refer Note 35)	1,998.41	2,086.34
Depreciation on Property, Plant & Equipment (Refer Note 9.1)	767.26	961.57
Amortisation of Intangible Assets (Refer Note 9.2)	796.29	696.34
<b>Total Depreciation and Amortisation Expense</b>	<b>3,561.96</b>	<b>3,744.25</b>

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### NOTE: 24 CONTINGENT LIABILITIES AND COMMITMENTS

#### (i) Contingent liabilities:

		(₹ in Lakh)	
No	Particulars	As at 31 Mar 22	As at 31 Mar 21
	Claims against the Group not acknowledged as debts in respect of;		
i)	Income tax matters	4,638.78	3,284.27
ii)	Other matters	83.85	84.21

#### (ii) Commitments - unexecuted contracts:

		(₹ in Lakh)	
Particulars	As at 31 Mar 22	As at 31 Mar 21	
Commitments for the acquisition of property, plant and equipment	543.76	137.67	
Commitments for investment activities	*14,445.95	-	

\*This includes commitment to invest ₹ 13,820.95 lakh in Mutual Fund schemes managed by the Company vide SEBI circular SEBI/HO/IMD/IMD-IDOF5/P/CIR/2021/624 dated September 2, 2021

#### (iii) Bank guarantee

In the current year, the Company has issued a bank guarantee of ₹ 2,468.25 lakh to NSE for the purpose of IPO.

### NOTE: 25 MANAGEMENT RIGHTS

During financial year ended 31<sup>st</sup> March 2015 Aditya Birla Sun Life Trustee Company Private Limited took over the mutual fund schemes from ING Trust Company Private Limited and simultaneously the Group acquired the right to manage the said schemes from ING Asset Management (India) Private Limited.

The consideration paid to acquire the right to manage the said schemes along with the incidental expenditure incurred thereon aggregating to ₹378.51 lakh has been treated as Investment Management Right. The Investment Management Right will be amortized over a period of 120 months. For the year ended 31<sup>st</sup> March 2022, an amount of ₹ 37.85 lakh (Previous year ₹ 37.85 lakh) has been amortised. Balance life of Investment Management Right is 30 months.

### NOTE: 26 EMPLOYEE BENEFITS

In accordance with the Indian Accounting Standard (Ind AS) 19 "Employee Benefits", the Group has classified the various benefits provided to the employees as under:

#### a. Defined contribution plan

Defined Contribution Plan – The Group has recognized the following amounts in the Statement of Profit and Loss Account which are included under contribution to Provident Fund and other fund.

		(₹ in Lakh)	
No	Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
i)	Employers Contribution to Provident Fund (PF)	474.45	465.74
ii)	Employers Contribution to Employees Pension Fund	134.84	141.76
iii)	Employers Contribution to Labour Welfare Fund	0.45	0.72
iv)	Contribution to Employees Deposit Linked Insurance	8.82	9.28
v)	Employers Contribution to other Funds related to Foreign Subsidiaries	59.15	57.46
<b>Total</b>		<b>677.71</b>	<b>674.96</b>

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

Above figures are excluding contribution to PF and Other Funds of ₹ 95.77 lakh (Previous year ₹ 106.72 lakh) reimbursed to related parties - Aditya Birla Financial Shared Services Limited & Aditya Birla Capital Limited.

### b. Share based payments

Pursuant to ESOP Plan by ABCL, stock options were granted to the employees of the Company during the year. Total cost incurred by ABCL (net of reversals) till date is being recovered from the Company over the period of vesting of the ESOP grants. A sum of ₹(4.71) Lakh (Previous year 387.49 Lakh) has been charged to the Statement of Profit and Loss. The balance sum of ₹ 78.42 Lakh will be recovered in future years as at 31<sup>st</sup> March 2022.

### c. Gratuity (defined benefit plan)

The following table sets out the status of the gratuity plan as required under IND AS 19 as certified by actuary. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
<b>Amounts recognised in the Balance Sheet in respect of Gratuity</b>		
Present Value of the funded Defined Benefit Obligations at the end of the year	3,092.80	2,961.40
Fair Value of Plan Assets	(3,106.57)	(2,995.19)
<b>Net (Asset) / Liability</b>	<b>(13.77)</b>	<b>(33.79)</b>
<b>Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity</b>		
<b>Amounts recognised during the period:</b>		
In P&L	282.35	287.00
In Other Comprehensive Income	(72.29)	(83.13)
<b>Total Expenses Recognised during the period</b>	<b>210.06</b>	<b>203.87</b>
<b>Actual Return on Plan Assets:</b>		
Expected Return on Plan Assets	190.06	168.79
Actuarial Gain/(Loss) on Plan Assets	(31.52)	39.50
<b>Actual Return on Plan Assets:</b>	<b>158.54</b>	<b>208.29</b>

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
<b>Reconciliation of Present Value of Obligation and the Fair Value of the Plan Assets:</b>		
<b>Change in Present Value of the Obligations:</b>		
Opening Defined Benefit Obligations	2,961.40	2,678.22
Current Service Cost	284.49	280.48
Interest Cost	187.92	175.30
Actuarial (Gain)/Loss arising from:		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(108.89)	99.89
- experience variance (i.e. actual experience vs assumption)	5.08	(143.52)
Liabilities Settled on Divestment	-	-
Benefits Paid	(237.20)	(128.97)
<b>Closing Defined Benefit Obligations</b>	<b>3,092.80</b>	<b>2,961.40</b>

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
<b>Change in Fair Value of the Plan Assets:</b>		
Opening Fair Value of the Plan Assets	2,995.19	2,578.75
Expected Return on the Plan Assets	190.06	168.79
Actuarial (Gain)/Loss	(31.52)	39.50
Contributions by the Employer	190.04	337.12
Asset Distributed on Divestment	-	-
Benefits Paid	(237.20)	(128.97)
<b>Closing Fair Value of the Plan Assets</b>	<b>3,106.57</b>	<b>2,995.19</b>
<b>Expense Recognised in Income Statement</b>		
Current Service Cost	284.49	280.48
Net Interest cost / (income) on the defined Benefit Liability / (Asset)	(2.14)	6.51
Expense Recognised in Income Statement	282.35	286.99
<b>Other Comprehensive Income</b>		
Actuarial (Gain)/Loss arising from:		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(108.89)	99.89
- experience variance (i.e. actual experience vs assumption)	5.08	(143.52)
Return on plan asset, excluding amount recognised in net interest expense	31.52	(39.50)
<b>Remeasurement gain/loss in other comprehensive income</b>	<b>(72.29)</b>	<b>(83.13)</b>
<b>Investment details of Plan Assets</b>		
<b>Plan assets are invested with:</b>		
Aditya Birla Sun Life Insurance Company Limited	3,106.57	2,995.19
<b>Composition of the plan assets are as follows:</b>	Allocation %	Allocation %
Government Bonds	23.17%	24.30%
Corporate Bonds	69.29%	65.33%
Others	7.54%	10.37%
<b>Assumptions</b>		
Discount rate	6.90%	6.35%
Compensation Escalation rate	8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter	8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter
Average Age	34.31	34.15
Mortality Basis	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2012-14)

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### A. Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

		(₹ in Lakh)	
No.	Particulars	As at 31 Mar 22	As at 31 Mar 21
1	Defined Benefit Obligation (Base)	3,092.80	2,961.40

Particulars	As at 31 Mar 22		As at 31 Mar 21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.50 %)	3,234.23	2,960.58	3,107.92	2,824.97
(% change compared to base due to sensitivity)	4.6%	-4.3%	4.9%	-4.6%
Compensation Escalation Rate (- / + 0.50 %)	2,960.55	3,232.94	2,825.62	3,105.81
(% change compared to base due to sensitivity)	-4.3%	4.5%	-4.6%	4.9%
Mortality Rate (- / + 10%)	3,090.00	3,095.59	2,958.94	2,963.85
(% change compared to base due to sensitivity)	-0.1%	0.1%	-0.1%	0.1%

There is no change in the method of valuation for the prior period. For change in assumptions refer assumptions table above.

### B. Effect of plan on group's future cash flows

#### i) Funding arrangements and funding policy

The scheme is managed on funded basis.

#### ii) Expected contribution during the next annual reporting period

		(₹ in Lakh)
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
The Group's best estimate of Contribution during the next year	286.56	287.65

#### iii) Maturity profile of defined benefit obligation

		(₹ in Lakh)
Particulars	As at 31 Mar 22	As at 31 Mar 21
Weighted average duration	9 years	10 years

#### Expected cash flows over the next (valued on undiscounted basis)

		(₹ in Lakh)
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
1 year	192.93	169.28
2 to 5 years	1,191.60	800.85
6 to 10 years	1,358.79	1,453.76
More than 10 years	3,610.10	3,582.52

The estimate of future salary increases, considered in the actuarial valuation, takes into account inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary based on assumptions provided by the Group.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### NOTE: 27 DISCLOSURE IN RESPECT OF RELATED PARTY PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 24:

#### a. List of related parties:

<b>A</b>	<b>Parent of Entity having significant influence</b>
	Grasim Industries Limited
<b>B</b>	<b>Entity having significant influence</b>
	Aditya Birla Capital Limited (ABCL)
	Sun Life (India) AMC Investments Inc., Canada
<b>C</b>	<b>Other Related Party</b>
	SLGI Asset Management Inc, Canada
	Aditya Birla Management Corporation Private Limited
	Green Oak India Investment Advisors Private Limited
	Aditya Birla Capital Foundation
<b>D</b>	<b>Subsidiaries of Entity having significant influence</b>
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Sun Life Insurance Company Limited
	Aditya Birla Sun Life Trustee Private Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Finance Limited
	Aditya Birla Money Limited
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Money Insurance Advisory Services Limited
	Aditya Birla Commodities Broking Limited
	Aditya Birla PE Advisors Private Limited
	Aditya Birla ARC Limited
	ABCAP Trustee Company Private Limited
	Aditya Birla Sun Life Pension Management Limited
	Aditya Birla Housing Finance Limited
	ABCSL-Employee Welfare Trust (Up to 10 <sup>th</sup> November 2020)
	Aditya Birla Wellness Private Limited
	Aditya Birla Trustee Company Private Limited
	Aditya Birla Stressed Asset AMC Private Limited
	Aditya Birla Capital Technology Services Limited
<b>E</b>	<b>The entities in respect of which Funds are managed by the Group</b>
	India Advantage Fund Limited
	International Opportunities Fund SPC
	New Horizon Fund SPC (wound up on 30 <sup>th</sup> September 2021)

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

<b>F</b>	<b>Directors and Key Management Personnel</b>
	Kumar Mangalam Birla (Non-Executive Director)
	Ajay Srinivasan (Non-Executive Director)
	A. Balasubramanian (Managing Director and Chief Executive Officer)
	Sandeep Asthana (Non-Executive Director)
	Colm Freyne (Non-Executive Director)
	Bharat Patel (Independent Director)
	Alka Bharucha (Independent Director)
	Harish Engineer (Independent Director)
	Navin Puri (Independent Director)
	Bobby Parikh (Independent Director up to 02 <sup>nd</sup> February 2022)
	Sushobhan Sarker ((Independent Director up to 06 <sup>th</sup> April 2021)
	Sunder Rajan Raman (Independent Director from 01 <sup>st</sup> January 2022)
	Ramesh Abhishek (Independent Director from 01 <sup>st</sup> January 2022)

## b. Related Parties with whom the Group has entered into transactions during the Year

Sr. No.	Particulars	Category	(₹ in Lakh)	
			For the year ended	
			31 Mar 22	31 Mar 21
	<b>Fees and Commission</b>			
	Aditya Birla Finance Limited	D	135.75	88.62
	Aditya Birla Money Limited	D	0.09	-
	<b>Contribution to Group Mediciam/Insurance Premium/Gratuity</b>			
	Aditya Birla Sun Life Insurance Company Limited	D	339.79	370.46
	Aditya Birla Health Insurance Company Limited	D	-	25.62
	<b>Business Promotion Expenses</b>			
	Aditya Birla Sun Life Insurance Company Limited (Insurance Premium) (Note 1)	D	1,702.48	991.36
	Aditya Birla Health Insurance Company Limited (Insurance Premium)	D	2.11	1.90
	<b>Rent</b>			
	Aditya Birla Capital Limited	B	-	35.22
	Grasim Industries Limited	A	64.89	87.69
	<b>Advisory Services</b>			
	GreenOak India Investment Advisors Private Limited	C	101.92	174.77
	<b>Software &amp; Technology Expenses</b>			
	Aditya Birla Capital Technology Services Limited	D	323.28	276.00
	<b>Employee Benefit Expenses</b>			
	Aditya Birla Wellness Private Limited	D	0.05	0.75
<b>2</b>	<b>Reimbursements of Costs Paid</b>			
	Aditya Birla Financial Shared Services Limited (Employee benefit expense)	D	592.73	574.64
	Aditya Birla Financial Shared Services Limited (Administrative and other expense)	D	2,109.63	1,716.47
	Aditya Birla Finance Limited (Employee benefit expenses)	D	4.76	4.89
	Aditya Birla Finance Limited (Rent)	D	12.19	4.30
	Aditya Birla Sun Life Insurance Company Limited (Rent)	D	14.77	3.29
	Aditya Birla Sun Life Insurance Company Limited (Administrative and other expenses)	D	2.57	-

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

(₹ in Lakh)

Sr. No.	Particulars	Category	For the year ended	
			31 Mar 22	31 Mar 21
	Aditya Birla Sun Life Insurance Company Limited (Employee benefit expenses)	D	3.45	15.59
	Aditya Birla Capital Limited (Employee benefit expenses)	B	1,822.96	2,250.92
	Aditya Birla Capital Limited (Administrative and other expenses)	B	608.55	562.53
	Aditya Birla Health Insurance Company Limited (Employee benefit expenses)	D	-	16.91
	Aditya Birla Housing Finance Limited (Rent)	D	14.64	3.80
	SLGI Asset Management Inc, Canada (Employee Benefit Expenses)	C	14.19	70.56
	Aditya Birla Money Limited (Employee Benefit Expenses)	D	1.89	7.50
	Aditya Birla Management Corporation Private Limited (Employee Benefit Expenses)	C	4.17	4.92
	Aditya Birla Management Corporation Private Limited (Administrative and other Expenses)	C	2.34	5.06
	Aditya Birla Sun Life Trustee Private Limited (Employee Benefit Expenses)	D	3.67	4.17
	Aditya Birla Capital Foundation (Administrative and other Expenses)	C	-	0.89
<b>3</b>	<b>Reimbursements of Costs Received</b>			
	Aditya Birla Finance Limited (Employee benefit expenses)	D	1.07	2.20
	Aditya Birla Finance Limited (Rent)	D	49.30	4.13
	Aditya Birla Sun Life Trustee Private Limited (Employee benefit expenses)	D	1.77	-
	Aditya Birla Money Limited (Employee benefit expenses)	D	1.89	-
	Aditya Birla Money Limited (Rent)	D	1.43	-
	Aditya Birla Sun Life Insurance Company Limited (Employee benefit expenses)	D	27.22	3.01
	Aditya Birla Sun Life Insurance Company Limited (Administrative and other expenses)	D	0.21	0.76
	Aditya Birla Sun Life Insurance Company Limited (Rent)	D	11.25	-
	Aditya Birla Capital Limited (Administrative and other expenses)	D	0.19	0.19
	Aditya Birla Management Corporation Private Limited (Employee benefit expenses)	C	0.30	4.22
	Aditya Birla Insurance Brokers Limited (Employee benefit expenses)	D	-	0.83
	Grasim Industries Limited (Administrative and other expenses)	A	-	2.95
	Aditya Birla Housing Finance Limited (Rent)	D	6.16	1.27
	Aditya Birla Health Insurance Company Limited (Rent)	D	5.99	-
	Aditya Birla Health Insurance Company Limited (Administrative and other expenses)	D	0.42	0.42
	Aditya Birla Health Insurance Company Limited (Employee benefit expenses)	D	-	12.66
	Aditya Birla Insurance Brokers Limited (Rent)	D	0.43	-
	Aditya Birla Money Insurance Advisory Services Limited (Rent)	D	2.69	-
<b>4</b>	<b>Managerial Remuneration</b>			
	Managerial Remuneration paid (Note 2)	F	1,589.69	550.28
<b>5</b>	<b>Director's Sitting Fees</b>			
	Director's Sitting Fees paid	F	120.25	21.80
<b>6</b>	<b>Interim Dividend Paid</b>			
	Aditya Birla Capital Limited	B	11,664.16	7,140.19
	Sun Life (India) AMC Investments Inc	B	9,342.53	6,860.20
	Key Managerial Personnel/Directors	F	1.33	0.01

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

		(₹ in Lakh)	
Sr. No.	Particulars	Category	For the year ended
			31 Mar 22 31 Mar 21
<b>7</b>	<b>CSR Contribution</b>		
	Aditya Birla Capital Foundation	C	651.87 1,062.00
<b>8</b>	<b>Sale of Fixed Assets</b>		
	Aditya Birla Health Insurance Company Limited	D	- 9.95
	Aditya Birla Management Corporation Private Limited	C	12.67 9.25
	Aditya Birla Sun Life Insurance Company Limited	D	- 25.31
<b>9</b>	<b>Purchase of Fixed Assets</b>		
	Aditya Birla Management Corporation Private Limited	C	- 9.05
	Aditya Birla Health Insurance Company Limited	D	- 6.42
<b>10</b>	<b>Software Development (Capitalised)</b>		
	Aditya Birla Capital Technology Services Limited	D	13.26 93.52
<b>11</b>	<b>Software Development (Capital WIP – Intangible)</b>		
	Aditya Birla Capital Technology Services Limited	D	- 73.52
<b>12</b>	<b>Refund of Security Deposit Received</b>		
	Aditya Birla Capital Limited	B	- 25.20
<b>13</b>	<b>Security Deposit Given and Refundable</b>		
	Aditya Birla Sun Life Insurance Company Limited	D	77.60 -
<b>14</b>	<b>Security Deposit Taken and Payable</b>		
	Aditya Birla Health Insurance Company Limited	D	3.61 -

## c. Outstanding Balances:

		(₹ in Lakh)	
Sr. No.	Particulars	Category	For the year ended
			31 Mar 22 31 Mar 21
<b>1</b>	<b>Payable</b>		
	Aditya Birla Financial Shared Services Limited (Trade Payable)	D	237.59 322.97
	Aditya Birla Capital Limited (Trade Payable)	B	253.39 208.98
	SLGI Asset Management Inc, Canada (Trade Payable)	C	- 33.90
	Aditya Birla Capital Technology Services Limited (Trade Payable)	D	35.12 24.48
	Aditya Birla Management Corporation Private Limited (Trade Payable)	C	1.36 4.74
	Aditya Birla Sun Life Insurance Company Limited (Trade Payable)	D	- 1.79
	Aditya Birla Finance Limited (Trade Payable)	D	- 0.16
	GreenOak India Investment Advisors Private Limited (Trade Payable)	C	- 26.78
	Aditya Birla Wellness Private Limited (Trade Payable)	D	- 0.70
	Grasim Industries Limited (Trade Payable)	A	2.38 -
	Aditya Birla Money Limited (Trade Payable)	D	- -
	Aditya Birla Sun Life Trustee Private Limited (Trade Payable)	D	- 4.17
	Aditya Birla Housing Finance Limited (Trade Payable)	D	2.89 -
	Aditya Birla Health Insurance Company Limited (Deposit)	D	3.61 -

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

		(₹ in Lakh)	
Sr. No.	Particulars	Category	For the year ended
			31 Mar 22
2	Receivable		31 Mar 21
	Aditya Birla Financial Shared Services Limited (Prepaid Expenses)	D	45.88
	Aditya Birla Capital Technology Services Limited (Prepaid Expenses)	D	9.49
	Aditya Birla Money Insurance Advisory Services Limited (Receivables)	D	-
	Grasim Industries Limited (Receivables)	A	-
	Grasim Industries Limited (Deposit)	A	71.32
	Aditya Birla Sun Life Insurance Company Limited (Receivables)	D	26.82
	Aditya Birla Sun Life Insurance Company Limited (Deposit Recovery)	D	30.88
	Aditya Birla Sun Life Insurance Company Limited (Deposit)	D	77.60
	Aditya Birla Finance Limited (Receivables)	D	40.60
	Aditya Birla Finance Limited (Deposit Recovery)	D	120.00
	Aditya Birla Insurance Brokers Limited (Receivables)	D	0.39
	Aditya Birla Housing Finance Limited (Deposit Recovery)	D	2.78
	Aditya Birla Housing Finance Limited (Receivables)	D	-
	Aditya Birla Money Limited (Deposit Recovery)	D	2.33
	Aditya Birla Money Limited (Receivables)	D	1.31
	Aditya Birla Health Insurance Company Limited (Deposit Recovery)	D	6.77
	Aditya Birla Health Insurance Company Limited (Receivables)	D	5.90

Related parties are as identified by the Company and relied upon by the Auditors

All the above figures are inclusive of GST wherever applicable.

Note 1 - Total Amount paid ₹ 1,702.48 Lakh (Previous Year 991.36 Lakh), out of which ₹1,490.90 Lakh (Previous Year ₹ 844.67 Lakh) debited to statement of profit and loss during the year and balance amortised.

Note 2 – Managerial Remuneration:

		(₹ in Lakh)	
Particulars		For the year ended	For the year ended
		31 Mar 22	31 Mar 21
1) Short term employment benefits			
a) Gross Salary		927.62	539.54
b) Value of perquisites u/s 17(2) Income-tax Act, 1961		12.85	10.74
2) Share-based payments by ABCL (Entity having significant influence)		0.81	-
3) Share based payments by the Company		648.41	-
<b>Total Remuneration</b>		<b>1,589.69</b>	<b>550.28</b>

Managerial Remuneration also includes Share based payments of ₹ 648.41 Lakh included in other long term employment benefits.

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly have not been considered in the above information.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### NOTE: 28 EARNINGS PER SHARE

Earnings per share (EPS) is calculated as under:		As at 31 Mar 22	As at 31 Mar 21
Net Profit After Tax before Other Comprehensive Income as per Consolidated Statement of Profit and Loss (₹ in Lakh)	A	67,277.18	52,628.10
Weighted average number of basic equity shares after split of shares into ₹ 5 each (refer note 16)	B	3,60,00,000	3,60,00,000
Bonus shares issued (refer note 16)	C	25,20,00,000	25,20,00,000
Number of equity shares considered for computation of Basic EPS (B+C)	D	28,80,00,000	28,80,00,000
Add: Dilutive impact of Employee stock options	E	8,38,100	-
Number of equity shares considered for computation of Diluted EPS (D+E)	F	28,88,38,100	28,80,00,000
Basic Earnings Per Share (₹)	A/D	23.36	18.27
Diluted Earnings Per Share (₹)	A/F	23.29	18.27
Nominal Value of Shares (₹)		5	5

The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of EPS as per the requirement of IND AS 33.

### NOTE: 29 DISCLOSURE PURSUANT TO SCHEDULE III FOR CONSOLIDATED FINANCIAL STATEMENTS:

For the year ended 31<sup>st</sup> March 2022: -

(₹ in Lakh)

Particulars	Net Assets		Share in Profit or Loss		Share in OCI		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated OCI	Amount	% of Consolidated Total Comprehensive Income	Amount
<b>Parent</b>	100.19	2,20,061.34	98.16	66,035.99	100.00	262.84	98.16	66,298.83
Aditya Birla Sun Life AMC Limited								
<b>Subsidiaries</b>								
Indian								
NA								
<b>Foreign</b>								
Aditya Birla Sun Life AMC (Mauritius) Limited, Mauritius	0.43	938.93	0.05	32.64	-	-	0.05	32.64
Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore	2.20	4,821.61	1.73	1,164.35	-	-	1.72	1,164.35
Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai	0.33	735.24	0.07	43.97	-	-	0.07	43.97

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

(₹ in Lakh)

Particulars	Net Assets		Share in Profit or Loss		Share in OCI		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated OCI	Amount	% of Consolidated Total Comprehensive Income	Amount
<b>Non-Controlling Interest</b>								
<b>Eliminations/Consolidation Adjustments</b>	(3.15)	(6,911.55)	0.00	0.23	-	-	0.00	0.23
<b>Total</b>	<b>100.00</b>	<b>2,19,645.57</b>	<b>100.00</b>	<b>67,277.18</b>	<b>100.00</b>	<b>262.84</b>	<b>100.00</b>	<b>67,540.02</b>

## For the year ended 31<sup>st</sup> March 2021: -

(₹ in Lakh)

Particulars	Net Assets		Share in Profit or Loss		Share in OCI		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated OCI	Amount	% of Consolidated Total Comprehensive Income	Amount
<b>Parent</b>								
Aditya Birla Sun Life AMC Limited	101.09	172,317.80	98.02	51,583.70	100.00	146.37	98.03	51,730.07
<b>Subsidiaries</b>								
<b>Indian</b>								
NA								
<b>Foreign</b>								
Aditya Birla Sun Life AMC (Mauritius) Limited, Mauritius	0.51	873.78	0.10	53.17	-	-	0.10	53.17
Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore	2.06	3,505.58	1.82	962.04	-	-	1.82	962.04
Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai	0.39	666.15	0.07	36.01	-	-	0.07	36.01
<b>Non-Controlling Interest</b>	-	-	-	-	-	-	-	-
<b>Eliminations/Consolidation Adjustments</b>	(4.05)	(6,901.98)	(0.01)	(6.82)	-	-	(0.01)	(6.82)
<b>Total</b>	<b>100.00</b>	<b>170,461.33</b>	<b>100.00</b>	<b>52,628.10</b>	<b>100.00</b>	<b>146.37</b>	<b>100.00</b>	<b>52,774.47</b>

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### NOTE: 30 SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2022

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 - "Operating Segments". The CODM evaluates the Group's performance and allocates resources. The Group's operations predominantly relate to providing asset management services and portfolio management services. In the opinion of the CODM and Management, the risks and rewards attached to the business are similar in nature. Hence the separate Segment under Ind AS 108 on "Operating Segments" is not required to be reported as the Group's business is restricted to single Operating Segment i.e. Asset Management Services.

There is only one customer contributing in excess of 10% of the total revenue of the Company.

(₹ in Lakh)

Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Revenue from Aditya Birla Sun Life Mutual Fund	1,21,951.61	99,098.38

### Geographic Information:

(₹ in Lakh)

Particulars	In India		Outside India		Total	
	As at 31 Mar 22	As at 31 Mar 21	As at 31 Mar 22	As at 31 Mar 21	As at 31 Mar 22	As at 31 Mar 21
Revenue by location of customers	1,26,347.40	1,04,068.49	4,187.16	3,828.45	1,30,534.56	1,07,896.94
Less: Eliminations	-	-	1,238.40	1,106.23	1,238.40	1,106.23
<b>Net Revenue</b>	<b>1,26,347.40</b>	<b>1,04,068.49</b>	<b>2,948.76</b>	<b>2,722.22</b>	<b>1,29,296.16</b>	<b>1,06,790.71</b>

### NOTE: 31 CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakh)

No	Particulars	As at 31 Mar 22	As at 31 Mar 21
1	Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)	1,142.84	1,061.76
2	Amount approved by the Board to be spent during the year	1,141.71	1,061.76
3	Amount of expenditure incurred	664.71	1,062.89
4	Excess/(Shortfall) at the end of the period	-	1.13
5	Total of previous years excess/(shortfall)	1.13	-
6	Reason for shortfall	-	-
7	Nature of CSR activities		
	-Construction/acquisition of assets	183.49	614.00
	-On purpose other than (i) above	468.38	448.89
8	Amount yet to be spent/paid	477.00	-
9	Details of Related party transactions		
	- Aditya Birla Capital Foundation	651.87	1,062.00
10	Liability incurred by entering into contractual obligations	-	-

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

Details of ongoing project and other than ongoing project

		In case of S. 135(6) (Ongoing Project)				
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	1,142.84	665.84	-	-	477.00

In case of S. 135(5) Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
1.13	-	1.13	-

## NOTE: 32 CAPITAL MANAGEMENT

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 Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March, 2022.

## NOTE: 33 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total Fair Value
<b>As at 31<sup>st</sup> March 2022</b>							
<b>Financial Assets</b>							
Investments in:							
Mutual Funds	1,97,186.14	-	1,97,186.14	1,97,186.14	-	-	1,97,186.14
Alternative Investment Funds	1,667.30	-	1,667.30	438.69	-	1,228.61	1,667.30
Debt Securities	1,006.98	10,482.81	11,489.79	11,752.94	-	-	11,752.94
Equity Instruments	1,754.91	-	1,754.91	-	-	1,754.91	1,754.91
Cash and cash equivalents	-	6,524.73	6,524.73	-	-	-	-
Bank balances other than those mentioned above	-	3,268.20	3,268.20	-	-	-	-
Trade receivables	-	2,615.94	2,615.94	-	-	-	-
Loans	-	1.00	1.00	-	-	-	-
Other financial assets	-	1,827.07	1,827.07	-	-	-	-
<b>Total Financial Assets</b>	<b>2,01,615.33</b>	<b>24,719.75</b>	<b>2,26,335.08</b>	<b>2,09,377.77</b>	<b>-</b>	<b>2,983.52</b>	<b>2,12,361.29</b>
<b>Financial Liabilities</b>							
Trade Payables	-	3,040.78	3,040.78	-	-	-	-
Lease Liabilities	-	5,436.80	5,436.80	-	-	-	-
Others Financial Liabilities	-	6,594.81	6,594.81	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>15,072.39</b>	<b>15,072.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

(₹ in Lakh)

Particulars	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total Carrying amount	Level 1	Level 2	Level 3	Total Fair Value
<b>As at 31<sup>st</sup> March 2021</b>							
<b>Financial Assets</b>							
Investments in:							
Mutual Funds	1,61,126.84	-	1,61,126.84	1,61,126.84	-	-	1,61,126.84
Alternative Investment Funds	1,083.27	-	1,083.27	94.36	-	988.91	1,083.27
Debt Securities	-	10,335.60	10,335.60	10,695.40	-	-	10,695.40
Equity Instruments	79.69	-	79.69	-	-	79.69	79.69
Cash and cash equivalents	-	5,653.07	5,653.07	-	-	-	-
Bank balances other than those mentioned above	-	30.70	30.70	-	-	-	-
Trade receivables	-	3,095.36	3,095.36	-	-	-	-
Loans	-	3.20	3.20	-	-	-	-
Other financial assets	-	1,918.67	1,918.67	-	-	-	-
<b>Total Financial Assets</b>	<b>1,62,289.80</b>	<b>21,036.60</b>	<b>1,83,326.40</b>	<b>1,71,916.60</b>	<b>-</b>	<b>1,068.60</b>	<b>1,72,985.20</b>
<b>Financial Liabilities</b>							
Trade Payables	-	3,738.67	3,738.67	-	-	-	-
Lease Liabilities	-	5,931.43	5,931.43	-	-	-	-
Others Financial Liabilities	-	4,661.03	4,661.03	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>14,331.13</b>	<b>14,331.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The management assessed that cash and cash equivalents, trade receivables, other financial assets, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

Valuation techniques used to determine fair value: -

- Mutual Funds: - Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed
- Alternative Investment Funds: - Net Asset Value (NAV) provided by issuer fund which is arrived at based on valuation from independent valuer for unlisted portfolio companies, quoted price of listed portfolio companies and price of recent investments
- Debt Securities: - Fair value of debt securities which are actively traded bonds, is derived on the basis of quoted price available on the National Stock Exchange
- Equity Instruments: - Discounted cash flow based on present value of the expected future economic benefit

In order to assess Level 3 valuations as per Group's investment policy, the management reviews the performance of the investee companies (including unlisted portfolio companies of venture capital funds and alternative investment funds) on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### Fair value reconciliation for Level 3 instruments:

The following table shows reconciliation from opening to closing balances for Level 3 assets:

	(₹ in Lakh)
<b>Balance as at 1<sup>st</sup> April 2020</b>	<b>1,206.29</b>
Net gain/ (loss) recognised in Profit & Loss	(147.00)
Purchases of financial instrument	9.31
Sales of financial instruments	-
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>1,068.60</b>
Net gain/ (loss) recognised in Profit & Loss	3.50
Purchases of financial instrument	2,309.53
Sales of financial instruments	(398.11)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>2,983.52</b>

## NOTE: 34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds investments in mutual fund units, debt and equity instruments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by Risk Management Committee and the auditors have relied on the same. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### A. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

#### (i) 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 sensitivity of the portfolio towards the interest rate is mentioned in the table below

#### Sensitivity

The following table demonstrates the sensitivity to :

- Interest rate risk is basis impact on debt portfolios for 1% change in interest rates.
- Hybrid funds considered at 100% as a conservative basis for assessing interest rate impact on portfolio. (which form approximately 1% of the entire portfolio of schemes).

#### Impact on profit and loss:

Risk	As at 31 Mar 22	As at 31 Mar 21
Interest Rate Risk – (Impact of 1% increase in interest rate)	1.64%	1.60%
Effect on Profit and Loss	(2,774.86)	(2,448.88)
Interest Rate Risk – (Impact of 1% decrease in interest rate)	1.64%	1.60%
Effect on Profit and Loss	2,774.86	2,448.88

#### (ii) Foreign currency risk

The Group has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### (iii) Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, caused by factors specific to an individual investment, its issuer and market.

The Group's exposure to price risk arises from investments in Units of mutual funds, alternative investment funds, etc which are classified as financial asset at Fair Value through Profit and Loss and is as follows:

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Investment exposure to price risk	1,98,853.44	1,62,210.11

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices/ market value by 5%

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Effect on Profit and Loss		
5% increase in prices	9,942.67	8,110.51
5% decrease in prices	(9,942.67)	(8,110.51)

## B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's has clearly defined policies to mitigate counterparty risks. Cash and liquid investments are held primarily in mutual funds and banks with good credit ratings. Defined limits are in place for exposure to individual counterparties in case of mutual fund houses and banks.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Group has major receivable from mutual fund schemes.

Trade receivables ageing:

(₹ in Lakh)						
Trade Receivables	Neither past due nor impaired	Past dues but not impaired				
		<30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days
31 March 2022	2,615.94	-	-	-	-	-
31 March 2021	3,095.36	-	-	-	-	-

The carrying amounts of following financial assets represent the maximum credit risk exposure:

(₹ in Lakh)		
Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Trade Receivables	2,615.94	3,095.36
Cash and cash equivalents	6,524.73	5,653.07
Bank balances other than those mentioned above	3,268.20	30.70
Loans	1.00	3.20
Other financial assets measured at amortised cost	12,309.88	12,254.27

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### Expected credit loss on financial assets

The Group continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL or life time ECL, the Group assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. The Group applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Group's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with contract and the cash flows that the Company expects to receive).

The Group has following types of financial assets that are subject to the expected credit loss:

- Cash and cash equivalent
- Trade and other receivables
- Investment in debt securities measured at amortised cost

### Trade and other receivables:-

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Group has a contractual right to such receivables as well as the control over such funds due from customers, the Group does not estimate any credit risk in relation to such receivables.

### Cash and cash equivalents:-

The Group holds cash and cash equivalents and other bank balances as per note 3 and 4. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

### Investment in debt securities measured at amortised cost:-

Funds are invested after taking into account parameters like safety, liquidity and post-tax returns etc. The Group avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

## C. Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations or at a reasonable price. The Group's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

### 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.

(₹ in Lakh)

As at 31 <sup>st</sup> March 2022	Within 12 Months	After 12 Months	Total
Trade Payables	3,040.78	-	3,040.78
Employee Dues	6,416.17	-	6,416.17
Payable for Capital Expenditure	12.27	-	12.27
Deposits from Related Parties	-	166.37	166.37
Lease Liabilities	2,018.16	4,450.11	6,468.27
	11,487.38	4,616.48	16,103.86

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

(₹ in Lakh)			
As at 31 <sup>st</sup> March 2021	Within 12 Months	After 12 Months	Total
Trade Payables	3,738.67	-	<b>3,738.67</b>
Employee Dues	4,647.07	-	<b>4,647.07</b>
Payable for Capital Expenditure	13.96	-	<b>13.96</b>
Payable to Schemes	-	-	-
Lease Liabilities	2,355.33	4,511.12	<b>6,866.45</b>
	<b>10,755.03</b>	<b>4,511.12</b>	<b>15,266.15</b>

## NOTE: 35 LEASES

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March 2022:

(₹ in Lakh)	
Particulars	Category of ROU Asset Leasehold premises
Balance as at 1 <sup>st</sup> April 2021	5,155.88
Add: New Lease Agreements	2,478.24
Less: Deletion	(784.53)
Less: Depreciation	(1,998.41)
Exchange difference on translating the financial statements of foreign subsidiaries	2.94
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>4,854.12</b>

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March 2021:

(₹ in Lakh)	
Particulars	Category of ROU Asset Leasehold premises
Balance as at 1 <sup>st</sup> April 2020	5,470.35
Add: New Lease Agreements	1,950.43
Less: Deletion	(178.13)
Less: Depreciation	(2,086.34)
Exchange difference on translating the financial statements of foreign subsidiaries	(0.42)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>5,155.88</b>

## Amounts recognised in statement of profit and loss

(₹ in Lakh)		
Particulars	Year ended 31 Mar 22	Year ended 31 Mar 21
<b>Depreciation and Amortisation Expenses</b>		
Depreciation expense on right-of-use assets	1,998.41	2,086.34
<b>Finance Cost</b>		
Interest expense on lease liabilities	486.34	555.68
<b>Other Income</b>		
Rent concession	(265.16)	(353.94)
<b>Other Expense</b>		
Expense relating to short-term leases	44.30	40.80

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

The following is the break-up of current and non-current lease liabilities:-

(₹ in Lakh)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Current Lease Liabilities	2,027.43	2,266.91
Non-Current Lease Liabilities	3,409.37	3,664.52
<b>Total</b>	<b>5,436.80</b>	<b>5,931.43</b>

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March 2022:

(₹ in Lakh)	
Particulars	Amount
Balance as at 1 <sup>st</sup> April 2021	5,931.43
Additions	2,478.24
Deletions	(986.93)
Finance Cost accrued during the year	486.34
Payment of Lease Liabilities	(2,413.78)
Rent Concession	(62.76)
Exchange difference on translating the financial statements of foreign subsidiaries	4.26
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>5,436.80</b>

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March 2021:

(₹ in Lakh)	
Particulars	Amount
Balance as at 1 <sup>st</sup> April 2020	6,208.44
Additions	1,950.43
Deletions	(178.13)
Finance Cost accrued during the year	555.68
Payment of Lease Liabilities	(2,249.79)
Rent concession	(353.94)
Exchange difference on translating the financial statements of foreign subsidiaries	(1.26)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>5,931.43</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakh)		
Particulars	Year ended 31 Mar 22	Year ended 31 Mar 21
Less than one year	2,018.16	2,355.33
One to Five years	3,162.93	3,946.64
More than Five years	1,287.18	564.47
<b>Total</b>	<b>6,468.27</b>	<b>6,866.45</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

All the future cash flows to which the lease is potentially exposed are reflected in the measurement of lease liabilities.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### Critical accounting judgements and key sources of estimation uncertainty

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

### NOTE: 36 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.

(₹ in Lakh)

Assets/Liabilities	As at 31 Mar 22			As at 31 Mar 21		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	6,524.73	-	6,524.73	5,653.07	-	5,653.07
Other bank balances	3,268.80	-	3,268.80	30.70	-	30.70
Trade receivables	2,615.94	-	2,615.94	3,095.36	-	3,095.36
Loans	1.00	-	1.00	-	3.20	3.20
Investments	1,36,297.64	75,800.50	2,12,098.14	1,54,507.99	18,117.41	1,72,625.40
Other Financial Assets	241.76	1,585.31	1,827.07	524.20	1,394.47	1,918.67
<b>Non-Financial Assets</b>						
Current tax assets (net)	-	3,053.14	3,053.14	-	1,689.31	1,689.31
Property, Plant and Equipment	-	1,371.43	1,371.43	-	1,224.47	1,224.47
Right of use Assets	-	4,854.12	4,854.12	-	5,155.88	5,155.88
Capital work-in-progress	-	153.18	153.18	-	7.81	7.81
Intangible assets under development	-	138.71	138.71	-	100.94	100.94
Other Intangible Assets	-	981.85	981.85	-	1,327.90	1,327.90
Other Non-Financial Assets	6,378.62	208.21	6,586.83	5,184.66	437.74	5,622.40
<b>Total Assets</b>	<b>1,55,328.49</b>	<b>88,146.45</b>	<b>2,43,474.94</b>	<b>1,68,995.98</b>	<b>29,459.13</b>	<b>1,98,455.11</b>
<b>Financial Liabilities</b>						
Trade Payables	3,040.78	-	3,040.78	3,738.67	-	3,738.67
Lease Liabilities	2,052.86	3,383.94	5,436.80	2,266.91	3,664.52	5,931.43
Other Financial Liabilities	6,428.44	166.37	6,594.81	4,661.03	-	4,661.03
<b>Non-Financial Liabilities</b>						
Current tax liabilities (net)	1.41	-	1.41	942.00	-	942.00
Provisions	3,613.52	131.63	3,745.15	8,552.06	902.74	9,454.80
Deferred tax liabilities (net)	-	2,519.26	2,519.26	-	1,373.40	1,373.40
Other non-financial liabilities	2,473.82	16.74	2,490.56	1,876.20	16.25	1,892.45
<b>Total Liabilities</b>	<b>17,610.83</b>	<b>6,217.94</b>	<b>23,828.77</b>	<b>22,036.87</b>	<b>5,956.91</b>	<b>27,993.78</b>

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### NOTE: 37 EMPLOYEE STOCK OPTIONS SCHEME

At the Board Meeting held on 14<sup>th</sup> April 2021 the Company approved the grant of not more than 46,08,000 Equity Shares by way of grant of Stock Options and restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 32,32,899 ESOPs, 5,08,117 PRSU, 1,96,374 Long Term RSU & 2,46,863 RSU Founder under the Scheme titled "Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021" in 4 categories of Long Term Incentive Plans ("LTIP") identified as LTIP 1, LTIP 2, LTIP 3 & LTIP 4 respectively. 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. There are no cash settlement alternatives. The Group accounts for the employees stock option scheme as an equity-settled plan.

Category of ESOPs	LTIP 1	LTIP 2	LTIP 3	LTIP 4
Type of ESOP	ESOP	RSU	RSU	RSU
Plan Period	2021- 2025	2021-2025	2021-2024	2021-2023
Quantum of Grant	32,32,899	5,08,117	1,96,374	2,46,863
Method of Accounting	Fair Value of options at Grant date	Fair Value of options at Grant date	Fair Value of options at Grant date	Fair Value of options at Grant date
Vesting Period	End of Year 1: 20% of options granted End of Year 2: 20% of options granted End of Year 3: 30% of options granted End of Year 4: 30% of options granted	End of Year 3: 50% of options granted End of Year 4: 50% of options granted	End of Year 3: 100% of options granted	End of Year 2: 100% of options granted
Vesting Conditions	Employees of the Group : Achievement of 75% of Annual Planning & Budgeting Profit Before Tax	Employees of the Group : Achievement of 80% of Annual Planning & Budgeting Profit Before Tax	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	5 years from the date of vesting
Grant Date	12/04/2021	12/04/2021	12/04/2021	12/04/2021
Exercise Price as on Grant date (per share)	694.00	5.00	5.00	5.00
Value of Equity Shares as at the Date of Grant of Original Option (₹ Per Share)	671.50	671.50	671.50	671.50

There were no cancellations or modifications to the Employee Stock Options Scheme in year ending 31 March 2022.

There were no Employee Stock Options Scheme issued by the Company till year ended 31 March 2021

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### Movements during the year ended 31<sup>st</sup> March 2022

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

Category of ESOPs	LTIP 1	LTIP 2	LTIP 3	LTIP 4
Type of ESOP	ESOP	RSU	RSU	RSU
Options/RSUs Outstanding at the beginning of the period	Nil	Nil	Nil	Nil
Granted during the period	32,32,899	5,08,117	1,96,374	2,46,863
Exercised during the period	Nil	Nil	Nil	Nil
Forfeited during the period	1,79,268	28,175	4,817	46,431
Options/RSUs Outstanding at the end of the period	30,53,631	4,79,942	1,91,557	2,00,432
Options/RSUs Vested/Exercisable at the end of the period	Nil	Nil	Nil	Nil
The weighted average remaining contractual life for the share options outstanding as at 31 March 2022	2.50 years	3.50 years	4.50 years	5.50 years

Since all the options were granted/lapsed, at the same exercise price per option under the respective category of ESOPs, the weighted average exercise price per option for all these line items under the respective category of ESOPs is the same.

### Fair valuation

The fair value at grant date is independently determined by valuer using Black-Scholes Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and historical volatility of the Peer companies and Index, the expected dividend yield and the risk-free interest rate for the term of the option.

The key inputs and the Fair Value for options granted during the period ended 31 March 2022 are as follow:

Category of ESOPs	LTIP 1	LTIP 2	LTIP 3	LTIP 4
Type of ESOP	ESOP	RSU	RSU	RSU
Risk-Free Interest Rate (%)	5.4 to 6.4%	6.3 to 6.4%	6.3%	5.7%
Option Life (Years)	3.5 to 6.5 Yrs	5.5 to 6.5 Yrs	5.5 Yrs	4.5 Yrs
Historical Volatility	32.0% to 34.0%	32.0% to 34.0%	32.4%	32.7%
Expected Dividend Yield (%)	1.4%	1.4%	1.4%	1.4%
Weighted-Average Fair Value per Option as on April 12, 2021 (₹)	186 to 258.40	610.60 to 618.90	618.90	627.20

### NOTE: 38

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### NOTE: 39

The Company has completed its Initial Public Offering (IPO) of 3,88,80,000 equity shares of face value of ₹ 5/- each for cash at an issue price of ₹ 712/- per equity share aggregating to ₹ 27,68,25,60,000, consisting of an offer for sale of 3,88,80,000 equity shares aggregating to ₹ 27,68,25,60,000 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on October 11, 2021.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## Other notes to accounts:

### NOTE: 40. THE DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES ARE AS FOLLOWS:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding
Murlidhar Press Private Limited	Marketing & Selling	Nil

### NOTE: 41

With regard to the new amendments under “Division III of Schedule III” under “Part I – Balance Sheet - General Instructions for preparation of Balance Sheet” there are no balances that are required to be disclosed or there are no ratios which are applicable/ calculable with regard to the following clauses WA, WB (i),(ii),(iii),(iv),(v),(viii),(ix),(x),(xii),(xiii),(xiv),(xv) and (xvi) for the Group.

### NOTE: 42

With regard to the new amendments under “Division III of Schedule III” under “Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss” there are no transactions that are required to be disclosed with regard to the following clauses 11(v) and 11(vii) for the Group.

### NOTE: 43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have proposed a final dividend of ₹ 5.85 per equity share (face value of ₹ 5 each) for the year ended 31<sup>st</sup> March 2022, subject to the approval of the shareholders at the ensuing Annual General Meeting. Please refer Note 17 for details.

### NOTE: 44 PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

For and on behalf of the Board of Directors of  
**Aditya Birla Sun Life AMC Limited**

**Ajay Srinivasan**  
Director  
DIN: 00121181  
  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> April 2022

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477



**Aditya Birla Sun Life AMC Ltd.**

(A part of Aditya Birla Capital Ltd.)

One World center, Tower 1, 17<sup>th</sup> Floor, Jupiter Mill,

Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013

+91 22 4356 8000 | (F) +91 22 4356 8110 / 8111

abslamc.cs@adityabirlacapital.com | <https://mutualfund.adityabirlacapital.com>



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CAPITAL**