ANNUAL REPORT
2019-20

SUBSIDIARIES - Vol II

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ADITYA BIRLA CAPITAL LIMITED

ADITYA BIRLA CAPITAL

PROTECTING INVESTING FINANCING ADVISING

Contents

Aditya Birla Finance Limited

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Finance Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Aditya Birla Finance Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, 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 Ind AS 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 and based on the consideration of reports of other auditors on separate financial statements on the transaction business of Aditya Birla Capital Technology Services Limited (Formerly knowns as Aditya Birla MyUniverse Limited) ('the division') referred to in the other matters section below, the aforesaid Ind AS 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 March 31, 2020, 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 Ind AS 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 Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter – Assessment of Covid-19 impact

We draw attention to note 52(f) of the Ind AS financial statement, which describes the uncertainty caused by Novel Coronavirus (Covid-19) pandemic with respect to the Company's estimate of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of financial assets (including provision for expected credit loss) *(as described in note 5.1(v) of the Ind AS financial statements)*	
The Company's impairment provision for finance assets (designated at amortised cost and fair value through other comprehensive income) is based on the expected credit loss approach ('ECL') laid down under 'Ind AS 109 Financial instruments'. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and investments. In the process, a significant degree of judgement has been applied by the management for: : • Grouping of borrowers on the basis of homogeneity given the variety of products; • Staging of loans and estimation of behavioral life; • calculation of past default rates; • assigning rating grades to loans for which external rating is not available; • calibrating external ratings/scores - linked probability of default to align with past default rates;	• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on moratorium. • We performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans.

Key audit matters	How our audit addressed the key audit matter

• calibrating the loss given default where the impairment provision is calculated on a pool level;
• applying macro-economic factors to arrive at forward looking probability of default;
• significant assumptions regarding the probability of various scenarios and discounting rates for different loan products.
 	
Additional considerations on account of COVID-19
Pursuant to the Reserve Bank of India circular dated March 27, 2020 and May 23, 2020 ("RBI circulars") allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy as described in Note 52(f) and Note 53E.
 	
In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Company has recorded a management overlay of as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. In view of the high degree of estimation involved in the process of calculating impairment provision, accentuated by the COVID-19 pandemic and considering its significance to the overall Ind AS financial statements, whereby any error or omission in estimation may give rise to a
	• We tested the ECL model and computation for its:
	  • Model/methodology used for various loan products including;
	  • Management's grouping of borrowers on basis of different product lines and customer segments with different risk characteristics;
	  • Staging of loans based on their past-due status and other loss indicators;
	  • Various assumptions for calculation of expected loss viz. probability of default, loss given defaults, exposure at default, discounting factors applied by the management along with Management's governance process and documentation of its assumptions;
	  • Basis of floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults;
	
	• We performed test of details of the inputs information used in the ECL computation, on a sample basis.
	
	• We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.
	
	• Performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimate determined by the management.
	
	• Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic)
	
	• Assessed disclosures included in the Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

Key audit matters	How our audit addressed the key audit matter
material misstatement of the Ind AS financial statements, it is considered as a key audit matter.	
IT systems and controls	
The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors: • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs - to understand the design and test the operating effectiveness of such controls; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information received by us comprises the information which we obtained prior to the date to this auditor's report, but does not include the Ind AS financial statements and our auditor's report thereon, and other elements of the Annual Report, which are expected to be made available to us after that date.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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.

When we read the other elements of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.

Responsibilities of Management and the Board of Directors for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 the Ind AS 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 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 of the division that merged with the Company on January 01, 2020 and is included in the accompanying Ind AS financial statements of the Company whose financial statements and other financial information reflect total assets of Rs. 2,561.62 lacs as at March 31, 2020 and the total revenues of Rs. 100.68 lacs for the year ended on that date, total profit after tax of Rs. (1842.94) lacs for the year ended March 31, 2020, total comprehensive income of Rs. (1,852.07) lacs for the year ended March 31, 2020 and net cash inflows of Rs. 7.65 lacs for the year ended March 31, 2020 as considered in the financial statements/information of this division audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this division, is based solely on the report of such other auditors.

Our opinion on the Ind AS financial statements above and our report on the 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 on the reports obtained from such other auditors and the comparative financial information thereon.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the division, as noted in the 'Other Matter' paragraph 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 report on the accounts of the division of the Company audited under Section 143(8) of the Act by the other auditor have been sent to us and have been properly dealt with by us in preparing this report;

   (d) 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;

   (e) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended[1];

   (f) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (g) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(i) In our opinion, the managerial remuneration for the year ended March 31, 2020 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;

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 48 to the Ind AS 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.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749
UDIN: 20048749AAAAIM4072

Place of Signature: Mumbai
Date: June 04, 2020

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 Finance Limited** ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and based on the audit procedures performed, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and the provisions of section 186 of the Companies Act 2013 are not applicable to the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax and other statutory dues applicable to it. As explained to us the Company did not have any dues on account of sales-tax, duty of custom, duty of excise and value added tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, good and service tax and other applicable statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As explained to us the Company did not have any dues on account of sales-tax, duty of custom, duty of excise and value added tax.

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 Finance Limited** ("the Company")

(c) According to the records of the Company, the dues outstanding of income-tax and service tax dues disputed by the Company, are as follows:

Name of the statute	Nature of Dues	Amount (Rs. in Lacs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	10.9	AY 2007-08	DCIT - AO
		3,234.12	AY 2011-12	Income Tax Appellate Tribunal (ITAT)
		189.43	AY 2012-13	
		0.76	AY 2013-14	
		0.49	AY 2014-15	
		0.36	AY 2015-16	
		1,424.28	AY 2017-18	Commissioner of Income Tax (Appeals)
		50.41	AY 2011-12	Assessing Officer (AO)
		47.05	AY 2013-14	
		54.30	AY 2014-15	
Finance Act, 1994 (Service Tax)	Service Tax Demand	131.49	FY 2014-15 to 2017-18	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

*Net of payments made

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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 Finance Limited** ("the Company")

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(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749
UDIN: 20048749AAAAIM4072

Place of Signature: Mumbai
Date: June 04, 2020

Annexure 2 to the Independent Auditor's report of even date on the Ind AS financial statements of Aditya Birla Finance Limited

Re: Aditya Birla Finance Limited ("the Company")

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 over financial reporting of Aditya Birla Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and obtained by the other auditors of the separate division in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted

Annexure 2 to the Independent Auditor's report of even date on the Ind AS financial statements of Aditya Birla Finance Limited

Re: Aditya Birla Finance Limited ("the Company")

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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and taking into consideration the report of the other auditors referred to in the Other Matters paragraph below , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting with reference to these Ind AS financial statements, insofar as it relates to the one division, is based solely on the corresponding reports of the other auditors that division.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749
UDIN: 20048749AAAAIM4072

Place: Mumbai
Date: June 04, 2020

Aditya Birla Finance Limited
Balance Sheet as at 31 March, 2020
(Currency: ₹ in Lakhs)

Particulars	Notes	As at 31 March, 2020	As at 31 March, 2019
I ASSETS			
1 Financial assets			
Cash and cash equivalents	7	1,83,056.25	5,908.89
Trade and Other Receivables	8	1,601.75	1,074.11
Derivative financial instruments	9	5,408.39	-
Loans	10	45,98,779.59	50,18,832.97
Investments	11	3,34,240.17	1,57,650.71
Other financial assets	12	466.48	2,823.88
2 Non-financial assets			
Current tax assets (net)	13	23,364.88	1,216.88
Deferred tax assets (net)	41	24,058.99	19,639.32
Property, plant and equipments	14	1,953.20	2,177.14
Intangible assets under development	15	4,898.29	1,530.42
Other intangible assets	16	2,481.14	3,019.74
Right of use Lease Assets	17	8,069.45	-
Other non-financial assets	18	9,078.55	6,242.66
Total assets		**51,97,457.13**	**52,20,116.72**
II LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
Derivative financial instruments	9	0.40	-
Payables			
Trade & Other Payables			
- Micro and small enterprises	19	282.07	277.71
- Other than micro and small enterprises	19	6,253.35	4,666.65
Debt securities	20	17,86,922.93	22,64,856.32
Borrowings (other than debt securities)	21	23,43,844.89	19,66,728.62
Subordinated liabilities	22	2,10,142.09	2,04,455.47
Lease Liability	23	8,909.91	-
Other financial liabilities	24	17,591.86	36,312.48
2 Non-financial liabilities			
Current tax liabilities (net)	25	2,825.65	1,572.15
Provisions	26	9,703.56	8,859.30
Other non-financial liabilities	27	3,165.38	3,667.65
Total liabilities		**43,89,642.09**	**44,91,396.35**
Equity			
Equity share capital	28	66,210.08	66,210.08
Other equity	29 & 30	7,41,604.96	6,62,510.29
Total equity		**8,07,815.04**	**7,28,720.37**
Total liabilities and equity		**51,97,457.13**	**52,20,116.72**

The accompanying notes are forming part of the financial statements.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E/E300005

per Viren H. Mehta
Partner
Membership No: 048749

Place: Mumbai
Date: 4 June, 2020

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

Ajay Srinivasan
(Director)
(DIN - 00121121)

Rakesh Singh
(Managing Director & Chief Executive Officer)
(DIN - 07006067)

Sanjay Miranka
(Chief Financial Officer)

Ankur Shah
(Company Secretary)

Place: Mumbai
Date: 4 June, 2020

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd. Mumbai

Aditya Birla Finance Limited
Statement of Profit and Loss for the year ended 31 March, 2020
(Currency: ₹ in Lakhs)

		Particulars	Notes	Year ended 31 March, 2020	Year ended 31 March, 2019
		Revenue from operations			
	(i)	Interest income	31	5,64,939.02	5,19,297.44
	(ii)	Dividend income	32	1,924.97	1,100.02
	(iii)	Fee and commission income	33	37,462.16	35,696.40
	(iv)	Net gain on fair value changes	34	15,847.81	5,532.05
(I)		**Total revenue from operations**		6,20,173.96	5,61,625.91
(II)		Other income	35	1,296.07	600.13
(III)		**Total income (I + II)**		6,21,470.03	5,62,226.04
		Expenses			
	(i)	Finance costs	36	3,60,463.51	3,28,754.87
	(ii)	Impairment on financial instruments	37	70,707.00	20,701.24
	(iii)	Employee benefit expenses	38	42,274.69	45,510.84
	(iv)	Depreciation, amortization and impairment	39	4,976.64	2,912.72
	(v)	Other expenses	40	37,757.46	35,003.85
(IV)		**Total expenses**		5,16,179.30	4,32,883.52
(V)		**Profit before exceptional items and tax (III - IV)**		1,05,290.73	1,29,342.52
(VI)		Exceptional items		-	-
(VII)		**Profit before tax (V- VI)**		1,05,290.73	1,29,342.52
(VIII)		Tax expense:			
		(1) Current tax	41	29,136.44	51,816.44
		(2) Deferred tax expenses(credit)	41	(3,793.01)	(5,673.69)
		(3) Prior year adjustments	41	(547.30)	(213.60)
(IX)		**Profit for the year**		80,494.60	83,413.37
(X)		**Other comprehensive income**			
		Items that will not be reclassified to profit or loss			
		Remeasurement gain/(loss) on defined benefit plan		(425.93)	(38.04)
		Income tax impact of above		106.84	16.70
				(319.09)	(21.34)
		Gain/(Loss) on FVTOCI Equity Instrument		(13.89)	62.50
		Income tax impact of above		3.50	(21.84)
				(10.39)	40.66
		Items that will be reclassified to profit or loss			
		Fair Value change on derivatives designated as cash flow hedge		(1,649.32)	-
		Income tax impact on above		415.10	-
				(1,234.22)	-
		Other comprehensive income/(loss) for the year, net of tax		(1,563.70)	19.32
		Total comprehensive income for the year, net of tax		78,930.90	83,432.69
(XI)		**Earnings per equity share**			
		Basic (₹)	42	12.16	12.73
		Diluted (₹)	42	12.16	12.73

The accompanying notes are forming part of the financial statements.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E/E300005

per Viren H. Mehta
Partner
Membership No: 048749

Place: Mumbai
Date: 4 June, 2020

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

Ajay Srinivasan
(Director)
(DIN - 00121121)

Rakesh Singh
(Managing Director & Chief Executive Officer)
(DIN - 07006067)

Sanjay Miranka
(Chief Financial Officer)

Ankur Shah
(Company Secretary)

Place: Mumbai
Date: 4 June, 2020

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd. Mumbai

Aditya Birla Finance Limited
Statement of changes in Equity for the year ended 31 March, 2020
(Currency: ₹ in Lakhs)
a. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. in lakhs	₹ in lakhs
As at 1 April, 2018	6,515.32	65,153.21
Issued during the year	105.69	1,056.87
As at 31 March, 2019	6,621.01	66,210.08
Issued during the year	58.56	585.56
Shares pending issuance	(58.56)	(585.56)
As at 31 March, 2020	6,621.01	66,210.08

b. Other Equity

	Reserves and Surplus							Other comprehensive income		
	Special reserve	Securities premium account	Capital Reserve	General Reserve	Equity Component for ESOP issued by Aditya Birla Capital Ltd (Holding Company)	Capital Redemption Reserve	Retained Earnings	Equity instruments through other comprehensive income	Cash Flow Hedge Reserve	Total Other Equity
Balance as at 1 April, 2018	48,810.00	3,32,292.06	(10,452.11)	13,660.95	628.56	-	1,63,977.54	97.67	-	5,49,014.67
Profit for the Year	-	-	-	-	(628.56)	-	83,413.37	-	-	82,784.81
Other comprehensive income	-	-	-	-	-	-	(21.34)	40.66	-	19.32
Total comprehensive Income	-	-	-	-	(628.56)	-	83,392.03	40.66	-	82,804.13
Issue of Share Capital	-	31,446.23	-	-	-	-	-	-	-	31,446.23
Adjustment on account of Merger of Transaction business of demerger of Aditya Birla Capital Technologies Services Limited, ABCTSL (formerly known as Aditya Birla MyUniverse Limited,ABMUL)	-	-	-	-	-	-	(754.74)	-	-	(754.74)
Transfer to/from retained earnings	17,377.79	-	-	-	-	-	(17,377.79)	-	-	-
Balance as at 31 March, 2019	66,187.79	3,63,738.29	(10,452.11)	13,660.95	-	-	2,29,237.04	138.33	-	6,62,510.29
Balance as at 1 April, 2019	66,187.79	3,63,738.29	(10,452.11)	13,660.95	-	-	2,29,237.04	138.33	-	6,62,510.29
Profit for the Year	-	-	-	-	-	-	80,494.60	-	-	80,494.60
Fair Value change on derivatives designated as cash flow hedge	-	-	-	-	-	-	-	-	(1,234.22)	(1,234.22)
On redemption of Preference Share Capital	-	-	-	-	-	1,000.00	(1,000.00)	-	-	-
Adjustment on account of Merger of Transaction business of demerger of Aditya Birla Capital Technologies Services Limited, ABCTSL (formerly known as Aditya Birla MyUniverse Limited,ABMUL)	-	-	-	-	-	-	792.81	-	-	792.81
Other comprehensive income	-	-	-	-	-	-	(319.09)	(10.39)	-	(329.48)
Total comprehensive Income	-	-	-	-	-	1,000.00	79,968.32	(10.39)	(1,234.22)	79,723.71
Transition Reserve created for Ind AS 116	-	-	-	-	-	-	(629.04)	-	-	(629.04)
Transfer to/from retained earnings	16,420.21	-	-	-	-	-	(16,420.21)	-	-	-
Balance as at 31 March, 2020	82,608.00	3,63,738.29	(10,452.11)	13,660.95	-	1,000.00	2,92,156.11	127.94	(1,234.22)	7,41,604.96

The accompanying notes are forming part of the financial statements.

As per our report of even date attached
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E/E300005

per Viren H. Mehta
Partner
Membership No: 048749

Place: Mumbai
Date: 4 June, 2020

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay Srinivasan
(Director)
(DIN - 00121121)

Sanjay Miranka
(Chief Financial Officer)

Place: Mumbai
Date: 4 June, 2020

Rakesh Singh
(Managing Director & Chief Executive Officer)
(DIN - 07006067)

Ankur Shah
(Company Secretary)

Aditya Birla Finance Ltd. Mumbai

Aditya Birla Finance Limited
Cash Flow statement for the year ended March 31, 2020
(Currency: ₹ in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Operating activities		
Profit before tax	1,05,290.73	1,29,342.52
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortization and impairment	4,976.64	2,912.72
Impairment on financial instruments	70,707.00	20,701.24
Assets written off	-	67.94
Net (Gain) / Loss on fair value changes	(15,847.81)	(5,532.05)
(Gain)/Loss on sale of property, plant and equipment	(1.77)	(7.72)
Finance cost on lease liability	724.94	-
Operating Profit before Working Capital Changes	**1,65,849.73**	**1,47,484.65**
Working capital changes		
Decrease / (Increase) in Loans	3,49,427.46	(8,32,579.05)
(Increase) / Decrease in Trade Receivables	(651.02)	1,555.57
Decrease / (Increase) in Other financial assets	2,357.10	(2,002.97)
(Increase) / Decrease in Other non-financial assets	(3,082.16)	(621.15)
Increase/ (Decrease) in Trade Payables	1,569.77	(1,873.51)
Increase/ (Decrease) in Other financial liabilities	15,128.66	25,670.04
Increase/ (Decrease) in Provisions	469.79	2,254.40
(Decrease) / Increase in Other non-financial liabilities	(510.64)	894.42
	5,30,558.69	(6,59,217.60)
Income tax paid (net of refunds)	(49,508.77)	(53,023.84)
Net cash flows from/(used in) operating activities	**4,81,049.92**	**(7,12,241.44)**
Investing activities		
Purchase of property, plant and equipments	(847.53)	(1,175.10)
Purchase of Intangible assets including assets under development	(4,894.28)	(2,116.44)
Purchase of Long Term Investments	-	(7,242.00)
Sale of Long Term Investments	6,939.60	-
Net (Purchase) / Sale of Short Term Investments	(1,67,695.14)	(10,974.29)
Addition / (Deletion) on Demerger	16.05	(97.38)
Sale of property, plant and equipments	70.82	162.02
Net cash flows from/(used in) investing activities	**(1,66,410.48)**	**(21,443.19)**
Financing activities		
Proceeds from long term borrowings	11,67,850.06	16,25,703.64
Repayment of long term borrowings	(7,54,457.00)	(6,45,938.00)
(Repayment) / Proceeds from short term borrowings	(5,49,352.88)	(2,79,010.52)
Adjustment in Reserves on account of Demerger	792.81	(754.69)
Lease Payments made	(2,325.07)	-
Proceeds from issue of Equity Share Capital	-	1,056.87
Share Premium on proceeds from issue of Equity Share Capital	-	31,446.23
Net cash flows from/(used in) financing activities	**(1,37,492.08)**	**7,32,503.53**
Net increase/(Decrease) in Cash and Cash Equivalents	**1,77,147.36**	**(1,181.10)**
Cash and cash equivalents at 1 April	5,908.89	7,089.99
Cash and cash equivalents at 31 March	**1,83,056.25**	**5,908.89**
Components of cash and cash equivalents		
Balances with banks		
In Fixed Deposits	22,294.66	-
In current accounts	1,60,761.59	5,908.89
Total cash and cash equivalents	**1,83,056.25**	**5,908.89**
Cash Flow from Operations includes:		
Interest Received	**5,68,543.04**	**5,18,968.62**
Interest paid	**3,27,775.18**	**3,12,932.57**
Dividend Received	**1,924.97**	**1,100.02**

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Finance Ltd.

Aditya Birla Finance Limited
Cash Flow statement for the year ended March 31, 2020
(Currency: ₹ in Lakhs)

Additional disclosure pursuant to Ind AS 7		
Particulars	**Year ended 31 March, 2020**	**Year ended 31 March, 2019**
Opening balance of Debt securities, borrowings (other than debt securities) and subordinated liabilities	**44,36,040.41**	**37,19,462.99**
Cash Flows	(1,35,959.82)	7,00,755.12
Fair Value Changes	8,141.82	-
Interest Accrued on borrowings	32,688.33	15,822.30
Acquisition	(0.83)	-
Closing balance of Debt securities, borrowings (other than debt securities) and subordinated liabilities	**43,40,909.91**	**44,36,040.41**

The accompanying notes are forming part of the financial statements.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E/E300005

per Viren H. Mehta
Partner
Membership No: 048749

Place: Mumbai
Date: 4 June, 2020

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

Ajay Srinivasan
(Director)
(DIN - 00121121)

Rakesh Singh
(Managing Director & Chief Executive Officer)
(DIN - 07006067)

Sanjay Miranka
(Chief Financial Officer)

Ankur Shah
(Company Secretary)

Place: Mumbai
Date: 4 June, 2020

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd.
Mumbai

1 Corporate information - Brief description about the Company

Aditya Birla Finance Limited ('ABFL' or 'the Company') is a public company domiciled in India incorporated on 28 August, 1991 under the provisions of the Companies Act, 1956.

The Company is registered with Reserve Bank of India (RBI) as non-deposit taking systematically important Non Banking Financial Company (NBFC) with Registration no.N-01.00500 and is certified as ISO 9001: 2015 for all its Business processes by British Standards Institution (BSI).

The Company is also certified with ISO 27001: 2013 - Information security Management System (ISMS) for Human resource and administration, Information Technology and Internal audit & compliance functions.

The Company is among the leading well-diversified financial services company in India offering end-to-end lending, financing and wealth management solutions to a diversified range of customers across the country.

The Company is one of the wholly owned subsidiary of Aditya Birla Capital Limited and the ultimate parent company is Grasim Industries Limited.

The registered office of the Company is Indian Rayon Compound, Veraval, Gujarat - 362266.

The financial statements were authorised for issue by the Board of Directors on 4 June, 2020.

2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakh, except when otherwise indicated.

3 Presentation of financial statements:

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

4 Statement of compliance:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

5 Significant accounting policies:

5.1 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Classification of financial instruments

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd. ★ Mumbai

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

▶ Reports reviewed by the entity's key management personnel on the performance of the financial assets.

▶ The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof.

▶ 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.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.
'Principal' 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).
In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Sales that are infrequent and insignificant in value both individually and in aggregate are considered to be consistent with the business model whose objective is to hold and collect the contractual cash flows.
The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss.

(ii) Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, except in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement - Financial assets measured at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Amortised cost is calculated by taking into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in fee and commission income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
These financial assets comprise bank balances, trade receivables, loans and other financial assets.

Subsequent measurement - Financial assets measured at fair value through other comprehensive income
Debt instruments
A 'debt instrument' is classified as at the Fair Value through Other Comprehensive Income (FVTOCI) if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent Solely Payment of Principal and Interest(SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd. Mumbai

Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all such equity investments, the Company may make an irrevocable election to present in OCI the subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the Fair Value through Profit or Loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

As at reporting date, investment in Birla Management Centre Services Limited is measured at FVTOCI.

Subsequent measurement - Items at fair value through profit or loss

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

At the reporting date, investments other than investment in Birla Management Centre Services Limited are recognised at FVTPL.

(iii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings including Company overdrafts and trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

(iv) Recognition and Derecognition of financial assets and liabilities

Recognition:

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

Derecognition:

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(a) The right to receive cash flows from the asset have expired, or

(b) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd. Mumbai

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(v) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments are measured at amortised cost e.g., loans, debt securities, deposits, and other balances

b) Financial assets that are measured as at FVTOCI

c) Loan commitments which are not measured as at FVTPL

d) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Company has established a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

To calculate ECL, the Company estimate the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset i.e., the difference between the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive are discounted at the effective interest rate of the loan.

The Company groups its loans into Stage 1 and Stage 2, based on the applied impairment methodology, as described below:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

ECL impairment loss allowance (or reversal) during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'Impairment on financial instruments' in the Statement of Profit and Loss. On the other side, for financial assets measured as at amortised cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 March, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

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(vi) 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.

(vii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. The Company reserves the right to recover such written off amount. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(viii) Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Hedge Accounting : The Company designates certain hedging instruments in respect of foreign currency risk and interest rate risk as cash flow hedges. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in other equity at that time remains in other equity and is recognised when the forecast transaction is ultimately recognised in Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in the Statement of Profit and Loss.

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 5.1 (ii) and (iii)) at fair value on 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 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.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

5.2 Revenue from operations

(i) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established which is generally when shareholders approve the dividend,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation. Rental Income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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 goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the 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.

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(v) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain/loss in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations in the statement of Profit and Loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on fair value changes.

Similarly, any differences between the fair values of financial assets classified as fair value through other comprehensive income are disclosed in the OCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

5.3 Expenses

(i) Finance Costs

Finance costs represents Interest expense recognised by applying the EIR to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post employment employee benefit

a) Defined contribution schemes

The Company makes defined contribution to Government managed Employee Provident Fund, Government managed Employee Pension Fund, Employee Deposit Linked Insurance, Employee State Insurance and Superannuation Schemes which are recognised in Statement of Profit and Loss on accrual basis. Payments to defined contribution retirement benefit plans are recognised as an expense when employee have rendered the service entitling them to the contribution.

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) Defined benefit expenses

The Company's liabilities under Payment of Gratuity Act and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognised immediately in Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

The Company presents the entire leave as a provision in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

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 period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earliest of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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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 net defined benefit obligation under employee benefit expenses 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,

► Net interest expense or income.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Rent expense

In case of short term leases and leases for which the underlying asset is of low value, the company has elected not to apply the requirements of Ind AS 116 and the lease payments associated with those leases are recognised as rent expense on a straight line basis.

(iv) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right – of – use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the under lying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included in financial statements for the year ended March 31, 2019.

The adoption of this standard has resulted in recognising a right-of-use asset of ₹ 8,562.96 lakhs, a corresponding lease liability of ₹ 9,423.53 lakhs and deferred tax assets created on the same for ₹ 211.56 lakhs by adjusting retained earnings of ₹ 649.01 lakhs as at 1 April, 2019. In the Profit and Loss account for the current year, the nature of expenses in respect of Operating Lease has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is between the range of 8.00% p.a. to 8.50% p.a. for a period varying from 1 to 10 years.

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.

(v) Other income and expenses

All Other income and expense are recognized in the period they occur.

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(vi) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. The recoverable amount is the greater of the assets, net selling price and 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 risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. 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 the Statement of Profit and Loss 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.

(vii) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are expensed in the period in which they occur at amortised cost using Effective Interest Rate (EIR). Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing funds.

(viii) Taxes

Current tax

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. 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 using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit 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 account is recognised either in OCI or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (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.

(ix) Functional and presentational currency

The financial statements are presented in Indian rupees (rounded to the nearest lakhs) which is determined to be the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

5.4 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at bank and cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

5.5 Property, Plant and Equipments

All items of property, plant and equipments are stated at historical cost, net of accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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 and Loss when the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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Depreciation methods, estimated useful lives and residual value

Depreciation on the property, plant and equipments is provided on straight line method using the rates arrived as per estimates made by the management supported by technical assessment which coincides with the useful lives of assets as specified in Schedule II to the Companies Act, 2013, except for the assets specified below. The Company has used the following useful lives of the property, plant and equipments to provide depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life by Company
Office Computers and Electronic Equipments (including Plant & Machinery)	3 Years	4 Years
Vehicles	8 Years	5 Years
Furniture, Fixtures and Other Office Equipments	10 Years	7 Years
Leasehold Improvements	Over the primary period of the lease	3 Years

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

Depreciation on assets acquired / sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ till the date of acquisition or sale.

The residual values, useful lives and methods of depreciation of property, plant and equipments are reviewed at each financial year end and adjusted prospectively, if appropriate.

5.6 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any. Intangible assets are amortised on straight line basis over a period of 3 years.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.7 Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5.8 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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5.9 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share.

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary equity holders of Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, inclusive of tax) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

5.10 Segment Reporting

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items include general corporate income and expense item which are not allocated to any business segment.

5.11 Dividend

The Company recognises a liability to make dividend distributions to equity holders 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. A corresponding amount is recognised directly in equity or Statement of profit or loss account.

5.12 Business Combination under Common Control

A common control business combination, involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

• The assets and liabilities of the combining entities are reflected at their carrying amounts.

• No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.

• The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

• The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

6 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

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6.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

6.2 Estimation of defined benefit plans (gratuity benefits)

Refer Note 5.3 (ii)

6.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 10.

6.5 Provisions other than impairment on loan portfolio and contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

6.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

6.7 Recognition of deferred tax assets for carried forward losses

Refer Note 5.3 (viii)

6.8 Estimation of useful life of property, plant and equipments and intangible assets

Refer note 5.5 and 5.6

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Note 7: Cash and cash equivalents

	As at 31 March, 2020	As at 31 March, 2019
Balances with bank in		
- Fixed Deposits	22,294.66	-
- Current Accounts	1,60,761.59	5,908.89
Total	**1,83,056.25**	**5,908.89**

Note 8: Trade and Other Receivables

As at 31 March, 2020	Exposure	Loss Allowance	Net Amount
Trade receivables			
Considered Good – Secured	-	-	-
Considered Good – Unsecured	1,658.21	(56.46)	1,601.75
Trade Receivables which have significant increase in credit risk	-	-	-
Trade Receivables – credit impaired	203.52	(203.52)	-
Total	**1,861.73**	**(259.98)**	**1,601.75**

As at 31 March, 2019	Exposure	Loss Allowance	Net Amount
Trade receivables			
Considered Good – Secured	-	-	-
Considered Good – Unsecured	1,086.92	(12.81)	1,074.11
Trade Receivables which have significant increase in credit risk	-	-	-
Trade Receivables – credit impaired	227.11	(227.11)	-
Total	**1,314.03**	**(239.92)**	**1,074.11**

Note:
No Trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

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Note 8: Trade and Other Receivables (continued)

Trade receivables days past due		0-60 days past due	60-90 days past due	More than 90 days past due	Total
31 March, 2020					
	Total gross carrying amount	1,594.82	34.30	232.61	1,861.73
	ECL-Simplified approach	(10.22)	(17.15)	(232.61)	(259.98)
	Net carrying amount	1,584.60	17.15	-	1,601.75
31 March, 2019					
	Total gross carrying amount	1,061.03	0.10	252.89	1,314.03
	ECL-Simplified approach	(12.55)	-	(227.37)	(239.92)
	Net carrying amount	1,048.48	0.10	25.52	1,074.11

Reconciliation of impairment allowance on trade and other receivables:

Impairment allowance measured as per simplified approach	
Impairment allowance as at 31 March, 2019	(239.92)
(Add) : New assets originated or purchased	(85.84)
Less : Assets derecognised or repaid (excluding write offs)	65.78
Less : Amounts written off	-
Impairment allowance as at 31 March, 2020	**(259.98)**

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Note 9: Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.
The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Interest Rate swaps and currency forward						
- Cross Currency Interest Rate swaps	1,46,367.54	5,408.39	-	-	-	-
- Currency forward	36.11	-	0.40	-	-	-
Total	**1,46,403.65**	**5,408.39**	**0.40**	-	-	-
Part II						
(i) Cash flow hedging						
- Cross Currency Interest Rate swaps	1,46,367.54	5,408.39	-	-	-	-
- Currency forward	36.11	-	0.40	-	-	-
Total	**1,46,403.65**	**5,408.39**	**0.40**	-	-	-

Note 9.1 : Hedging activities and derivatives

The Company is exposed to certain risks relating to its external commercial borrowings. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 52.

Note 9.2 : Derivatives designated as hedging instruments

Cash flow hedges

The Company is exposed to foreign currency risk arising from its External Commercial borrowings amounting to ₹ 1,46,367.54 Lakhs. Interest on the borrowing is payable at a floating rate. The Company economically hedged the foreign currency risk arising from the debt with a 'receive floating pay fixed' cross-currency interest rate swap ('swap'). The notional amount of swap is disclosed in the table below. The swap contract converts the cash outflows of the foreign currency borrowing as per table below to cash outflows in INR with a notional amount of ₹ 1,46,367.54 lakhs at fixed interest rate.

Name of Lender	Foreign Currency Denominated Borrowing Amount	Interest rate type	Notional Amount of swap (₹)	Interest rate swap type
As at 31 March, 2020				
JPY Denominated (in JPY lakhs) (Maturity range : September, 2022 to February, 2023)	1,89,366.25	Floating rate interest	1,24,089.54	Fixed rate interest
USD Denominated (in USD lakhs) (Maturity March, 2023)	300.00	Floating rate interest	22,278.00	Fixed rate interest
Total			**1,46,367.54**	

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

The impact of the hedging instruments on the balance sheet is, as follows

Particulars	Notional Amounts	Carrying Amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the year
As at 31 March, 2020				
Cross currency interest rate swaps	1,46,367.54	5,408.39	Derivative Asset	(1,234.22)
Total	**1,46,367.54**	**5,408.39**		**(1,234.22)**

The impact of hedged items on the balance sheet is, as follows:

Particulars	Change in fair value used for measuring ineffectiveness for the year	Cash flow Hedge Reserve as at 31 March, 2020
As at 31 March, 2020		
Cross currency interest rate swaps	(1,234.22)	(1,234.22)
Total	**(1,234.22)**	**(1,234.22)**

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Note 9.2 : Derivatives designated as hedging instruments (contd.)

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

Particulars	Total hedging gain / (loss) recognised in OCI	Ineffective-ness recognised in profit or loss	Line item in the statement of profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Cost of hedge reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at 31 March, 2020							
Foreign currency denominated floating rate borrowing	(1,234.22)	-	-	-	-	-	-
Total	(1,234.22)	-	-	-	-	-	-

Note 9.3 : Movements in Cash Flow Hedging Reserve

Particulars	As at 1 April, 2019	Add/Less: Changes in fair value	Add/Less: Foreign exchange Gain / (loss)	Add/Less: Deferred Tax	Add/Less: Accrued interest	As at 31 March, 2020
Cash flow Hedging Reserve	-	5,407.99	(8,141.82)	415.10	1,084.51	(1,234.22)
Total	-	5,407.99	(8,141.82)	415.10	1,084.51	(1,234.22)

Note 9.4 : The following table shows the maturity profile of hedging derivatives based on their notional amounts.

Particulars	As at 31 March, 2020				As at 31 March, 2019			
	0 to 12 months	1 to 5 years	Over 5 years	Total	0 to 12 months	1 to 5 years	Over 5 years	Total
(i) Cross Currency Interest Rate swaps	-	1,46,367.54	-	1,46,367.54	-	-	-	-
(ii) Currency forward	-	36.11	-	36.11	-	-	-	-
Total	-	1,46,403.65	-	1,46,403.65	-	-	-	-

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Note 10: Loans

Particulars	As at 31 March, 2020						As at 31 March, 2019					
	Amortised Cost	At fair value				Total	Amortised Cost	At fair value				Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	Sub-total			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	Sub-total	
Loans & Advances	46,83,396.67	-	-	-	-	46,83,396.67	50,67,322.21	-	-	-	-	50,67,322.21
Advances to Related Parties (net)	394.98	-	-	-	-	394.98	45.34	-	-	-	-	45.34
Security Deposits	2,954.09	-	-	-	-	2,954.09	1,837.02	-		-	-	1,837.02
Other Advances	186.99	-	-	-	-	186.99	730.40	-	-	-	-	730.40
Total (A) - Gross	46,86,932.73	-	-	-	-	46,86,932.73	50,69,934.97	-	-	-	-	50,69,934.97
Less: Impairment loss allowance	88,153.14	-	-	-	-	88,153.14	51,102.00	-	-	-	-	51,102.00
Total (A) - Net	45,98,779.59	-	-	-	-	45,98,779.59	50,18,832.97	-	-	-	-	50,18,832.97
i) Secured by tangible assets	23,75,241.13	-	-	-	-	23,75,241.13	37,11,921.27	-	-	-	-	37,11,921.27
ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
iii) Covered by bank and government guarantee	1,81,784.92	-	-	-	-	1,81,784.92	24,408.24	-	-	-	-	24,408.24
iv) Secured by book debts, inventories, fixed deposit and other working capital items	13,26,894.17	-	-	-	-	13,26,894.17	4,15,788.97	-	-	-	-	4,15,788.97
v) Unsecured	8,03,012.51	-	-	-	-	8,03,012.51	9,17,816.49	-	-	-	-	9,17,816.49
Total (B) - Gross	46,86,932.73	-	-	-	-	46,86,932.73	50,69,934.97	-	-	-	-	50,69,934.97
Less: Impairment loss allowance	88,153.14	-	-	-	-	88,153.14	51,102.00	-	-	-	-	51,102.00
Total (B) - Net	45,98,779.59	-	-	-	-	45,98,779.59	50,18,832.97	-	-	-	-	50,18,832.97
Loans in India												
i) Public Sector	54,429.24	-	-	-	-	54,429.24	43,219.14	-	-	-	-	43,219.14
ii) Others	46,32,503.49	-	-	-	-	46,32,503.49	50,26,715.83	-	-	-	-	50,26,715.83
Total - Gross	46,86,932.73	-	-	-	-	46,86,932.73	50,69,934.97	-	-	-	-	50,69,934.97
Less: Impairment loss allowance	88,153.14	-	-	-	-	88,153.14	51,102.00	-	-	-	-	51,102.00
Total - Net	45,98,779.59	-	-	-	-	45,98,779.59	50,18,832.97	-	-	-	-	50,18,832.97
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	45,98,779.59	-	-	-	-	45,98,779.59	50,18,832.97	-	-	-	-	50,18,832.97

Notes :

1. Sales that are infrequent and insignificant in value both individually and in aggregate are considered to be consistent with the business model whose objective is to hold and collect the contractual cash flows and are disclosed under amortised cost category. The rationale for sale of any loan in amortised category is a business decision pertaining at any particular time.

2. The loan accounts which are written off does not form part of the above loans. However, the entity pursues to recover the written off loans and retains any legal remedies which are available.

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Note 10: Loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is as follows:

Loans	As at 31 March, 2020				As at 31 March, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of Gross carrying amount	48,73,415.01	1,00,643.74	81,340.04	50,55,398.79	41,55,828.30	44,318.53	38,572.95	42,38,719.78
New assets originated or purchased	13,79,158.14	6,150.89	2,875.65	13,88,184.68	18,89,040.67	12,021.08	5,314.00	19,06,375.75
Assets derecognised or repaid (excluding write offs)	(16,69,786.43)	(46,851.03)	(14,111.14)	(17,30,748.60)	(10,64,272.05)	(12,374.87)	(1,480.42)	(10,78,127.34)
Transfers to Stage 1	28,009.53	(26,187.51)	(1,822.02)	-	3,524.00	(1,654.00)	(1,870.00)	-
Transfers to Stage 2	(1,14,942.67)	1,17,879.49	(2,936.82)	-	(59,853.00)	59,853.00	-	-
Transfers to Stage 3	(1,20,961.84)	(29,512.60)	1,50,474.44	-	(50,852.91)	(1,520.00)	52,372.91	-
Amounts written off	-	(446.77)	(33,111.92)	(33,558.69)	-	-	(11,569.40)	(11,569.40)
Closing Balance of Gross carrying amount	43,74,891.74	1,21,676.21	1,82,708.23	46,79,276.18	48,73,415.01	1,00,643.74	81,340.04	50,55,398.79

Stage 1, 2 and 3 Loans includes Interest Accrued but Excludes EIR amounting to ₹ 7,656.55 lakhs (31 March, 2019 : ₹ 14,536.18 lakhs; 1 April, 2018 : ₹ 10,643.58 lakhs).

Reconciliation of ECL balance is given below:

ECL	As at 31 March, 2020				As at 31 March, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL allowance	15,381.54	4,424.65	31,295.81	51,102.00	14,427.82	6,192.09	20,732.52	41,352.43
Increase in new / existing assets originated or purchased	10,960.66	9,096.18	59,689.97	79,746.81	6,067.09	(1,946.44)	25,204.84	29,325.49
Assets derecognised or repaid (excluding write offs)	(5,357.80)	(586.87)	(3,192.31)	(9,136.98)	(4,563.52)	(10.00)	(3,433.00)	(8,006.52)
Transfers to Stage 1	1,753.04	(1,114.18)	(638.86)	-	31.00	(18.00)	(13.00)	-
Transfers to Stage 2	(633.81)	1,193.85	(560.04)	-	(227.00)	227.00	-	-
Transfers to Stage 3	(1,008.82)	(2,068.95)	3,077.77	-	(353.85)	(20.00)	373.85	-
Amounts written off	-	(446.77)	(33,111.92)	(33,558.69)	-	-	(11,569.40)	(11,569.40)
Closing Balance of ECL allowance	21,094.81	10,497.91	56,560.42	88,153.14	15,381.54	4,424.65	31,295.81	51,102.00

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to non-fund based exposures is as follows:

Non-funded exposures	Total Non-fund Exposures (not included in the tables above)				ECL on Non-fund exposures (included in the tables above)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance as on 31 March, 2019	13,738.00	-	-	13,738.00	22.00	-	-	22.00
Net Movement	(8,737.00)	204.00	-	(8,533.00)	(8.00)	8.00	-	-
Closing Balance as on 31 March, 2020	5,001.00	204.00	-	5,205.00	14.00	8.00	-	22.00

Stage 1 represents 'High Grade' internal rating.
Stage 2 represents 'Medium Grade' internal rating.
Stage 3 represents 'Credit-Impaired'.

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Note 11: Investments

Particulars	At Amortised Cost	At Fair value			Sub-total	Others	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			
As at 31 March, 2020							
i) Equity Instruments	-	175.68	24.89	-	200.57	-	200.57
ii) Preference Shares	-	-	22,551.00	-	22,551.00	-	22,551.00
iii) PMS Investment	-	-	-	-	-	-	-
iv) Investment in Alternate Funds	-	-	9,221.18	-	9,221.18	-	9,221.18
v) Investment in Debentures	-	-	42,029.37	-	42,029.37	-	42,029.37
vi) Investment in Bonds	-	-	9,365.31	-	9,365.31	-	9,365.31
vii) Investment in Mutual Funds	-	-	2,50,872.74	-	2,50,872.74	-	2,50,872.74
Total Gross (A)	-	**175.68**	**3,34,064.49**	-	**3,34,240.17**	-	**3,34,240.17**
(i) Investments in India	-	175.68	3,34,064.49	-	3,34,240.17	-	3,34,240.17
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	-	**175.68**	**3,34,064.49**	-	**3,34,240.17**	-	**3,34,240.17**
Less : Impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net [D= (A)-(C)]	-	**175.68**	**3,34,064.49**	-	**3,34,240.17**	-	**3,34,240.17**
As at 31 March, 2019							
i) Equity Instruments	-	189.57	38.94	-	228.51	-	228.51
ii) Preference Shares	-	-	21,407.12	-	21,407.12	-	21,407.12
iii) PMS Investment	-	-	1,685.39	-	1,685.39	-	1,685.39
iv) Investment in Alternate Funds	-	-	15,339.26	-	15,339.26	-	15,339.26
v) Investment in Debentures	-	-	93,892.85	-	93,892.85	-	93,892.85
vi) Investment in Bonds	-	-	25,097.58	-	25,097.58	-	25,097.58
Total Gross (A)	-	**189.57**	**1,57,461.14**	-	**1,57,650.71**	-	**1,57,650.71**
(i) Investments in India	-	189.57	1,57,461.14	-	1,57,650.71	-	1,57,650.71
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	-	**189.57**	**1,57,461.14**	-	**1,57,650.71**	-	**1,57,650.71**
Less : Impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net [D= (A)-(C)]	-	**189.57**	**1,57,461.14**	-	**1,57,650.71**	-	**1,57,650.71**

Note:
The Company received dividends of ₹ 1,924.97 lakhs (31 March, 2019: ₹ 1,100.02 lakhs) from its FVTPL securities, recorded as dividend income.

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Note 12: Other financial assets

	As at 31 March, 2020	As at 31 March, 2019
Other Receivables (In the nature of service charges and gratuity receivables)	466.48	2,823.88
Total	**466.48**	**2,823.88**

Note 13: Current tax assets (net)

	As at 31 March, 2020	As at 31 March, 2019
Advance Payment of Taxes (Net of provision for taxation ₹ 79,788.29 lakhs; 31 March, 2019 ₹ 65,584.00 lakhs)	23,364.88	1,216.88
Total	**23,364.88**	**1,216.88**

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Note 14: Property, plant and equipments

Particulars	Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
Costs :							
At 1 April, 2018	20.92	1,557.87	74.99	733.50	213.16	328.46	2,928.90
Additions	-	156.93	70.88	653.01	128.98	181.57	1,191.37
Addition / (Deletion) on account of demerger transaction business of ABCTSL (formerly known as ABMUL)	-	57.17	1.85	-	2.66	-	61.68
Disposals	-	110.62	16.76	132.81	17.66	1.43	279.28
At 31 March, 2019	**20.92**	**1,661.35**	**130.96**	**1,253.70**	**327.14**	**508.60**	**3,902.67**
Additions	-	120.39	30.83	485.57	131.51	52.70	821.00
Addition / (Deletion) on account of demerger transaction business of ABCTSL (formerly known as ABMUL)	-	(12.92)	(3.12)	-	(10.52)	-	(26.56)
Disposals	-	585.27	4.56	203.75	16.77	53.28	863.63
At 31 March, 2020	**20.92**	**1,183.55**	**154.11**	**1,535.52**	**431.36**	**508.02**	**3,833.48**
Accumulated Depreciation :							
At 1 April, 2018	0.46	559.61	37.45	131.43	76.73	85.77	891.45
Depreciation charge for the year	0.46	438.11	23.80	229.96	86.38	131.60	910.31
Addition / (Deletion) on account of demerger transaction business of ABCTSL (formerly known as ABMUL)	-	37.15	0.49	-	1.59	-	39.23
Disposals	-	55.56	5.15	41.46	11.86	1.43	115.46
At 31 March, 2019	**0.92**	**979.31**	**56.59**	**319.93**	**152.84**	**215.94**	**1,725.53**
Depreciation charge for the year	0.46	362.21	43.04	303.01	89.53	161.59	959.84
Addition / (Deletion) on account of demerger transaction business of ABCTSL (formerly known as ABMUL)	-	(8.02)	(0.35)	-	(4.08)	-	(12.45)
Disposals	-	584.06	3.84	138.70	12.76	53.28	792.64
At 31 March, 2020	**1.38**	**749.44**	**95.44**	**484.24**	**225.53**	**324.25**	**1,880.28**
Net book value:	-						
At 1 April, 2018	20.46	998.26	37.54	602.07	136.43	242.69	2,037.45
At 31 March, 2019	20.00	682.04	74.37	933.77	174.30	292.66	2,177.14
At 31 March, 2020	19.54	434.11	58.67	1,051.28	205.83	183.77	1,953.20

Notes:

1 Redeemable Non Convertible Debentures are secured by charge on immovable property of the Company.

2 Office Equipments include Gross Assets amounting to ₹ 2.19 lakhs (31 March, 2019 : ₹ 2.19 lakhs) held jointly with Aditya Birla Sun Life Insurance Company Limited.

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Note 15: Intangible assets under development

Particulars	Amount
Costs:	
As at 1 April, 2018	862.25
Additions	1,414.95
Disposals	29.47
Transfers	717.31
As at 31 March, 2019	**1,530.42**
Additions	3,867.87
Disposals	-
Transfers	500.00
As at 31 March, 2020	**4,898.29**

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Note 16: Other intangible assets

Particulars	Amount
Costs:	
At 1 April, 2018	5,444.20
Addition on account of demerger transaction business of ABCTSL (formerly known as ABMUL)	268.60
Additions	1,415.55
Disposals	(148.98)
At 31 March, 2019	**6,979.37**
Additions	1,526.41
Disposals	-
At 31 March, 2020	**8,505.78**
Accumulated amortisation:	
At 1 April, 2018	1,886.82
Addition on account of demerger transaction business of ABCTSL (formerly known as ABMUL)	191.78
Disposals	(121.38)
Amortisation charge for the year	2,002.41
At 31 March, 2019	**3,959.63**
Disposals	-
Amortisation charge for the year	2,065.01
At 31 March, 2020	**6,024.64**
Net book value:	
At 1 April, 2018	3,557.38
At 31 March, 2019	3,019.74
At 31 March, 2020	2,481.14

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Note 17: Right of use Lease Assets

Particulars	Amount
Costs:	
At 1 April, 2018	-
Additions	-
Disposals	-
At 31 March, 2019	-
Opening Balance as on 1 April, 2019	**8,562.96**
Additions	1,432.23
Addition on account of demerger transaction business of ABCTSL (formerly known as ABMUL)	26.05
Disposals	-
At 31 March, 2020	**10,021.24**
Accumulated amortisation:	
At 1 April, 2018	-
Disposals	-
Amortisation charge for the year	-
At 31 March, 2019	-
Disposals	-
Amortisation charge for the year	1,951.79
At 31 March, 2020	**1,951.79**
Net book value:	
At 1 April, 2018	-
At 31 March, 2019	-
At 31 March, 2020	8,069.45

Note 18: Other non-financial assets

	As at 31 March, 2020	As at 31 March, 2019
Deferred lease expenses	81.90	469.29
Prepaid expenses	3,578.77	1,728.72
Capital advances	192.92	166.39
Goods and Service Tax / Service Tax Receivable	3,435.42	2,503.85
Plan Assets of Gratuity Fund	1,789.54	1,316.58
Other non-financial assets	-	57.83
	9,078.55	**6,242.66**

Note 19: Trade & Other Payables

	As at 31 March, 2020	As at 31 March, 2019
- Micro and small enterprises	282.07	277.71
- Other than Micro and small enterprises	6,253.35	4,666.65
	6,535.42	**4,944.36**

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Note 20: Debt securities

	As at 31 March, 2020				As at 31 March, 2019			
	At amortised cost	At fair Value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair Value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable non-convertible debentures (Secured)	15,62,929.66	-	-	15,62,929.66	16,28,536.99	-	-	16,28,536.99
Compulsory Convertible Debentures (Unsecured)	3,393.19	-	-	3,393.19	3,113.09	-	-	3,113.09
Commercial papers (Unsecured)	2,20,600.08	-	-	2,20,600.08	6,33,206.24	-	-	6,33,206.24
Total	17,86,922.93	-	-	17,86,922.93	22,64,856.32	-	-	22,64,856.32
Debt securities in India	17,86,922.93	-	-	17,86,922.93	22,64,856.32	-	-	22,64,856.32
Debt securities outside India	-	-	-	-	-	-	-	-
Total	17,86,922.93	-	-	17,86,922.93	22,64,856.32	-	-	22,64,856.32

Notes :

1. The above amounts are including interest accrued but not due on Debt securities.

2. Redeemable Non-Convertible Debentures are secured by way of mortgage on the immovable property and first pari-passu charge on certain Financial Assets of the Company.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Redeemable Non-Convertible Debentures		
Repayment Terms : Maturing within 1 year, Rate of Interest 7.60% p.a. to 9.50% p.a.	5,97,391.62	5,22,787.16
Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.60% p.a. to 9.50% p.a.	5,35,438.04	8,47,165.26
Repayment Terms : Maturing after 3 years, Rate of Interest 8.15% p.a. to 9.40% p.a.	4,30,100.00	2,58,584.57
Total	15,62,929.66	16,28,536.99
0.10% Compulsory Convertible Debentures(CCD), (Convertible in March, 2023)*	3,393.19	3,113.09
Commercial Papers - Rate of Interest 5.90% p.a. to 7.90% p.a.**	2,20,600.08	6,33,206.24
Total	17,86,922.93	22,64,856.32

* 1. Each CCD will be convertible into 1 (one) 0.10% Redeemable Non-Convertible Non-Cumulative Preference Shares (RNCNCPS) of Rs.100/- each at premium of Rs. 54 per RNCNCPS at the end of 5 (five) years from the date of its original issue by the Demerged Company i.e. 21/03/2021 or any such time as may be informed in writing at the option of the holder thereof.

* 2. The said RNCNCPS shall be redeemed at premium of Rs. 83 per RNCNCPS at the end of 2 (two) years from the date of conversion i.e. 21/03/2023 or any such time as may be informed in writing at the option of the holder thereof.

**3. Commercial papers shown net of unamortised discounting charges ₹ 4,634.93 lakhs (31 March, 2019 ₹ 7,419.98 lakhs).

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Note 21: Borrowings other than debt securities

Particulars	As at 31 March, 2020				As at 31 March, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Term Loan from Banks (Secured)	18,62,078.02	-	-	18,62,078.02	15,00,952.42	-	-	15,00,952.42
Cash Credit from Banks (Secured)	35,571.61	-	-	35,571.61	1,86,521.51	-	-	1,86,521.51
External Commercial Borrowings from foreign banks / institutions (Secured)	2,55,986.58	-	-	2,55,986.58	1,03,089.97	-	-	1,03,089.97
Inter Corporate borrowing (Unsecured)	-	-	-	-	7,648.79	-	-	7,648.79
Working capital demand loan from Banks								
Unsecured	-	-	-	-	7,040.07	-	-	7,040.07
Secured	1,90,208.68	-	-	1,90,208.68	1,61,475.86	-	-	1,61,475.86
Total	23,43,844.89	-	-	23,43,844.89	19,66,728.62	-	-	19,66,728.62
Borrowings in India	20,87,858.31	-	-	20,87,858.31	18,63,638.65	-	-	18,63,638.65
Borrowings outside India	2,55,986.58	-	-	2,55,986.58	1,03,089.97	-	-	1,03,089.97
Total	23,43,844.89	-	-	23,43,844.89	19,66,728.62	-	-	19,66,728.62

Note : The above amounts are including interest accrued but not due on borrowings other than debt securities.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Term Loan (Secured by way of first pari-passu charge on the receivables of the Company)		
Repayment Terms : Maturing within 1 year, Rate of Interest 7.60% p.a. to 8.70% p.a.	4,32,832.76	2,22,140.66
Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.35% p.a. to 8.95% p.a.	10,56,249.21	7,96,197.82
Repayment Terms : Maturing after 3 years, Rate of Interest 7.75% p.a. to 8.75% p.a.	3,72,996.05	4,82,613.94
Total	18,62,078.02	15,00,952.42
External commercial borrowings (Secured by way of first pari-passu charge on the receivables of the Company)		
Maturing after 3 years, Rate of Interest 6.74 % p.a. to 7.94% p.a. (The effective cost has been calculated basis hedged cost in terms of Foreign Currency Loans, which have been fully hedged for foreign exchange and interest rate fluctuation.)	2,55,986.58	1,03,089.97
Inter Corporate borrowing (Unsecured)	-	7,648.79
Loans repayable on demand		
Cash Credit secured by way of first pari-passu charge on the receivables of the Company	35,571.61	1,86,521.51
Working Capital Demand Loan secured by way of first pari-passu charge on receivables of the Company - Rate of Interest 6.95% p.a. to 8.15% p.a.	1,90,208.68	1,68,515.93
Total	23,43,844.89	19,66,728.62

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Note 22: Subordinated liabilities

Particulars	As at 31 March, 2020				As at 31 March, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Perpetual debt instruments to the extent they do not qualify as equity instruments								
(i) from banks	-	-	-	-	-	-	-	-
(ii) from other parties	21,108.90	-	-	21,108.90	21,091.52	-	-	21,091.52
Preference shares other than those qualify as equity	66.45	-	-	66.45	1,080.00	-	-	1,080.00
Subordinate debts (Unsecured)	1,88,966.74	-	-	1,88,966.74	1,82,283.95	-	-	1,82,283.95
Total	**2,10,142.09**	-	-	**2,10,142.09**	**2,04,455.47**	-	-	**2,04,455.47**
Subordinate liabilities in India	2,10,142.09	-	-	2,10,142.09	2,04,455.47	-	-	2,04,455.47
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	**2,10,142.09**	-	-	**2,10,142.09**	**2,04,455.47**	-	-	**2,04,455.47**

Note : The above amounts are including interest accrued but not due on subordinated liabilities.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Perpetual Debts 8.70% p.a. (Maturing in July, 2027)	21,108.90	21,091.52
8% Cumulative Redeemable Preference Shares (Principle redeemed on 29 January, 2020, Dividend of ₹ 66.45 lakhs payable as on 31 March, 2020)	66.45	1,080.00
Subordinate Debts - Debentures 8.25% p.a. to 10.60% p.a. (Redeemable from February, 2022 to June, 2029)	1,88,966.74	1,82,283.95
Total	**2,10,142.09**	**2,04,455.47**

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Note 23: Lease Liability

	As at 31 March, 2020	As at 31 March, 2019
Lease liability for right of use assets	8,909.91	-
Total	**8,909.91**	**-**

Note 24: Other financial liabilities

	As at 31 March, 2020	As at 31 March, 2019
Book Overdraft	5,218.66	17,246.15
Margin Money from Customers	1,924.11	6,900.22
Payables for salaries, bonus and other employee benefits	3,693.24	6,642.11
Other Payable	6,755.85	5,524.00
Total	**17,591.86**	**36,312.48**

Note 25: Current tax liabilities (net)

	As at 31 March, 2020	As at 31 March, 2019
Provision for Income Tax (Net of advance tax ₹ 38,345.94 lakhs ; 31 March, 2019 ₹. 50,227.85 lakhs)	2,825.65	1,572.15
Total	**2,825.65**	**1,572.15**

Note 26: Provisions

	As at 31 March, 2020	As at 31 March, 2019
Employee benefit		
- Gratuity	2,657.24	1,847.12
- Provision for compensated absences	1,701.30	1,293.34
- Long term Incentive Plans (LTIP)	5,345.02	5,718.84
Total	**9,703.56**	**8,859.30**

Note 27: Other non-financial liabilities

	As at 31 March, 2020	As at 31 March, 2019
Revenue received in advance	1,748.39	2,360.83
Tax Deducted at Source Payable	403.02	229.15
Goods and Service Tax Payable	755.32	859.10
Other Statutory Dues Payable	258.65	218.57
Total	**3,165.38**	**3,667.65**

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Note 28: Equity share capital

	As at 31 March, 2020	As at 31 March, 2019
Authorised		
1,270,000,000 (March 31, 2019: 1,270,000,000) equity shares of ₹ 10/- each	1,27,000.00	1,27,000.00
Total	**1,27,000.00**	**1,27,000.00**
Issued, Subscribed and fully paid up		
662,100,822 (March 31, 2019: 656,245,197) equity shares of ₹ 10/- each	66,210.08	65,624.52
NIL (March 31, 2019 : 58,55,625 equity shares of ₹ 10/- each pending issuance)	-	585.56
Total	**66,210.08**	**66,210.08**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year is as under:

	No. in lakhs	₹ in lakhs
As at 1 April, 2018	6,515.32	65,153.21
Issued during the year	105.69	1,056.87
As at 31 March, 2019	**6,621.01**	**66,210.08**
Issued during the year	58.56	585.56
Shares pending issuance	(58.56)	(585.56)
As at 31 March, 2020	**6,621.01**	**66,210.08**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed if any, 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 equity shares will be receiving remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

In compliance with appendix C of Ind AS 103 'Business Combination', the Balance Sheet as at 1 April, 2018 and 31 March, 2019 have been prepared as if the business combination w.r.t transaction business of Aditya Birla Capital Technology Services Limited, ABCTSL (formerly known as Aditya Birla My Universe Limited, ABMUL) had occurred from the beginning of the preceding period i.e. 1 April, 2018. Accordingly, share capital issued as consideration on 1 January, 2020, has been considered as Shares pending issuance under Share capital as at 1 April, 2018 and 31 March, 2019.

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Note 28: Equity share capital

Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016
(i) Equity shares of ₹ 10 each, fully paid up, allotted pursuant to the merger scheme for demerger of wealth undertaking of Aditya Birla Money Mart Limited	-	-	-	1,02,77,778	-
(ii) Equity shares of ₹ 10 each, fully paid up, allotted on conversion of 175,000,000 0.01% compulsory convertible cumulative preference shares of ₹ 10 each, fully paid up	-	-	-	1,15,13,158	-
(iii) Equity shares of ₹ 10 each, fully paid up, allotted pursuant to the amalgamation scheme with Madura Garments Lifestyle Retail Company Limited (MGLRCL).	-	-	-	-	5,34,55,883
(iv) Equity shares of ₹ 10 each, fully paid up, allotted pursuant to the Demerger of transaction business of Aditya Birla Capital Technology Services Limited, ABCTSL (formerly known as Aditya Birla My Universe Limited, ABMUL)	58,55,625	-	-	-	-

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates:

Name of Share holder	As at 31 March, 2020 Number	As at 31 March, 2020 ₹ In lakhs	As at 31 March, 2019 Number	As at 31 March, 2019 ₹ In lakhs
Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited), holding company	66,21,00,762	66,210.08	65,62,45,137	65,624.52
	66,21,00,762	**66,210.08**	**65,62,45,137**	**65,624.52**

Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March, 2020 Number	As at 31 March, 2020 % of total paid-up equity capital	As at 31 March, 2019 Number	As at 31 March, 2019 % of total paid-up equity capital
Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited), holding company	66,21,00,762	100%	65,62,45,137	100%

NBFC's objectives, policies and processes for managing capital:
For above disclosures Refer Note 50.

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Note 29: Other equity

Special Reserve pursuant to Section 45-IC of the RBI Act, 1934	
At 1 April, 2018	48,810.00
Add: Transfer from surplus balance in the Statement of Profit and Loss	17,377.79
At 31 March, 2019	**66,187.79**
Add: Transfer from surplus balance in the Statement of Profit and Loss	16,420.21
At 31 March, 2020	**82,608.00**

Securities Premium Account	
At 1 April, 2018	3,32,292.06
Add: Additions during the year	31,446.23
At 31 March, 2019	**3,63,738.29**
Add: Additions during the year	-
At 31 March, 2020	**3,63,738.29**

Capital Reserve	
At 1 April, 2018*	(10,452.11)
Add: Other Additions/ Deductions during the year	-
At 31 March, 2019	**(10,452.11)**
Add: Other Additions/ Deductions during the year	-
At 31 March, 2020	**(10,452.11)**

*** consists Capital Reserve of ₹ 8,730.06 lakhs on account of demerger of transaction business of ABCTSL (formerly ABMUL)**

General Reserve	
At 1 April, 2018	13,660.95
Add: Amount transferred from surplus in the statement of profit and loss	-
At 31 March, 2019	**13,660.95**
Add: Amount transferred from surplus in the statement of profit and loss	-
At 31 March, 2020	**13,660.95**

Equity Component for Employee Stock Option Plan issued by Aditya Birla Capital Limited (Holding Company)	
At 1 April, 2018	628.56
Less : Amount transferred to Profit and loss statement	(628.56)
At 31 March, 2019	-
Less : Amount transferred to Profit and loss statement	-
At 31 March, 2020	-

Capital Redemption Reserve	
At 31 March, 2019	-
Add: Transfer from surplus balance in the Statement of Profit and Loss	1,000.00
At 31 March, 2020	**1,000.00**

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Note 29: Other equity

Surplus in Statement of Profit and Loss	
At 1 April, 2018	1,63,977.54
Add: Profit for the year	83,413.37
Less: Appropriations	
Re-measurement reserves on defined benefit plans	(21.34)
Adjustment on account of De-merger of transaction business of ABCTSL (formerly ABMUL)	(754.74)
Transfer to Special Reserve	(17,377.79)
Total appropriations	(18,153.87)
At 31 March, 2019	**2,29,237.04**
Add: Profit for the year	80,494.60
Less: Appropriations	
IND AS 116 Impact - Transition reserve	(629.04)
Re-measurement reserves on defined benefit plans	(319.09)
Transfer to Capital Redemption Reserve	(1,000.00)
Adjustment on account of De-merger of transaction business of ABCTSL (formerly ABMUL)	792.81
Transfer to Special Reserve	(16,420.21)
Total appropriations	(17,575.53)
At 31 March, 2020	**2,92,156.11**
Other Comprehensive Income	
At 1 April, 2018	**97.67**
Add: Additions during the year	40.66
At 31 March, 2019	**138.33**
Add: Additions / (Deletions) during the year	(10.39)
Add: Fair Value change on derivatives designated as cash flow hedge	(1,234.22)
At 31 March, 2020	**(1,106.28)**
Total other equity	
At 1 April, 2018	5,49,014.67
At 31 March, 2019	6,62,510.29
At 31 March, 2020	7,41,604.96

Note 30: Nature and purpose of reserve

Special Reserve:
Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

Securities Premium Reserve: Security premium reserve is used to record the premium on the issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve refers to difference on account of net assets taken over and purchase consideration paid for merger of wealth management undertaking of Aditya Birla Money Mart Limited with the Company and the difference on account of net assets taken over and purchase consideration paid for merger of transaction business of Aditya Birla Capital Technology Services Limited, ABCTSL (formerly known as Aditya Birla My Universe Limited, ABMUL) undertaking with the Company.

General Reserve: This reserve is created on account of merger of Madura Garments Lifestyle Retail Company Limited (MGLRCL). As per court order, this reserve can be utilised for distribution of dividends.

Capital Redemption reserve : Preference shares of ₹ 1,000 lakhs were redeemed at the ensuing Board meeting held on January 30, 2020. As per the provisions of Companies Act, 2013, the preference shares were redeemed out of the profits of the company and therefore a sum equivalent to the nominal amount of shares redeemed were transferred to capital redemption reserve.

Retained Earnings: Retained earnings refer to the percentage of net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business, or to pay debts.

FVTOCI Equity Investments : The Company has elected to recognise changes in the fair value of certain instruments in equity securities in other comprehensive income. These changes are accumulated with the FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

Cash flow hedge reserve : The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts and cross currency interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

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Note 31: Interest income

Particulars	For the year ended 31 March, 2020				For the year ended 31 March, 2019			
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	On Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	On Financial Assets classified at FVTPL	Total
Interest on Loans	-	5,57,426.53	-	5,57,426.53	-	5,09,701.92	-	5,09,701.92
Interest income from investments	-	-	6,871.68	6,871.68	-	-	8,261.99	8,261.99
Interest income from bonds	-	-	640.81	640.81	-	-	1,333.53	1,333.53
Total	**-**	**5,57,426.53**	**7,512.49**	**5,64,939.02**	**-**	**5,09,701.92**	**9,595.52**	**5,19,297.44**

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Note 32: Dividend income

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Dividend from Investments (FVTPL)	1,924.97	1,100.02
Total	**1,924.97**	**1,100.02**

Note 33: Fees and commission income

Syndication and Other Fee Income	32,747.44	28,413.95
Brokerage and Commission Income	4,714.72	7,282.45
Total	**37,462.16**	**35,696.40**

Note 34: Net gain on fair value changes

Net gain/ (loss) on financial instruments at fair value through profit or loss		
On Trading portfolio		
- Investments	2,775.90	2,759.04
- Bonds/Mutual Funds	13,071.91	2,773.01
Total	**15,847.81**	**5,532.05**
Fair Value changes:		
- Realised	17,357.14	4,918.24
- Unrealised	(1,509.33)	613.81
Total	**15,847.81**	**5,532.05**

Note 35: Other Income

Sundry Balances written back	376.50	-
Miscellaneous Income (Income tax refund and other income)	721.22	374.59
Other Interest Income-Security Deposit on Amortised Cost	196.58	217.82
Profit on sale of fixed assets (net)	1.77	7.72
Total	**1,296.07**	**600.13**

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Note 36: Finance Costs

Particulars	For the year ended 31 March, 2020			For the year ended 31 March, 2019		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Debt Securities	-	1,76,486.36	1,76,486.36	-	1,78,308.78	1,78,308.78
Borrowings Other than Debt Securities	-	1,65,830.99	1,65,830.99	-	1,33,880.34	1,33,880.34
Subordinated Liabilities	-	17,143.30	17,143.30	-	16,311.41	16,311.41
Finance cost on lease liability	-	724.94	724.94	-	-	-
Others	-	277.92	277.92	-	254.34	254.34
Total	-	**3,60,463.51**	**3,60,463.51**	-	**3,28,754.87**	**3,28,754.87**

Note 37: Impairment on financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument :

Particulars	For the year ended 31 March, 2020			For the year ended 31 March, 2019		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Bad debts/Advances Written off (net of recoveries)	-	33,577.95	33,577.95	-	12,037.83	12,037.83
Loans	-	37,043.21	37,043.21	-	8,663.41	8,663.41
Trade Receivable	-	85.84	85.84	-	-	-
Total	-	**70,707.00**	**70,707.00**	-	**20,701.24**	**20,701.24**

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Note 38: Employee benefit expenses

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Salaries and Wages	38,749.07	41,497.30
Contribution to Provident Funds	1,348.04	1,061.72
Contribution to Gratuity Funds	449.83	456.27
Share based payments to Employees	715.86	1,333.53
Staff welfare expenses	1,011.89	1,162.02
Total	**42,274.69**	**45,510.84**

Note 39: Depreciation, amortization and impairment

Depreciation of tangible assets	959.84	910.31
Amortization of intangible assets	2,065.01	2,002.41
Depreciation and amortisation on lease assets	1,951.79	-
Total	**4,976.64**	**2,912.72**

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Note 40: Other expenses

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Rent	2,137.39	4,408.85
Repairs and maintenance		
- Plant and machinery	14.78	11.32
- Others	2,547.09	2,945.05
Communication costs	710.27	522.36
Printing and stationery	443.23	422.73
Advertisement and publicity	274.10	583.04
Directors' fees, allowances and expenses	28.13	26.06
Auditor's fees and expenses*	239.16	119.52
Legal and professional charges	9,571.72	5,238.02
Insurance	617.13	552.53
Travelling and conveyance	2,046.34	2,052.65
Water and Electricity expenses	379.59	429.91
Rates and taxes	796.74	714.49
Contract Service Charges	646.02	688.72
Information Technology Expenses	1,369.82	1,175.12
Business/ Sales Promotion Expenses	213.35	532.45
Postage Expenses	138.99	184.09
Bank charges	706.59	301.35
Brokerage and Commission	10,263.52	9,411.49
Corporate Social Responsibility (CSR) Expenses **	2,153.80	1,108.37
Sub-Brokerage and Fees	365.96	488.71
Recruitment Expenses	298.40	245.60
Miscellaneous expenses	1,795.34	2,841.42
Total	**37,757.46**	**35,003.85**

***Auditor's Fees and Expenses**	For the year ended 31 March, 2020	For the year ended 31 March, 2019
As auditor:		
For Statutory Audit (including Limited Review, Internal Control Financial Reporting (ICFR))	78.47	79.06
Tax audit	6.66	6.93
In any other capacity		
For Other Services (including Certification and other services)	142.73	27.25
For Reimbursement of Expenses	11.30	6.28
Total	**239.16**	**119.52**

****Details of CSR Expenses**	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Gross amount required to be spent by the Company during the year	2,149.80	1,704.75
b) Amount spent during the year-		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above	2,153.80	1,108.37
Total	**2,153.80**	**1,108.37**

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Note 41: Income Tax

The components of income tax expense are as under:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Current tax	29,136.44	51,816.44
Adjustment in respect of current income tax of prior years	(547.30)	(213.60)
Deferred tax relating to origination and reversal of temporary differences	(3,793.01)	(5,673.69)
Total tax charge	**24,796.13**	**45,929.15**
Current tax	28,589.14	51,602.84
Deferred tax	(3,793.01)	(5,673.69)

OCI section - Deferred tax related to items recognised in OCI are as under:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Net loss/(gain) on remeasurements	(525.44)	5.14
Income tax expense charged to OCI	(525.44)	5.14

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March, 2020 and 31 March, 2019 are as follows:

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Accounting profit before tax	1,05,290.73	1,29,342.52
At India's statutory income tax rate of 25.168% (As at 31 March, 2019 - 34.944%)	26,499.57	45,197.45
Adjustment in respect of current income tax of prior years	(547.30)	(213.60)
Differences other than temporary in nature on account of tax benefits and others	(866.09)	401.03
Income not subject to tax i.e. exempt income	(290.06)	544.26
Income tax expense reported in the statement of profit and loss	**24,796.13**	**45,929.15**
Effective income tax rate for the year	23.55%	35.51%

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI	Transition Reserve
	31 March, 2020	31 March, 2020	31 March, 2020	31 March, 2020	31 March, 2020
Expected Credit Loss Allowances	11,046.96	-	(472.99)	-	-
Employee benefit provisions and other provisions	12,518.30	-	(2,947.28)	(415.10)	(211.56)
Depreciation	493.73	-	(372.75)	-	-
Total	**24,058.99**	-	**(3,793.01)**	**(415.10)**	**(211.56)**
Net	**24,058.99**	-			

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	31 March, 2019	31 March, 2019	31 March, 2019	31 March, 2019
Expected Credit Loss Allowances	10,573.97	-	(3,342.97)	-
Employee benefit provisions and other provisions	8,944.37	-	(2,148.09)	5.14
Depreciation	120.98	-	(182.63)	-
Total	**19,639.32**	-	**(5,673.69)**	**5.14**
Net	**19,639.32**	-		

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Note 42: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Net Profit after Tax	80,494.60	83,413.37
Net Profit after Tax available for equity shareholders	80,494.60	83,413.37
Weighted average number of ordinary shares for basic and diluted earnings per share	66,21,00,822	65,54,88,039
Earnings per share		
Basic earnings per share (₹)	**12.16**	**12.73**
Diluted earnings per share (₹)	**12.16**	**12.73**

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Note 43: Segment information

The Company is primarily engaged in financing activities. It operates in 3 segments namely financing activities, trading & other activities and wealth and online platform & marketing business and single geographical segment. The Company earned some treasury income, these income have been classified as "Trading Activities" as per requirements of IND AS- 108 on Segment Reporting.

Particulars	31 March, 2020				31 March, 2019			
	Financing Related Activities	Trading activities	Wealth and Online platform & marketing business	Total	Financing Related Activities	Trading activities	Wealth and Online platform & marketing business	Total
Segment Revenue	6,02,749.00	13,712.72	5,008.31	6,21,470.03	5,50,791.47	4,122.39	7,312.18	5,62,226.04
Segment Results (Profit before tax and after interest on financing segment)	1,09,824.28	13,679.64	(2,150.48)	1,21,353.44	1,30,708.92	1,929.90	(4,377.24)	1,28,261.58
Less: Interest on trading activities	-	16,062.71	-	16,062.71	-	1,080.94	-	1,080.94
Net profit before tax	1,09,824.28	(2,383.07)	(2,150.48)	1,05,290.73	1,30,708.92	3,010.84	(4,377.24)	1,29,342.52
Less: Income taxes	-	-	-	24,796.13	-	-	-	45,929.15
Net profit after tax				**80,494.60**				**83,413.37**
Other Information								
Segment Assets	48,88,152.12	2,60,238.05	1,643.09	51,50,033.26	51,68,187.89	25,097.58	5,975.05	51,99,260.52
Unallocated Corporate Assets	-	-	-	47,423.87	-	-	-	20,856.20
Total Assets	**48,88,152.12**	**2,60,238.05**	**1,643.09**	**51,97,457.13**	**51,68,187.89**	**25,097.58**	**5,975.05**	**52,20,116.72**
Segment Liabilities	41,54,852.36	2,19,536.78	15,252.95	43,89,642.09	44,51,625.38	21,413.98	18,356.99	44,91,396.35
Total Liabilities	**41,54,852.36**	**2,19,536.78**	**15,252.95**	**43,89,642.09**	**44,51,625.38**	**21,413.98**	**18,356.99**	**44,91,396.35**
Capital expenditure	5,733.49	-	-	5,733.49	3,136.67	-	2,399.13	5,535.80
Depreciation, Amortization and Impairment	4,562.82	-	413.82	4,976.64	2,364.65	-	548.07	2,912.72
Other non-cash expenses	71,688.87	-	-	71,688.87	24,324.17	-	-	24,324.17

Note :

No Revenue from transactions with a single external customer or counter party amounted to 10% or more of the total revenue of the company in the respective years.

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Note 44: Business Combination under Common Control
Accounting for business combination

Pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal, on 13th December 2019, the online platform and marketing business ("transaction business") and all assets and liabilities pertaining to the transaction business of Aditya Birla Capital Technology Services Limited, ABCTSL (formerly known as Aditya Birla My Universe Limited, ABMUL), a wholly owned subsidiary company of Aditya Birla Capital Limited has been transferred to and vested in the Aditya Birla Finance Limited against issue of 58,55,625 equity shares.

At the meeting of the Board of Directors held on September 10, 2019, the Board had approved the Scheme of Arrangement under Section 230 – 232 and other applicable provisions of the Companies Act, 2013, for merger of Transaction business of Aditya Birla Capital Technology Services Limited (formerly known as Aditya Birla MyUniverse Limited) with the Aditya Birla Finance Limited. The National Company Law Tribunal, bench at Ahmedabad (NCLT) passed an order on 13 December, 2019 approving the Scheme of Arrangement and the Transactions Business Merger Committee at its meeting held on 01 January, 2020 made Scheme effective from 01 January, 2020. Both the companies are wholly owned subsidiaries of Aditya Birla Capital Limited.

The merger qualifies as a 'common control transaction'. Consequently, the merger has been accounted for using the pooling of interest method as per Appendix C to Ind AS 103 'Business Combinations'.
Accordingly, the financial statements for the year ended 31 March, 2019 have been restated as if the business combination had occurred with effect from 01 April, 2018 irrespective of the actual date of acquisition and hence there will be a difference between the audited numbers of the year ended 31 March, 2019 and the reported numbers.

Accounting treatment:
The Company has recorded all the assets, liabilities, and reserves of transaction business of Aditya Birla Capital Technology Services Limited, ABCTSL (formerly known as Aditya Birla My Universe Limited, ABMUL) at their respective book values as appearing in its books as at 01 April, 2018, as shown hereunder :
Accordingly, if the financial statements were not restated, the Net Profit before Tax would have been higher by ₹ 1,574.17 lakhs and ₹ 3,458.94 lakhs for 31 March, 2020 and 31 March, 2019 respectively.

Statement of asset, liabilities and reserves as at 01 April, 2018 transferred pursuant to the business combination:

(₹ in lakhs)

Particulars	Amount
Assets	
Financial Assets	
(a) Cash and Cash Equivalents	0.70
(b) Trade and Other Receivables	399.60
(c) Loans	48.63
Non-Financial Assets	
(a) Current Tax Assets (Net)	86.81
(b) Property, Plant and Equipments	126.17
(c) Intangible Assets under Development	45.21
(d) Other Intangible Assets	432.01
(e) Other Non-Financial Assets	1,631.75
Total Assets	**2,770.88**

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(₹ in lakhs)

Particulars	Amount
Liabilities	
Financial Liabilities	
(a) Payables	
(I) Trade & Other Payables	
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	375.89
(b) Borrowings (Other than Debt Securities)	10,451.71
(c) Other Financial Liabilities	303.09
Non-Financial Liabilities	
(a) Provisions	97.83
(b) Other Non-Financial Liabilities	272.42
Total Liabilities	**11,500.94**
Other Equity (other than surplus in statement of profit and loss)	
Capital Reserve	8,730.06
Total Other Equity (other than surplus in statement of profit and loss)	**8,730.06**
Surplus in statement of profit and loss as on 01 April, 2018	-
Less: Cancellation of investment (net of paid up share capital)	-
Total Surplus transferred	-

As per the Scheme of Amalgamation, 58,55,625 equity shares of ₹ 10 each were issued as a consideration to the shareholders of the transferor company for the transfer of transaction business.

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Note 45: Retirement benefit plan

Defined Contribution Plan

The Company makes Provident Fund, Pension Fund, Superannuation Fund, Employee State Insurance Scheme, Maharashtra Labour Welfare Fund, and National Pension Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Particulars	31 March, 2020	31 March, 2019
(i) Contribution to Government Employees Provident Fund	1,196.28	824.64
(ii) Contribution to Government Employees Pension Fund	58.00	233.04
(iii) Contribution to Superannuation Fund	-	0.83
(iv) Contribution to Employees State Insurance Corporation	5.24	3.13
(v) Contribution to Maharashtra Labour Welfare Fund	0.53	0.08
(vi) Contribution to National Pension Scheme	87.99	-

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by Aditya Birla Sun Life Insurance Company Limited.

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March, 2020 are as under:

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
	1 April, 2019	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience variance	Sub-total included in OCI	Contributions by employer	Transfer in/out	31 March, 2020
Defined benefit obligation	(1,847.12)	(480.67)	(138.87)	(619.54)	72.08	-	1.15	(297.53)	(3.25)	(299.63)	36.97	-	(2,657.24)
Fair value of plan assets	1,316.58	-	99.61	99.61	(65.12)	(56.22)	-	-	-	(56.22)	494.69	-	1,789.54
Benefit / (Liability)	(530.54)	(480.67)	(39.26)	(519.93)	6.96	(56.22)	1.15	(297.53)	(3.25)	(355.85)	531.66	-	(867.70)

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Changes in the defined benefit obligation and fair value of plan assets as at 31 March, 2019 are as under:

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income							
	1 April, 2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience variance	Sub-total included in OCI	Contributions by employer	Transfer in/out	31 March, 2019
Defined benefit obligation	(1,435.08)	(419.59)	(109.67)	(529.26)	147.51	-	-	(19.75)	(10.54)	(30.29)	-	-	(1,847.12)
Fair value of plan assets	1,315.67	-	100.58	100.58	(182.62)	12.47	-	-	-	12.47	70.48	-	1,316.58
Benefit / (Liability)	**(119.41)**	**(419.59)**	**(9.09)**	**(428.68)**	**(35.11)**	**12.47**	**-**	**(19.75)**	**(10.54)**	**(17.82)**	**70.48**	**-**	**(530.54)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31 March, 2020	31 March, 2019
Expected return on Plan assets	6.45%	7.55%
Discount Rate	6.45%	7.55%
Salary Escalation Rate	7.00%	7.00%
Retirement age	60 years	60 years
Mortality rate	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)
Attrition / Withdrawal rates, based on age: (per annum)		
Up to 30 years	14.00%	14.00%
31 - 40 years	12.60%	12.60%
41 - 50 years	5.60%	5.60%
Above 50 years	2.80%	2.80%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.

Disaggregation of plan assets:

	31 March, 2020	31 March, 2019
Unquoted investments:		
Insurer managed funds (Investments with Aditya Birla Sun Life Insurance Company Limited)	1,789.54	1,316.58
Total	**1,789.54**	**1,316.58**

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A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	Discount rate		Salary	
Sensitivity level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation - (31 March, 2020)	2,515.71	2,810.77	2,809.43	2,515.57
Impact on defined benefit obligation - (31 March, 2019)	1,754.51	1,947.26	1,947.45	1,753.50

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the year.

The following payments are expected contributions to the defined benefit plan in future years:

Expected payment for future years	31 March, 2020	31 March, 2019
Within the next 12 months (next annual reporting period)	170.19	132.08
Between 2 and 5 years	551.19	450.98
Between 6 and 9 years	861.64	663.88
10 years and above	4,614.01	3,572.67
Total expected payments	**6,197.03**	**4,819.61**

The Company expects to contribute ₹ 1,474.80 lakhs (31 March, 2019 : ₹ 927.11 lakhs) to the fund in the next financial year.
The weighted average duration of the defined benefit obligation as at 31 March, 2020 is 11 years (31 March, 2019: 11 years)

Other Long Term Incentive Benefits
Liability for the scheme is determined based on actuarial valuations.

Employee Stock Option Plan (ESOP) by Aditya Birla Capital Limited
Pursuant to ESOP Plan being established by the holding company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of ₹ 715.86 lakhs (31st March, 2019 ₹ 1,333.53 lakhs) has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss. The balance sum of ₹ 495.61 lakhs will be recovered in future periods.

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Note 46: 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. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 March, 2020			31 March, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	1,83,056.25	-	1,83,056.25	5,908.89	-	5,908.89
Trade and Other Receivables	1,601.75	-	1,601.75	1,074.11	-	1,074.11
Derivative financial instruments	-	5,408.39	5,408.39	-	-	-
Loans*	13,18,218.67	32,80,560.92	45,98,779.59	16,15,460.70	34,03,372.27	50,18,832.97
Investments	3,24,818.41	9,421.76	3,34,240.17	1,18,990.44	38,660.27	1,57,650.71
Other financial assets	466.48	-	466.48	2,823.88	-	2,823.88
Non-financial Assets						
Current tax asset (net)	-	23,364.88	23,364.88	-	1,216.88	1,216.88
Deferred tax assets (net)	-	24,058.99	24,058.99	-	19,639.32	19,639.32
Property, plant and equipments	-	1,953.20	1,953.20	-	2,177.14	2,177.14
Intangible assets under development	-	4,898.29	4,898.29	-	1,530.42	1,530.42
Other intangible assets	-	2,481.14	2,481.14	-	3,019.74	3,019.74
Right of use Lease Assets	-	8,069.45	8,069.45	-	-	-
Other non financial assets	8,297.67	780.88	9,078.55	3,546.91	2,695.75	6,242.66
Total assets	**18,36,459.23**	**33,60,997.90**	**51,97,457.13**	**17,47,804.93**	**34,72,311.79**	**52,20,116.72**
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	0.40	0.40	-	-	-
Trade payables	6,535.42	-	6,535.42	4,944.36	-	4,944.36
Debt Securities	8,18,326.73	9,68,596.20	17,86,922.93	11,55,843.96	11,09,012.36	22,64,856.32
Borrowings (other than debt security)	6,61,511.32	16,82,333.57	23,43,844.89	5,92,868.80	13,73,859.82	19,66,728.62
Subordinated Liabilities	10,738.50	1,99,403.59	2,10,142.09	39,170.68	1,65,284.79	2,04,455.47
Lease liabilities	2,389.40	6,520.51	8,909.91	-	-	-
Other Financial liabilities	17,591.86	-	17,591.86	35,415.88	896.60	36,312.48
Non-financial Liabilities						
Current tax liabilities (net)	2,825.65	-	2,825.65	1,572.15	-	1,572.15
Provisions **	9,294.83	408.73	9,703.56	6,154.82	2,704.48	8,859.30
Other non-financial liabilities	3,165.38	-	3,165.38	3,662.29	5.36	3,667.65
Total Liabilities	**15,32,379.09**	**28,57,263.00**	**43,89,642.09**	**18,39,632.94**	**26,51,763.41**	**44,91,396.35**

* Stage 3 loans have been considered in after 12 months bucket.

** The amount of provision in the after 12 months bucket is based on the estimate of actual payment.

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Note 47: Change in liabilities arising from financing activities

Particulars	As at 1 April, 2019	Cash Flows	Other(Non-Cash)	As at 31 March, 2020
Debt Securities	22,64,856.32	(5,08,013.70)	30,080.31	17,86,922.93
Borrowings other than debt securities	19,66,728.62	3,66,575.49	10,540.78	23,43,844.89
Subordinate Liabilities	2,04,455.47	4,288.65	1,397.97	2,10,142.09
Total liabilities from financing activities	**44,36,040.41**	**(1,37,149.56)**	**42,019.06**	**43,40,909.91**

Particulars	As at 1 April, 2018	Cash Flows	Other(Non-Cash)	As at 31 March, 2019
Debt Securities	20,65,283.70	2,12,711.52	(13,138.90)	22,64,856.32
Borrowings other than debt securities	14,65,024.29	4,83,783.28	17,921.05	19,66,728.62
Subordinate Liabilities	1,78,703.29	-	25,752.18	2,04,455.47
Total liabilities from financing activities	**37,09,011.28**	**6,96,494.80**	**30,534.33**	**44,36,040.41**

Note : The above amounts are including interest accrued but not due.

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Note 48: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Disputed Income Tax Liability*	5,012.08	4,010.42
Disputed Service Tax Liability**	131.49	502.00
Claims against the Company not acknowledged as debts***	512.00	512.00
Corporate guarantees given by the Company on behalf of the clients****	1,189.06	1,267.93
Letter of comfort given by the Company on behalf of clients****	2,901.96	7,297.32
Total	**9,746.60**	**13,589.67**

*** Disputed Income Tax Liability**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Disallowances of Depreciation on Intangibles, Disallowance of Expenses, Disallowance under Section 14A, Disallowance of Dividend under Section 10(33)	232.48	580.05
Disallowances of exceptional losses of Wealth Business	3,234.12	3,234.12
Interest on Non Performing Assets (NPA)	1,545.48	151.76
Disallowance of Leave Encashment under Section 43B	-	44.49
Total	**5,012.08**	**4,010.42**

** (i) Show Cause Notice F. No. ST/Audit-III/Gr.i/ABF/SCN/739/2015-16/4587 dated 15 October 2015 was issued to the Company seeking to recover, inter alia, CENVAT Credit of ₹ 120.44 lakhs under Rule 14 of the CENVAT Credit Rules, 2004 (hereinafter referred to as "CCR") along with interest of ₹ 129.63 lakhs (as applicable) and imposition of penalties of ₹ 120.44 lakhs under the extant provisions of CCR of the Finance Act, 1994. Subsequently, the Company had opted for the Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019 and our application has been accepted by the Members of the Designated Committee on 21 February, 2020. Accordingly, the said case has been settled by paying an amount of ₹ 60.21 lakhs and the Company has received the Discharge Certificate for Full and Final Settlement of Tax Dues towards the said case.

**(ii) Show Cause cum demand Notice No. ST/Audit-III/P-3/Gr-7/Aditya Birla/SCN/2016 dated 09 May, 2017 was issued to the Company demanding Service Tax of ₹ 69.84 lakhs on penal/ default interest.

**(iii) Show Cause cum demand Notice No. 20/GST/ME/Aditya Birla/ADC/2018-19 dated 26.07.2018 was issued to the Company demanding Service Tax of ₹ 61.65 lakhs on penal interest.

*** The claims against the Company comprise of the following :
Two of the Company clients have filed the Claim Petition as per High Court Order dated 27 October, 2009 for an amount of ₹ 512 lakhs (31 March, 2019: ₹ 512.00 lakhs) along with damages with interest. The matter is pending before Arbitrator.

**** Represents the limit utilized by client of the Guartantee / Letter of Comfort given by the Company.

(B) Commitments
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5,958.89 lakhs (31 March, 2019: ₹ 2,508.88 lakhs).

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(C) Lease Disclosures

(i) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Amount
Balance as at 1st April, 2019	8,562.96
Additions	1,432.23
Deferred Rent Lease Expense	26.05
Depreciation	(1,951.79)
Balance as at 31st March, 2020	8,069.45

(ii) Amounts recognised in profit and loss for the year ended 31 March, 2020

Particulars	Amount
Depreciation expense on right-of-use assets	1,951.79
Interest expense on lease liabilities	724.94
Expense relating to short-term leases	561.07
Expense relating to leases of low value assets	1,576.32
Expense relating to variable lease payments not included in the measurement of the lease liability	-
Income from subleasing right-of-use assets	284.33
Gains or losses arising from sale and leaseback transactions	-

(iii) The Maturity analysis of lease liabilities as at 31 March, 2020 :

Particulars	Amount
Within 12 months	2,389.40
After 12 months	6,520.51
Total	**8,909.91**

(iv) The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Amount
Balance as at 1st April, 2019	9,423.53
Additions	1,086.51
Additions through Business Combinations	-
Deletions on account of De-merger	-
Finance Cost accrued during the year	724.94
Payment of Lease Liabilities	(2,325.07)
Balance as at 31st March, 2020	8,909.91

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(v) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	2,335.88
One to Five years	6,188.80
More than Five years	2,275.81
Total	**10,800.49**

(vi) Impact on Financial Statements

The adoption of the standard has resulted in recognising a right-of-use asset of ₹ 8,562.96 lakhs, a corresponding lease liability of ₹ 9,423.53 lakhs and deferred tax assets created on the same for ₹ 211.56 lakhs by adjusting retained earnings of ₹ 649.01 lakhs as at 1 April, 2019. In the Profit and Loss account for the current year, the nature of expenses in respect of Operating Lease has changed from lease rent in previous periods to depreciation cost for the right-to -use asset and finance cost for interest accrued on lease liability.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at March 1, 2019. The weighted average rate applied ranges between 8.10% p.a. - 8.50 % p.a..

A reconciliation of the operating lease commitments at March 31, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognized in the statement of financial position at April 01, 2019 is provided below:

Operating lease commitments disclosed as at 31 March, 2019	648.39
Discounted using the incremental borrowing rate at 01 April, 2019	1,013.13
Discounted value of additional uncommitted leases as at 01 April, 2019	8,410.40
(Less): short-term leases recognized on a straight-line basis as expense	-
(Less): low-value leases recognized on a straight-line basis as expense	-
(Less): components of contracts reassessed as service agreements	-
Add/(less): adjustments as a result of a different treatment of extension and termination options	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-
Add/(less): residual value guarantees	-
Discounting using the Company's incremental borrowing rate	-
Lease liabilities recognized as at 01 April, 2019	**9,423.53**

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.

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Note 49: Related party disclosures

I)List of Related Parties as per IND AS -24 with whom transactions have taken place during the year:

(A) Ultimate Holding Company:
Grasim Industries Limited (Ultimate Holding Company)

(B) Holding Company:
Aditya Birla Capital Limited (Holding Company)

(C)Subsidiaries / Fellow Subsidiaries:
Fellow Subsidiaries
Aditya Birla Capital Technology Services Limited, ABCTSL (Formerly Known as Aditya Birla MyUniverse Limited, ABMUL)
Aditya Birla Financial Shared Services Limited (ABFSSL)
Aditya Birla Money Limited (ABML)
Aditya Birla Insurance Brokers Limited (ABIBL)
Aditya Birla Money Mart Limited (ABMML)
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL)
Aditya Birla Sun Life Insurance Company Limited (ABSLICL)
Aditya Birla Sun Life Asset Management Company Limited (ABSAMCL)
Aditya Birla Housing Finance Limited (ABHFL)
Aditya Birla ARC Limited (ABARCL)
Aditya Birla PE Advisors Private Limited (ABPEAPL)
Aditya Birla Health Insurance Company Limited (ABHICL)
Ultratech Cement Limited (UCL)
Aditya Birla Commodities Broking Limited (ABCBL)
ABCSL Employee Trust
Aditya Birla Special Situations Fund - I

(D) Other related parties in which Directors of Ultimate Holding Company are interested
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)

(E) Joint Venture/Associates
Aditya Birla Idea Payments Bank Limited
Vodafone Idea Limited (formerly known as Idea Cellular Limited, associate of Ultimate Holding Company upto 31 August, 2018)

(F)Key managerial personnel
Mr. Rakesh Singh (CEO upto July 22, 2019 and Managing Director & CEO w.e.f. July 23, 2019)
Mr. Sekhar Mosur (Manager upto July 22, 2019)
Mr. D J Kakalia
Mr. Jitender Balakrishnan
Mr. Ashwani Puri
Ms. Alka Bharucha
Mr. Baldev Raj Gupta
Mr. S C Bhargava (appointed w.e.f. January 25, 2019)
Mrs. Vijayalakshmi Iyer (resigned w.e.f. November 16, 2018)

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Note 49 Related Party Disclosures ***(Continued)***

II)Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	31 March, 2020	31 March, 2019
Holding Company		
Reimbursement of Administrative expenses		
Aditya Birla Capital Limited	620.10	666.42
Interest expenses		
Aditya Birla Capital Limited	66.45	82.40
Reimbursement of Rent expenses		
Aditya Birla Capital Limited	47.36	157.49
Reimbursement of Legal and Professional expenses		
Aditya Birla Capital Limited	148.16	230.04
Reimbursement of Employee cost		
Aditya Birla Capital Limited- ESOP	715.29	1,341.00
Aditya Birla Capital Limited- OCI	57.87	(4.06)
Aditya Birla Capital Limited	2,443.01	3,551.85
Employee Cost Recovered		
Aditya Birla Capital Limited	-	27.42
Purchase of Asset Gross Value		
Aditya Birla Capital Limited	-	18.42
Issue of Equity Share Capital		
Aditya Birla Capital Limited	585.56	1,056.87
Issue of Inter-corporate Deposits (ICD)		
Aditya Birla Capital Limited	1,568.72	3,455.38
Share Premium on issue of equity share capital		
Aditya Birla Capital Limited	-	31,446.23
Interest on Debentures		
Aditya Birla Capital Limited	880.44	771.22
Redemption of Preference Share Capital		
Aditya Birla Capital Limited	1,000.00	-
Preference Share Capital Outstanding		
Aditya Birla Capital Limited	66.45	1,080.00
Paid up Equity Share Capital Outstanding (excluding shares pending issuance)		
Aditya Birla Capital Limited	66,210.08	65,624.52
Equity Share Premium Outstanding		
Aditya Birla Capital Limited	3,21,096.08	3,21,096.08
ICD Outstanding		
Aditya Birla Capital Limited	-	7,648.79
Repayment of ICD		
Aditya Birla Capital Limited	8,754.00	-
Payable		
Aditya Birla Capital Limited (Debenture) (Long term borrowings)	3,393.19	3,113.09
Aditya Birla Capital Limited (Trade Payables)	503.85	252.11
Receivable		
Aditya Birla Capital Limited	3.52	8.90

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Note 49 Related Party Disclosures (Continued)

Particulars	31 March, 2020	31 March, 2019
Remuneration of Key Management Personnel		
Mr. Rakesh Singh (CEO upto July 22, 2019 and Managing Director & CEO w.e.f. July 23, 2019)	1,520.80	942.84
Mr. Sekhar Mosur (Manager upto July 22, 2019)	91.66	182.76
Fellow Subsidiaries		
Brokerage		
Aditya Birla Money Limited	142.42	128.40
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	-	12.25
Reimbursement of Administrative expenses		
Aditya Birla Money Limited	0.53	0.87
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	10.31	1.14
Aditya Birla Sun Life Insurance Company Limited	0.43	2.13
Aditya Birla Insurance Brokers Limited	-	1.19
Aditya Birla Financial Shared Services Limited	1,318.32	1,100.25
Aditya Birla Housing Finance Limited	252.74	324.01
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	563.42	256.07
Aditya Birla Health Insurance Company Limited	16.81	16.60
Telephone/Internet Expenses		
Vodafone Idea Limited (Associate of ultimate parent company upto 31 August, 2018)	-	5.14
Custodian Charges Expenses		
Aditya Birla Money Limited	11.47	40.33
Interest expenses		
Aditya Birla Sun Life Insurance Company Limited	2,683.30	2,130.28
Reimbursement of Rent expenses		
Aditya Birla Money Limited	3.79	6.94
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	147.04	32.57
Aditya Birla ARC Limited	14.03	-
Aditya Birla Sun Life Insurance Company Limited	282.33	290.49
Aditya Birla Sun Life Insurance Company Limited Notional Interest expense	13.24	6.35
Aditya Birla Sun Life Insurance Company Limited Operating Lease Expenses	12.73	6.36
Aditya Birla Financial Shared Services Limited	18.30	48.70
Aditya Birla Housing Finance Limited	118.49	189.28
Reimbursement of Legal and Professional expenses		
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	775.34	188.12
Aditya Birla Sunlife Asset Management Company Limited	5.60	-
Aditya Birla Financial Shared Services Limited	434.01	244.40
Reimbursement of Employee cost		
Aditya Birla Money Limited	241.16	216.24
Aditya Birla Money Insurance Advisory Services Limited	18.83	-
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	1.45	7.25
Aditya Birla ARC Limited	9.36	1.73
Ultratech Cement Limited	-	9.01
Aditya Birla Stressed Asset AMC Pvt Ltd	13.96	-
Aditya Birla Financial Shared Services Limited	611.20	609.86
Aditya Birla Financial Shared Services Limited - Other Comprehensive Income (OCI)	12.21	16.15
Aditya Birla Housing Finance Limited	32.09	37.38
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	1,599.54	265.18
Aditya Birla Sunlife Insurance Company Limited	0.46	-
Aditya Birla Sunlife Asset Management Company Limited	9.73	4.53
Insurance Premium Paid		
Aditya Birla Health Insurance Company Limited	36.00	89.96
Interest Income		
Vodafone Idea Limited (Associate of ultimate parent company upto 31 August, 2018)	-	170.52
ESOP Expenses		
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	0.57	-
Aditya Birla Money Limited	-	0.75
Aditya Birla Sunlife Asset Management Company Limited	-	0.27

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Note 49 Related Party Disclosures (Continued)

Particulars	31 March, 2020	31 March, 2019
Director Sitting fees		
Mr. D J Kakalia	5.80	4.40
Mr. Jitender Balakrishnan	4.30	3.70
Mr. Ashwani Puri	4.85	4.15
Ms. Alka Bharucha	1.00	1.00
Mrs. Vijayalakshmi Iyer (resigned w.e.f. November 16, 2018)	-	2.20
Mr. S C Bhargava (appointed w.e.f. January 25, 2019)	2.50	0.50
Mr. Baldev Raj Gupta	2.50	2.50
Employee cost recovered		
Aditya Birla Money Limited	-	12.33
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	6.93	0.51
Aditya Birla ARC Limited	114.48	146.82
Aditya Birla Sun Life Insurance Company Limited	32.09	0.27
Aditya Birla Sunlife Asset Management Company Limited	3.03	8.70
Aditya Birla Money Mart Limited	-	0.44
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	1.53	1.86
Aditya Birla Housing Finance Limited	964.78	-
Aditya Birla Insurance Brokers Limited	1.59	-
Aditya Birla Financial Shared Services Limited	21.34	0.84
Referral Fees Income		
Aditya Birla Idea Payment Bank Ltd	-	0.84
Aditya Birla Money Limited	45.45	41.08
Legal and Professional expenses recovered		
Aditya Birla Financial Shared Services Limited	63.02	-
Aditya Birla Housing Finance Limited	4.50	1.50
Brokerage Income		
Aditya Birla Money Limited	220.34	633.31
Aditya Birla Housing Finance Limited	6.26	-
Aditya Birla Sunlife Asset Management Company Limited	40.97	108.20
Rent recovered		
Aditya Birla Money Limited	-	3.55
Aditya Birla Money Insurance Advisory Services Limited	19.85	2.12
Aditya Birla Insurance Brokers Limited	8.24	0.48
Aditya Birla Sunlife Asset Management Company Limited.	72.94	73.74
Aditya Birla Money Mart Limited	-	0.48
Aditya Birla Housing Finance Limited	174.73	172.33
Advertisement Income		
Aditya Birla Sunlife Insurance Company Limited.	50.00	-
Recovery of ESOP Expenses		
Aditya Birla Financial Shared Services Limited	-	0.66
Administrative Income		
Aditya Birla Money Limited	-	2.18
Aditya Birla Money Insurance Advisory Services Limited	13.14	2.96
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	5.65	7.14
Aditya Birla Insurance Brokers Limited	-	3.79
Aditya Birla Sunlife Insurance Company Limited	-	1.00
Aditya Birla Sunlife Asset Management Company Limited	-	1.74
Aditya Birla Money Mart Limited	-	0.68
Aditya Birla Financial Shared Services Limited	1.27	5.86
Aditya Birla Housing Finance Limited	224.16	229.90
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	-	1.02

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Note 49 Related Party Disclosures (Continued)

Particulars	31 March, 2020	31 March, 2019
Sale of assets		
Aditya Birla ARC Limited	4.91	-
Aditya Birla Money Limited	-	5.18
Aditya Birla Housing Finance Limited	7.17	-
Aditya Birla Financial Shared Services Limited	-	49.02
Aditya Birla Sunlife Asset Management Company Limited	-	11.38
Purchase of assets		
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	-	0.02
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	0.25	-
Aditya Birla Housing Finance Limited	4.02	-
Aditya Birla Sun Life Insurance Company Limited	4.78	22.17
Issue of Non-convertible Debentures (NCDs)		
Aditya Birla Sun Life Insurance Company Limited	-	15,000.00
Redemption of NCDs		
Aditya Birla Sun Life Insurance Company Limited	1,500.00	-
Investment in fund made		
Aditya Birla Special Situations Fund - I	21.74	-
Redemption from Investment		
Aditya Birla Special Situations Fund - I	15.49	-
Prepaid Expenses		
Aditya Birla Health Insurance Company Limited	115.97	-
Aditya Birla Financial Shared Services Limited	46.40	57.90
Redeemable NCDs		
Aditya Birla Sun Life Insurance Company Limited	29,479.96	30,977.17
Interest accrued on NCDs		
Aditya Birla Sun Life Insurance Company Limited	1,332.45	1,444.04
Investment in fund outstanding		
Aditya Birla Special Situations Fund - I	6.25	-
Payable		
Aditya Birla ARC Limited	0.63	-
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	-	0.56
Aditya Birla Insurance Brokers Limited	-	1.16
Aditya Birla Sun Life Insurance Company Limited	45.44	29.93
Aditya Birla Financial Shared Services Limited	483.49	312.80
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	390.16	431.75
Aditya Birla Sunlife Asset Management Company Limited	15.77	-
Aditya Birla Health Insurance Company Limited	9.91	4.63
Receivable		
Aditya Birla Money Limited	44.19	4.79
Aditya Birla Financial Shared Services Limited	-	32.38
Aditya Birla Sunlife Insurance Company Limited	-	1.81
Aditya Birla Insurance Brokers Limited	2.59	-
Aditya Birla Money Insurance Advisory Services Limited	34.55	5.91
Aditya Birla Housing Finance Limited	236.21	22.55
Aditya Birla ARC Limited	-	9.76
Aditya Birla Sun Life Assets Management Company Limited	-	11.89
Aditya Birla Health Insurance Company Limited	-	1.81
Aditya Birla Money Mart Limited	3.47	3.47
Aditya Birla Capital Technology Services Ltd (Formerly Known as Aditya Birla MyUniverse Limited)	75.03	-
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	-	0.56
ABCSL Employee Trust	-	0.09

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Notes to the Financial Statements (continued)
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Note 49 Related Party Disclosures (Continued)

Particulars	31 March, 2020	31 March, 2019
Security Deposit Receivable		
Aditya Birla Management Corporation Private Limited (w.e.f. 1 January, 2019)	1,015.76	127.76
Aditya Birla Sun Life Insurance Company Limited Deferred Lease Asset on Security Deposit	-	6.36
Aditya Birla Sun Life Insurance Company Limited	88.30	81.41
Other Transaction- Advance paid for Expenses		
Aditya Birla Health Insurance Company Limited	-	13.99
Other Transaction- Advance receivable for Expenses		
Aditya Birla Housing Finance Limited	-	79.03

Notes:-

a)The related party relationships have been as identified by the management on the basis of the requirements of the Indian Accounting Standard IND AS–24 'Related Party Disclosures' and the same have been relied upon by the Auditors.

b)The relationships disclosed above are for the entities where control exists / existed and with whom transactions have taken place during the year and the previous year.

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Note 50: Capital

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other 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. The Company monitors capital using a capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, Company being a Non Banking Finance Company has to maintain 15% of capital adequacy ratio.

The actual Capital Adequacy Ratio is as under:

Particulars	31 March, 2020	31 March, 2019
Capital Adequacy Ratio	19.08%	17.45%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2020 and 31 March, 2019.

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Note 51: Fair value measurement

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the company and other valuation models.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below :

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, units of mutual funds (open ended) and traded bonds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair Value Hierarchy of assets and liabilities-

Fair Value measurement-

I. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2020 is as follows:
Assets valued at fair value on a recurring basis

Particulars	Fair Value through profit and loss					
	Carrying Value	Fair Value	Level-1	Level-2	Level-3	Total
Quoted Investments						
MOIL Limited	24.89	24.89	24.89	-	-	24.89
Preference Share						
TATA Motors Finance Limited (formerly known as Sheba Properties Limited) (8.20 % Compulsory Convertible Cumulative Preference Shares)	22,551.00	22,551.00	-	-	22,551.00	22,551.00
Other Investments						
PMS Investment	-	-	-	-	-	-
Investment in Alternate Funds	9,221.18	9,221.18	-	9,221.18	-	9,221.18
Investment in Debt Securities	42,029.37	42,029.37	42,029.37	-	-	42,029.37
Bonds	9,365.31	9,365.31	9,365.31	-	-	9,365.31
Mutual Fund	2,50,872.74	2,50,872.74	2,50,872.74	-	-	2,50,872.74
Derivative financial instruments (net)	5,407.99	5,407.99	-	5,407.99	-	5,407.99

Particulars	Fair Value through other comprehensive income					
	Carrying Value	Fair Value	Level-1	Level-2	Level-3	Total
Equity Share						
Birla Management Centre Services Limited	175.68	175.68	-	-	175.68	175.68

II. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:
Assets valued at fair value on a recurring basis

Particulars	Fair Value through profit and loss					
	Carrying Value	Fair Value	Level-1	Level-2	Level-3	Total
Quoted Investments						
MOIL Limited	38.94	38.94	38.94	-	-	38.94
Preference Share						
TATA Motors Finance Limited (formerly known as Sheba Properties Limited) (8.20 % Compulsory Convertible Cumulative Preference Shares)	21,407.12	21,407.12	-	21,407.12	-	21,407.12
Other Investments						
PMS Investment	1,685.39	1,685.39	-	1,685.39	-	1,685.39
Investment in Alternate Funds	15,339.26	15,339.26	-	15,339.26	-	15,339.26
Investment in Debt Securities	93,892.85	93,892.85	93,892.85	-	-	93,892.85
Bonds	25,097.58	25,097.58	25,097.58	-	-	25,097.58

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Note 51: Fair value measurement

Particulars	Fair Value through Other Comprehensive Income					
	Carrying Value	Fair Value	Level-1	Level-2	Level-3	Total
Equity Share						
Birla Management Centre Services Limited	189.57	189.57	-	-	189.57	189.57

Valuation techniques

Equity instruments and units of mutual fund: The majority of equity instrument are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value(NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised in transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Investment in Preference Shares: As per latest guideline issued by FIMMDA, the Preference shares which are not rated by a rating agency, the YTM method has been adopted. The preference shares are fair valued on the basis of YTM method, hence they are classified as Level 3. For the year ended March, 2019, the preference shares were fair valued on the basis of a similar compulsorily convertible preference shares issued by Tata Motors Finance Limited, hence they were classified as Level 2 for the year ended March, 2019.

Investment in Alternate funds and PMS Investments : Units held in funds of AIF are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors. The fair values of investments made in securities through PMS is based on net asset value (NAV) which is provided in report received from the Portfolio Manager as at the reporting period and the same are classified under Level 2.

Investment in Debt Securities and Bonds : Fair value of these instrument is derived based on the indicative quote of price and yields prevailing in the market as at reporting date. Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded company has used CRISIL corporate bond valuer model for measuring fair value i.e. fair value has been computed using the Fixed Income Money Market and Derivatives Association of India ('FIMMDA') data on corporate bond spreads.

Derivative Financial Instruments : A generally accepted framework for the valuation of the swap explains the position in each leg of the swap as a 'bond'. Therefore, a receive fixed - pay floating swap can be viewed as a portfolio consisting a long position in fixed bond and short position a floating rate bond. The value of the swap is the net proceeds from such bond positions i.e. Receipt – Payment. The swaps were valued on and with inputs from Bloomberg database using the terms of the swap contract.

Equity shares measured at Fair Value through Other Comprehensive Income: Unquoted equity shares are measured at fair value through other comprehensive income on the basis of the net worth of the investee company and are classified as Level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value:

31 March, 2020	As at 1 April, 2019	Purchase / (Sales)	Transfers into / (from) Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 March, 2020
Equity Shares						
Birla Management Centre Services Limited	189.57	-	-	-	(13.89)	175.68
Preference Shares						
TATA Motors Finance Limited	-	-	22,551.00	-	-	22,551.00
Total financial investments classified in Level 3	189.57	-	22,551.00	-	(13.89)	22,726.68
Total financial assets measured at fair value on a recurring basis	189.57	-	-	-	-	22,726.68

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31 March, 2019	As at 1 April, 2018	Purchase / (Sales)	Transfers into / (from) Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 March, 2019
Equity Shares						
Birla Management Centre Services Limited	127.07	-	-	-	62.50	189.57
Total financial investments classified in Level 3	127.07	-	-	-	62.50	189.57
Total financial assets measured at fair value on a recurring basis	127.07	-	-	-	-	189.57

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Note 51: Fair value measurement

Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities.

Relationships between unobservable inputs have not been incorporated in this summary.

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets 31 March, 2020	Level 3 liabilities 31 March, 2020		
Equity Shares - Birla Management Centre Services Limited	175.68	-	Net worth of investee company	Instrument Price
Preference Share - TATA Motors Finance Limited	22,551.00	-	YTM Method	Discount Rate
Particulars	Level 3 assets 31 March, 2019	Level 3 liabilities 31 March, 2019	Valuation technique	Significant unobservable inputs
Equity Shares - Birla Management Centre Services Limited	189.57	-	Net worth of investee company	Instrument Price

Quantitative analysis of significant unobservable inputs

Instrument Price
When specific market prices are not available, the Company uses net worth of the investee company. Given the nature of this approach, the actual range of prices used as inputs are usually quite wide. Therefore, the range is not indicative of the uncertainty associated with the fair value of the individual financial instrument.

Sensitivity of fair value measurements to changes in unobservable market data
The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives.
Sensitivity data are calculated using a number of techniques, including adjusting model inputs to reasonable changes within the fair value methodology.

Particulars	31 March, 2020		31 March, 2019	
	Favourable changes(+5%)	Unfavourable changes(-5%)	Favourable changes(+5%)	Unfavourable changes(-5%)
Equity Shares - Birla Management Centre Services Limited	8.78	(8.78)	9.48	(9.48)
Preference Share - TATA Motors Finance Limited	43.00	(43.00)	N.A.	N.A.

Fair value of financial instruments not measured at fair value
Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements.

This table does not include the fair values of non–financial assets and non-financial liabilities.

31 March, 2020	Notional amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	1,83,056.25	1,83,056.25	-	-	1,83,056.25
Trade and Other Receivables	1,601.75	-	1,601.75	-	1,601.75
Loans *	45,98,779.59	-	8,15,106.00	37,46,789.59	45,61,895.59
Other financial assets	466.48	-	466.48	-	466.48
Total financial assets	47,83,904.07	1,83,056.25	8,17,174.23	37,46,789.59	47,47,020.07
Financial liabilities:					
Trade payables	6,535.42	-	6,535.42	-	6,535.42
Debt securities	17,86,922.93	15,02,820.70	3,36,941.72	-	18,39,762.42
Borrowings (other than debt securities)	23,43,844.89	-	23,43,844.89	-	23,43,844.89
Subordinated liabilities	2,10,142.09	-	2,05,088.80	-	2,05,088.80
Lease Liabilities	8,909.91	-	-	8,909.91	8,909.91
Other financial liabilities	17,591.86	-	17,591.86	-	17,591.86
Total financial liabilities	43,73,947.10	15,02,820.70	29,10,002.69	8,909.91	44,21,733.30

* The fair values does not include the effect of moratorium notified by Reserve Bank of India (Refer Note 52)

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Note 51: Fair value measurement

31 March, 2019	Notional amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	5,908.89	5,908.89	-	-	5,908.89
Trade and Other Receivables	1,074.11	-	1,074.11	-	1,074.11
Loans	50,18,832.97	-	7,73,007.84	42,15,593.76	49,88,601.60
Other financial assets	2,823.88	-	2,823.88	-	2,823.88
Total financial assets	50,28,639.85	5,908.89	7,76,905.83	42,15,593.76	49,98,408.48
Financial liabilities:					
Trade payables	4,944.36	-	4,944.36	-	4,944.36
Debt securities	22,64,856.32	15,82,935.43	7,19,509.27	-	23,02,444.70
Borrowings (other than debt securities)	19,66,728.62	-	19,66,728.62	-	19,66,728.62
Subordinated liabilities	2,04,455.47	-	2,02,650.91	-	2,02,650.91
Other financial liabilities	36,312.48	-	36,312.48	-	36,312.48
Total financial liabilities	44,77,297.25	15,82,935.43	29,30,145.64	-	45,13,081.07

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans

Loans can be categorized into two main categories based on the rate of interest charged on such loans:

• A) Floating rate Loans: Floating rate loans are loans in which the interest rates are reset at a periodic interval based on a pre-decided reference rate.

• B) Fixed Rate Loans: Fixed rate loans are loans in which the interest rates are decided at the time of sanction of the loan and are not reset automatically.

Floating Rate Loans:

The floating rate loans are valued on the basis of MCLR + Spread specific to the Company. This MCLR rate is being reset on periodic intervals based on the pre-decided reference rate. Hence, they are classified as Level 3.

Fixed Rate Loans:

1. A fixed rate loan given can be viewed as a plain vanilla bond purchased that pays a fixed rate of interest and has fixed redemption date with no options or variable terms attached to it. Value of a Bond is equal to the present value of coupon payments and the redemption price discounted at the yield to maturity ('YTM') as on the Valuation Date of a similar loan. Accordingly, the Company has used the present value technique for valuation of the Fixed Rate Loans given by the Company.

2. In case of loans, they are considered as financial assets and the contractual cash flows are defined over the tenure of the loan. Since the loans are not traded in active markets and company does not have any active markets for identical assets, the Company has not used any level 1 inputs as per INDAS 113. The Company has used the prevailing risk free rate as the valuation date and the credit default spread based on FIMMDA-PDAI Gilt curve for Valuation of Corporate Bonds-Corporates Valuation Matrix, being a level 2 input, as on the valuation date; to determine the discount factor for arriving at the fair value of these loans using the present value technique.

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Note 51: Fair value measurement

Borrowings

Floating Rate Borrowings:

The floating rate borrowings are valued on the basis of MCLR + Spread.

Fixed Rate Borrowings:

The methodology to arrive at yield and bond price is similar and is used in valuation for mutual fund industry. Trades reported may be analysed based on polls received and internal spread models of IMaCS to arrive at final yield for the security using the process mentioned below.

1. Last traded Yield/price that has been reported on NSE, BSE, MCX, FTRAC and NDS-OM is used for valuation as per existing rules for trade size and outliers used for Scrip level valuation. However polls are carried out for outliers trades.
2. In case above conditions are not met, yield is calculated considering trades in same issuer of similar maturity in line with overall market movement and market data collected. Polls may be carried out for outliers and for final valuation yield. .
3. In case the above two conditions are not met, matrix movement(benchmark movement of relevant maturity bucket as analysed based on overall trades available/bid-ask and or poll on the similar securities shall be applied on previous day's yield to arrive at Yield/Price for the day.
4. If yield/price is not determinable based on above steps due to non-availability of data, outliers and/or such exceptional events, valuation shall be provided based on previous days Yield/Price.

Derivative Liabilities (Hedging Instruments measured at fair value)

1. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves and an appropriate discount factor.
2. The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of respective currencies.
3. The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.

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Note 52: Risk management

(a) Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that derive directly from its operations.

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 senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.
The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.
The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.
The analyses exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March, 2020 and 31 March, 2019.

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Note 52: Risk management (continued)

Total market risk exposure

Particulars	31 March, 2020			31 March, 2019			
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Financial Assets							
Cash and cash equivalents	1,83,056.25	-	1,83,056.25	5,908.89	-	5,908.89	
Trade and Other Receivables	1,601.75	-	1,601.75	1,074.11	-	1,074.11	
Derivative financial instruments	5,408.39	-	5,408.39	-	-	-	
Loans	45,98,779.59	-	45,98,779.59	50,18,832.97	-	50,18,832.97	Interest rate
Financial investments–FVTPL	3,34,064.49	3,34,064.49	-	1,57,461.14	1,57,461.14	-	Equity price / NAV price
Financial investments–FVTOCI	175.68	-	175.68	189.57	-	189.57	
Other Financial assets	466.48	-	466.48	2,823.88	-	2,823.88	
Total	**51,23,552.63**	**3,34,064.49**	**47,89,488.14**	**51,86,290.56**	**1,57,461.14**	**50,28,829.42**	
Financial Liabilities							
Derivative financial instruments	0.40	-	0.40	-	-	-	
Trade payables	6,535.42	-	6,535.42	4,944.36	-	4,944.36	
Debt Securities	17,86,922.93	-	17,86,922.93	22,64,856.32	-	22,64,856.32	Interest rate
Borrowings (other than Debt Securities)	23,43,844.89	-	23,43,844.89	19,66,728.62	-	19,66,728.62	Interest rate and foreign exchange risk
Subordinated liabilities	2,10,142.09	-	2,10,142.09	2,04,455.47	-	2,04,455.47	Interest rate
Lease Liabilities	8,909.91	-	8,909.91	-	-	-	
Other financial liabilities	17,591.86	-	17,591.86	36,312.48	-	36,312.48	Interest rate
Total	**43,73,947.50**	**-**	**43,73,947.50**	**44,77,297.25**	**-**	**44,77,297.25**	

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Note 52: Risk management (continued)

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.

Interest rate sensitivity

Since the Company manages its interest rate risk on domestic borrowings by ensuring, at maximum, its long term borrowings from domestic banks at floating rate of interest and in case of reduction in interest rate, it initiates negotiations with bankers for realigning the interest rate and/or repaying the high interest rate exposures, the interest rate change in market as such doesn't affect Company's profitability materially.

Market indices	Change in Interest rate	31 March, 2020		31 March, 2019	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	25 Basis Point down	5,859.61	4,479.66	4,860.67	3,179.61
	50 Basis Point down	11,719.22	8,959.33	9,721.33	6,359.22
	25 Basis Point Up	(5,859.61)	(4,479.66)	(4,860.67)	(3,179.61)
	50 Basis Point Up	(11,719.22)	(8,959.33)	(9,721.33)	(6,359.22)

Foreign Exchange Risk

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to its External Commercial Borrowings. The Company uses derivative instruments like forwards to hedge exposure to foreign currency risk.

The Company has taken foreign currency floating rate borrowings, which are linked to LIBOR. For managing the foreign currency risk and interest rate risk, arising from changes in LIBOR on such borrowings, the Company has entered into Cross Currency Interest Rate Swap (CCIRS) and forward contracts for the entire loan liability and tenure of the facility. Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency.

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Note 52: Risk management (continued)

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Impairment assessment

The ECL model Credit loss provisioning approach has now moved from incurred model. This forces entity to understand the significance of credit risk and its movement since its initial recognition. This model ensures (a) timely recognition of ECLs (b) assessment of significant increase in credit risk which will provide better disclosure (c) ascertainment of better business ratios.

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies in Note 5.

- An explanation of the Company's internal grading system (Note 'Definition of default and cure' below)
- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default) (Note 'The Company's internal rating and PD estimation process' 'Probability of Default', 'Exposure at Default' below)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 'Significant increase in credit risk' below)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 'Grouping financial assets measured on a collective basis' below)
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Notes 'Probability of default', 'Exposure at default' and 'loss given default' below)

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Note 52: Risk management (continued)

Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties and the customer has delay in his repayments over a month.

The Company's internal rating and PD estimation process

a. Internal Rating: A robust internal credit rating framework is vital for effective credit risk management. It is specified by RBI on credit risk management that lenders should have an internal rating framework and the lenders must have independent Credit Risk Control Units (CRCU) or equivalents that are responsible for the design or selection, implementation and performance of their internal rating systems. Accordingly we also have an internal rating framework developed along with CRISIL, with ratings being assigned to all the customer/ portfolio pool – (eligible customers for Ratings) and used extensively in internal decision-making.
b. It is further specified in the policy that Internal rating/grading/scoring of the borrower/client is at least Investment grade rating as per the Company's internal credit rating model or valid/live external rating.

Probability of Default(PD)

PD is calculated basis likelihood that the borrower will default within one year horizon(Basis for Stage 1). For Stage 2 – it is defined as significant increase in credit risk and probability is defined as borrower's probability to default in lifetime.

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Note 52: Risk management (continued)

Exposure at Default

Gross exposure/potential gross exposure under a facility (i.e. the amount that is legally owed to the lender) at the time of default by a borrower. Exposure at Default gives an estimate of the amount outstanding.

Loss Given Default(LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose in case the borrower defaults. It depends, among others, on the type of collateral, it's value, borrower rating and the expected proceeds from the sale (e.g. sales proceeds from sales of collaterals/securities) of the assets, NPV net of recovery costs.

Significant increase in credit risk

a. There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.
b. Further, for large borrowers after assessing the following Risks in totality and deterioration in each factor , it is then assessed whether there is a significant increase in credit risk
i. Industry Risk
ii. Business Risk
iii. Management Risk
iv. Financial Risk
v. Banking Conduct & Facility level Conduct.
c. Significant increase in credit risk is also gauged through Credit rating. Credit rating is an opinion of capacity of borrower to meet its financial obligations to the depositor or bondholder (i.e. lender of money) on a particular issue or type of instrument (i.e. a domestic or foreign currency: short-term or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuers ability and willingness to repay both interest and principal over the period of the rated instrument. i.e. rating signifies the risk of default of the borrower that is rated.

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Note 52: Risk management (continued)

Collateral Security:

The Company by way of loan sanction letter and other loan securing documents agrees with its customers on collateral security to be provided by the customers in secured loan exposures that are subject to credit risk. Collateral security enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations.

Collateral security accepted by the Company could be in the form of:

a) Financial collateral in the form of pledge of equity shares, units of mutual funds, assignment of life insurance policies;
b) Current assets in the form of inventories meant for sale or receivables arising out of the sale of finished goods
c) Fixed asset (in the form of immovable properties – real estate, Plant and Machinery, Equipment's)
d) Third-party obligation (in the form of Irrevocable Unconditional Guarantee issued by Bank, Third party);
e) Risk participation from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
f) Assignment of borrower's rights and interests under agreements with third parties.

In addition, the Company also stipulates escrow of cash flows and a Debt Service Reserve Account (DSRA) for project loans

Collateral serves to mitigate the inherent risk of credit loss in an exposure, by either improving recoveries in the event of a default or substituting the borrower.

As part of the assessment of a credit transaction the availability, adequacy and suitability of collateral for the transaction is evaluated and decided upon. The Company's processes includes verification of the title to the collateral offered and valuation by technical experts where warranted. We accept as collateral only securities of good quality and have in place legally effective and enforceable documentation.

For guarantee's taken, the guarantor's creditworthiness is assessed during the credit assessment process of the transaction. We have collateral type specific haircuts in place which are reviewed at intervals as appropriate to the type of collateral.

The Company recognises that collateral can be a credit mitigant (alternative source of repayment), but does not replace or dilute the underwriting standards the company adopts to underwrite credit exposures.

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Note 52: Risk management (continued)

(b) Forward looking Information :

The Company is required to provide for impairment allowance basis expected credit loss (ECL), which is calculated using empirical portfolio performance and adjusted for forward looking macroeconomic factors, as prescribed by Ind AS. The overall provisioning made through this approach, continues to be in excess of the floor provisions as prescribed by RBI for NBFCs.

The assessment of credit risk and estimation of ECL is statistically validated. It considers all relevant information about past events, current conditions and some elements of predicted performance of the portfolio.
ECL has been calculated using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).
In the process of determining the PD, the macro economic impact is intrinsically built in in our current approach. The overall performance through the life cycle of the loan, considers the impact of macro-economic parameters like GDP, Unemployment factor or once in events like de-monetisation etc. Most of the portfolios have seen one to two complete economic cycles and hence the default probabilities experienced by the Company takes into account the upturn, downturn and central (balanced) economic scenario.

In the internally rated portfolio, the Industry rating module (sourced from CRISIL under agreement) recognizes factors like demand prediction, supply side glut / constraints, impact of imports and exports and the government policies which are more forward looking and making the through-the-cycle default probabilities to point-in-time default probability.

Forward looking macro-economic factors as appropriate to the sub portfolios of the Company, that can demonstrate some degree of correlation to the forward looking default probability are being evaluated and will be adopted as the company concludes the revalidation exercise for the models to be used from FY 2021.
For FY 2020 COVID – 19 impact has been considered and suitably modelled to forecast and provide for the future impact and a separate note on the same has been provided.

Grouping financial assets measured on a collective basis

The Company calculates ECLs either on a collective or an individual basis.

Asset classes where the Company calculates ECL on an individual basis include:
1. Corporate Portfolio

Asset classes where the Company calculates ECL on a collective basis include:
1. Retail Portfolio

The ECL methodology allows for individual assessment for corporates and therefore these loans are generally measured individually as each of these exposures have unique characteristics and structuring. For retail exposures and exposures which can be clubbed in homogenous pools, ECL is measured on a collective basis. This has been arrived at based on common characteristics like nature of product, customer profile etc .

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Note 52: Risk management (continued)

(c) Analysis of risk concentration

Concentration analysis are presented for Portfolio pool, Location, Top borrower exposures, Group exposures etc. These are regularly analysed and presented for further review/action. Based on the exposures of the company towards various sectors, analysis is as follows :

Top 20 Industry Sectors	(%)
Real Estate Activities - Builders and Contractors	14.85%
Energy Renewable	6.85%
Lease Rental Discounting	6.73%
Construction/Maintenance of Roads	6.33%
Textiles, Readymade Garments, Apparels - Spinning, Mfg. & Trading	4.13%
Hotels, Motels and Resorts	3.38%
NBFCs	3.16%
Other Trade (Wholesale/ Retail)	2.86%
Education	2.79%
Transportation, logistics & allied services	2.59%
Domestic Commercial Banks	2.50%
Energy Transportation & Distribution	1.92%
Hospital & medical business	1.85%
Automobiles & Ancillaries	1.54%
Food & Beverages	1.43%
Brokers / Traders - Shares, securities	1.37%
Pharmaceuticals & intermediates	1.32%
Finance - Investment / Others	1.21%
Business & Self-Employed	1.19%
Mining and Quarrying	1.17%
TOP 20 Industry Exposures	**69.17%**

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Note 52: Risk management (continued)

(d) Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.
The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Asset Liability Management of the Company is periodically reviewed by its Asset Liability Management Committee.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also has lines of credit that it can access to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash. The ratios during the year were, as follows:

Advances to borrowings ratios

	2020	2019
Year-end	105.94%	116.14%
Maximum	112.25%	116.92%
Minimum	105.94%	114.64%
Average	109.79%	115.98%

Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

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Note 52: Risk management (continued)

(d) Liquidity risk and funding management (continued)
Analysis of financial liabilities by remaining contractual maturities
The table below summarises the maturity profile of the cash flows of the Company's financial liabilities as at 31 March:
As at 31 March, 2020

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities									
Derivative Financial Liability	-	-	-	-	-	0.40	-	-	**0.40**
Trade Payables (refer note 2 below)									
- Micro and small enterprises	-	-	141.04	141.03	-	-	-	-	**282.07**
- Other than micro and small enterprises	-	-	5,153.68	5,153.68	-	-	-	-	**10,307.36**
Debt securities (refer note 3 below)	91,177.73	1,94,361.07	2,90,960.11	75,661.26	1,66,287.50	5,38,057.64	1,15,880.32	3,14,406.53	**17,86,792.16**
Borrowings (other than debt securities)	38,568.79	2,564.75	30,131.58	96,670.03	4,93,573.31	12,09,599.76	3,72,996.54	1,00,000.00	**23,44,104.76**
Subordinated liabilities	-	1,441.65	3,904.83	3,504.69	1,699.61	5,511.27	19,539.96	1,75,217.42	**2,10,819.43**
Lease liabilities	194.66	194.66	194.66	583.97	1,167.94	3,094.40	3,094.40	2,275.81	**10,800.49**
Other financial liabilities	3,933.19	6,033.76	77.02	3,442.99	4,104.90	-	-	-	**17,591.86**

As at 31 March, 2019

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities									
Trade Payables (refer note 2 below)									
- Micro and small enterprises	276.50	1.21	-	-	-	-	-	-	**277.71**
- Other than micro and small enterprises	8,835.32	90.83	-	-	-	-	-	-	**8,926.15**
Debt securities (refer note 3 below)	3,02,079.80	1,42,786.08	2,17,182.04	1,94,534.86	2,99,649.36	8,47,307.00	1,72,765.79	88,749.87	**22,65,054.80**
Borrowings (other than debt securities)	51,844.79	-	21,250.00	81,333.00	4,38,441.00	7,96,257.70	4,77,696.00	99,999.56	**19,66,822.05**
Subordinated liabilities	-	32,635.40	1,353.01	3,492.79	1,689.48	2,000.00	13,500.00	1,50,400.00	**2,05,070.68**
Other financial liabilities	6,564.59	29,671.78	-	76.11	-	-	-	-	**36,312.48**

Notes :
1. The above table includes future contractual cash flows recognized as at balance sheet date in different buckets and does not include other future contracted cash flows (such as interest which are not accrued as at Balance sheet date).
2. Trade payables is based on the estimate of actual payment.
3. Commercial papers shown net of unamortised discounting charges ₹ 4,634.93 lakhs (31 March, 2019 ₹ 7,419.98 lakhs).

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Note 52: Risk management (continued)

(d) Liquidity risk and funding management (continued)
The table below shows the contractual expiry by maturity of the Corporate guarantees and Letter of comfort given by the Company on behalf of clients.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
As at 31 March, 2020						
Corporate guarantees and Letter of comfort given by the Company on behalf of clients	-	1,033.77	3,057.25	-	-	4,091.02
Total	-	1,033.77	3,057.25	-	-	4,091.02
As at 31 March, 2019						
Corporate guarantees and Letter of comfort given by the Company on behalf of clients	2,233.21	595.25	4,946.61	790.18	-	8,565.25
Total	2,233.21	595.25	4,946.61	790.18	-	8,565.25

(Currency: ₹ in Lakhs)

Note 52: Risk management (continued)

(e) Methodology for estimation of additional expected credit loss provision for COVID-19

As the world is fighting an unprecedented crisis due to the spread of global pandemic COVID-19, the impact of this crisis on the broader economy has started appearing with several leading economic indicators pointing towards a significant slowdown in economic activity in the financial year 2021 across the major developed and developing economies, including India. The threats posed on the global economy include a potential adverse impact on the credit worthiness of the borrowers as their cash inflows may get significantly disrupted.

Though the central banks and the regulators across the world have announced regulatory packages and relief measures to support the affected industry sectors, the Company identifies the need to proactively recognise an additional impairment provision in respect of the expected impact of this crisis based on the supportable information and management judgement.

Availing the moratorium / deferment does not in itself indicate a deterioration in the ability of a borrower to service debt and is often availed to ensure adequate liquidity buffers under increased.

The Company has adopted the following approach to estimate the additional impairment provisions due to the economic shock caused by the COVID 19 pandemic.

Portfolio Segmentation

In order to ensure that the assessment of every borrower in the portfolio is carried out in a manner that is commensurate with the size and resilience of the borrower and the borrower segment, their current status, the product or facility availed by the borrower, the underlying collateral details and other factors, the portfolio classified as Stage -1 and Stage -2 (i.e. the portfolio that has not categorized as credit impaired – referred as Stage -3) is segmented as follows:

The portfolio is first bifurcated based on the product type into Wholesale, Retail and Capital Markets. The segments stratified above are further bifurcated based on moratorium and DPD status as follows:

Availed Moratorium	Stage	DPD Bucket	Category
Yes	1	< 60 DPD	3
Yes	2	> 60 DPD	2
No	1	< 30 DPD	5
No	2	> 30 DPD	4
N/A	3	Credit Impaired	1

Approximately 84%, 10% and 6% of the total portfolio of the Company belongs to the wholesale, capital markets and retail portfolios respectively as per the segmentation above.
Detailed methodological approach to categories 2-5 for each of the sub-portfolios is covered in the sections below.

Wholesale Portfolio

The first step in estimating the overlay consisted of considering the historical experience, of the impact of similar events. Though the current pandemic is unprecedented, the Company has referred to annual studies of external agencies and performed a detailed analysis of past 28 years. The said period has witnessed following significant economic shocks:

1.Economic liberalization of India in 1990,
2.Economic sanctions imposed on India following the nuclear arms testing in 1995,
3.Asian economic crisis of 1997,
4.Global dot-com bubble burst in 2000,
5.Global financial meltdown of 2008, and
6.Demonetization economic disruption in 2016.

As such, this study was relied upon as it was considered to be the most representative of the major economic shocks witnessed by the Indian economy in the current era and their impact on borrower defaults. It was utilised to estimate the impact on Probability of Default (PD) and ratings of the borrowers.

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Note 52: Risk management (continued)
Impact on the default probability given the rating of the borrower

To consider the impact explained above, the PD rates for Scenario A are sourced from CRISIL Default Study Report - 2016 and an additional overlay of 5% and 10% is applied to the same to derive the PDs for Scenario B and Scenario C respectively.

Accordingly, following PD rates are derived:

Rating Grade	Scenario A	Scenario B	Scenario C
AAA	0.00%	0.00%	0.00%
AA	0.04%	0.04%	0.04%
A	0.51%	0.54%	0.56%
BBB	1.01%	1.06%	1.11%
BB	3.95%	4.15%	4.35%
B	8.02%	8.42%	8.82%
C	20.92%	21.97%	23.01%
Unrated	1.01%	1.06%	1.11%

Scenario "A" is applied to borrowers in categories 4 & 5, Scenario "B" is applied to borrowers in Category 3 and Scenario "C" is applied to borrowers in Category 2. The 12-month PD is converted into lifetime PD based on the survival analysis by application of the formula:

$$1-(1-\text{"12-month Default Probability"})^{\text{Actuarial Life}}$$

For borrowers in category 2, an additional overlay of 5% has been applied on the overall provision.

Impact on ratings of borrowers

While stressing the default probabilities of borrowers of a given rating grade, it is also needed to account for the possibility that there might be a ratings migration of the borrower during the next 12 months period, leading to the application of default probability of a different rating grade than the one that the borrower is in currently. For example, a borrower rated AA today, might migrate to A or BBB rating in the 12-month period. Hence, there is a need to apply the PD rates on the potential credit rating and not the rating as at the reporting date.

In order to estimate the impact of ratings migration, the Company has performed an analysis based on CRISIL Default Study report 2016. The results of the analysis are utilised to simulate the next period rating and accordingly the PD rates of such potential rating grade as per the applicable scenario have been applied.

Therefore, the final ECL for each loan account is arrived at by first incorporating the impact of potential ratings migration, and then by applying the stressed default probabilities.

Further, no additional overlay is considered in the LGD since the Company has adopted 50% hair cut on immovable property values and the historical experience has been better than this.

Retail Portfolio

The approach taken to forecast the impact of the current crisis on the retail portfolio is based on actual observed changes in borrower behaviour, specifically, the change in the communication pattern of borrowers over email, phone or physical addresses as reported by Collections units. In the presence of moratorium, this serves again as a conservative proxy for future borrower behaviour when moratorium relief is withdrawn.

The approach is based on the analysis performed on the tele-calling data that indicates the change in communication pattern of borrowers pre-COVID-19 as against in the middle of the complete lockdown imposed by the Government.

Based on the analysis performed, it was observed that the contactability of the borrowers has dropped by ~30% across buckets in the key retail sub-portfolios i.e. business loans and personal loans. Accordingly, the Company expects that this drop in contactability would be reflected in the collections efficiency (resolution %) drop across buckets.

As such, the forward flows have been uniformly increased by 30% across categories 2-5.

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Note 52: Risk management (continued)

The Company has further stressed the PDs by setting the roll-back probabilities (the probability that an account in higher delinquency bucket will flow back to a lower delinquency bucket) to zero.

For certain segments of borrowers who are already delinquent, a management overlay (equivalent to Stage 3 provision of 25%) is made to ensure that the enhanced risk is factored in, and adequate provisions are made.

Capital Markets

The capital markets portfolio is a zero-default portfolio, and barring a couple of sporadic instances, there have been no defaults in the past 20 years of this portfolio including during the market volatility in the month of March 2020.

This capital markets portfolio is tightly monitored daily with prices and other price-related information on the underlying securities updated 4 times a day, and alerts and action initiated immediately on any accounts that are observed to be in margin shortfall.

In such a scenario, the Company has, based on adequate empirical evidence, not recognised an additional overlay on account of COVID-19 impact on this portfolio which constitutes around 10% of the total loan portfolio.

(f) Uncertainity over the impact of COVID - 19 on the Expected credit loss provision

The COVID-19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum. Reserve Bank of India (RBI)'s guidelines dated 27 March, 2020 enabled banks, lending institutions and NBFCs to offer a moratorium upto 3 months on repayment of EMIs, payment of interest on line of credit falling due between 01 March, 2020 and 31 May, 2020 to all eligible borrowers, which has been extended for a further period of 3 months via RBI circular dated 23 May, 2020. The Company based on its Board approved policy, has engaged with its customers whose account were standard as at 29 February, 2020, and offered the moratorium basis their need. As on 31 March, 2020, the staging of these accounts is basis days past due status as on 29 February, 2020 in line with the RBI circular. As per the Company's assessment made above in note 52(e), this by itself has not resulted into any significant increase in the credit risk.

The Company recognizes the need to make reasonable estimation of the impact of this pandemic on the repayment ability of its borrowers, and make additional provisions as considered appropriate, over-and-above the extant provisions, for expected credit losses. Basis the above methodology, the Company has tried to ascertain the impact of COVID-19 in arriving at the additional impairment which is provided for in its financial statements. Given the uncertainty over the potential macro-economic condition, the impact of the COVID-19 may be different from that expected as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions and suitable effect will be given in the respective future period.

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53A. Disclosure in terms of Direction 19 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank of India) Directions, 2016

Sr No.	Particulars	31 March, 2020 Amount out-standing	31 March, 2020 Amount overdue	31 March, 2019 Amount out-standing	31 March, 2019 Amount overdue
	Liabilities side :				
1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured (including interest accrued but not due of ₹ 1,12,948.45 lakhs; 31 March 2019 : ₹ 83,189.95 lakhs)	15,62,929.66	-	16,28,536.99	-
	: Unsecured (including interest accrued but not due of ₹ 9,350.53 lakhs ; 31 March 2019 : ₹ 7,975.27 lakhs) (other than falling within the meaning of public deposits*)	1,92,359.93	-	1,85,397.04	-
	(b) Perpetual Debts (including interest accrued but not due of ₹ 1,200.25 lakhs; 31 March 2019 : ₹ 1,195.41 lakhs)**	21,108.90	-	21,091.52	-
	(c) Deferred Credits	-	-	-	-
	(d) Term Loans, External commercial borrowings and Working Capital Demand loans (including interest accrued but not due of ₹ 9,430.73 lakhs ; 31 March 2019 : ₹ 7,773.49 lakhs)	23,08,273.28	-	17,72,558.32	-
	(e) Inter-corporate borrowing (including interest accrued but not due of ₹ Nil; 31 March, 2019 : Nil)	-	-	7,648.79	-
	(f) Commercial Paper (net of unamortised discount of ₹ 4,634.93 lakhs; 31 March, 2019 : ₹ 7,419.98 lakhs)	2,20,600.08	-	6,33,206.24	-
	(g) Other Loans (Cash Credit, Preference Shares)	35,638.06	-	1,87,601.51	-
		43,40,909.91	-	**44,36,040.41**	-

* Please see Note 1 below and ** Please see Note 5 below.

Sr No.	Particulars	31 March, 2020 Amount out-standing	31 March, 2019 Amount out-standing
	Assets side :		
2)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :**		
	(a) Secured :	38,83,920.22	41,52,118.48
	(b) Unsecured : (includes those in nature of loans and excludes Advances Recoverable in cash or kind or for value to be received, Advance Payment of Taxes and Other Deposits)	7,99,871.43	9,15,249.07
3)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
		46,83,791.65	**50,67,367.55**

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(Currency: ₹ in Lakhs)

53A. *Continued*

Assets side :	31 March, 2020 Amount out-standing	31 March, 2019 Amount out-standing
4) Break-up of Investments :		
Short Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	51,394.68	1,18,990.43
(iii) Units of mutual funds	2,50,872.74	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	24.89	38.94
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	175.68	189.57
(b) Preference	22,551.00	21,407.12
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (PMS and Alternate Fund)	9,221.18	17,024.65

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Category	31 March, 2020 Net of Provisions			31 March, 2019 Net of Provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related Parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	1,16,269.53	1,16,269.53	12,500.00	30,766.09	43,266.09
(c) Other related parties	-	394.98	394.98	-	45.34	45.34
2) Other than related parties	38,83,920.22	6,83,206.92	45,67,127.14	41,39,618.48	8,84,437.64	50,24,056.12
	38,83,920.22	**7,99,871.43**	**46,83,791.65**	**41,52,118.48**	**9,15,249.07**	**50,67,367.55**

** Relationships have been identified on the basis of the requirements of the Indian Accounting Standard IND AS-24 'Related Party Disclosures'.

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53A. *Continued*

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	31 March, 2020 Market Value / Break up or fair value or NAV	31 March, 2020 Book Value (Net of Provisions)	31 March, 2019 Market Value / Break up or fair value or NAV	31 March, 2019 Book Value (Net of Provisions)
1) Related Parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	6.42	6.42	-	-
(c) Other related parties	-	-	-	-
2) Other than related parties	3,34,233.75	3,29,359.08	1,57,650.71	1,49,323.04
	3,34,240.17	3,29,365.49	1,57,650.71	1,49,323.04

Note: Break up value derived from the latest available Balance Sheet of the Company.
** Relationships have been identified on the basis of the requirements of the Indian Accounting Standard IND AS-24 'Related Party Disclosures'.

7) Other information :

	31 March, 2020	31 March, 2019
(i) Gross Non-Performing Assets (Stage 3) :		
(a) Related parties	-	-
(b) Other than related parties	1,82,708.23	81,340.04
(ii) Net Non-Performing Assets (Stage 3) :		
(a) Related parties	-	-
(b) Other than related parties	1,26,147.81	50,044.23
(iii) Assets acquired in satisfaction of debt :	-	-

The above amounts are including Interest Accrued.

Notes:

1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank of India) Directions, 2016.

3 There are no prior period and change in accounting policies which require disclosure in the notes to accounts. There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

4 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

5 During the year ended 31 March, 2020 the Company has raised ₹ Nil (31 March, 2019 ₹ Nil) through perpetual debt instrument. Closing balance as on 31 March, 2020 is ₹ 21,108.90 lakhs (31 March, 2019 ₹ 21,091.52 lakhs), the same is 2.88% (31 March, 2019 2.87%) of tier I Capital as on 31 March, 2020.

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53B. Disclosure in terms of Direction 73 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank of India) Directions, 2016

a) Capital Risk Adequacy Ratio (CRAR)

Sr. No.	Items	31 March, 2020	31 March, 2019
(i)	CRAR (%)	19.08	17.45
(ii)	CRAR - Tier I capital (%)	15.15	14.33
(iii)	CRAR - Tier II Capital (%)	3.94	3.13
(iv)	Amount of subordinated debt raised as Tier-II capital	1,88,966.74	1,82,283.95
(v)	Amount raised by issue of Perpetual Debt Instruments	21,108.90	21,091.52

Notes :

1 The management had reduced the tenor of the subdebt of ₹ 30,000 lakhs in March 2019, hence for the purpose of computation of CRAR, the subdebt of ₹ 30,000 lakhs have not been considered in March 2019.

2 Amount of Subordinated debt and Perpetual Debt shown above are outstanding balances (including interest accrued thereon) as on 31 March, 2020 and 31 March, 2019.

b) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure - The company enters into derivative agreements to mitigate the foreign exchange risk and interest rate risk pertaining to its external commercial borrowings. Detailed description of the policies and risk mitigation strategies are disclosed as per Note 5.1(viii), Note 9 and Note 52 of the financial statements.

Quantitative Disclosures -

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) for Hedging	36.11	1,46,367.54
(ii)	Marked to Market Positions		
	(a) Asset (Positive)	-	5,408.39
	(b) Liability (Negative)	(0.40)	-
(iii)	Credit Exposure	-	-
(iv)	Unhedged Exposures	-	-

c) Unsecured Advances

Sr. No.	Particulars	31 March, 2020	31 March, 2019
(i)	Unsecured Advances (Inclusive of doubtful advances)	7,99,871.43	9,15,249.07

Out of the above amount, advances for which intangible securities such as charge over the rights, licences, authority, etc. are taken as collateral : NIL

d) Exposures

d.i) Exposure to Real Estate Sector

Category		31 March, 2020	31 March, 2019
Direct exposure			
i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	8,03,439.41	13,677.64
ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based limits	13,04,949.46	7,76,082.89
iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
Total Exposure to Real Estate Sector		21,08,388.87	7,89,760.53

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53B. *Continued*

d.ii) Exposure to Capital Market

Particulars		31 March, 2020	31 March, 2019
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	24.89	1,724.33
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	59,667.97	1,00,815.18
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,05,160.99	3,68,457.89
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	925.12	9,425.07
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii)	Bridge loans to companies against expected equity flows / issues:	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		2,65,778.97	4,80,422.47

d.iii) Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

Particulars	1 to 7 days	8 to 14 days	15 day to 30 days	Over 1 month and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	-	-	527.83	3.09	22.16	288.87	1,057.55	398.54	404.29	251.76	2,954.09
Advances**	43,146.86	20,073.54	29,988.90	30,903.68	2,17,781.80	2,87,453.77	6,86,970.62	11,62,218.50	6,62,916.72	14,54,371.11	45,95,825.50
Investments	-	-	-	1,30,000.00	72,267.41	-	1,22,551.00	4,423.64	-	4,998.12	3,34,240.17
Borrowings*	6,693.79	13,885.34	1,09,126.74	1,98,296.58	3,24,787.92	1,75,775.08	6,62,011.10	17,53,253.25	5,08,245.52	5,88,834.59	43,40,909.91
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities (also included in borrowings above)	-	-	-	-	-	-	-	1,53,512.17	-	-	1,53,512.17

* Commercial papers shown net of unamortised discounting charges ₹ 4,634.93 lakhs (31 March, 2019 ₹ 7,419.98 lakhs).

** a) Overdue Receivable on account of Corporate Finance Activities have been slotted in respective time bucket category as per instructions contained in Appendix 1 of Guidelines for Assets Liabilities Management (ALM) system in NBFC.

b) Advances includes Loan and Advances in the nature of Loans (net of ECL provisions) and excludes Deposits.

d.iv) The Company has no specific program for financing its parent company products. However, in its general lending business, the Company may have funded some entities which may have been customer(s) of its ultimate parent company: Grasim Industries Limited. Single Borrower Limit (SGL) or Group Borrower Limit (GBL) did not exceed the limits prescribed under the prudential norms.

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53C. Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as on March 31, 2020.

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No	No of Significant Counterparties	Amount	% of total Deposits	% of Total Liabilities*
1	22	28,96,749.23	NA	65.99%

ii) Top 20 large deposits – Not Applicable

iii) Top 10 Borrowings

Amount	% of Total Liabilities*
21,68,418.07	49.40%

iv) Funding Concentration based on significant instrument/product

Sr.	Name of the instrument	Amount	% of Total Liabilities*
1	Term Loan	18,62,078.02	42.42%
2	Non Convertible Debentures	15,62,929.66	35.60%
3	Commercial Paper	2,20,600.08	5.03%
4	Working capital / short term facilities	2,25,780.29	5.14%
5	External Commercial Borrowings	2,55,986.58	5.83%
6	Sub-ordinate Debt	1,88,966.74	4.30%

v) Stock Ratios

Sr No	Particulars	31 March, 2020
1	Commercial Papers to Total Liabilities*	5.03%
2	Commercial Papers to Total Assets	4.24%
3	NCDs (Original Maturity < 1 year) to Total Liabilities*	Nil
4	NCDs (original Maturity < 1 year) to Total Assets	Nil
5	Other Short Term Liabilities** to Total Liabilities*	28.61%
6	Other Short Term Liabilities** to Total Assets	24.17%

** Other Short Term Liabilities excludes Commercial Paper as considered in 1 & 2.

vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RC subsequently updates the Board of Directors on the same.

* Total Liabilities does not include Net Worth.

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(Currency: ₹ in Lakhs)

53D. Disclosure in terms of RBI Notification No. DOR.No.BP.BC.62/21.04.048/2020-21 dated April 17, 2020

No. of Borrowers	Outstanding as on 31 March, 2020
3	67,371.00

The above borrowers represent cases where extention of resolution timelines under the Prudential Framework on Resolution of Stressed Assets dated June 7, 2019 have been considered in lieu of RBI Notification No.BP.BC.62/21.04.048/2020-21 dated April 17, 2020.

53E. Disclosure in terms of RBI Notification No. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

Particulars	Amount
Amounts in SMA/overdue categories, where the moratorium/deferment was extended	1,19,763.00
Amount where the classification benefit to stage 3 was extended	14,446.02
Provisions made during the Q4FY2020	1,850.93
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	N.A.

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(Currency: ₹ in Lakhs)

54 Disclosure in terms of Direction 73 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank of India) Directions, 2016

54.1 Registration/ license/ authorization obtained from financial sector regulators:

The Company has received certificate of registration as a non-deposit taking systematically important Non-Banking Financial Company from Reserve Bank of India dated August 9, 2011 having COR number N-01.00500 in lieu of earlier COR number B-13.01163 dated.February 12, 1999.

The Company is registered with AMFI for distribution of Mutual fund products having certificate number ARN-91896 and ARN-118681 valid from 23 October, 2019 to 22 October, 2022 and 04 February, 2020 to 03 February, 2023 respectively.

54.2 Penalties levied if any during the year: **Nil**

54.3 Investments

Particulars			31 March, 2020	31 March, 2019
Value of Investments				
	(i)	Book Value of Investments		
		(a) In India	3,29,365.49	1,49,323.04
		(b) Outside India,	-	-
	(ii)	Unrealised fair value gain / (loss) recognised on investments		
		(a) In India	4,874.68	8,327.67
		(b) Outside India,	-	-
	(iii)	Fair Value of Investments		
		(a) In India	3,34,240.17	1,57,650.71
		(b) Outside India	-	-

54.4 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of P&L	31 March, 2020	31 March, 2019
Bad debts/Advances Written off	33,577.95	12,037.83
Expected Credit Loss Allowance on Loans and Advances and trade receivables	37,129.05	8,663.41
Provision made towards Income tax (Net of Deferred Tax)	24,796.13	45,929.15

54.5 Concentration of Advances

Particulars	31 March, 2020	31 March, 2019
Total Advances to twenty largest borrowers (including interest accrued)	5,32,945.80	6,40,291.39
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	11.38%	12.64%

(Currency: ₹ in Lakhs)

54.6 Concentration of Exposures

Particulars	31 March, 2020	31 March, 2019
Total Exposure to twenty largest borrowers / customers* (including interest accrued)	5,32,945.80	6,40,291.39
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	11.38%	12.64%

* The above calculation is as per loans outstanding as at year end.

54.7 Concentration of NPAs

Particulars	31 March, 2020	31 March, 2019
Total Exposure to top four NPA (Stage 3) accounts (including interest accrued)	78,457.35	29,996.40

54.8 Sector-wise NPAs (Stage 3)

Sr No.	Sector	31 March, 2020 Percentage of NPAs (Stage 3 loans) to Total Advances in that sector	31 March, 2019 Percentage of NPAs (Stage 3 loans) to Total Advances in that sector
1	Agriculture & allied activities	2.53%	2.32%
2	MSME	1.49%	1.55%
3	Corporate borrowers	4.21%	1.38%
4	Services	4.74%	0.30%
5	Unsecured working capital loans	3.73%	3.28%
6	Auto loans	0.00%	0.00%
7	Other personal loans	2.67%	2.56%

54.9 Movement of NPAs (Stage 3)

		Particulars	31 March, 2020	31 March, 2019
(i)		**Net NPAs to Net Advances (%)**	2.69%	0.99%
(ii)		**Movement of NPAs (Gross Stage 3 assets)**		
	(a)	Opening balance	81,340.04	38,572.95
	(b)	Additions during the year	1,53,350.09	57,686.91
	(c)	Reductions during the year	(51,981.90)	(14,919.82)
	(d)	Closing balance	1,82,708.23	81,340.04
(iii)		**Movement of Net NPAs (Net Stage 3 assets)**		
	(a)	Opening balance	50,044.23	17,840.43
	(b)	Additions during the year	90,582.35	32,203.80
	(c)	Reductions during the year	(14,478.77)	-
	(d)	Closing balance	1,26,147.81	50,044.23
(iv)		**Movement of provisions for NPAs (Stage 3 Provision)**		
	(a)	Opening balance	31,295.81	20,732.52
	(b)	Provisions made during the year	62,767.74	25,483.11
	(c)	Write-off / write-back of excess provisions	(37,503.13)	(14,919.82)
	(d)	Closing balance	56,560.42	31,295.81

Note : The above amounts are including Interest Accrued.

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54.10 Credit Rating

Instrument	Credit Rating Agency	31 March, 2020	31 March, 2019
Commercial Paper	ICRA Limited India Ratings & Research Private Limited	[ICRA] A1+ IND A1+	[ICRA] A1+ IND A1+
Non Convertible Debentures (NCD)	ICRA Limited India Ratings & Research Private Limited	[ICRA] AAA Stable IND AAA Stable	[ICRA] AAA Stable IND AAA Stable
Sub Debt	CARE Limited ICRA Limited India Ratings & Research Private Limited	CARE AAA Stable [ICRA] AAA Stable IND AAA Stable	CARE AAA Stable [ICRA] AAA Stable IND AAA Stable
Unsecured NCD	ICRA Limited	[ICRA] AAA Stable	[ICRA] AAA Stable
Perpetual Debt	ICRA Limited India Ratings & Research Private Limited	[ICRA] AA+ (hyb) Stable IND AA+ Stable	[ICRA] AA+ (hyb) Stable IND AA+ Stable
Principal Protected Market Linked Debenture	India Ratings & Research Private Limited	IND PP-MLD AAA emr Stable	-
Long Term Bank Loans	ICRA Limited India Ratings & Research Private Limited	[ICRA] AAA Stable IND AAA Stable	[ICRA] AAA Stable IND AAA Stable
Short Term Bank Loans	ICRA Limited India Ratings & Research Private Limited	[ICRA] A1+ IND AAA Stable	[ICRA] A1+ IND AAA Stable

* There were no migrations of ratings during the year.

54.11 Customer Complaints

Sr. No.	Particulars	31 March, 2020	31 March, 2019
(a)	No. of complaints pending at the beginning of the year	6	8
(b)	No. of complaints received during the year	528	264
(c)	No. of complaints redressed during the year	518	266
(d)	No. of complaints pending at the end of the year	16	6

54.12 During FY 2020, there were no draw down from Reserves (Previous year: Nil)

54.13 Overseas assets (for those with joint ventures and subsidiaries abroad): Nil (Previous year: Nil)
Off Balance Sheet SPVs sponsored: Nil (Previous year: Nil)

54.14 The Company has reported frauds aggregating ₹ 1,616.68 lakhs (Previous year March 31,2019 : ₹ 216.08 lakhs) based on management reporting to Audit Committee of Board and Board of Directors and to the RBI through prescribed returns.

54.15 Pursuant to RBI Notification No. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 on Implementation of Indian Accounting Standards whereby it is clarified that all regulatory ratios, limits and disclosures shall be based on IND AS figures, the previous years ratios, limits and disclosures have been restated accordingly.

54.16 The disclosures given in the above notes pursuant to RBI Notification are only to the extent they are applicable to the Company.

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Finance Ltd. ★ Mumbai

(Currency: ₹ in Lakhs)

55 Disclosure pursuant to RBI Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As on 31 March, 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	43,74,891.74	21,080.81	43,53,810.93	17,499.57	3,581.24
	Stage 2	1,21,676.21	10,489.91	1,11,186.30	1,177.73	9,312.18
Subtotal		44,96,567.95	31,570.72	44,64,997.23	18,677.30	12,893.42
Non-Performing Assets (NPA)						
Standard	Stage 3	-	-	-	-	-
Substandard	Stage 3	1,47,599.19	38,146.01	1,09,453.18	19,872.40	18,273.61
Doubtful - up to 1 year	Stage 3	20,648.00	8,706.86	11,941.14	4,600.98	4,105.88
1 to 3 years	Stage 3	10,265.00	5,764.13	4,500.87	3,194.95	2,569.18
More than 3 years	Stage 3	4,196.04	3,943.42	252.62	2,290.78	1,652.64
Subtotal for doubtful		35,109.04	18,414.41	16,694.63	10,086.71	8,327.70
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,82,708.23	56,560.42	1,26,147.81	29,959.11	26,601.31
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	5,001.00	14.00	4,987.00	-	14.00
	Stage 2	204.00	8.00	196.00	-	8.00
	Stage 3	-	-	-	-	-
Subtotal		5,205.00	22.00	5,183.00	-	22.00
Total	Stage 1	43,79,892.74	21,094.81	43,58,797.93	17,499.57	3,595.24
	Stage 2	1,21,880.21	10,497.91	1,11,382.30	1,177.73	9,320.18
	Stage 3	1,82,708.23	56,560.42	1,26,147.81	29,959.11	26,601.31
	Total	46,84,481.18	88,153.14	45,96,328.04	48,636.41	39,516.73

As on 31 March, 2019

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	48,73,415.01	15,359.54	48,58,055.47	19,493.66	(4,134.12)
	Stage 2	1,00,643.74	4,424.65	96,219.09	402.57	4,022.08
Subtotal		49,74,058.75	19,784.19	49,54,274.56	19,896.24	(112.05)
Non-Performing Assets (NPA)						
Standard	Stage 3	15,485.30	3,760.01	11,725.29	60.26	3,699.75
Substandard	Stage 3	34,737.16	14,832.48	19,904.68	8,513.25	6,319.23
Doubtful - up to 1 year	Stage 3	21,008.23	8,998.49	12,009.74	4,121.60	4,876.89
1 to 3 years	Stage 3	7,390.54	2,234.42	5,156.12	2,444.97	(210.55)
More than 3 years	Stage 3	2,718.81	1,470.42	1,248.39	1,128.87	341.54
Subtotal for doubtful		31,117.58	12,703.32	18,414.26	7,695.44	5,007.88
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		81,340.04	31,295.81	50,044.23	16,268.95	15,026.86
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	13,738.00	22.00	13,716.00	-	22.00
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		13,738.00	22.00	13,716.00	-	22.00
Total	Stage 1	48,87,153.01	15,381.54	48,71,771.47	19,493.66	(4,112.12)
	Stage 2	1,00,643.74	4,424.65	96,219.09	402.57	4,022.08
	Stage 3	31,340.04	31,295.81	50,044.23	16,268.95	15,026.86
	Total	50,69,136.79	51,102.00	50,18,034.79	36,165.18	14,936.82

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd.
Mumbai

(Currency: ₹ in Lakhs)

56. Information in respect of restructured assets in accordance with review of guidelines on restructuring of advances by NBFC (RBI/2013-14/459) DNBS. CO. PD. No. 367/03.10.01/2013-14

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring:-

Sr.	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
no.	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	**Restructured Accounts at April 1, 2019**										
	No. of borrowers	-	-	-	-	-	1	-	-	-	1
	Amount outstanding	-	-	-	-	-	12,230.86	-	-	-	12,230.86
	Provision thereon	-	-	-	-	-	-	-	-	-	-
2	**Fresh restructuring during the year ended March 31, 2020**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
3	**Upgradations to restructured standard category during the year ended March 31, 2020**										
	No. of borrowers	-	-	-	-	-	1	-	-	-	1
	Amount outstanding	-	-	-	-	-	12,230.86	-	-	-	12,230.86
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4	**Restructured standard advances at April 1, 2019, which cease to attract higher provisioning and/or additional risk weight at March 31, 2020 and hence need not be shown as restructured standard advances at April 1, 2020**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
5	**Downgradations of restructured accounts during the year ended March 31, 2020**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	**Write-offs of restructured accounts during the year ended March 31, 2020**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
7	**Restructured Accounts at March 31, 2020**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

S.R. BATLIBOI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

Aditya Birla Finance Ltd. * Mumbai

Aditya Birla Finance Limited
Notes to the Financial Statements (continued)
for the year ended 31 March, 2020
(Currency: ₹ in Lakhs)

Information in respect of restructured assets *(Continued)*
The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring :

Sr. no.	Type of Restructuring / Asset Classification Details	Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts at April 1, 2019										
	No. of borrowers	-	37	1	-	38	1	37	1	-	39
	Amount outstanding	-	851.02	989.41	-	1,840.43	12,230.86	851.02	989.41	-	14,071.29
	Provision thereon	-	274.58	989.65	-	1,264.24	-	274.58	989.65	-	1,264.24
2	Fresh restructuring during the year ended March 31, 2020										
	No. of borrowers	101	2	-	-	103	101	2	-	-	103
	Amount outstanding	7,812.16	18.50	-	-	7,830.65	7,812.16	18.50	-	-	7,830.65
	Provision thereon	448.07	4.62	-	-	452.69	448.07	4.62	-	-	452.69
3	Upgradations to restructured standard category during the year ended March 31, 2020										
	No. of borrowers	(9)	32	-	-	23	(8)	32	-	-	24
	Amount outstanding	(310.60)	673.88	-	-	363.28	11,920.26	673.88	-	-	12,594.14
	Provision thereon	(156.66)	268.48	-	-	111.82	(156.66)	268.48	-	-	111.82
4	Restructured standard advances at April 1, 2019, which cease to attract higher provisioning and/or additional risk weight at March 31, 2020 and hence need not be shown as restructured standard advances at April 1, 2020										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year ended March 31, 2020										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year ended March 31, 2020										
	No. of borrowers	5	3	1	-	9	5	3	1	-	9
	Amount outstanding	178.09	109.91	989.41	-	1,277.41	178.09	109.91	989.41	-	1,277.41
	Provision thereon	89.46	0.84	989.65	-	1,079.95	89.46	0.84	989.65	-	1,079.95
7	Restructured Accounts at March 31, 2020										
	No. of borrowers	105	4	-	-	109	105	4	-	-	109
	Amount outstanding	7,944.67	85.73	-	-	8,030.39	7,944.67	85.73	-	-	8,030.39
	Provision thereon	515.27	9.89	-	-	525.17	515.27	9.89	-	-	525.17

S.R. BATLIBOI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

Aditya Birla Finance Ltd. * Mumbai

(Currency: ₹ in Lakhs)

56. Information in respect of restructured assets in accordance with review of guidelines on restructuring of advances by NBFC (RBI/2013-14/459) DNBS. CO. PD. No. 367/03.10.01/2013-14

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring:-

Sr.	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
no.	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	**Restructured Accounts at April 1, 2018**										
	No. of borrowers	-	1	-	-	1	-	-	-	-	-
	Amount outstanding	-	957.27	-	-	957.27	-	-	-	-	-
	Provision thereon	-	957.27	-	-	957.27	-	-	-	-	-
2	**Fresh restructuring during the year ended March 31, 2019**										
	No. of borrowers	-	-	-	-	-	1	-	-	-	1
	Amount outstanding	-	-	-	-	-	12,230.86	-	-	-	12,230.86
	Provision thereon	-	-	-	-	-	-	-	-	-	-
3	**Upgradations to restructured standard category during the year ended March 31, 2019**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4	**Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
5	**Downgradations of restructured accounts during the year ended March 31, 2019**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	**Write-offs of restructured accounts during the year ended March 31, 2019**										
	No. of borrowers	-	1	-	-	1	-	-	-	-	-
	Amount outstanding	-	957.27	-	-	957.27	-	-	-	-	-
	Provision thereon	-	957.27	-	-	957.27	-	-	-	-	-
7	**Restructured Accounts at March 31, 2019**										
	No. of borrowers	-	-	-	-	-	1	-	-	-	1
	Amount outstanding	-	-	-	-	-	12,230.86	-	-	-	12,230.86
	Provision thereon	-	-	-	-	-	-	-	-	-	-

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Aditya Birla Finance Ltd. Mumbai

Aditya Birla Finance Limited
Notes to the Financial Statements (continued)
for the year ended 31 March, 2020
(Currency: ₹ in Lakhs)

Information in respect of restructured assets *(Continued)*

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring :

Sr.	Type of Restructuring	Others					Total				
no.	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	**Restructured Accounts at April 1, 2018**										
	No. of borrowers	-	-	1	-	1	-	1	1	-	2
	Amount outstanding	-	-	989.41	-	989.41	-	957.27	989.40	-	1,946.66
	Provision thereon	-	-	989.65	-	989.65	-	957.27	989.65	-	1,946.92
2	**Fresh restructuring during the year ended March 31, 2019**										
	No. of borrowers	-	37	-	-	37	1	37	-	-	38
	Amount outstanding	-	851.02	-	-	851.02	12,230.86	851.02	-	-	13,081.88
	Provision thereon	-	274.58	-	-	274.58	-	274.58	-	-	274.58
3	**Upgradations to restructured standard category during the year ended March 31, 2019**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4	**Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
5	**Downgradations of restructured accounts during the year ended March 31, 2019**										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	**Write-offs of restructured accounts during the year ended March 31, 2019**										
	No. of borrowers	-	-	-	-	-	-	1	-	-	1
	Amount outstanding	-	-	-	-	-	-	957.27	-	-	957.27
	Provision thereon	-	-	-	-	-	-	957.27	-	-	957.27
7	**Restructured Accounts at March 31, 2019**										
	No. of borrowers	-	37	1	-	38	1	37	1	-	39
	Amount outstanding	-	851.02	989.41	-	1,840.43	12,230.86	851.02	989.41	-	14,071.29
	Provision thereon	-	274.58	989.65	-	1,264.24	-	274.58	989.65	-	1,264.24

Note: The outstanding amount and number of borrowers as at 31 March, 2020 and 31 March, 2019 are after considering recoveries during the year.

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Finance Ltd. ★ Mumbai

Aditya Birla Finance Limited
Notes to the Financial Statements (continued)
for the year ended 31 March, 2020
(Currency: ₹ in Lakhs)

57 The Company has dues amounting to ₹ 282.07 lakhs (Previous year ₹ 277.71 lakhs) to vendors (Trade) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

58 **Expenditure in Foreign Currency:**

	31 March, 2020	31 March, 2019
Interest and other expenses on External Commercial Borrowings / Business / Sales Promotion / Staff Training and Seminar	5,576.39	438.29

59 Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on 20 September 2019, the Company intends to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. Cumulative benefit of ₹ 5,815.53 lakhs is recognised in the profit after tax which was a result of the gain arising due to reduction in income tax rate amounting to ₹ 11,309.86 lakhs for the year ended 31 March, 2020 offset by a charge on account of re-measurement of opening deferred tax assets amounting to ₹ 5,494.33 lakhs.

60 Previous year/ period's figures have been regrouped/ rearranged, wherever considered necessary, to confirm with Current year/ period's presentation.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E/E300005

per Viren H. Mehta
Partner
Membership No: 048749

Place: Mumbai
Date: 4 June, 2020

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay Srinivasan
(Director)
(DIN - 00121121)

Rakesh Singh
(Managing Director & Chief Executive Officer)
(DIN - 07006067)

Sanjay Miranka
(Chief Financial Officer)

Ankur Shah
(Company Secretary)

Place: Mumbai
Date: 4 June, 2020

Aditya Birla Finance Ltd. Mumbai

Aditya Birla Housing Finance Limited

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: +91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S REPORT

To The Members of Aditya Birla Housing Finance Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aditya Birla Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 8 to the Financial Statements in which the Company describes the uncertainties arising from COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>
Allowances for Expected Credit Losses:
(Refer Note 8 to the financial statements)
As at March 31, 2020, loan assets aggregated ₹12,11,209.09 lakh measured at amortised cost, constituting 92.03% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement.
As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.
The elements of estimating ECL which involved increased level of audit focus are the following:

Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.
Basis used for estimating Probabilities of Default ("PD"),
Basis used for estimating Loss Given Default ("LGD")
Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions.

</td><td>
Principal audit procedures:
We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost.
Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors.
Our audit procedures related to the allowance for ECL included the following, among others:

Testing the design and effectiveness of internal controls over the:

completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.
Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and
computation of the ECL including methodology used to determine macro economic overlays and adjustments to the output of the ECL Model.

Also, for a sample of ECL on loan assets tested:

we tested the input data such as ratings and period of default and other related information used in estimating the PD;
we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.
we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

We also tested the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee.

</td></tr>
</table>

Key Audit Matter	Auditor's Response
Adjustments to model driven ECL results to address emerging trends.	We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing 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.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, 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 and the reports of the other auditors

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
UDIN: 20039826AAAAEV3571

MUMBAI, June 11, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aditya Birla Housing Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the criteria for internal financial control over financial reporting 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".

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
(UDIN: 20039826AAAADL6741)

Mumbai, June 11, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its property, plant and equipment:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

   b) The property, plant and equipment were physically verified during the current year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

2. According to the information and explanations given to us, the Company is engaged primarily in services related to Housing Finance and its activities do not require it to hold any inventories and hence reporting under clause (ii) of the CARO 2016 is not applicable.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

4. According to the information and explanations given to us, the Company has not granted any loans, made investments, provide guarantees and security under provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposit during the year hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder is not applicable.

6. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.

7. According to the information and explanations given to us in respect of statutory dues:

   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Family Pension Fund, Income-tax, Goods and Service Tax and other statutory dues applicable to it with the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employee's State Insurance, Duty of Customs, Duty of Excise and Cess during the year.

   b) There were no undisputed amounts payable in respect of Provident Fund, Family Pension Fund, Income-tax, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

   c) There were no dues in respect of Income-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, and Value Added Tax or Cess which have not been deposited as on March 31, 2020 on account of disputes.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

9. According to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. According to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

14. According to the information and explanations given to us during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

16. According to the information and explanations given to us the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
(UDIN: 20039826AAAADL6741)

Mumbai, June 11, 2020

Aditya Birla Housing Finance Limited
Balance sheet as at March 31, 2020
(Currency : Rupees in lakh)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
(1)	**FINANCIAL ASSETS**			
	(a) Cash and cash equivalents	5	40,020.60	8.17
	(b) Derivative financial instruments	6	1,070.50	-
	(c) Receivables			
	(I) Trade receivables	7	213.77	195.53
	(II) Other receivables	7	100.99	-
	(d) Loans	8	12,11,209.09	11,44,493.97
	(e) Investments	9	54,692.14	-
	(f) Other financial assets	10	480.80	405.00
			13,07,787.89	11,45,102.67
(2)	**NON- FINANCIAL ASSETS**			
	(a) Current tax assets (Net)		1,257.04	694.11
	(b) Deferred tax assets (Net)	11	2,232.68	1,781.38
	(c) Property, plant and equipment	12	903.29	873.29
	(d) Right to use of Assets	14	2,288.82	-
	(e) Intangible assets under development		28.02	170.12
	(f) Other intangible assets	13	510.11	358.58
	(g) Other non-financial assets	15	1,141.43	942.52
			8,361.39	4,820.00
	TOTAL ASSETS		13,16,149.28	11,49,922.67
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**FINANCIAL LIABILITIES**			
	(a) Payables			
	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	16	69.55	2.11
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	2,621.35	2,608.73
	(b) Debt securities	17	1,91,000.88	1,89,285.49
	(c) Borrowings other than debt securities	18	9,49,081.79	8,11,650.80
	(d) Subordinated liabilities	19	26,608.02	21,269.90
	(e) Lease Liability	20	2,602.12	-
	(f) Other financial liabilities	21	3,756.91	5,224.56
			11,75,740.62	10,30,041.59
(2)	**NON- FINANCIAL LIABILITIES**			
	(a) Provisions	22	779.79	517.31
	(b) Other non-financial liabilities	23	1,342.62	332.10
			2,122.41	849.41
	TOTAL LIABILITIES		11,77,863.03	10,30,891.00
(3)	**EQUITY**			
	(a) Equity share capital	24	50,119.77	47,555.67
	(b) Other equity	25	88,166.48	71,476.00
	TOTAL EQUITY		1,38,286.25	1,19,031.67
	TOTAL LIABILITIES AND EQUITY		13,16,149.28	11,49,922.67

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

See accompanying notes forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W/W-100018

Sanjiv V Pilgaonkar
Partner
Membership No: 039826

Place: Mumbai
Date: June 16, 2020

For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited

Ajay Srinivasan
Director
DIN: 00121181

Rakesh Singh
Director
DIN: 07006067

Netrapal Singh
Chief Executive Officer

Tushar Kotecha
Chief Financial Officer

Muthiah Ganapathy
Company Secretary

Place: Mumbai
Date: May 30, 2020

ADITYA BIRLA HOUSING FINANCE LIMITED
MUMBAI

Aditya Birla Housing Finance Limited

Statement of Profit and Loss for the year ended March 31, 2020

(Currency : Rupees in lakh)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
	Interest income	26	1,24,343.78	99,889.08
	Fees and commission income		4,083.02	2,468.14
	Net gain on fair value changes	27	1,412.67	147.78
	Net gain on derecognition of financial instruments underamortised cost category	28	121.95	18.11
I	**Total revenue from operations**		1,29,961.42	1,02,523.11
II	Other income	29	156.23	31.79
III	**Total income (I+II)**		1,30,117.65	1,02,554.90
	EXPENSES			
	Finance costs	30	92,698.53	72,137.95
	Impairment on financial instruments	31	7,127.68	1,875.41
	Employee benefit expenses	32	11,325.27	12,236.44
	Depreciation, amortization and impairment	12,13 & 14	1,165.53	589.71
	Other expenses	33	4,181.81	4,986.71
IV	**Total expenses**		1,16,498.82	91,826.22
V	**Profit before tax (III-IV)**		13,618.83	10,728.68
VI	**Tax expenses**			
	(1) Current tax	11	3,613.72	3,748.04
	(2) Deferred tax	11	(74.56)	(551.02)
	(3) Income tax for earlier years	11	(185.58)	68.71
	Total tax expenses		3,353.58	3,265.73
VII	**Profit for the year (V-VI)**		10,265.25	7,462.95
VIII	**Other comprehensive income**			
	(1) Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		(91.03)	(32.22)
	Income tax relating to the items that will not be reclassified to profit or loss	11	22.91	11.26
			(68.12)	(20.96)
	(2) Items that will be reclassified to profit or loss			
	Re-measurement gains/ (losses) on hedge instruments		(978.81)	-
	Income tax relating to the items that will not be reclassified to profit or loss	11	246.35	-
			(732.46)	-
	Other comprehensive income		(800.58)	(20.96)
IX	**Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)**		9,464.67	7,441.99
X	**Earnings per equity share of Rs. 10 each (not annualised)**			
	Basic & diluted earnings per equity share	37	2.16	1.65

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See accompanying notes forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W/W-100018

Sanjiv V Pilgaonkar
Partner
Membership No: 039826

Place: Mumbai
Date: June 11, 2020

For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited

Ajay Srinivasan
Director
DIN: 00121181

Rakesh Singh
Director
DIN: 07006067

Netrapal Singh
Chief Executive Officer

Tushar Kotecha
Chief Financial Officer

Muthiah Ganapathy
Company Secretary

Place: Mumbai
Date: May 30, 2020

ADITYA BIRLA HOUSING FINANCE LIMITED
MUMBAI

Aditya Birla Housing Finance Limited

Cash Flow Statement for the year ended March 31, 2020

(Currency : Rupees in lakh)

Particulars	Notes	For the year ended March 31, 2020		For the year ended March 31, 2019	
A. Cash flow from operating activities					
(a) Profit before tax			13,618.83		10,728.68
Adjustments for:					
Depreciation and amortisation		1,165.53		589.71	
Interest on lease liability		225.25		-	
Impairment on financial instruments including loss on derecognition of financial assets at amorised cost		7,005.73		1,857.30	
Net gain on Fair value changes		(1,412.67)		(147.78)	
Loss on derecognition of property, plant and equipment		0.23		7.86	
(b) Operating profit before working capital changes			20,602.90		13,035.77
Adjustments for:					
Decrease/(increase) in trade receivables		(119.23)		174.72	
Decrease/(increase) in loans		(73,720.85)		(3,30,567.86)	
Decrease/(increase) in other financial assets		(75.80)		92.32	
Decrease/(increase) in derivative financial instruments		(2,049.31)		-	
Decrease/(increase) in other assets		(302.90)		122.71	
Decrease/(increase) in trade payables		80.06		706.33	
Decrease/(increase) in provisions		171.45		90.97	
Decrease/(increase) in other financial liabilities		2,727.31		4,681.14	
Decrease/(increase) in other liabilities		1,010.52		56.41	
(c) Cash used in operating activities			(51,675.85)		(3,11,607.50)
Direct taxes paid (net of refund)		(3,991.07)		(3,799.84)	
Net cash used in operating activities (A)			(55,666.92)		(3,15,407.34)
B. Cash flow from investing activities					
Purchase of property, plant and equipment, acquisition of intangible assets		(527.63)		(692.56)	
Proceeds from sale of property, plant and equipment		17.84		22.13	
Profit on sale of current invesment		1,220.53		147.78	
(Purchase)/sale of current investments (net)		(54,500.00)		-	
Net cash used in investing activities (B)			(53,789.26)		(522.65)
C. Cash flow from financing activities					
Proceeds from share capital issue including securities premium (net of share issue expense)		9,990.00		34,965.00	
Exercise of Employee Stock Options		-		(55.45)	
Payment of lease liability		(672.43)		-	
Proceeds from long term borrowings		3,13,945.00		4,34,390.00	
Repayment of long term borrowings		(1,72,139.39)		(27,833.00)	
Net proceeds/ repayment for short term borrowings		(1,654.57)		(1,25,544.83)	
Net cash from financing activities (C)			1,49,468.61		3,15,921.72
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)			40,012.43		(8.26)
E. Cash and cash equivalents at the beginning of the year	5		8.17		16.43
F. Cash and cash equivalents at the end of the year*	5		40,020.60		8.17

Additional information:

1. Net cash used in operating activity is determined after adjusting the following:

Interest received	1,22,684.08	96,677.81
Interest paid	90,327.55	68,341.69

2. Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.

**Includes fixed deposits of Rs. 35,143.84 lakh which are earmarked for disbursement of loan in affordable segment.*

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

The accompanying notes are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W/W-100018

Sanjiv V Pilgaonkar
Partner
Membership No: 039826

Place: Mumbai
Date: June 11, 2020

For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited

Ajay Srinivasan
Director
DIN: 00121181

Rakesh Singh
Director
DIN: 07006067

Netrapal Singh
Chief Executive Officer

Tushar Kotecha
Chief Financial Officer

Muthiah Ganapathy
Company Secretary

Place: Mumbai
Date: May 30, 2020

ADITYA BIRLA HOUSING FINANCE LIMITED
MUMBAI

Aditya Birla Housing Finance Limited

Statement of Changes in Equity for the year ended March 31, 2020

(Currency : Rupees in lakh)

a. Equity share capital

	As at March 31, 2020 No.'s	As at March 31, 2020 Amount	As at March 31, 2019 No.'s	As at March 31, 2019 Amount
Equity shares of Rs 10 each issued, subscribed and fully paid				
As at begining of the year	47,55,56,656	47,555.67	41,25,69,679	41,256.97
Shares issued during the year	2,56,41,026	2,564.10	6,29,86,977	6,298.70
As at end of the year	50,11,97,682	50,119.77	47,55,56,656	47,555.67

b. Other equity

	Reserves & surplus					Items of other comprehensive income	Total other equity
	Securities premium	Retained earnings	Special reserve u/s 29C of The National Housing Bank Act, 1987	Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	Equity component for employees stock option plan issued by parent company	Cash flow hedge reserve	
Balance as at April 01, 2018	35,490.03	(773.89)	79.98	571.61	55.46	-	35,423.19
Profit for the year	-	7,462.95	-	-	-	-	7,462.95
Other comprehensive income	-	(20.96)	-	-	-	-	(20.96)
Total comprehensive income	-	7,441.99	-	-	-	-	7,441.99
Transfer to special reserve u/s 29C of The National Housing Bank Act, 1987	-	-	-	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961	-	(1,494.94)	-	1,494.94	-	-	-
Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	2.28	-	(2.28)	-	-	-
Addition on issue of shares during the year	28,701.28	-	-	-	-	-	28,701.28
Utilisation against share issue expense	(35.00)	-	-	-	-	-	(35.00)
Reversal of equity component for employee stock option plan issued by parent company	-	-	-	-	(55.46)	-	(55.46)
Balance as at March 31, 2019	64,156.31	5,175.44	79.98	2,064.27	-	-	71,476.00
Balance as at April 01, 2019	64,156.31	5,175.44	79.98	2,064.27	-	-	71,476.00
Profit for the year	-	10,265.25	-	-	-	-	10,265.25
Other comprehensive income/ (losses)	-	(68.12)	-	-	-	(732.46)	(800.58)
Total comprehensive income	-	10,197.13	-	-	-	(732.46)	9,464.67
Transfer to special reserve u/s 29C of National Housing Bank Act, 1987	-	(248.87)	248.87	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961	-	(1,804.19)	-	1,804.19	-	-	-
Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	-
Addition on issue of shares during the year	7,435.90	-	-	-	-	-	7,435.90
Utilisation against share issue expense	(10.00)	-	-	-	-	-	(10.00)
Transition impact of Ind AS 116 (net of tax)	-	(200.09)	-	-	-	-	(200.09)
Balance as at March 31, 2020	71,582.21	13,119.42	328.85	3,868.46	-	(732.46)	88,166.48

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See accompanying notes forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No: 117366W/W-100018

Sanjiv V Pilgaonkar
Partner
Membership No: 039826

Place: Mumbai
Date: June 11, 2020

For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited

Ajay Srinivasan
Director
DIN: 00121181

Rakesh Singh
Director
DIN: 07006067

Netrapal Singh
Chief Executive Officer

Tushar Ketecha
Chief Financial Officer

Muthiah Ganapathy
Company Secretary

Place: Mumbai
Date: May 30, 2020

ADITYA BIRLA HOUSING FINANCE LIMITED
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Aditya Birla Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2020
(Currency: Rupees in Lakhs)

1 Corporate information

Aditya Birla Housing Finance Limited (the 'Company' or 'ABHFL') is a public Company domiciled in India and incorporated on 27th July, 2009. The Company has received a Certificate of Registration from the National Housing Bank ('NHB') on 9th July, 2014 to commence / carry on the business of Housing Financial Institution ('HFC') without accepting public deposits.

2 Basis of preparation and presentation

2.1 The accompanying financial statements have been prepared and presented under the historical cost convention except for certain financial assets and liabilities measured at fair value; and defined benefit plans where plan assets are measured at fair value, in accordance with accounting principles generally accepted in India, the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') and (Companies (Indian Accounting Standards) Rules, 2015).

The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards.

Amounts in the financial statements are presented in Indian Rupees in Lakh rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with requirements of Schedule III of the Companies Act 2013 ("the Act") applicable for Non Banking Finance Companies ("NBFC"). 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 47*.

3 Summary of significant accounting policies

3.1 Recognition of interest income

3.1.1 The effective interest rate method

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Any fees collected or costs incurred in respect of financial instruments form an integral part of the EIR.

3.1.2 Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired (as set out in *note 3.21*) and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets and other financial assets which are required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

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3.2 Recognition of income and expenses

3.2.1 Fee and commission income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

3.2.2 Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established.

3.3 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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 and loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis so as to write off the cost of the assets (other than freehold land) less their residual values, using the rates arrived at based on the useful lives estimated by the Management. The Company has used the following useful life to provide depreciation on its property, plant and equipments.

Asset	Useful life as prescribed by Schedule II of the Co's Act, 2013	Estimated useful life
Office computers and electronic equipments	3 years	4 Years
Vehicles	8 years	5 Years
Furniture, fixtures and other office	10 years	7 Years
Buildings	60 years	60 years
Leasehold improvements	Over the primary period of the lease	Over the primary period of the lease or 3 years whichever is lower

Useful life of assets different from as prescribed in Schedule II has been estimated by management and is supported by the technical assessment. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on assets acquired / sold during the year is recognised on a pro-rata basis to the statement of profit and loss from/ till the date of acquisition or sale.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital workin-progress".

3.4 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over a period of 3 years or it's useful life whichever is lower.

Amortization on the intangible assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

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The amortization period and the amortization method are reviewed at least at each financial year end. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets under development

Expenditure on Research and/or development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

3.5 Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an non financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. 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 group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the resulting impairment loss is charged to the statement of profit and loss.

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 taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.6 Taxes

3.6.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the Indian Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.6.2 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:

- When the deferred tax liability arises from the initial recognition of goodwill or 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
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when 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:

- 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
- 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

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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 taxation authority.

3.7 Retirement and other employee benefits

3.7.1 Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.7.2 Defined contribution plan

Retirement benefit in the form of Government managed Employee Provident Fund and Government managed Employee Pension Fund are the defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective schemes which are recognised as an expense, when an employee renders the related service.

3.7.3 Defined benefit plan

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The Company's liabilities under Payment of Gratuity Act and compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurements, comprising of actuarial gains and losses on retirement benefits arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.
Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- 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 net defined benefit obligation under employee benefit expenses 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,
- Net interest expense or income.

3.7.4 Long term incentive benefit

Other long term incentive benefits includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfilment of criteria prescribed by the Company.

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3.7.5 Termination benefits

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur at amortised cost using EIR. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.9 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.10 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

3.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.
Contingent liability is disclosed in case when a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation and a present obligation arising from past events, when no reliable estimate is possible.
Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.
Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.
Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Uncalled liability on shares and other investments partly paid;
c) Funding related commitment to associate and joint venture companies; and
d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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3.13 Leases

3.13.1 Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right - of - use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the under lying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value – in – use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.13.2 Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

3.14 Special reserve

The Company creates special reserve every year out of its profits in terms of Section 29C of the National Housing Bank Act, 1987. For this purpose any special reserve created by the Company under Section 36(1)(viii) of the Income-tax Act, 1961 is considered to be an eligible transfer.

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3.15 Securities premium

Securities premium is recognised for shares issued at premium.
The issue expenses of securities which qualify as equity instruments are written off against securities.

3.16 Financial instruments – initial recognition

3.16.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities and borrowings when funds reach the Company.

3.16.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below.

3.16.3 Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

3.16.4 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost, Fair Value through Other Comprehensive Income(FVOCI) and Fair Value through Profit or Loss (FVTPL).

3.17 Financial assets and liabilities

3.17.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company measures Bank balances, Loans, Trade receivables and other financial investments at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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3.17.2 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

3.17.3 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

1 The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

2 The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

3 The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

3.17.4 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

3.18 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2019-20 and 2018-19.

3.19 Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or it retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.20 Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:
hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)
hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The Company documents its risk management objective before undertaking hedge transactions.

3.20.1 Cash flow hedges that qualify for hedge accounting

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within Other Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost' at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

3.21 Impairment of financial assets

3.21.1 Overview of the ECL principles

The Company records allowance for expected credit losses (ECL) for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in *note 3.21.2*.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

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Stage 1 When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3 Loans considered credit-impaired. The Company records an allowance for the LTECLs.

POCI Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

3.21.2 The calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Company considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1 The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3 For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI POCI assets are financial assets that are credit impaired on initial recognition. The Company only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR.

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Loan commitments	When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised within Provisions.

3.21.3 Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that
is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. As a back-stop when loan asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

3.21.4 Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of creditimpairment includes observable data about the following events

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loans due to financial difficulty of the borrowers;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funds.

A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

3.21.5 Trade receivables and other assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

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3.21.6 Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as: GDP growth, unemployment rates, Central Bank base rates, house price indices, etc

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.21.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company had concluded that it had no reasonable expectations of recovering the asset and has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

3.21.8 Presentation of allowance for ECL in the Balance Sheet

For financial assets measured at amortised cost, loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

3.22 Determination of fair value

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 below:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

3.23 Security deposits

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the prevailing market rates.

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3.24 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

3.25 Foreign Currencies

Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

3.26 Share-based payment arrangements

The stock options granted to employees by the holding company's (i.e. Aditya Birla Capital Limited) Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by holding company and it is charged to the Statement of Profit and Loss of the Company over the period of vesting.

4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

The Company's internal credit grading model, which assigns PDs to the individual grades

The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
The segmentation of financial assets when their ECL is assessed on a collective basis
Development of ECL models, including the various formulas and the choice of inputs
Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

b.

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(Currency : Rupees in lakh)

5 Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Balances with banks	4,876.76	8.17
Term deposits with banks with original maturity of three months or less	35,143.84	-
	40,020.60	8.17

Foot note:
Fixed deposits of Rs. 35,143.84 lakh are earmarked for disbursement of loan in affordable segment.

6 Derivative financial instruments	As at March 31, 2020	As at March 31, 2019
Cross currency interest rate derivative	1,070.50	-
	1,070.50	-

7 Receivables	As at March 31, 2020	As at March 31, 2019
I Trade receivables		
Receivables considered good - unsecured	143.66	40.68
Other receivables from customers - secured	70.11	154.85
	213.77	195.53
II Other receivables		
Unsecured considered good		
Receivable from related parties *(refer note 35 (II) (b))*	100.99	-
	100.99	-

Foot note:
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms including limited liability partnership (LLP's) or private companies respectively in which any director is a partner, a director or a member. Further, there are no receivables for which there has been a significant increase in credit risk or which have become credit impaired.

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(Currency : Rupees in lakh)

8 Loans (at amortised cost)

	As at March 31, 2020	As at March 31, 2019
(A) Term loans *(refer note 8.1 and 8.2.1)*	12,21,857.30	11,50,875.00
Total (A) - Gross	**12,21,857.30**	**11,50,875.00**
Less: Impairment loss allowance *(refer note 8.2.2)*	(10,648.21)	(6,381.03)
Total (A) - Net	12,11,209.09	11,44,493.97
(B) (a) Secured by tangible assets (property including land and building)	12,21,120.12	11,50,670.08
(b) Unsecured, considered good	737.18	204.92
Total (B) - Gross	**12,21,857.30**	**11,50,875.00**
Less: Impairment loss allowance	(10,648.21)	(6,381.03)
Total (B) - Net	12,11,209.09	11,44,493.97
(C) (I) Loans in India		
(a) Public sector	-	-
(b) Others	12,21,857.30	11,50,875.00
	12,21,857.30	11,50,875.00
(II) Loans outside India	-	-
Total (C) - Gross	**12,21,857.30**	**11,50,875.00**
Less: Impairment loss allowance	(10,648.21)	(6,381.03)
Total (C) - Net	12,11,209.09	11,44,493.97

8.1 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system. The amounts presented are gross of impairment allowances.

	Performing	Non-performing	Total
As on March 31, 2020			
Retail	11,51,124.02	15,630.84	11,66,754.86
Non-retail	55,102.44	-	55,102.44
Total	**12,06,226.46**	**15,630.84**	**12,21,857.30**
As on March 31, 2019			
Retail	10,63,474.10	8,291.39	10,71,765.49
Non-retail	79,109.51	-	79,109.51
Total	**11,42,583.61**	**8,291.39**	**11,50,875.00**

8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans is as follows:

8.2.1 Reconciliation of gross carrying amount:

	Stage 1	Stage 2	Stage 3	Total
March 31, 2020				
Gross carrying amount opening balance	11,27,751.85	14,831.76	8,291.39	11,50,875.00
New assets originated or purchased	3,47,506.24	66.22	135.24	3,47,707.70
Assets derecognised or repaid (excluding write offs)	(2,72,334.71)	11.25	(1,663.38)	(2,73,986.84)
Transfers to stage 1	11,194.60	(10,871.56)	(323.04)	-
Transfers to stage 2	(22,752.47)	22,761.89	(9.42)	-
Transfers to stage 3	(8,830.94)	(3,102.94)	11,933.88	-
Amounts written off	(4.74)	-	(2,733.82)	(2,738.56)
Gross carrying amount closing balance	**11,82,529.83**	**23,696.62**	**15,630.85**	**12,21,857.30**

	Stage 1	Stage 2	Stage 3	Total
March 31, 2019				
Gross carrying amount opening balance	8,10,611.99	5,076.23	4,803.52	8,20,491.74
New assets originated or purchased	5,36,201.99	374.22	271.84	5,36,848.05
Assets derecognised or repaid (excluding write offs)	(2,04,265.44)	(588.03)	(1,423.76)	(2,06,277.23)
Transfers to stage 1	1,070.00	(948.58)	(121.42)	-
Transfers to stage 2	(12,433.98)	12,433.98	-	-
Transfers to stage 3	(3,432.71)	(1,516.06)	4,948.77	-
Amounts written off	-	-	(187.56)	(187.56)
Gross carrying amount closing balance	**11,27,751.85**	**14,831.76**	**8,291.39**	**11,50,875.00**

8.2.2 Reconciliation of ECL balance is given below:

	Stage 1	Stage 2	Stage 3	Total
March 31, 2020				
ECL allowance - opening balance	2,505.04	216.71	3,659.28	6,381.03
New assets originated or purchased	1,044.52	4.06	953.54	2,002.12
Assets derecognised or repaid (excluding write offs)	(634.98)	(0.58)	(257.12)	(892.68)
Transfers to Stage 1	173.37	(120.24)	(53.13)	-
Transfers to Stage 2	(74.19)	75.60	(1.41)	-
Transfers to Stage 3	(31.60)	(75.53)	107.13	-
Impact on year end ECL of exposures transferred between stages during the year	(69.67)	540.28	3,019.18	3,489.79
ECL recognised due to change in credit risk	1,061.96	1,051.69	458.79	2,572.44
Recoveries	(1.16)	(0.85)	(41.96)	(43.97)
Amounts written off	(0.02)	-	(2,860.50)	(2,860.52)
ECL allowance - closing balance	3,973.27	1,691.14	4,983.80	10,648.21

	Stage 1	Stage 2	Stage 3	Total
March 31, 2019				
ECL allowance - opening balance	2,745.14	125.17	1,838.02	4,708.33
New assets originated or purchased	1,305.66	6.73	182.20	1,494.59
Assets derecognised or repaid (excluding write offs)	(666.66)	(3.98)	(431.62)	(1,102.26)
Transfers to Stage 1	43.35	(20.55)	(22.80)	-
Transfers to Stage 2	(58.29)	58.29	-	-
Transfers to Stage 3	(15.15)	(53.71)	68.86	-
Impact on year end ECL of exposures transferred between stages during the year	(23.02)	122.87	1,333.42	1,433.27
ECL recognised due to change in credit risk	(825.85)	(18.11)	911.52	67.56
Recoveries	(0.14)	-	(17.60)	(17.74)
Amounts written off	-	-	(202.72)	(202.72)
ECL allowance - closing balance	2,505.04	216.71	3,659.28	6,381.03

Foot notes:

A. ***Moratorium in accordance with the Reserve Bank of India (ROI) guidelines -***

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and and May 23, 2020. In accordance therewith, the Company has provided a moratorium option on principal and interest falling due between March 1, 2020 and August 31, 2020, to all eligible borrowers classified as standard. Loan assets for which moratorium is availed by the borrower, the asset classification under the Income Recogniton, Assset Classification and Provisioning norms under the The Housing Finance Companies (NHB) Directions, 2010 and the categorisation of such assets carried at amortised cost into Stage 1, Stage 2 and Stage 3 depending on the period of default, will be held at a standstill during the moratorium period.

B. ***Estimation of uncertainty relating to COVID-19 global health pandemic -***

In estimating the expected credit loss (ECL) allowance the Company has taken into consideration internal and certain sources of external information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial results. The Company has also performed sensitivity analysis on the inputs and assumptions used in estimating the ECL allowance and has embedded in its ECL allowance an adjustment of Rs. 1,810.00 lakh for credit risks arising from macro economic factors. Based on the Company's expectations of future economic conditions, it expects to recover the carrying amount of its loan assets. The extent to which global health pandemic will impact the Company's provision on financial assets will depend on future developments, which are highly uncertain. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

The Company has, after evaluating its ability to pay its obligations out of available liquidity, undrawn lines of credit and recoveries (after adjusting credit losses and applying assumed levels of stress), concluded the use of the going concern assumption in preparing the above financial results is appropriate.

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(Currency : Rupees in lakh)

9 Investments

	As at March 31, 2020	As at March 31, 2019
Investments carried at fair value through Profit & Loss		
Mutual Fund unit (unquoted)	54,692.14	-
	54,692.14	-

Foot note:

All investments are made within India. Further, there are no mutual fund investment for which there has been a significant increase in credit risk or which have become credit impaired.

10 Other financial assets

	As at March 31, 2020	As at March 31, 2019
Security deposit	476.86	396.39
Other receivables	3.94	8.61
	480.80	405.00

11 Income tax

The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Recognised in statement of profit and loss		
Current tax	3,613.72	3,748.04
Deferred tax relating to origination and reversal of temporary differences	(74.56)	(551.02)
Tax charges	3,539.16	3,197.02
Adjustment in respect of current income tax of earlier years	(185.58)	68.71
Total tax charges	3,353.58	3,265.73

11.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2020 and March 31, 2019 is, as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit before tax	13,618.83	10,728.68
At India's statutory income tax rate of (March 31, 2020: 25.168% ; March 31, 2019: 34.944%)	3,427.59	3,749.03
Rate adjustments	528.43	-
Differences other than temporaory in nature on account of tax benefit u/s 36(1)(viii) of the Income Tax Act, 1961 and others	(416.86)	(520.80)
Deferred tax difference for earlier years recognised in current year for brought forward losses, impairment loss allowance and others	-	(31.21)
Income tax expense reported in the statement of profit and loss	3,539.16	3,197.02

The effective income tax rate for March 31, 2020 is 25.99% (March 31, 2019: 29.80%).

11.2 Deferred tax Assets (Net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax asset		
Timing differences on account of		
Impairment allowance for financial assets	2,679.94	2,229.77
Provision for employee benefits	288.08	494.30
Differences in depreciation as per income tax & as charged in financials	59.84	55.24
Cash flow hedges	246.35	-
Recognition of ROU asset and lease liability under Ind AS 116	77.41	-
Deferred tax asset (A)	3,351.62	2,779.31
Deferred tax liability		
Timing differences on account of		
Tax deduction under Section 36(1)(viia) of Income Tax Act, 1961	214.60	-
Recognition of financial instruments under amortised cost under Ind AS 109	904.34	997.93
Deferred tax liability (B)	1,118.94	997.93
Deferred tax asset (net) (A-B)	2,232.68	1,781.38

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Deferred tax credit (Net)	For the year ended March 31, 2020	For the year ended March 31, 2019
Recognised in statement of profit and loss		
Impairment allowance for financial assets	(235.57)	(600.31)
Provision for employee benefits	229.13	(117.63)
Differences in depreciation as per income tax & as charged in financials	(4.60)	(49.89)
Deferred tax liability on amortised cost under Ind AS 109	(93.59)	216.81
Rate difference in initial recognition of ROU asset and lease liability under Ind AS 116	30.07	-
	(74.56)	(551.02)
Recognised in OCI		
Deferred tax on re-measurement gains/ (losses) on defined benefit plans	22.91	11.26
Deferred tax on re-measurement gains/ (losses) on cash flow hedges	246.35	-
	269.26	11.26
Total deferred tax expense recognised (including OCI)	(343.82)	(562.28)

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12 Property, plant and equipment

Particulars	Building	Plant & Equipment	Furniture & fixtures	Vehicle	Office equipment	Leasehold improvements	Total
Gross block							
As at April 1, 2018	255.52	590.37	31.75	158.61	101.45	289.63	1,427.33
Additions	-	53.96	4.68	39.49	41.28	38.90	178.31
Deletions	-	-	(0.25)	(22.26)	(12.30)	(62.37)	(97.18)
As at March 31, 2019	255.52	644.33	36.18	175.84	130.43	266.16	1,508.46
Adjustment	-	-	0.25	-	5.10	20.53	25.88
Additions	-	289.36	6.74	31.48	32.23	4.83	364.64
Deletions	-	(8.78)	(4.89)	(18.72)	(6.74)	(12.34)	(51.47)
As at March 31, 2020	255.52	924.91	38.28	188.60	161.02	279.18	1,847.51
Accumulated depreciation							
As at April 1, 2018	4.38	130.04	10.82	22.82	26.02	131.82	325.90
Charge for the year	4.39	178.54	7.11	36.78	39.40	110.24	376.46
Reduction	-	-	(0.25)	(3.64)	(9.47)	(53.83)	(67.19)
As at March 31, 2019	8.77	308.58	17.68	55.96	55.95	188.23	635.17
Adjustment	-	-	0.25	-	5.10	20.53	25.88
Charge for the year	4.38	195.26	9.47	36.13	35.02	36.31	316.57
Reduction	-	(8.76)	(2.54)	(5.70)	(4.06)	(12.34)	(33.40)
As at March 31, 2020	13.15	495.08	24.86	86.39	92.01	232.73	944.22
Net book value							
As at March 31, 2019	246.75	335.75	18.50	119.88	74.48	77.93	873.29
As at March 31, 2020	242.37	429.83	13.42	102.21	69.01	46.45	903.29

Foot note:
Assets pledged as security: Buildings with gross block Rs. 255.52 Lakh and accumulated depreciation Rs. 13.15 Lakh (March 31, 2019: gross block Rs. 255.52 lakh and accumulated depreciation Rs. 8.77 lakh) is subject to a first charge to secure debentures issued by the Company.

13 Other intangible assets

Particulars	Computer Software
Gross block	
As at April 1, 2018	448.24
Additions	268.90
Deletions/adjustment	-
As at March 31, 2019	717.14
Adjustment	-
Additions	439.32
Deletions/adjustment	-
As at March 31, 2020	1,156.46
Accumulated amortization	
As at April 1, 2018	145.31
Charge for the year	213.25
Reduction	-
As at March 31, 2019	358.56
Adjustment	-
Charge for the year	287.79
Reduction	-
As at March 31, 2020	646.35
Net book value	
As at March 31, 2019	358.58
As at March 31, 2020	510.11

Foot note:
Company does not have any internally generated intangible assets.

ADITYA BIRLA HOUSING FINANCE LIMITED
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Notes to the financial statements for the year ended March 31, 2020

(Currency : Rupees in lakh)

14 Right to use of Assets *(refer note 36)*

Particulars	ROU Asset
Gross block	
As at April 1, 2018	-
Additions	-
Deletions/adjustment	-
As at March 31, 2019	-
Additions	2,849.99
Deletions/adjustment	-
As at March 31, 2020	**2,849.99**
Accumulated amortization	
As at April 1, 2018	-
Charge for the year	-
Reduction	-
As at March 31, 2019	-
Charge for the year	561.17
Reduction	-
As at March 31, 2020	**561.17**
Net book value	
As at March 31, 2019	-
As at March 31, 2020	**2,288.82**

Aditya Birla Housing Finance Limited
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(Currency : Rupees in lakh)

15 Other non-financial assets	As at March 31, 2020	As at March 31, 2019
Capital advances	60.90	56.64
Prepaid expense	443.43	366.86
Retirement benefits gratuity asset *(refer note 46)*	273.70	199.74
Balances with tax authorities	357.53	188.18
Deferred lease expense	5.87	131.10
	1,141.43	**942.52**

ADITYA BIRLA HOUSING FINANCE LIMITED
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Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency : Rupees in lakh)

	As at March 31, 2020	As at March 31, 2019
16 Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises *(refer note 38)*	69.55	2.11
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,621.35	2,608.73
	2,690.90	**2,610.84**

17 Debt Securities	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Redeemable non convertible debentures *(refer foot note (ii) below)*	1,03,909.91	1,20,096.19
Unsecured		
Commercial papers *(refer note (iii) below)*	87,090.97	69,189.30
Total (A)	**1,91,000.88**	**1,89,285.49**
Debt securities in India	1,91,000.88	1,89,285.49
Debt securities outside India	-	-
Total (B)	**1,91,000.88**	**1,89,285.49**

Foot notes:

(i) The company does not have any convertible debt securities.

(ii) The debt securities are secured by way of mortgage of the immovable property and have first pari- passu charge on receivables of the Company. The repayment terms and rate of interest of redeemable non convertible debentures are as under-

	As at March 31, 2020	As at March 31, 2019
Maturing upto 3 years, Rate of interest (ROI) 7.60% to 9.40 % p.a.		
ABHFL NCD F2 - FY 2016-17, *ROI: 8.30% p.a (XIRR basis); Maturity date: September 12, 2019*	-	*9,172.74*
ABHFL NCD I1 - FY 2016-17, *ROI: 7.80 % p.a; Maturity date: December 13, 2019*	-	*5,110.25*
ABHFL NCD I3 FY 2016-2017, *ROI: 7.80% p.a; Maturity date: December 20, 2019*	-	*5,102.81*
ABHFL NCD K1 FY 2016-2017, *ROI: 8.05% p.a; Maturity date: February 14, 2020*	-	*7,165.22*
ABHFL NCD L4 FY 2016-2017, *ROI: 7.90% p.a(XIRR basis); Maturity date: April 16, 2020*	7,546.67	*6,991.38*
ABHFL NCD L1 FY 2016-2017, *ROI: 7.85% p.a; Maturity date: June 9, 2020*	3,014.32	*3,014.27*
ABHFL NCD I2 - FY 2016-17, *ROI: 7.80% p.a(XIRR basis); Maturity date: August 13, 2020*	6,403.06	*5,938.52*
ABHFL NCD A2 - FY 2015-16, *ROI: 8.95% p.a; Maturity date: March 22, 2021*	501.17	*501.16*
ABHFL NCD A1 - FY 2016-17, *ROI: 8.75% p.a.; Maturity date: April 20, 2021*	1,623.82	*1,623.47*
ABHFL NCD C1 - FY 2018-19, *ROI: 8.85% p.a.(XIRR basis); Maturity date: June 07, 2021*	5,231.17	*4,803.65*
ABHFL NCD E1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: June 30, 2021*	8,922.99	*8,920.41*
ABHFL NCD D1 - FY 2018-19, *ROI: 8.82% p.a.(XIRR basis); Maturity date: July 26, 2021*	9,702.12	*8,900.27*
ABHFL NCD F1 - FY 2019-20, *ROI: 8.18 % .(XIRR basis); Maturity date: September 24, 2021*	2,082.44	-

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

	As at March 31, 2020	As at March 31, 2019
ABHFL NCD G1 - FY 2018-19, *ROI: 9.40% p.a.(XIRR basis); Maturity date: October 26, 2021*	2,726.47	2,490.70
ABHFL NCD D2 - FY 2018-19, *ROI: 8.82% p.a.; Maturity date: October 28, 2021*	2,115.23	2,114.62
ABHFL NCD L2 - FY 2016-17, *ROI: 8.00% p.a.; Maturity date: March 10, 2022*	5,023.24	5,023.16
ABHFL NCD L3 - FY 2016-17, *ROI: 8.00% p.a.; Maturity date: March 18, 2022*	5,012.65	5,012.61
ABHFL NCD A1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: April 01, 2022*	4,857.94	-
ABHFL NCD I1 - FY 2018-19, *ROI: 9.30% p.a.(XIRR basis); Maturity date: April 13, 2022*	20,332.48	-
ABHFL NCD C1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: June 07, 2022*	10,648.90	-
ABHFL NCD F1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: September 08, 2022*	2,083.10	-
ABHFL NCD PPMLD FY 2019-20, *ROI: 7.95% XIRR.; Maturity date: September 30, 2022*	1,557.78	
ABHFL NCD K1 - FY 2019-20, *ROI: 7.76% p.a., Maturity date: February 17, 2023* (1st Coupon: 5.26% + 250 bps = 7.76% Benchmark 12 Month T-Bill + 250 bps spread Reset on yearly basis with fixed spread of 250 bps)	2,520.96	-
	1,01,906.50	81,885.24

	As at March 31, 2020	As at March 31, 2019
Maturing after 3 years, Rate of Interest(ROI) 7.60% to 9.30 % p.a.		
ABHFL NCD A1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: April 01, 2022*	-	4,857.93
ABHFL NCD I1 - FY 2018-19, *ROI: 9.30% p.a.(XIRR basis); Maturity date: April 13, 2022*	-	18,618.89
ABHFL NCD C1 - FY 2017-18, *ROI: 8.00% p.a.; Maturity date: June 07, 2022*	-	10,648.48
ABHFL NCD F1 - FY 2017-18, *ROI: 7.60% p.a.; Maturity date: September 08, 2022*	-	2,082.48
ABHFL NCD A1 - FY 2015-16, *ROI: 8.95% p.a; Maturity date: March 20, 2026*	2,003.41	2,003.17
	2,003.41	38,210.95
	1,03,909.91	1,20,096.19

(iii) The repayment terms of commercial papers are as under-

	As at March 31, 2020	As at March 31, 2019
Maturing upto 3 years*	87,090.97	69,189.30

* The above is net of unamortized discounting charges on commercial paper amounting to Rs. 409.03 lakh (March 31, 2019: Rs. 810.70 lakh)

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ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

Notes to the financial statements for the year ended March 31, 2020

(Currency : Rupees in lakh)

18 Borrowings other than debt securities	As at March 31, 2020	As at March 31, 2019
Secured		
Term loan from banks *(refer foot note (i) below)*	9,20,835.63	7,63,848.43
Loan repayable on demand from banks		
Working capital demand loan *(refer foot note (ii) below)*	18,503.82	8,000.00
Cash Credit *(refer foot note (iii) below)*	8,487.76	17,427.70
Overdraft *(refer foot note (iv) below)*	598.58	19,774.67
	9,48,425.79	8,09,050.80
Unsecured		
Loan from related party		
Inter corporate borrowings *(refer foot note (v) below)*	656.00	2,600.00
	656.00	2,600.00
Total (A)	9,49,081.79	8,11,650.80
Borrowings in India	9,11,310.54	8,11,650.80
Borrowings outside India	37,771.25	-
Total (B)	9,49,081.79	8,11,650.80

Foot notes:

(i) The term loans from banks are secured by way of first pari-passu charge on the receivables of the Company. The refinance facility of Rs. 30,305.00 lakh from National Housing Bank is further guaranteed by way of corporate guarantee issued by holding company. The repayment terms and rate of interest of term loans are as under-

	As at March 31, 2020	As at March 31, 2019
Maturing upto 3 years, rate of interest 6.68 % p.a. - 9.05 % p.a.	5,40,495.05	
Maturing after 3 years, rate of interest 7.95 % p.a. - 9.05 % p.a.	3,80,340.59	
Maturing upto 3 years, rate of interest 7.69 % - 9.15 % p.a.	-	3,73,301.93
Maturing after 3 years, rate of interest 7.69 % - 9.10 % p.a.	-	3,90,546.50
	9,20,835.63	7,63,848.43

(ii) The working capital loans are secured by way of first pari-passu charge on receivables of the Company. The repayment terms and rate of interest of working capital loans are as under-

	As at March 31, 2020	As at March 31, 2019
Repayable on demand , rate of interest 7.50% to 8.70 % p.a.	18,503.82	8,000.00

(iii) The cash credit facilities are secured by way of first pari-passu charge on the receivables of the Company. The repayment terms and rate of interest of term loans are as under-

	As at March 31, 2020	As at March 31, 2019
Repayable on demand , rate of interest 8.00% p.a. to 8.65%	8,487.76	17,427.70

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

(Currency : Rupees in lakh)

(iv) *The overdraft on account of cheques issued but not presented as on the balance sheet date are backed by cash credit facilities which are secured by way of first pari-passu charge on the receivables of the Company. The repayment termas and rate if interest is same as applicable to cash credit facilities.*

	As at March 31, 2020	As at March 31, 2019
Repayable on demand	598.58	19,774.67

(v) *The intercorporate borrowings are unsecured borrowing taken from related parties. The repayment terms of loans from related party are as under-*

	As at March 31, 2020	As at March 31, 2019
Repayable on demand , rate of interest 7.50% p.a.	656.00	-
Repayable on demand , rate of interest 7.55% to 8.22 % p.a.	-	2,600.00

19 Subordinated liabilities

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Sub ordinate debts - debentures (refer foot note below)	26,608.02	21,269.90
	26,608.02	21,269.90

The repayment terms and rate of interest (ROI) of subordinate debentures are as under-

	As at March 31, 2020	As at March 31, 2019
Maturing after 3 years, Rate of interest(ROI) 8.50% to 9.10 % p.a.		
ABHFL Sub Debt Series 'SD1' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 3 July 2026*	*1,594.65*	*1,593.64*
ABHFL Sub Debt Series 'SD2' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 7 July 2026*	*1,061.51*	*1,060.57*
ABHFL Sub Debt Series 'SD3' FY 2016-17, *ROI: 9.10 % p.a; maturity date - 13 July 2026*	*1,589.95*	*1,588.53*
ABHFL Sub Debt Series 'SD4' FY 2016-17, *ROI: 8.99 % p.a; maturity date - 24 July 2026*	*2,639.82*	*2,637.46*
ABHFL Sub Debt Series 'SDB1' FY 2017-18, *ROI: 8.50 % p.a; maturity date - 14 May 2027*	*6,415.01*	*6,410.80*
ABHFL Sub Debt Series 'SDC1' FY 2017-18, *ROI: 8.50 % p.a; maturity date - 1 June 2027*	*7,985.13*	*7,978.90*
ABHFL Sub Debt Series 'SDC1' FY 2017-18, *ROI: 8.94 % p.a; maturity date - 8 June 2029*	*5,321.96*	-
	26,608.02	21,269.90

20 Lease Liability

	As at March 31, 2020	As at March 31, 2019
Liability for lease payments	2,602.12	-
	2,602.12	-

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Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency : Rupees in lakh)

21 Other financial liabilities	As at March 31, 2020	As at March 31, 2019
Payable for salaries, bonus and other employee benefits	2,254.66	3,241.45
Payable for Capital expenditure	146.99	8.52
Other financial liabilities relating to customer accounts	1,355.26	1,974.59
	3,756.91	**5,224.56**

22 Provisions	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Compensated absenses	338.78	259.62
Gratuity *(refer note 46)*	441.01	257.69
	779.79	**517.31**

23 Other non-financial liabilities	As at March 31, 2020	As at March 31, 2019
Payable to government authorities	1,008.19	258.54
Other Payable	334.43	73.56
	1,342.62	**332.10**

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

(Currency : Rupees in lakh)

24 Equity share capital	As at March 31, 2020	As at March 31, 2019
Authorised		
1000,000,000 (March 31, 2019 : 1000,000,000) equity shares of Rs 10 each	1,00,000.00	1,00,000.00
	1,00,000.00	**1,00,000.00**
Issued, subscribed and fully paid up shares		
501,197,682 (March 31, 2019: 475,556,656) equity shares of Rs 10 each, fully paid up	50,119.77	47,555.67
	50,119.77	**47,555.67**

A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

	Numbers	Amount
As at April 1, 2018	41,25,69,679	41,256.97
Add: shares issued during the year	6,29,86,977	6,298.70
As at March 31, 2019	47,55,56,656	47,555.67
Add: shares issued during the year	2,56,41,026	2,564.10
As at March 31, 2020	**50,11,97,682**	**50,119.77**

B) Shares held by holding company	As at March 31, 2020	As at March 31, 2019
Aditya Birla Capital Limited, holding company	50,119.77	47,555.67

C) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2020	As at March 31, 2019
Aditya Birla Capital Limited, holding company		
% Holding	100%	100%

D) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 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, if any, 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 equity shares will be receiving remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

E) During the past five years immediately preceding the current financial year, the Company has not issued any shares pursuant to any contract without payment being received in cash or by way of bonus shares and have also not engaged in any buyback of its own equity.

25 Other equity	As at March 31, 2020	As at March 31, 2019
Securities premium *(refer foot note (i) below)*	71,582.21	64,156.31
Special reserve u/s 29C of The National Housing Bank Act, 1987*(refer foot note (ii) below)*	328.85	79.98
Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 *(refer foot note (iii) below)*	3,868.46	2,064.27
Retained earnings *(refer foot note (iv) below)*	13,119.42	5,175.44
Cash flow hedge reserve *(refer foot note (v) below)*	(732.46)	-
Equity component for Employeee stock option plan issued by parent company *(refer foot note (vi) below)*	-	-
	88,166.48	**71,476.00**

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Foot notes:

(i) **Securities premium**	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	64,156.31	35,490.03
Addition: Received on issue of shares during the year	7,435.90	28,701.28
Deduction: Utilisation against share issue expense	(10.00)	(35.00)
Balance at end of year	**71,582.21**	**64,156.31**

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

(ii) **Special reserve u/s 29C of The National Housing Bank Act, 1987** *(refer note 3.14)*	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	79.98	79.98
Addition: Amount transferred from surplus balance in the Statement of Profit and Loss	248.87	-
Balance at end of year	**328.85**	**79.98**

Note:
As per Section 29C of The National Housing Bank Act, 1987 (the "NHB Act"), the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income-tax Act, 1961, is considered to be an eligible transfer. The amount transferred to special reserve u/s 29C of the NHB Act includes Rs.1,804.19 lakh (previous year Rs. 1,494.94 lakh) for Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961.

(iii) **Reserve u/s 36(1)(viii) of the Income Tax Act, 1961**	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	2,064.27	571.61
Addition: Amount transferred from surplus balance in the Statement of Profit and Loss	1,804.19	1,494.94
Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	(2.28)
Balance at end of year	**3,868.46**	**2,064.27**

(iv) **Retained earnings**	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	5,175.44	(773.89)
Profit for the year	10,265.25	7,462.95
Remeasurement of defined employee benefit plans	(68.12)	(20.96)
Impact of IndAS 116 *(refer note 20)*	(200.09)	-
Transfer to special reserve u/s 29C of The National Housing Bank Act, 1987	(248.87)	-
Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(1,804.19)	(1,492.66)
Balance at end of year	**13,119.42**	**5,175.44**

(v) **Cash flow hedge reserve**	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	-	-
Net change during the year	(732.46)	-
Balance at end of year	**(732.46)**	-

(vi) **Equity component for employeee stock option plan issued by parent company**	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	-	55.46
Addition during the year	-	(55.46)
Balance at end of year	-	-

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Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency : Rupees in lakh)

	For the year ended March 31, 2020	For the year ended March 31, 2019
26 Interest income		
-On financial assets measured at amortised cost		
Interest on loans	1,24,142.33	99,875.13
Interest on deposits with banks	158.22	-
Other interest income	43.23	13.95
	1,24,343.78	99,889.08

27 Net gain on fair value changes	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on financial instruments at fair value through profit or loss	1,412.67	147.78
Total Net gain on fair value changes	1,412.67	147.78
Fair Value changes:		
Realised	1,220.53	147.78
Unrealised	192.14	-
	1,412.67	147.78

28 Net gain/(loss) on derecognition of financial instruments under amortised cost category	For the year ended March 31, 2020	For the year ended March 31, 2019
Reversal of expected credit loss on derecognition of financial instruments	2,860.50	202.71
Bad debts written off	(2,738.55)	(184.60)
	121.95	18.11

29 Other Income	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on income tax refund	118.92	31.79
Rental Income	37.31	-
	156.23	31.79

	For the year ended March 31, 2020	For the year ended March 31, 2019
30 Finance costs		
-On financial liabilities measured at amortised cost		
Interest on borrowings	80,485.76	61,962.65
Interest on debt securities	9,277.50	8,131.19
Interest on subordinated liabilities	2,096.30	1,736.25
Interest on lease liability	225.25	-
Other interest expense	613.72	307.86
	92,698.53	72,137.95

	For the year ended March 31, 2020	For the year ended March 31, 2019
31 Impairment on financial instruments		
-On Financial Assets measured at amortised cost		
Loans *(refer note 8.2.2)*	7,127.68	1,875.41
	7,127.68	1,875.41

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

(Currency : Rupees in lakh)

	For the year ended March 31, 2020	For the year ended March 31, 2019
32 Employee benefit expenses		
Salaries, bonus and allowances	10,577.54	11,501.03
Contribution to provident and other funds *(refer note 46)*	382.81	360.24
Retirement benefit expense - Gratuity	108.19	85.41
Employee stock option expenses *(refer note 41)*	51.33	89.62
Staff welfare expenses	205.40	200.14
	11,325.27	12,236.44

	For the year ended March 31, 2020	For the year ended March 31, 2019
33 Other expenses		
Rental charges payable under operating leases *(refer note 36)*	607.65	1,190.40
Travelling and conveyance	371.88	471.01
Water and electricity	131.69	161.61
Repairs and maintenance	876.92	712.00
Insurance	79.01	344.16
Credit rating expenses	114.58	100.35
Legal and professional charges *(refer note 40)*	755.53	500.51
Rates and taxes	64.95	81.09
Printing and stationery	127.49	181.87
Contract service charges	296.56	307.13
Advertisement expenses	102.91	142.00
Postage expenses	87.24	119.19
Miscellaneous expenses	565.40	675.39
	4,181.81	4,986.71

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34 Contingent liabilities and commitments

Contingent liabilities

Claims against the Company not acknowledged as debts on account of legal disputes Rs. 4.96 Lakh (March 31, 2019: Rs. 2.20 Lakh). Unfavourable outcome of these legal cases if any do not have any material and adverse impact on the financial position of the Company as on the balance sheet date.

The Company is not exposed to any other contingent liabilities as on the balance sheet except as mentioned above for legal disputes.

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) on account of property, plant and equipments Rs. 1.57 Lakh (March 31, 2019: Rs. 0.90 Lakh) and on account of intangible assets Rs. 166.01 Lakh (March 31, 2019: Rs. 96.22 Lakh).

35 Related party disclosures

I) List of related parties as per Ind AS -24 with whom transactions have taken place during the year.

(A) Where control exists

Aditya Birla Capital Limited (ABCL) (Holding Company)
Grasim Industries Limited (Ultimate Holding Company)

(B) Fellow subsidiaries

Aditya Birla Finance Limited (ABFL)
Aditya Birla Capital Technology Services Limited (ABCTSL) (Formerly known as Aditya Birla MyUniverse Limited)
Aditya Birla Sun Life Insurance Company Limited (ABSLICL)
Aditya Birla Sun Life AMC Limited (ABSLAMCL)
Aditya Birla Money Limited (ABML)
Aditya Birla Health Insurance Limited (ABHI)
Aditya Birla Financial Shared Services Limited (ABFSSL)
Aditya Birla Insurance Brokers Limited (ABIBL)
Aditya Birla PE Advisors Private Limited (ABPEL)

(C) Key management personnel

Mr. Netrapal Singh	CEO (w.e.f. July 22, 2019) CBO (upto July 21, 2019)
Mr. Tushar Kotecha	CFO (w.e.f July 31, 2019) CFO and Manager (upto July 30, 2019)

II) Transactions with related parties

a) Purchase and sale of services

	For the year ended March 31, 2020	For the year ended March 31, 2019
Referred in (A) above		
Other operating expenses		
Aditya Birla Capital Limited	378.98	169.73
Employees Stock option plan expenses		
Aditya Birla Capital Limited	51.33	115.31
Interest expenses		
Aditya Birla Capital Limited	146.72	281.40
Other Comprehensive Income - Gratuity (gain)/loss		
Aditya Birla Capital Limited	5.31	(0.12)
Referred in (B) above		
Other operating expenses		
Aditya Birla Finance Limited	1,547.26	479.15
Aditya Birla Money Limited	0.88	5.84
Aditya Birla Sun Life Insurance Company Limited	-	-
Aditya Birla Sun Life AMC Limited	0.60	0.27
Aditya Birla Capital Technology Services Limited	7.08	-
Aditya Birla Health Insurance Limited	1.71	1.72
Aditya Birla Financial Shared Services Limited	818.97	638.35

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

(Currency: Rupees in Lakhs)

<u>Interest expenses</u>		
Aditya Birla Sun Life Insurance Company Limited	129.78	129.75
<u>Other Comprehensive Income - Gratuity (gain)/loss</u>		
Aditya Birla Financial Shared Services Limited	7.35	9.44
<u>Recovery of other operating expenses</u>		
Aditya Birla Finance Limited	465.43	649.77
Aditya Birla Insurance Brokers Limited	52.34	-
Aditya Birla Sun Life AMC Limited	3.80	-
<u>Income</u>		
Aditya Birla Health Insurance Limited	118.50	-
Aditya Birla Sun Life Insurance Company Limited	132.66	-
Referred in (C) above		
Remuneration	326.15	261.58
(Mr. Netrapal Singh - April 1, 2019 to March 31, 2020)		
(Mr. Tushar Kotecha - April 1, 2019 to July 30, 2019)		

b) Outstanding balances arising from purchase and sale of services

	As at March 31, 2020	As at March 31, 2019
Referred in (A) above		
<u>Payable</u>		
Aditya Birla Capital Limited	24.00	24.67
Referred in (B) above		
<u>Receivable</u> *(refer note 7)*		
Aditya Birla Money Limited	3.41	-
Aditya Birla Sun Life AMC Limited	0.27	-
Aditya Birla Insurance Brokers Limited	20.53	-
Aditya Birla Health Insurance Limited	44.22	-
Aditya Birla Sun Life Insurance Company Limited	32.56	-
<u>Payable</u>		
Aditya Birla Finance Limited	236.21	22.55
Aditya Birla Capital Technology Services Limited	-	-
Aditya Birla Money Limited	-	-
Aditya Birla Health Insurance Limited	0.43	0.40
Aditya Birla Financial Shared Services Limited	118.46	58.55
<u>Other balances (Receivables)</u>		
Aditya Birla Financial Shared Services Limited	7.43	3.44

c) Loans from related parties

	As at March 31, 2020	As at March 31, 2019
Referred in (A) above		
Aditya Birla Capital Limited		
Loan balance at the beginning of the year	2,600.00	1,800.00
Loan obtained (including inter corporate borrowings)	16,242.00	49,178.00
Loans repaid (including inter corporate borrowings)	18,186.00	48,378.00
Loan balance at the end of the year	656.00	2,600.00
Referred in (B) above		
Aditya Birla Sun Life Insurance Company Limited		
Loan balance at the beginning of the year	1,500.00	1,500.00
Loan obtained (issue of debentures)	-	-
Loans repaid	-	-
Loan balance at the end of the year	1,500.00	1,500.00
Interest accrued but not due on above	75.54	75.51

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d) Other transactions

	For the year ended March 31, 2020	For the year ended March 31, 2019
Referred in (A) above		
Capital issued		
Aditya Birla Capital Limited		
Share capital issued during the year *	10,000.00	35,000.00

*Includes securities premium of Rs. 7,435.90 Lakh (March 31, 2019 Rs. 28,701.28 Lakh)

	As at March 31, 2020	As at March 31, 2019
Capital Outstanding		
Aditya Birla Capital Limited		
Equity share capital outstanding	50,119.77	47,555.67

Referred in (B) above	**March 31, 2020**	**March 31, 2019**
Other transactions		
Aditya Birla Financial Shared Services Limited (Recovery of transfer emloyees)	0.75	0.20
Aditya Birla Sun Life Insurance Company Limited (Recovery of transfer emloyees)	5.13	-
Aditya Birla Money Limited (Recovery of transfer emloyees)	3.41	-
Aditya Birla Sun Life AMC Limited (Recovery of transfer emloyees)	-	-
Aditya Birla Finance Limited (Reimbursement relating to CWIP)	32.16	93.25
Aditya Birla Finance Limited (Sale of Fixed Assets)	4.74	-
Aditya Birla Finance Limited (Purchase of Fixed Assets)	0.35	-
Aditya Birla Sun Life Insurance Company Limited (Purchase of Fixed Assets)	1.59	-
Aditya Birla PE Advisors Private Limited (Purchase of Fixed Assets)	0.00	-

Foot notes:
a) The related party relationships have been as identified by the management on the basis of the requirements of the Ind AS -24 'Related Party Disclosures' issued by the Ministry of Corporate Affairs.
b) The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

Aditya Birla Housing Finance Limited
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36 Leasing arrangements

Transition for IND AS 116 - Leases

Effective April1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 2,738.27 lakhs, 'Net investment in sub-lease' of ROU asset of NIL and a lease liability of Rs. 3,045.83 Lakh. The cumulative effect of applying the standard, amounting to Rs. 200.09 lakh was debited to retained earnings, net of taxes. The effect of this adoption is in significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is between the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

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.

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Operating lease commitments – Company as lessee *(refer note 33)*

The Company has entered into lease agreements for premises at various locations for periods between 12 months to 60 months. The lease payments recognised in the statement of profit and loss are Rs. 607.65 lakhs (March 31, 2019 Rs. 1,190.40 lakhs).

Non-cancellable operating lease rentals payables (minimum lease payments) under these leases are as follows:

	As at March 31, 2019
Within one year	222.44
After one year but not more than five years	86.57
More than five years	-
	309.01

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020: *(refer note 14)*

Particulars	Category of ROU Asset Leasehold premises
Balance as at 1st April, 2019	2,738.27
Additions	3.47
Reclassified from deferred lease expense	108.25
Deletions	-
Depreciation	-561.17
Balance as at 31st March, 2020	2,288.82

Amounts recognised in profit and loss	As at March 31, 2020
Depreciation expense on right-of-use assets	561.17
Interest expense on lease liabilities	225.25
Expense relating to short-term leases	400.52
Expense relating to leases of low value assets	-
Expense relating to variable lease payments not included in the measurement of the lease liability	-
Income from subleasing right-of-use assets	37.31
Gains or losses arising from sale and leaseback transactions	-

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	Amount
Current Lease Liabilities	585.61
Non-Current Lease Liabilities	2,016.51
Total	2,602.12

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Amount
Balance as at 1st April, 2019	3,045.83
Additions	3.47
Additions through Business Combinations	-
Deletions	-
Finance Cost accrued during the period	225.25
Payment of Lease Liabilities	-672.43
Balance as at 31st March, 2020	2,602.12

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The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	607.75
One to Five years	2,052.53
More than Five years	605.65
Total	3,265.93

Impact on Financial Statements

On transition to Ind AS 116, the Company recognised an additional Rs. 2,738.27 lakhs of right of use asset and Rs. 3,045.83 lakhs of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at March 1, 2019. The weighted average rate applied is in the range of 8-8.50%.

A reconciliation of the operating lease commitments at March 31, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognized in the statement of financial position at April 1, 2019 is provided below:

Operating lease commitments disclosed as at 31 March 2019	309.01
Discounted using the incremental borrowing rate at 1 April 2019	
(Less): short-term leases recognized on a straight-line basis as expense	-
(Less): low-value leases recognized on a straight-line basis as expense	-
(Less): components of contracts reassessed as service agreements	-
Add/(less): adjustments as a result of a different treatment of extension and termination options	-
Add: inclusion of contracts under 'no lessee lock in'	3,627.25
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-
Add/(less): residual value guarantees	-
Discounting using the Company's incremental borrowing rate	-890.44
Lease liabilities recognized as at 1 April 2019	3,045.82

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.

Operating lease commitments – Company as lessor
The Company is not involved in such activity during the current financial year as well as during previous financial year.

Impact of COVID-19
The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as branches are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

37 Earnings per share (EPS)

	As at March 31, 2020	As at March 31, 2019 (restated)
Net profit for the year available for equity shareholders	10,265.25	7,462.95
Weighted average number of equity shares outstanding (numbers)	47,61,87,173	45,33,06,184
Basic and diluted earnings per share (Rs.)	2.16	1.65

Basic earnings per share is calculated by dividing the net 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 earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

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38 Micro, small and medium enterprises

Particulars	As at March 31, 2020	As at March 31, 2019
i. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	69.55	2.11
ii. the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
iii. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
iv. the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.01	-

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

39 Segment information

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of 'Housing finance'. As the Company operates only in a single business segment, no segment information thereof is given as required under Ind AS 108.'

40 Auditors remuneration *(included in legal and professional charges - refer note 33)*

	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit fees (including limited review fees)	25.00	21.15
Tax audit fees	2.00	1.50
Certification work	7.33	4.06
Out of pocket expenses	1.15	1.12
	35.48	27.83

41 Employee stock option plan (ESOP)

Pursuant to ESOP Plan being established by the holding company i.e. Aditya Birla Capital Limited, stock options were granted to the employees of the Company during the financial year 2017-18. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs. 51.33 lakh (March 31, 2019 : Rs. 89.62 lakh) has been charged to the Statement of Profit and Loss. The balance sum of Rs. 28.94 lakh will be charged to the Statement of Profit and Loss in future periods.

ADITYA BIRLA HOUSING FINANCE LIMITED
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42 Nature and Term of Outstanding Derivative Contract

a) Cross currency interest rate swaps (CCIRS)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
i) Total notional principal amount of CCIRS agreement undertaken during the year	35,445.00	-
ii) Total notional principal amount of CCIRS agreement outstanding as on end of the year	35,445.00	-
iii) Maturity date of CCIRS	October 30, 2022	-
iv) Hedge ratio	1:1	-
v) Currency pair	USD / INR	-

b) The fair value mark to market (MTM) gains or losses in respect of CCIRS Agreement outstanding as at the Balance Sheet date is stated below:

Hedging Instrument	**As at March 31, 2020**	**As at March 31, 2019**
Cross currency interest rate swaps (CCIRS)	1,070.50	-

c) Movement in Hedge Reserve (excluding deferred tax)

Cash Flow Hedge Reserve Account		**As at 31st March, 2020**	
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	(409.19)	1,070.50	661.30
iii) Less: Amounts reclassified to statement of profit & loss	(409.19)	2,049.31	1,640.11
iv) Balance at the end of the year	-	(978.81)	(978.81)

Cash Flow Hedge Reserve Account		**As at 31st March, 2019**	
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-	-	-
iii) Less: Amounts reclassified to statement of profit & loss	-	-	-
iv) Balance at the end of the year	-	-	-

Particulars	**As at *March 31, 2020***	**As at *March 31, 2019***
i) Name of the Counter Party	State bank of India	-
ii) Hedge Designation	Effective	-
iii) Exchange rate (USD/INR)	70.89	-
iv) Interest rate (p.a.)	7.79%	-

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43 Disclosure as per Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 -

A. Detail of income received from insurers:

Name of Insurer	**For the year ended March 31, 2020**
Aditya Birla Health Insurance Co Ltd	118.50
Liberty General Insurance Co. Ltd.	119.92
Reliance General Insurance Co. Ltd	130.45
Aditya Birla Sun Life Insurance Co. Ltd.	132.66

B. Detail of payments received by the group companies from insurers:

Company name	**Name of insurer**	**Nature of payment**	**For the year ended March 31, 2020**
Aditya Birla Insurance Brokers Limited.	Aditya Birla Sunlife Insurance Company Ltd.	Reinsurance Premium Payable, Employee transfer Dues Received, Brokerage	110.69
	Aditya Birla Health Insurance Ltd.	Rent, Brokerage	203.97
	Liberty General Insurance Co. Ltd.	Brokerage, Reinsurance Premium Payable	5,898.24
	Reliance General Insurance Company Ltd.	Brokerage, Reinsurance Premium Payable	6,518.66
Aditya Birla Money Insurance Advisory Services Limited.	Aditya Birla Sunlife Insurance Co. Ltd.	Insurance Commission	134.11
	Liberty General Insurance Co. Ltd.	Insurance Commission	129.00
	Reliance General Insurance Co. Ltd.	Insurance Commission	173.38
	Aditya Birla Health Insurance Co. Ltd.	Insurance Commission	31.00
Aditya Birla Sunlife Insurance Co Ltd	Aditya Birla Health Insurance Co Ltd	Recovery of expenses	0.32
		Reimbursement of Rent	88.63
		Reimbursement of Expenses	12.44
Grasim Industries Ltd	The New India Assurance Company	Claim (Mega Policy)	93.40
		CD balance refund	4.29
		CD balance refund	0.30
		Claim (Office Protection Policy)	0.05
	Tata AIG General Insurance Co. Ltd	Excess premium Refund	0.00
	HDFC Ergo General Insurance Co.	CD balance refund	0.96
Aditya Birla Money Limited	Aditya Birla Sunlife Insurance Co Ltd	Office premises usage charges	13.94
Aditya Birla Health Insurance Co Ltd	Aditya Birla Sunlife Insurance Co Ltd	Premium	391.29
Aditya Birla Capital Technology Services Ltd	Aditya Birla Sunlife Insurance Co Ltd	Advertisement Income	58.00
		Employee Transfer (LTA, Leave Encashment & Gratuity)	0.21

Note:
1. Insurance commission business has commenced from 01.04.2019. Hence, disclosure of the same is given for FY 2019-2020.

2. As per Regulation 34 (6) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018, insurance brokers are required to include details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof in their financial statements. The above information covers payments received from insurers by Aditya Birla Capital Group companies and Grasim Industries Limited, the ultimate holding company.

44 Statement of corporate social responsibility expenditure

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility as per Sec 135 (5) of the Companies Act, 2013 was Rs. 77.02 lakh (March 31, 2019 : Nil).

	As at March 31, 2020	**As at March 31, 2019**
Amount spent during the year on:		
I. Construction/acquisition of assets	-	-
II. On purpose other than (I) above	77.02	-

h.

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Aditya Birla Housing Finance Limited
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45 Issuance of Debt Securities by Large Corporate -
(Ref - SEBI/HO/DDHS/CIR/P/2018/144 dated 26.11.2018)

A. Initial disclosure to be made by an entity identified as a Large Corporate -

Sr. No.	Particulars	Details
1	Name of the company	Aditya Birla Housing Finance Limited
2	CIN	U65922GJ2009PLC083779
3	Outstanding borrowing of company as on March 31, 2019	* Rs. 8,94,657 lakh
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	1. AAA by India Ratings & Research Private Ltd for NCD, Sub Debt & PPMLD (Principal Protected Market Linked Debenture), Bank Lines (Long Term). 2. AAA by ICRA Ltd for NCD, Sub Debt & Bank Lines (Long Term).
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange India Ltd (NSE)

* Excluding commercial papers, cash credit, WCDL & inter corporate borrowings from Parent Company.

B. Annual disclosure to be made by an entity identified as a Large Corporate -

1. Name of the Company : Aditya Birla Housing Finance Limited

2. CIN : U65922GJ2009PLC083779

3. Report filed for FY : 2019-2020

4. Details of the borrowings :

Sr. No.	Particulars	Details
I	Incremental Borrowing in FY (a)	2,78,500
II	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	69,625
III	Actual borrowings done through debt securities in FY20 (c)	11,000
IV	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) (If the calculated value is zero or negative, write "nil")	58,625
V	Reasons for short fall, if any, in mandatory borrowings through debt securities	Market was very thin on long term NCDs for Housing Finance Companies due to the negative sentiments. As the levels were high, we did not borrow.

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ADITYA BIRLA HOUSING FINANCE LTD.

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46 Employee benefit plans

I) Defined contribution plans

Amount recognised as an expense and included in *note 32 - "Contribution to provident and other funds"* :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to Govt. managed Employees Provident Fund	361.68	353.19
Contribution to Employee State Insurance Fund and others	21.13	7.05
	382.81	**360.24**

II) Defined benefit plans

The Company has a defined benefit gratuity plan (funded) to cater its liability under Payment of Gratuity Act, 1972 and long term compensated absences plan (unfunded) for leave entitlements to employees.

The details of the Company's defined benefit gratuity plan for its employees are given below:

a) Amount recognized in the balance sheet

	As at March 31, 2020 (Funded)	As at March 31, 2019 (Funded)
Present value of defined benefit obligation at the end of the year *(refer note 22)*	441.01	257.69
Fair value of plan assets at the end of the year *(refer note 15)*	273.70	199.74
Net liability at the end of the year	167.31	57.95

b) Components of defined benefit costs recognised in statement of profit and loss and other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Recognised in the statement of profit and loss		
Current service cost	89.79	74.23
Interest on defined benefit obligation	3.89	0.24
Past service cost	-	-
Administration expenses	-	-
(gains) / loss on settlement	-	-
Total expense charged	**93.68**	**74.47**
Recognised in other comprehensive income		
Remeasurement of the net defined benefit liability due to		
- Changes in financial assumptions	37.49	20.36
- Changes in demographic assumptions	(0.08)	(27.22)
- Experience adjustments	43.56	32.87
- Actual return on plan assets less interest on plan assets	(2.60)	(3.11)
Closing amount recognised in OCI outside profit and loss account	**78.37**	**22.90**

Current service cost and the net interest expense for the year are included in the 'Employee benefit expenses'.
The remeasurement of the net defined benefit liability is included in other comprehensive income.
Gratuity expense in the Statement of Profit and loss includes the charge of Rs. 11.99 lakh (March 31, 2019 : Rs. 9.96 lakh) from Aditya Birla Financial Shared Services Limited and Rs. 2.52 lakh (March 31, 2019 : Rs. 0.97 lakh) from Aditya Birla Capital Limited on account of shared employee cost.

Other comprehensive Income in the Statement of Profit and loss includes the charge/ (credit) of Rs. 7.35 lakh (March 31, 2019 : Rs. 9.45 lakh) from Aditya Birla Financial Shared Services Limited and Rs. 5.31 lakh (March 31, 2019 : Rs. (0.12) lakh) from Aditya Birla Capital Limited on account of shared employee cost.

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c) Reconciliation of present value of the obligation

	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	257.69	167.28
Current service cost	89.79	74.23
Past service cost	-	-
Interest on defined benefit obligation	17.30	12.80
Remeasurements due to:		
-Actuarial loss/(gain) arising from change in financial assumption	37.49	20.36
-Actuarial loss/(gain) arising from change in demographic assumption	(0.08)	(27.22)
-Actuarial loss/(gain) arising on account of experience changes	43.56	32.87
Benefit paid	(4.74)	(22.63)
Liabilities assumed / (settled)	-	-
Closing defined benefit obligation	**441.01**	**257.69**

d) Reconciliation of fair value of the plan assets:

	As at March 31, 2020	As at March 31, 2019
Opening fair value of the plan assets	199.74	164.13
Employer contributions	57.95	19.95
Interest on plan assets	13.41	12.55
Administration expenses	-	-
Remeasurements due to:		
- Actual return on plan assets less interest on plan assets	2.60	3.11
Benefits paid	-	-
Assets acquired / (settled)	-	-
Assets distributed on settlements	-	-
Closing fair value of plan assets	**273.70**	**199.74**

e) Disaggregation of plan assets

	As at March 31, 2020		
	Quoted value	**Non quoted value**	**Total**
Government debt instruments	-	13.79	13.79
Other debt instruments	-	0.77	0.77
Insurer managed funds	-	108.47	108.47
Others	-	150.67	150.67
Total	-	**273.70**	**273.70**

	As at March 31, 2019		
	Quoted value	**Non quoted value**	**Total**
Government debt instruments	-	10.19	10.19
Other debt instruments	-	0.58	0.58
Insurer managed funds	-	76.88	76.88
Others	-	112.09	112.09
Total	-	**199.74**	**199.73**

f) Principal actuarial assumptions

	As at March 31, 2020	As at March 31, 2019
Discount rate (p.a.)	5.40%	6.70%
Salary escalation rate (p.a)	7.00%	7.00%
Expected return on plan assets (p.a)	5.40%	6.70%
Attrition rate (p.a)	Age: Upto 30 : 46% Age: 31-40 : 35% Age: 41-50 : 19% Age: Above 50 : 0%	Age: Upto 30 : 46% Age: 31-40 : 35% Age: 41-50 : 19% Age: Above 50 : 0%

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g) Sensitivity analysis of principal assumptions

(in terms of percentage)	As at March 31, 2020	As at March 31, 2019
Impact of increase in 50 bps on DBO		
Discount rate	-3.40%	-3.20%
Salary escalation rate	3.60%	3.40%
Attrition Rate	-15.70%	-17.20%
Impact of decrease in 50 bps on DBO		
Discount rate	3.70%	3.40%
Salary escalation rate	-3.40%	-3.30%
Attrition Rate	32.00%	32.30%

(in terms of amount)	As at March 31, 2020	As at March 31, 2019
DBO due to Impact of increase in 50 bps		
Discount rate	425.88	249.33
Salary escalation rate	456.83	266.53
Attrition Rate	371.84	213.45
DBO due to Impact of decrease in 50 bps		
Discount rate	457.12	266.57
Salary escalation rate	426.00	249.30
Attrition Rate	582.27	340.80

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

h) Maturity profile of defined benefit obligation

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	As at March 31, 2020	As at March 31, 2019
Expected benefits for year 1	67.87	38.35
Expected benefits for year 2	58.12	39.18
Expected benefits for year 3	53.80	33.78
Expected benefits for year 4	43.00	30.10
Expected benefits for year 5	33.29	23.85
Expected benefits for year 6	26.48	17.91
Expected benefits for year 7	20.22	14.47
Expected benefits for year 8	48.83	11.38
Expected benefits for year 9	12.55	38.99
Expected benefits for year 10 and above	325.81	196.92

The weighted average duration to the payment of these cash flows is 7 years (March 31, 2019 : 7 years).

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.

Estimated amount of contribution expected to be paid to the gratuity fund during the period after the Balance Sheet date is Rs. 285.44 lakh (March 31, 2019: Rs. 148.03 lakh).

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47 Maturity analysis of assets and liabilities

Particulars	March 31, 2020 Within 12 months	March 31, 2020 After 12 months	March 31, 2020 Total	March 31, 2019 Within 12 months	March 31, 2019 After 12 months	March 31, 2019 Total
ASSETS						
FINANCIAL ASSETS						
(a) Cash and cash equivalents	40,020.60	-	40,020.60	8.17	-	8.17
(b) Derivative financial instruments	-	1,070.50	1,070.50	-	-	-
(c) Receivables						
- Trade Receivables	213.77	-	213.77	195.53	-	195.53
- Other Receivables	100.99	-	100.99	-	-	-
(d) Loans	56,751.62	11,54,457.47	12,11,209.09	60,538.38	10,83,955.59	11,44,493.97
(e) Investments	54,692.14	-	54,692.14	-	-	-
(f) Other Financial assets	295.95	184.85	480.80	60.70	344.30	405.00
	1,52,075.07	**11,55,712.82**	**13,07,787.89**	**60,802.78**	**10,84,299.89**	**11,45,102.67**
NON- FINANCIAL ASSETS						
(a) Current tax assets (Net)	-	1,257.04	1,257.04	-	694.11	694.11
(b) Deferred tax Assets (Net)	-	2,232.68	2,232.68	-	1,781.38	1,781.38
(c) Property, Plant and Equipment	-	903.29	903.29	-	873.29	873.29
(d) Right to use of Assets	-	2,288.82	2,288.82	-	-	-
(e) Intangible assets under development	-	28.02	28.02	-	170.12	170.12
(f) Other Intangible assets	-	510.11	510.11	-	358.58	358.58
(g) Other non-financial assets	1,011.30	130.13	1,141.43	805.59	136.93	942.52
	1,011.30	**7,350.09**	**8,361.39**	**805.59**	**4,014.41**	**4,820.00**
TOTAL ASSESTS	**1,53,086.37**	**11,63,062.91**	**13,16,149.28**	**61,608.37**	**10,88,314.30**	**11,49,922.67**
LIABILITIES AND EQUITY						
LIABILITIES						
FINANCIAL LIABILITIES						
(a) Payables						
(I) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	69.55	-	69.55	2.11	-	2.11
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2621.35	-	2,621.35	2,608.73	-	2,608.73
(b) Debt Securities	1,06,361.56	84,639.32	1,91,000.88	97,537.53	91,747.96	1,89,285.49
(c) Borrowings other than debt securities	1,28,000.93	8,21,080.86	9,49,081.79	98,904.80	7,12,746.00	8,11,650.80
(d) Lease Liability	535.61	2,016.51	2,602.12	-	-	-
(e) Subordinated Liabilities	1,726.41	24,881.61	26,608.02	1,370.34	19,899.56	21,269.90
(f) Other financial liabilities	3,756.91	-	3,756.91	5,224.56	-	5,224.56
	2,43,122.31	**9,32,618.31**	**11,75,740.62**	**2,05,648.08**	**8,24,393.52**	**10,30,041.59**
NON- FINANCIAL LIABILITIES						
(a) Provisions	779.79	-	779.79	517.31	-	517.31
(b) Other non-financial liabilities	1,342.62	-	1,342.62	332.10	-	332.10
	2,122.41	**-**	**2,122.41**	**849.41**	**-**	**849.41**
NET	**(92,158.35)**	**2,30,444.60**	**1,38,286.25**	**(1,44,889.12)**	**2,63,920.78**	**1,19,031.67**

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48 Financial risk management objectives and policies

ABHFL's risk philosophy involves a competent and comprehensive risk management framework & robust policies and processes which minimise the element of uncertainty and help in developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. The Risk Management provides stability and balance ensuring that growth is backed by a robust portfolio. ABHFL is exposed to various types of risks such as credit risk, market risk (which includes liquidity risk and pricing risk), operational risk, legal risk, regulatory risk and competition risk.

ABHFL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices. The Board of Directors have an oversight over the risk management framework applicable to the Company. The risk management oversight structure includes various Committees such as Risk Management Committee which consist of Board members and Senior Management. The Risk Management Committee ("RMC") which is chaired by an Independent Director conducts review at regular intervals to monitor compliance with risk policies, risk tolerance limits, review and analysis of risk exposure and provides oversight of risk across the organization.

Market risk

The Company does not have any investments in securities other than short term investments of excess funds in liquid schemes of mutual funds and hence, there is no material market risk.

On liabilities front, the Company borrows through CPs (fixed rate, short duration), Term Loans (from Banks - at rates lined to their MCLR) and NCDs (fixed rate, long term).

The Company has a robust mechanism to take care of liquidity risks in form of free Bank lines (CC and TL). From time to time depending on markets, the Company also invests in liquid schemes of mutual funds which ensures availability of funds to meet its immediate liabilities.

Asset Liability Committee (ALCO) meets around 6 times a year to discuss market conditions and Asset Liability Management (ALM). There is a Risk Committee meeting every quarter and also a Board meeting every quarter where the risks are discussed and ALM is presented.

Interest rate risk

Interest rate risk is monitored through the IRS statement prepared every quarter. The Company has issued NCDs which are fixed rate instruments. The major portion of the borrowings are through term loans, which are a variable rate with annual reset, linked to the Bank's MCLR.

ALCO has set a limit for the interest rate gap that is acceptable and the same is monitored by ALCO and Risk Committee.

Most of the loans given by the Company are floating rate loans and hence, any change in interest rate can be passed on to the customers, thereby minimising the risk.

Credit risk

Credit Risk is managed and controlled through a Credit Risk Management Framework comprising detailed risk evaluation of borrower and security. ABHFL has developed expertise to underwrite all kinds of customer segments (salaried, self-employed professionals, self-employed non-professionals) and our underwriting guidelines are benchmarked to the market and adequate internal controls have been put in place to maintain the quality of loans being approved. Distinct policies and processes are in place which are followed rigorously while selecting the borrowers and people who occupy key positions are professionally qualified (such as CA/MBA/ICWA). For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. All the cases are approved by Credit Committees formulated at different levels with various approval limits. Collateral Risk refers to the risk of loss arising from errors in the nature, quantity, pricing, or characteristics of collateral securing a transaction with credit risk. ABHFL has dual external valuation process and the same is also evaluated internally to mitigate such risk. After sanctioning the loan, regular monitoring of the accounts is also done to sight irregularities if any and where required prompt action is initiated and a well defined collection process helps in ensuring minimum credit loss. As credit risk is one of the major risks faced by the Company, the policies and processes are reviewed periodically and, if need be, revised in order to keep them up-to-date.

Analysis of maximum exposure to credit risk and collateral and other credit enhancements

The following table shows the maximum exposure to credit risk, the total fair value of collateral and the net exposure to credit risk. The collateral value as at the time of on-boarding of the customer has been considered for below disclosure.

	Maximum exposure to credit risk	Fair value of collateral and other credit enhancements held (Mortgage)	Net exposure
As at March 31, 2020	12,90,103.35	25,31,938.67	-
As at March 31, 2019	12,33,700.47	23,31,956.96	-

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main type of collateral obtained is mortgages over residential/ commercial properties.

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Liquidity risk
Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Asset Liability Management of the Company is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at respective balance sheet dates.

As at March 31, 2020

	Liabilities			Assets	
	Borrowings from banks	**Market borrowings#**	**Other financial liabilities**	**Advances***	**Other financial assets**
1 day to 30/31 days (one month)	11,532.00	66,050.26	2,690.90	18,174.63	95,027.50
Over one months to 2 months	149.64	10,360.93	-	9,333.00	-
Over 2 months to 3 months	1,779.93	24,356.88	-	9,418.00	-
Over 3 months to 6 months	29,648.67	7,443.91	-	28,770.00	-
Over 6 months to 1 year	84,455.59	564.42	4,342.52	59,932.00	295.94
Over 1 year to 3 years	4,40,877.25	82,648.51	2,016.51	2,76,032.15	1,255.35
Over 3 years to 5 years	3,55,928.27	-	-	2,90,887.95	-
Over 5 years to 7 years	24,647.00	8,500.00	-	2,79,828.00	-
Over 7 years to 10 years	-	18,500.00	-	2,47,714.00	-
Over 10 years	-	-	-	-	-
Total	**9,49,018.35**	**2,18,424.91**	**9,049.93**	**12,20,089.73**	**96,578.80**

As at March 31, 2019

	Liabilities			Assets	
	Borrowings from banks	**Market borrowings#**	**Other financial liabilities**	**Advances***	**Other financial assets**
1 day to 30/31 days (one month)	51,721.46	27,932.71	2,610.84	11,677.20	203.70
Over one months to 2 months	-	443.18	-	3,854.22	-
Over 2 months to 3 months	1,750.00	45,514.04	-	3,299.60	-
Over 3 months to 6 months	20,500.00	10,211.75	-	15,162.08	-
Over 6 months to 1 year	22,333.33	17,435.69	5,224.56	28,269.61	60.70
Over 1 year to 3 years	3,22,333.33	54,634.12	-	1,31,186.56	344.30
Over 3 years to 5 years	3,15,416.67	35,133.94	-	1,11,684.42	-
Over 5 years to 7 years	75,250.00	2,000.00	-	1,05,505.47	-
Over 7 years to 10 years	-	20,000.00	-	1,75,304.39	-
Over 10 years	-	-	-	5,63,009.65	-
Total	**8,09,304.80**	**2,13,305.44**	**7,835.40**	**11,48,953.21**	**608.70**

The above table includes future contractual cash flows recognised as at balance sheet date in different buckets and does not include other future contracted cash flows (such as interest which are not accrued as at Balance Sheet date).

Net of unamortized discounting charges on commercial paper amounting to Rs. 409.03 lakh (March 31, 2019: Rs. 810.70 lakh)

* Advances includes loan and advances to the customers.

Operational and business risk
Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Foreign currency exchange rate risk
The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The total foreign currency exposure as at March 31, 2020 is USD 500 Lakh (March 31, 2019: Nil) of which unhedged foreign currency exposure as at March 31, 2020 is Nil (March 31, 2019: Nil)

Impact of COVID-19 (Global pandemic)
The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

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49 **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. The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of its Regulator, NHB. The Company monitors capital using, among other measures, a capital adequacy ratio which is a ratio of weighted assets to total owned capital derived as per the NHB requirements. As per the NHB guidelines Company being a Housing Finance Company is required to maintain minimum of 13% of capital adequacy ratio (March 31, 2019 - 12%). Company has complied in full with all its externally imposed capital requirements over the reported period

The Company also manages its leverage position on periodic basis by monitoring debt equity ratio to aling itself with market and peers.

	As at March 31, 2020	As at March 31, 2019
Capital adequacy ratio	18.05%	16.80%
Debt equity ratio :	8.44	8.59

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

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50 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values, that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost				
Loans #	12,11,209.09	11,44,493.97	12,11,209.09	11,44,493.97
Security deposits	476.86	396.39	477.56	410.85
Derivative financial instruments	1,070.50	-	1,070.50	-
	12,12,756.45	11,44,890.36	12,12,757.15	11,44,904.82
Financial assets at FVTPL				
Investments	54,692.14	-	54,692.14	-
	54,692.14	-	54,692.14	-
Financial liabilities at amortised cost				
Debt Securities*	1,03,909.91	1,20,096.19	1,06,399.78	1,17,050.85
Sub debts**	26,608.02	21,269.90	24,907.53	18,943.00
Commercial papers	87,090.97	69,189.30	87,090.97	69,189.30
Borrowings other than debt securities#	9,49,081.79	8,11,650.80	9,49,081.79	8,11,650.80
	11,66,690.69	10,22,206.19	11,67,480.07	10,16,833.95

Loans to customers and borrowings other than debt securities are primarily at floating rate of interest hence carrying value approximates the fair value.

*Includes redeemable non convertible debentures subscribed by Aditya Birla Sun Life Insurance Company Limited of face value Rs. 500 lakh (March 31, 2019 :Rs. 500 lakh) with fair value Rs. 500.26 lakh (March 31, 2019 : Rs. 501.10 Lakh) included in level 2 below.
**Includes subordinate debts subscribed by Aditya Birla Sunlife Insurance Company Limited of face value Rs. 1,000 Lakh (March 31, 2019 : Rs. 1,000 Lakh) with fair value Rs. 915.46 Lakh (March 31, 2019 : Rs. 936.60 Lakh) included in level 2 below.

The 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 Company has not provided the disclosure of financial instruments where the carrying amount approximates the fair value in line with exemption granted under para 29 (a) of Ind AS 107- Financial Instruments : Disclosures except for loans to customers and borrowings other than debt securities.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, Contract assets, trade payables, contract liability without a specific maturity and other financial assets and financial liabilities. Disclosures of financial assets and financial liabilities where the carrying amount approximates fair value is not required and hence not given.

Loans and advances to customers

Since the mortgage lending by the Company is primarily bearing variable rate of interest, the the carrying amount net of ECL is considered as the most comprable price and approximates fair value.

Debt securities, security deposits and other borrowings

The fair values of the Company's interest-bearing debt securites and security deposits are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's market borrowing rate as at the end of the reporting period.
Since entity's other borrowings are primarily bearing variable rate of interest, the the carrying amount of such borrowings is considered as the most comprable price and approximates fair value.

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Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
As at March 31, 2020					
Financial assets at amortised cost					
Loans	12,11,209.09	-	-	12,11,209.09	12,11,209.09
Security deposits	476.86	-	-	477.56	477.56
Derivative financial instruments	1,070.50	-	1,070.50	-	1,070.50
	12,12,756.45	**-**	**1,070.50**	**12,11,686.65**	**12,12,757.15**
Financial assets at FVTPL					
Investments	54,692.14	-	54,692.14	-	54,692.14
	54,692.14	**-**	**54,692.14**	**-**	**54,692.14**
Financial liabilities at amortised cost					
Debt securities	1,03,909.91	-	1,06,399.78	-	1,06,399.78
Sub Debts	26,608.02	-	24,907.53	-	24,907.53
Commercial papers	87,090.97	-	87,090.97	-	87,090.97
Borrowings other than debt securities	9,49,081.79	-	-	9,49,081.79	9,49,081.79
	11,66,690.69	**-**	**2,18,398.28**	**9,49,081.79**	**11,67,480.07**
As at March 31, 2019					
Financial assets at amortised cost					
Loans	11,44,493.97	-	-	11,44,493.97	11,44,493.97
Security deposits	396.39	-	-	410.85	410.85
Derivative financial instruments	-	-	-	-	-
	11,44,890.36	**-**	**-**	**11,44,904.82**	**11,44,904.82**
Financial assets at FVTPL					
Investments	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Financial liabilities at amortised cost					
Debt securities	1,20,096.19	-	1,17,050.85	-	1,17,050.85
Sub debts	21,269.90	-	18,943.00	-	18,943.00
Commercial papers	69,189.30	-	69,189.30	-	69,189.30
Borrowings other than debt securities	8,11,650.80	-	-	8,11,650.80	8,11,650.80
	10,22,206.19	**-**	**2,05,183.15**	**8,11,650.80**	**10,16,833.95**

51 Events after reporting date
There have been no events after the reporting date that require disclosure in these financial statements.

ADITYA BIRLA HOUSING FINANCE LIMITED
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Aditya Birla Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2020
(Currency: Rupees in Lakhs)

52 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017 has been given under Annexure 1 to these financial statements.

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited

Ajay Srinivasan
Director
DIN: 00121181

Rakesh Singh
Director
DIN: 07006067

Netrapal Singh
Chief Executive Officer

Tushar Kotecha
Chief Financial Officer

Muthiah Ganapathy
Company Secretary

Place: Mumbai
Date: May 30, 2020

ADITYA BIRLA HOUSING FINANCE LIMITED
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Aditya Birla Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2020
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Annexure 1

1 **Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

The disclosure of details as required under this clause has been prepared in accordance with the RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13,2020 -

1.1 Capital:

	As at March 31, 2020	As at March 31, 2019
CRAR (%)	18.05%	16.80%
CRAR - Tier I capital (%)	14.74%	13.80%
CRAR - Tier II Capital (%)	3.31%	3.00%
Amount of subordinated debt raised as Tier- II Capital	26,608.02	21,269.90
Amount raised by issue of perpetual debt instruments	-	-

1.2 Reserve fund u/s 29C of the National Housing Bank Act, 1987:

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year		
i) Statutory reserves u/s 29C of the National Housing bank Act, 1987	79.98	79.98
ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987	2,064.27	571.61
Total	**2,144.25**	**651.59**
Addition/ appropriation/ withdrawal during the year		
Add:		
i) Amount transferred u/s 29C of the National Housing Bank Act, 1987	248.87	-
ii) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of the National Housing Bank Act, 1987	1,804.19	1,492.66
Less:		
i) Amount appropriated from the statutory reserve u/s 29C of the National Housing Bank Act, 1987	-	-
Balance at the end of the year		
i) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	328.85	79.98
ii) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	3,868.46	2,064.27
Total	**4,197.31**	**2,144.25**

1.3 Investments:

Particulars	As at March 31, 2020	As at March 31, 2019
1.3.1 Value of Investments		
i) Gross value of investments		
- In India	54,692.14	-
- Outside India	-	-
ii) Provisions for depreciation		
- In India	-	-
- Outside India	-	-
iii) Net value of investments		
- In India	54,692.14	-
- Outside India	-	-

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Aditya Birla Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2020
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Annexure 1

1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.

1.3.2 Movement of provisions held towards depreciation on investments

i) Opening balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / Written-back of excess provisions during the year	-	-
iv) Closing balance	-	-

1.4 Derivatives :

1.4.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

Particulars	As at March 31, 2020	As at March 31, 2019
i) The notional principal of swap agreements	35,445.00	NA
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1,070.50	NA
iii) Collateral required by the HFC upon entering into swaps	NA	NA
iv) Concentration of credit risk arising from the swaps $	Refer foot note $	NA
v) The fair value of the swap book	1,070.50	NA

$ Counter-party for all Swaps entered into by the company are Scheduled Commercial Banks.

1.4.2 Exchange traded interest rate (IR) derivative

Company has not enetered into any Exchange traded interest rate (IR) derivative during the current as well as previous financial year, hence the disclosure under this clause is not applicable.

1.4.3 Disclosures on risk exposure in derivatives

i) Qualitative disclosure

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivate contracts such as cross currency interest rate swaps to hedge its exposure to movements in foreign exchange and interest rates. The use of these derivative contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The Board constituted Risk Management Committee (RMC) of the company manages risk on the company's derivative portfolio. All derivative transactions that are entered into by the company are reported to the board, and the mark-to-market on its portfolio is monitored regularly by the senior management.

To hedge its risks on the principal and/or interest amount for foreign currency borrowings on its balance sheet, the company has currently used cross currency interest rate swaps (CCIRS). The same is also used to hedge its LIBOR risk for foreign currency borrowings.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Derivative assets and liabilities are recognized on the balance sheet at fair value. Fair value of derivatives is ascertained from the mark to market and accrual values received from the counter-party banks. Changes in the fair value of derivatives other than those designated as hedges are recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

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(Currency: Rupees in Lakhs)

Annexure 1

1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.

ii) Quantitative disclosure

Particulars	Cross Currency interest rate Derivatives
(i) Derivatives (Notional Principal Amount)	35,445.00
(ii) Marked to Market Positions [1]	
(a) Assets (+)	1,070.50
(b) Liability (-)	-
(iii) Credit Exposure [2]	Nil
(iv) Unhedged Exposures	Nil

Company has entered into a cross currency interest rates swaps hence the name of the column has been amended to that extent and the existing columns (currency derivatives and interest rate derivatives) as per NHB circulars requirements have not been given as they are not applicable.

1.5 Securitisation :

1.5.1 Since the Company has not sponsored any securitisation transactions during the current as well as previous financial year, the disclosure under this clause is not applicable.

1.5.2 Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction

Since the Company has not sold any financial assets to securitisation or reconstruction company for asset reconstruction during the current as well as previous financial year, the disclosure under this clause is not applicable.

1.5.3 Details of assignment transactions undertaken by HFCs (portfolio acquired)

Particulars	As at March 31, 2020	As at March 31, 2019
i) No. of accounts	-	2,207
ii) Aggregate value (net of provisions) of accounts assigned	-	50,116.24
iii) Aggregate consideration paid	-	50,116.24
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

1.5.4 Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:
Since the Company has not purchased any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.

B. Details of non-performing financial assets sold:
Since the Company has not sold any non-performing financial assets during the current as well as previous financial year, the disclosure under this clause is not applicable.

ADITYA BIRLA HOUSING FINANCE LIMITED
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Annexure 1

1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.

1.6 Exposure

1.6.1 Exposure to real estate sector

	As at March 31, 2020	As at March 31, 2019
Direct exposure to		
i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
housing loans up to Rs. 15 lakh	1,20,352.14	83,477.82
housing loans more than Rs. 15 lakh	6,70,499.69	6,53,715.70
Other loans	2,72,970.66	2,62,362.38
ii) Commercial real estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	2,25,551.30	2,36,556.02
iii) Investments in mortgage backed securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial real estate	-	-

1.6.2 Indirect exposure

Fund base and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

1.6.3 Exposure to capital market

Since the Company does not have any exposure to capital market during the current as well as previous financial year, the disclosure under this clause is not applicable.

1.6.4 Details of financing of parent company products

Since the Company has not entered into any transaction for financing the parent company products during the current as well as previous financial year, the disclosure under this clause is not applicable.

1.6.5 Single Borrower Limit (SBL) / Group Borrower Limit (GBL)

The Company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the current as well as previous financial year.

1.6.6 Unsecured advances

The exposure of the company towards unsecured advances in the current year is Rs. 737.18 Lakh , previous year is Rs. 204.92 Lakh.

1.7 Miscellaneous

1.7.1 Registration obtained from other financial sector regulators-

Regulator	Registration No
Insurance Regulatory and Development Authority: As corporate agent (Composite)	CA0623

1.7.2 Disclosure of penalties imposed by NHB and other regulators -

A penalty amount of Rs. 48.30 lakh (incl. GST of Rs. 7.39 lakh) is imposed by NHB during the current financial year. There were no such penalties levied by NHB or any other regulators during previous financial year.

1.7.3 Related party transactions

Details of all material transactions with related parties are disclosed in note no 35. The policy on related party transaction is set out in Director's report.

ADITYA BIRLA HOUSING FINANCE MUMBAI

(Currency: Rupees in Lakhs)

Annexure 1

1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.

1.7.4 Credit rating

Instrument	**Rating agency/ Rating assigned**
Bank lines programme	[India ratings/ ICRA] Short Term A1+/Long Term AAA (Stable)
Non-convertible debenture programme	[ICRA] AAA (Stable)/ [India Ratings] AAA
Subordinated debt programme	[ICRA] AAA (Stable)/ [India Ratings] AAA
Principal Protected Market Linked Debenture - (PP-MLD)	[India ratings] IND- PPMLD AAA emr'
Commercial paper programme	[ICRA] A1+ / [India Ratings] A1+

There were no changes in any of the ratings or outlook during the year.

1.7.5 Remuneration of directors
Details of remuneration of directors are disclosed as part of the Director's Report.

1.7.6 Management
Refer to the Management Discussion and Analysis Report for the relevant disclosures.

1.7.7 Net profit or loss for the period, prior period items and changes in accounting policies
There are no prior period items that have impact on the current as well as previous year's profit and loss.

1.7.8 Revenue recognition
There have been no instances during current as well as previous financial year in which revenue recognition has been postponed pending the resolution of significant uncertainties.

1.7.9 Accounting Standard 21 - Consolidated Financial Statements (CFS)
These details are not applicable since the Company does not have any subsidiary / associate.

1.8 Additional Disclosures

1.8.1 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in statement of profit and loss	**As at March 31, 2020**	**As at March 31, 2019**
i) Provisions for depreciation on investments	-	-
ii) Provision made towards income tax (including tax on other comprehensive income)	3,084.32	3,254.47
iii) Provision towards non performing assets (Stage 3 Expected Credit Loss)	4,185.02	2,023.97
iv) Provision for standard assets* (Stage 1 & Stage 2 Expected Credit Loss)	2,942.66	(148.56)
v) Other provision and contingencies		
- Provision for employee benefits - gratuity (net of fund assets)	199.22	117.63
- Provision for employee benefits - leave encashment	101.46	84.06

**As the Standard asset provision is provided as sum of expected credit loss under Stage 1 & 2, a detailed breakup of this provision into CRE, CRE-RH and others is not mainted under expected credit loss and hence has not been disclosed.*

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Notes to the financial statements for the year ended March 31, 2020
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Annexure 1

1 **Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

Break up of loan & advances and provisions thereon

	As at March 31, 2020	As at March 31, 2019
Housing loans		
Standard assets		
- *Total outstanding amount*	7,99,200.33	7,58,965.31
- *Provisions made*	3,698.18	2,003.88
Sub standard assets		
- *Total outstanding amount*	6,117.34	2,671.49
- *Provisions made*	1,840.16	935.95
Doubtful I		
- *Total outstanding amount*	1,833.09	2,314.87
- *Provisions made*	634.92	1,933.35
Doubtful II		
- *Total outstanding amount*	337.70	253.66
- *Provisions made*	159.89	80.87
Doubtful III		
- *Total outstanding amount*	-	-
- *Provisions made*	-	-
Loss		
- *Total outstanding amount*	-	-
- *Provisions made*	-	-
Non-housing loans		
Standard assets		
- *Total outstanding amount*	4,07,026.12	3,83,618.29
- *Provisions made*	1,966.23	714.64
Sub standard assets		
- *Total outstanding amount*	4,979.62	2,151.51
- *Provisions made*	1,582.98	502.41
Doubtful I		
- *Total outstanding amount*	1,569.04	706.92
- *Provisions made*	511.94	181.03
Doubtful II		
- *Total outstanding amount*	794.05	192.95
- *Provisions made*	253.91	28.90
Doubtful III		
- *Total outstanding amount*	-	-
- *Provisions made*	-	-
Loss		
- *Total outstanding amount*	-	-
- *Provisions made*	-	-
Total		
- *Total outstanding amount*	12,21,857.29	11,50,875.00
- *Provisions made*	10,648.21	6,381.03

1.8.2 **Draw down from reserves**

There were no draw down from Reserves during the current as well as previous financial year.

1.8.3 **Concentration of public deposits, advances, exposures and NPAs.**

i) Concentration of public deposits

Since the company is not a public deposit taking/holding HFC, the above disclosure is not applicable to the company.

ii) Concentration of loans & advances

	As at March 31, 2020	As at March 31, 2019
Total loans & advances to twenty largest borrowers	48,532.72	65,247.55
Percentage of loans & advances to twenty largest borrowers to total advances of the company	3.97%	5.67%

ADITYA BIRLA HOUSING FINANCE MUMBAI

Aditya Birla Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2020
(Currency: Rupees in Lakhs)

Annexure 1

1 **Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.**

iii) Concentration of all exposure (including off-balance sheet exposure)	**As at March 31, 2020**	**As at March 31, 2019**
Total exposure to twenty largest borrowers / customers	58,585.87	74,460.31
Percentage of exposure to twenty largest borrowers / customers to total exposure of the company on borrowers / customers	4.46%	5.93%
iv) Concentration of NPAs		
Total exposure to top ten NPA accounts	5,196.97	4,338.73

v) Sector-wise NPAs

Sector	**Percentage of NPAs to total advances in that sector**
I. Housing loans :-	
a) Individuals	1.10%
b) Builders/project loans	0.00%
c) Corporates	-
d) Others (specify)	-
II. Non - housing loans :-	
a) Individuals	1.30%
b) Builders/project loans	0.00%
c) Corporates	0.00%
d) Organisation	3.80%

vi) Movement of NPAs	**As at March 31, 2020**	**As at March 31, 2019**
(I) Net NPAs to net advances (%)	0.88%	0.40%
(II) Movement of NPAs (Gross)		
a) Opening balance	8,291.39	4,803.52
b) Additions during the year	12,069.12	5,220.61
c) Reductions during the year	4,729.66	1,732.74
d) Closing balance	15,630.85	8,291.39
(III) Movement of Net NPAs		
a) Opening balance	4,632.11	2,965.50
b) Additions during the year	7,884.10	3,196.63
c) Reductions during the year	1,869.16	1,530.02
d) Closing balance	10,647.05	4,632.11
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	3,659.28	1,838.02
b) Provisions made during the year	4,185.02	2,023.98
c) Write-off/write-back of excess provisions	2,860.50	202.72
d) Closing balance	4,983.80	3,659.28

vii) Overseas assets
The company does not have any overseas assets during the current as well as previous financial year.

viii) Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)
The company does not have any off- balance sheet SPVs during the current as well as previous financial year.

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Aditya Birla Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2020
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Annexure 1

1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.

1.9 Disclosure of Complaints

1.9.1 Customers complaints

	As at March 31, 2020	As at March 31, 2019
i) No of complaints pending as at the beginning of the year	-	1
ii) No of complaints received during the year	693	228
iii) No of complaints redressed during the year	686	229
iv) No of complaints pending as at the end of the year	7	-

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Notes to the financial statements for the year ended March 31, 2020
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1 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017.

1.10 Asset liability management (Maturity pattern of certain items of assets and liabilities)

	Liabilities				Assets		
	Deposits	Borrowings from banks	Market borrowings*	Foreign Currency Liabilities	Advances**	Investments	Foreign Currency Assets
Up to 30/31 days (one month)	656.00	11,339.93	65,394.26	192.07	18,174.63	54,692.14	-
Over one months to 2 months	-	149.64	10,360.93	-	9,333.00	-	-
Over 2 months to 3 months	-	1,779.93	24,356.88	-	9,418.00	-	-
Over 3 months to 6 months	-	29,648.67	7,443.91	-	28,770.00	-	-
Over 6 months to 1 year	-	84,455.59	564.42	-	59,932.00	-	-
Over 1 year to 3 years	-	4,03,106.00	82,648.50	37,771.25	2,76,032.15	-	-
Over 3 years to 5 years	-	3,55,928.28	-	-	2,90,887.95	-	-
Over 5 years to 7 years	-	24,647.00	8,500.00	-	2,79,828.00	-	-
Over 7 years to 10 years	-	-	18,500.00	-	2,47,714.00	-	-
Over 10 years	-	-	-	-	-	-	-
Total	**656.00**	**9,11,055.03**	**2,17,768.91**	**37,963.32**	**12,20,089.73**	**54,692.14**	-

* The above amount is net of unamortized discounting charges on commercial paper amounting to Rs. 409.03 lakh (March 31, 2019: Rs. 810.70 lakh).
** Advances includes loan and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received and advance payment of taxes and other Deposits.

ADITYA BIRLA HOUSING FINANCE LIMITED MUMBAI

Aditya Birla Housing Finance Limited
Notes to the financial statements for the year ended March 31, 2020
(Currency: Rupees in Lakhs)

2 Disclosure of details as required under other guidelines of HFCs (NHB) Directions, 2010 and Reserve Bank of India circulars.

2.1 Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets :
We have not disbursed any loans against the collateral of gold jewellery during the relevant financial year and in previous year.

2.2 Disclosure related to information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries as prescribed under the said Directions :

We do not have any joint venture or overseas subsidiaries during the relevant financial year and in previous year.

2.3 Disclosure pursuant to RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13,2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	11,82,529.83	3,973.27	11,78,556.56	4,781.76	-808.49
	Stage 2	23,696.62	1,691.14	22,005.48	421.52	1,269.62
Subtotal		12,06,226.45	5,664.41	12,00,562.04	5,203.28	461.13
Non-Performing Assets (NPA)						
Substandard	Stage 3	11,096.96	3,423.14	7,673.82	1,888.28	1,534.86
Doubtful - up to 1 year	Stage 3	3,402.13	1,146.86	2,255.27	900.83	246.03
1 to 3 years	Stage 3	1,131.75	413.80	717.95	468.25	-54.45
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		4,533.88	1,560.66	2,973.22	1,369.08	191.58
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		15,630.84	4,983.80	10,647.04	3,257.36	1,726.44
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms*	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total	Stage 1	11,82,529.83	3,973.27	11,78,556.56	4,781.76	-808.49
	Stage 2	23,696.62	1,691.14	22,005.48	421.52	1,269.62
	Stage 3	15,630.84	4,983.80	10,647.04	3,257.36	1,726.44
	Total	12,21,857.29	10,648.21	12,11,209.08	8,460.64	2,187.57

2.4 Disclosure pursuant to RBI circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

The disclosure under this circular is given under the prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) of NHB directions.

(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of para 2 and 3 of the circular;

Overdue category	Total outstanding
Standard assets with DPD 1-30	12,664.00
Standard assets with DPD 31-90	21,822.40

(ii) Respective amount where asset classification benefits is extended.

Overdue category	Total outstanding
Standard asset with DPD 61-90 where classification benefit is extended (in terms of falling under NPA category)	5,575.12

(iii) Provisions made during the Q4FY2020 in terms of para 5 of the circular

Overdue category	Provision amount
Standard asset with DPD 61-90 where classification benefit is extended (in terms of falling under NPA category)	278.76

(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of para 6 of the circular

Particulars	Amount
Provisions adjusted during the respective accounting periods against slippages	Nil
The residual provisions at the end of the quarter	278.76

ADITYA BIRLA HOUSING FINANCE LIMITED
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Aditya Birla Money Mart Limited

S.R. Batliboi & Co. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Money Mart Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Aditya Birla Money Mart Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, 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 Ind AS 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 Ind AS 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 March 31, 2020, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Ind AS financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

S.R. Batliboi & Co. LLP Chartered Accountants Mumbai

Emphasis of Matter

We draw attention to note 38 to the Ind AS financial statements, which describes the increased uncertainty of estimates relating to the Company's valuation of investments, due to the continued outbreak of COVID 19 virus.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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.

S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 to the Ind AS 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.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749
UDIN: 20048749AAAAHX7117
Place of Signature: Mumbai
Date: May 20, 2020

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 Money Mart Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions of employees' state insurance, duty of custom, duty of excise are not applicable to the Company.

(c) According to the records of the Company, the dues of income tax, sales tax, service tax, goods and service tax, duties of customs, value added tax and cess on account of any dispute are as follows:

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	905,673	July 2003 to October 2005	Central Excise and Service Tax Appellate Tribunal

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749
UDIN: 20048749AAAAHX7117
Place of Signature: Mumbai
Date: May 20, 2020

ANNEXURE 2 to the Independent Auditor's Report of even date on Ind AS Financial Statements of Aditya Birla Money Mart 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 over financial reporting of Aditya Birla Money Mart Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS 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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS 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 these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749
UDIN: 20048749AAAAHX7117
Place of Signature: Mumbai
Date: May 20, 2020

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

ADITYA BIRLA MONEY MART LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Notes	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
ASSETS			
Non Current assets			
(a) Property, Plant and Equipment	3	92,136	1,77,183
(b) Other Intangible assets	4	33,86,364	20,20,121
(c) Intangible assets under development		70,400	-
(d) Investments	5	59,21,26,495	29,75,43,648
(e) Advance Tax		-	21,93,791
Total Non Current Assets(A)		**59,56,75,395**	**30,19,34,743**
Current assets			
(a)Financial Assets			
(i) Cash and cash equivalents	6	69,05,63,718	29,75,247
(ii) Loans	7	36,579	9,262
(b) Other current assets	8	22,59,487	16,22,826
Total Current Assets(B)		**69,28,59,784**	**46,07,335**
Total assets(A+B)		**1,28,85,35,179**	**30,65,42,078**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	93,19,64,460	10,00,000
(b) Other Equity	10	(1,70,11,445)	(7,88,81,151)
Total equity(C)		**91,49,53,015**	**(7,78,81,151)**
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11(a)	36,91,73,236	33,86,55,990
Total Non Current Liabilities		**36,91,73,236**	**33,86,55,990**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11(b)	-	3,99,06,055
(ii) Trade and Other Payables	12		
Trade payable for MSMED		-	-
Trade payable for Other Than MSMED		2,26,789	4,34,017
(iii) Other Financial Liabilities	13	4,39,885	43,39,880
(b) Other Current Liabilities (non financial)	14	1,20,644	10,87,287
(c) Provisions	15	11,470	-
(d) Liabilities for Current Tax (Net)		36,10,140	-
Total Current Liabilities		**44,08,928**	**4,57,67,239**
Total Liabilities (D)		**37,35,82,164**	**38,44,23,229**
Total Equity and Liabilities (C+D)		**1,28,85,35,179**	**30,65,42,078**
		-	-
Contingent Liabilities and Capital Commitments	31 and 32		
Summary of Significant Accounting Policies	2.1		

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

For S. R. BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

Place : Mumbai
Date: May 20, 2020

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Aditya Birla Money Mart Limited

Director **DIN:**

Director **DIN :**

Chief Financial Officer

MANAGER

Aditya Birla Money Mart Limited MUMBAI

ADITYA BIRLA MONEY MART LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Notes	For the year ended March 31, 2020 Rs.	For the year ended March 31,2019 Rs.
Revenue from Operations	16	1,70,00,000	44,60,145
Other Income	17		
- Interest income		8,43,836	9,124
- Net gain on fair value changes		11,20,66,117	-
- Other income		-	1,30,281
Total Revenue		**12,99,09,953**	**45,99,550**
Expenses			
Employee benefits expenses	18	5,39,324	6,76,547
Depreciation and amortisation expenses	19	16,71,205	1,72,738
Finance Cost	20	3,46,93,638	3,19,24,901
Other expenses	21	1,18,42,842	21,21,685
Total Expenses		**4,87,47,009**	**3,48,95,871**
Profit/(Loss) before tax		**8,11,62,944**	**(3,02,96,321)**
Tax expenses			
Current Tax		1,93,17,927	-
Deferred Tax (Refer Note No. 33)		-	-
Profit/(Loss) for the year		**6,18,45,017**	**(3,02,96,321)**
Other Comprehensive Income/(Loss) Statement	23		
A (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
B (i) Items that will not be reclassified to profit or loss			
- Remeasurement gains/losses on defined benefit plans		24,689	(13,238)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income/(Loss) for the Year		**24,689**	**(13,238)**
Total Comprehensive Income/(Loss)		**6,18,69,706**	**(3,03,09,559)**
Earning per Equity Share			
Basic Earnings per Share - Rs.	24	0.66	(302.96)
Diluted Earnings per Share - Rs.	24	0.66	(302.96)
(Face Value of Rs 10/- each)			
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

For and on behalf of the Board of Directors of
Aditya Birla Money Mart Limited

Director
DIN:

Director
DIN:

Chief Financial Officer

Pramod Bolle
MANAGER

Place : Mumbai
Date: May 20, 2020

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Aditya Birla Money Mart Limited MUMBAI

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ADITYA BIRLA MONEY MART LIMITED

Statement of changes in Equity for the year ended March 31, 2020

a. Equity Share Capital

	Number of shares	Amount
	No.	Rs.
As at April 01, 2018	**1,00,000**	**10,00,000**
Issued during the year	-	-
Capital reduction during the year	-	-
As at March 31, 2019	**1,00,000**	**10,00,000**
Issued during the year	9,31,96,446	93,19,64,460
Capital reduction during the year	-	-
As at March 31, 2020	**9,32,96,446**	**93,29,64,460**

b. Other Equity

	Equity Component	Reserves and Surplus				Total
		Capital Redemption Reserve	General Reserve	Retained earnings	Capital reserve	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at April 01, 2018	**10,83,85,961**	**2,82,50,000**	**31,59,300**	**(34,23,63,368)**	**15,39,98,217**	**(4,85,69,890)**
Loss for the Year	-	-	-	(3,02,96,322)	-	(3,02,96,322)
Other comprehensive income	-	-	-	(13,238)	-	(13,238)
Total comprehensive income	-	-	-	**(3,03,09,560)**	-	**(3,03,09,560)**
Other adjustments		-	-	-		-
ESOP Reserve	(1,701)	-	-	-	-	(1,701)
As at March 31, 2019	**10,83,84,260**	**2,82,50,000**	**31,59,300**	**(37,26,72,928)**	**15,39,98,217**	**(7,88,81,151)**
Profit for the year	-	-	-	6,18,45,017	-	6,18,45,017
Other comprehensive income	-	-	-	24,689	-	24,689
Total comprehensive income	-	-	-	**6,18,69,706**	-	**6,18,69,706**
ESOP Reserve	-	-	-	-	-	-
As at March 31, 2020	**10,83,84,260**	**2,82,50,000**	**31,59,300**	**(31,08,03,222)**	**15,39,98,217**	**(1,70,11,445)**

As per our report of even date

For S. R. BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

For and on behalf of the Board of Directors of
Aditya Birla Money Mart Limited

Director
DIN:

Director
DIN :

Chief Financial Officer

Manager

Place : Mumbai
Date: May 20, 2020

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Money Mart Limited MUMBAI

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ADITYA BIRLA MONEY MART LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

	Particulars		As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITES**			
	Net Profit / (Loss) before Tax		8,11,62,944	(3,02,96,321)
	Non Cash Adjustments to reconcile Profit/(Loss) before tax to Net Cash Flows :			
	Depreciation / Amortisation		16,71,205	1,72,738
	Interest Income		8,43,836	(9,124)
	Net gain on fair value changes		11,20,66,117	-
	Interest Expense		3,46,93,638	3,19,24,902
	ESOP Expense		-	(1,701)
	Operating Profit before Working Capital Changes		**23,04,37,740**	**17,90,494**
	Movements in Working Capital			
	Increase / (Decrease) in Trade Payables		(2,07,228)	68,066
	Increase / (Decrease) in Other Current Financial Liabilities		(38,99,995)	35,26,434
	Increase / (Decrease) in Other Current Liabilities(Non Financial)		(9,66,643)	9,97,523
	Increase / (Decrease) in Short Term Provisions		36,159	(3,05,365)
	Decrease / (Increase) in Trade Receivbles		-	2,31,421
	Decrease / (Increase) in Short Term Loans		(27,317)	9,90,738
	Decrease / (Increase) in Other Current Assets		(6,36,661)	(6,07,784)
	Cash generated from Operations		**22,47,36,055**	**66,91,527**
	Income Taxes Refund/(paid)		(1,35,13,996)	(21,12,955)
	Net cash (Used in)/generated from operations	**(A)**	**21,12,22,059**	**45,78,572**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets		(29,52,401)	(20,47,633)
	(Purchase) /Proceeds in Intangible assets under development		(70,400)	-
	(Purchase)/Proceeds from Non Current Investments		(29,45,82,847)	-
	Interest Income		(11,29,09,953)	9,124
	Net Cash Flow from Investing Activities	**(B)**	**(41,05,15,601)**	**(20,38,509)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from borrowings		(3,99,06,055)	-
	Proceeds from issue of shares		93,09,64,460	-
	Interest on Unsecured Loan		(41,76,392)	(39,51,405)
	Net Cash Flow used in Financing Acivities	**(C)**	**88,68,82,013**	**(39,51,405)**
D	**Net Increase in Cash & Cash Equivalent**	**(A)+(B)+(C)**	**68,75,88,471**	**(14,11,342)**
E	Cash and Cash Equivalent at the beginning of the Year		29,75,247	43,86,590
F	**Cash and Cash Equivalent at the end of the Year**	**(D+E)**	**69,05,63,718**	**29,75,247**
	Components of Cash and Cash Equivalents :			
	With Banks in Current Account		69,05,63,718	29,75,247
	Total Cash and Cash Equivalents		**69,05,63,718**	**29,75,247**

1. The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows' prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017.

2. Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

Summary of Significant Accounting Policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S. R. BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

Place : Mumbai
Date: May 20, 2020

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Aditya Birla Money Mart Limited

Director
DIN:

Director
DIN :

Chief Financial Officer

MANAGER

Aditya Birla Money Mart Limited MUMBAI ★

NC

ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(1) CORPORATE INFORMATION

The Company Aditya Birla Money Mart (the "company") is a public company domiciled in India and incorporated under the provisions of The Companies Act, 1956. The company is engaged in provision of consultancy services such as general corporate consultancy, risk consultancy, management consultancy, etc. The Company is further evaluating foraying into facilitating provision of information technology services/solutions.

(2) BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Companies' act 2013. Based on the nature of products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.The financial statements are presented in INR Unless Otherwise Stated.

(2.1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates :

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) 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:

1) In the principal market for the asset or liability, or

2) 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:

1) Quoted (unadjusted) market prices in active markets for identical assets or liabilities

2) Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

3) Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

(c) Property , Plant and Equipments :

(i) Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Depreciation on Tangible assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Depreciation on assets added/ disposed off during the year is provided on prorata basis with reference to the month of addition / deduction.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 income statement when the asset is derecognized .

(iii) Following rates are used to provide depreciation on Tangible fixed assets

Assets	Useful Life as prescribed by Schedule II of The Companies Act, 2013	Estimated useful life used by the Company
Leasehold Improvements	Over the primary period of the lease	Lease period or six years, whichever is earlier
Computers	3 years	3 years
Server & Networks	6 years	6 years
Office Equipments	5 years	5 years
Electronic Equipments	10 years	4 years
Furniture & fixture	10 years	7 years
Vehicles	6 years	6 years

Useful life of assets different from those prescribed in Schedule II has been estimated by management supported by technical assessment.

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Aditya Birla Money Mart Limited ★ MUMBAI

(iv) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(v) Assets costing Rs. 5,000 or less are written off in the year of purchase.

(d) **Intangible Fixed Assets :**

Intangible Assets are stated at cost less accumulated amortisation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to it's working condition for it's intended use.

Intangible assets, viz. Trade Names and other business rights and Software are amortised over a period of ten years and three financial years respectively.

(e) **Impairment of Assets :**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.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.

(f) **Borrowing Costs :**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment of the borrowing cost.

(g) **Redeemable Non Convertible Cumulative Preference Shares**

Preference shares are separated into liability and equity components based on the terms of the contract.On issuance of the preference shares, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification

(h) **Revenue Recognition :**

Income from Services

Revenue from Operations primarily includes income from advertisement, which is recognised when due, on completion of transaction or service. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Interest Income

For all Financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(i) **Retirement and Other Employee Benefits :**

(a) **Defined Contribution Plan :**

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, Employee State Insurance and Superannuation Schemes, which are recognised in the Statement of Profit and Loss on accrual basis. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

(b) **Defined Benefit Plan :**

The Company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the balance sheet date.

Remeasurements, comprising of actuarial gains and losses on retirement benefits, 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 period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

► 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 net defined benefit obligation under employee benefit expenses 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,

• Net interest expense or income.

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(j) **Income Taxes :**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. 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).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.Deferred tax liabilities are recognised for all taxable temporary differences.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 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.

(k) **Contingent Liabilities and Provisions :**

Contingent Liabilities

Contingent Liabilities is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is vittually certain. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The estimates are reviewed at each reporting date and adjusted to reflect the current management estimates.

(l) **Financial instruments;**

A financial asset is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

1) Financial Asset at amortised cost
2) Financial Assets at fair value through other comprehensive income (FVTOCI)
3) Financial Asset, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial Asset at amortised cost

A 'Financial Asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables

Financial Asset at FVTOCI

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Asset at FVTPL

FVTPL is a residual category for Financial Asset. Any Financial Asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial Asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any Financial Asset as at FVTPL.

Financial Asset included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables, deposits or contract revenue receivables.

The application of simplified approach does not require the group to track changes in credit risk.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

► The rights to receive cash flows from the asset have expired, or

► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss 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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the 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/ loss 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 or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

When the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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.

(m) **Cash and Cash Equivalent :**

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

(n) **Cash Flow Statement :**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(o) **Segment Reporting :**

Identification of Segments

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products.

Allocation of common costs

The costs other than finance cost are attributable to the advertisement segment.

Unallocated Items

Unallocated items include Other Income other than Interest income on Investments and Finance Cost.

Segment accounting policies

The company prepares it segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(p) **Earnings per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE: 3

PROPERTY, PLANT AND EQUIPMENT

(Amount In Rs.)

	Leasehold Improvements	Computer	TOTAL
Gross Block			
As at April 01, 2018	4,25,237	75,812	**5,01,049**
Additions	-	-	-
Deletions	-	-	-
	-	-	-
As at March 31, 2019	4,25,237	75,812	**5,01,049**
Additions	-	-	-
Deletions	-	-	-
As at March 31, 2020	4,25,237	75,812	**5,01,049**
Accumulated Depreciation			
As at April 01, 2018	1,63,695	75,812	**2,39,507**
For the year	84,359	-	**84,359**
Deletions	-	-	-
	-	-	-
As at March 31, 2019	2,48,054	75,812	**3,23,866**
For the year	85,047	-	**85,047**
Deletions			
As at March 31, 2020	3,33,100	75,812	**4,08,912**
Net Block as at March 31, 2019	1,77,183	(0)	1,77,183
Net Block as at March 31, 2020	92,137	(0)	92,136

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ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE: 4
INTANGIBLE ASSETS

(Amount In Rs.)

	Software	TOTAL
Gross Block		
As at April 01, 2018	17,52,339	**17,52,339**
Additions	20,47,633	**20,47,633**
Deletions	-	-
	-	-
As at March 31, 2019	37,99,972	**37,99,972**
Additions	29,52,401	**29,52,401**
Deletions	-	-
As at March 31, 2020	67,52,373	67,52,373
Accumulated Depreciation		
As at April 01, 2018	16,91,473	**16,91,473**
For the year	88,378	**88,378**
Deletions	-	-
0		-
As at March 31, 2019	17,79,851	**17,79,851**
For the year	15,86,158	**15,86,158**
Deletions	-	-
As at March 31, 2020	33,66,009	33,66,009
Net Block as at March 31, 2019	20,20,121	20,20,121
Net Block as at March 31, 2020	33,86,364	33,86,364

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ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 5:INVESTMENTS	As at March 31, 2020 (Rs.)	As at March 31, 2019 (Rs.)
5 : NON CURRENT INVESTMENTS		
INVESTMENT IN SUBSIDIARY		
1. Equity Shares (fully paid up)(Unquoted)		
Investment in Subsidiary Company		
4965000 shares Aditya Birla Money Insurance Advisory Services Limited (March 31, 2019- 2465000 shares) (Refer Note 35)	32,25,43,648	29,75,43,648
2. Aditya Birla Special Situation fund I	26,95,62,342	-
Number of Class A Units Allocated 2623784.51@Rs. 102.74		
Add; Interest accrued but not due	20,505	-
	26,95,82,847	-
	59,21,26,495	**29,75,43,648**

NOTE 6 : CASH AND BANK BALANCE	As at March 31, 2020 (Rs.)	As at March 31, 2019 Rs.
Cash and Cash Equivalent		
Balances with Scheduled Banks		
in Current Account	48,04,266	29,75,247
Other bank balances:		
Fixed Deposits with banks	68,50,00,000	-
Add; Interest accrued but not due	7,59,452	-
	68,57,59,452	-
	69,05,63,718	**29,75,247**

NOTE 7 : LOANS	As at March 31, 2020 (Rs.)	As at March 31, 2019 (Rs.)
SHORT TERM LOANS		
(Unsecured, considered good and at amortised cost unless stated otherwise)		
Loans and advances to Related party	9,262	9,262
Advance other	27,317	-
	36,579	**9,262**

NOTE 8 :OTHER CURRENT ASSETS	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
(Unsecured, considered good unless stated otherwise)		
Statutory Deposits and Dues from Government	15,67,482	10,64,354
Prepaid expense	75,839	-
Gratuity Receivable (Refer note 22)	6,16,166	5,58,472
	22,59,487	**16,22,826**

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ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 9 : SHARE CAPITAL	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
Authorised shares:		
120,000,000 (31st March, 2019 : 120,000,000) Equity Shares of Rs 10 each	1,20,00,00,000	1,20,00,00,000
5,000,000 (31st March, 2019 : 5,000,000) 0.01% Redeemable Non Convertible Cumulative Preference Shares of Rs 10 each.	5,00,00,000	5,00,00,000
	1,25,00,00,000	1,25,00,00,000
Issued, Subscribed and Paid up :		
Equity Share Capital		
93196446 (March 31, 2019: 100,000) Equity Shares of Rs 10/- each	93,19,64,460	10,00,000
	93,19,64,460	10,00,000

1. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	March 31, 2020		March 31, 2019	
	No of Shares	Rs	No of Shares	Rs
At the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Issued during the year	9,30,96,446	93,09,64,460	-	-
Capital Reduction during the year	-	-	-	-
Outstanding at the end of the year	9,31,96,446	93,19,64,460	1,00,000	10,00,000

2. **Terms / Rights attached to Equity Shares :**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3. **Shares held by the Holding Company :**

All the Equity and Redeemable Non Convertible Cumulative Preference Shares are held by the holding company - Aditya Birla Capital Limited (Formerly Known as Aditya Birla Financial Services Limited)

4. **Shareholders holding more than 5% shares in the Company**

Equity Share Capital

Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Service Limited) and nominees - 93196446 Equity Shares – 100%
(Previous Year - Aditya Birla Capital Limited - 100,000 Equity Shares – 100%)

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

5. For a five year period immediately preceding the date at which Balance Sheet is prepared:

a. No Shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash

b. No Shares were allotted as fully paid up by way of bonus shares.

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ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 10 : OTHER EQUITY	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
(i) Capital Redemption Reserve		
Opening Balance	2,82,50,000	2,82,50,000
Less : Adjustment During the year	-	-
Closing Balance	2,82,50,000	2,82,50,000
(ii)Capital Reserve		
Opening Balance	15,39,98,217	15,39,98,217
Add : Adjustment During the year	-	-
Closing Balance	15,39,98,217	15,39,98,217
(iii) General Reserve		
Opening Balance	31,59,300	31,59,300
Less : Adjustment on account of one time depreciation write off	-	-
Closing Balance	31,59,300	31,59,300
(iv) Surplus / (Deficit) as per Statement of Profit & Loss :		
Balance as per the last financial statements	(37,26,72,928)	(34,23,63,368)
Other Comprehensive income	24,689	(13,238)
Profit/ (Loss) for the year	6,18,45,017	(3,02,96,322)
Capital Reduction of Preference Shares	-	-
Capital Reduction of Equity Shares	-	-
Net (Deficit) in the Statement of Profit & Loss	(31,08,03,222)	(37,26,72,928)
(v) Other Component of Equity	10,83,84,260	10,83,84,260
Total Reserves and Surplus	**(1,70,11,445)**	**(7,88,81,151)**

NOTE 11 : BORROWINGS	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
11(a) : LONG TERM BORROWINGS		
(At Amortised Cost unless stated otherwise)		
0.01% Redeemable Non Convertible Cumulative Preference Shares	13,22,597	11,70,504
0.1% Compulsory Convertible Debentures	36,78,50,639	33,74,85,486
	36,91,73,236	**33,86,55,990**

Terms and Conditions

1. 0.01% Redeemable Non Convertible Cumulative Preference Shares

0.01% Redeemable Non Convertible Cumulative Preference Shares (RNCCPS), confer on the holders thereof the following rights and privileges:

i) the right to a cumulative preferential dividend of 0.01% on the nominal value of the RNCCPS every year, till the redemption of these RNCCPS, subject to the availability of the distributable profits, free of Company's Income-tax, but subject to deduction of taxes at source at the rate or rates prescribed from time to time. The dividend will be calculated on a day count of 365 days a year basis and are cumulative in nature. The dividend shall be paid to such Preference Shareholders whose names appears on the Register of Preference Shareholders on the Record Date, as may be declared by the Company.

(ii) the right in the event of winding up to the payment of such capital and arrears of dividend, whether earned, accrued, declared or not, down to the commencement of the winding up in priority to the equity Shares but shall not confer any further right to participate in profits or assets.

Put/ Call Option at any time after 5 years from the date of allotment with either the Company/Preference Shareholder. RNCCPS are issued for a period of 10 years. At the expiry of 10 years, the Preference shareholder will be redeemed at a premium of Rs. 5/- per share over and above the face value.

(iii) Shareholders holding more than 5% shares in the Company
Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)- 100,000 Redeemable Non Convertible Cumulative Preference Shares – 100%
(Previous Year - Aditya Birla Capital Limited - 100,000 Redeemable Non Convertible Cumulative Preference Shares – 100%)

2. 0.1% Compulsory Convertible Debentures

1. Company has issued the 26,00,866 0.1% Compulsory Convertible Debenture (CCD) of face value Rs.100/- each on 30th March, 2016 to its holding company Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited).

2. Each CCD shall be converted into 0.1% Redeemable Non Convertible Non Cummulative Preferance Share (RNCNCPS) of Rs.100/-each at a premium of Rs.54/- per Preference Share, at the end of 5 years and such RNCNCPS shall be redeemable at a premium of Rs.137 per Preference Share at the end of 2 years from the date of conversion or any such time as may be informed in writing at option of holder thereof

ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

11(b) : SHORT TERM BORROWINGS (At Amortised Cost unless stated otherwise)	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
Loans repayable on demand:		
Loan from Related Party (unsecured)	-	3,99,06,055
	-	3,99,06,055

NOTE 12 : TRADE PAYABLES (At Amortised Cost unless stated otherwise)	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
Trade Payables*	2,26,789	4,34,017
	2,26,789	4,34,017

***Micro and Small Scale Business Entities**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company

NOTE 13 : OTHER FINANCIAL LIABILITIES	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
OTHER CURRENT FINANCIAL LIABILITIES (At Amortised Cost unless stated otherwise)		
Payable to related party	3,47,186	43,32,181
Other Payable	7,699	7,699
Salaries, Wages, Bonus & Other Employee Benefits	85,000	-
	4,39,885	43,39,880

NOTE 14: OTHER NON FINANCIAL LIABILITIES	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
Statutory Dues	1,20,644	10,87,287
	1,20,644	10,87,287

NOTE 15 : PROVISIONS	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
SHORT TERM PROVISIONS		
Provision for Employee Benefits :		
Leave Encashment	8,611	-
Gratuity (Present Value of Obligation)	2,859	-
	11,470	-

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ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 16 : REVENUE FROM OPERATIONS	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Fees income	1,70,00,000	44,60,145
	1,70,00,000	**44,60,145**

NOTE 17 : OTHER INCOME	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Other Income	-	1,30,281
Interest Income at Amortised Cost		
- Interest Income on Loan	-	9,124
- Interest Income on Fixed deposit	8,43,836	-
	8,43,836	9,124
Net gain on fair value changes		-
MTM of investments measured at FVTPL-Gain/(Loss)	71,83,891	-
Gain/(loss) on sale of investments measured at FVTPL	10,48,82,226	-
	11,20,66,117	-
	11,29,09,953	**1,39,405**
Fair Value changes :		
Realised	10,48,82,226	-
Unrealised	71,83,891	-
	11,20,66,117	-

NOTE 18 : EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Salary, wages and bonus	5,44,658	6,69,574
ESOP Expense	-	(10,963)
Contribution to provident and other funds	20,712	37,910
Gratuity	(30,147)	(28,985)
Staff Welfare	4,101	9,011
	5,39,324	**6,76,547**

NOTE 19 : DEPRECIATION AND AMORTISATION EXPENSE	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Depreciation	85,047	84,359
Amortisation	15,86,158	88,379
	16,71,205	**1,72,738**

NOTE 20 : FINANCE COST	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Interest on Loan	39,15,588	36,91,312
Interest on Debentures	3,06,25,956	2,80,98,993
Interest on Preference shares	1,52,094	1,34,596
	3,46,93,638	**3,19,24,901**

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ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 21 : OTHER EXPENSES	For the year ended March 31, 2020	For the year ended March 31, 2019
Lease Rent	-	52,134
Repairs and Maintenance:		
Computers & Equipments	-	22,722
Buildings	-	6,816
Others	-	630
Information technology charges	60,761	24,300
Service hire charges	-	6,792
Rates and Taxes	9,38,565	4,432
Legal and professional charges (Refer Note 21.1 below)	77,98,956	8,49,031
Communication expenses	-	5,460
Travelling and conveyance	24,078	528
Printing and stationery	-	3,03,844
Electricity charges	-	4,254
Director Fees	9,00,000	4,50,000
Miscellaneous Expenses	21,20,482	3,90,742
	1,18,42,842	21,21,685

NOTE 21.1- Payment to Auditor*

	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor		
- Statutory Audit Fee	5,00,000	4,00,000
- Reimbursement of Expenses	15,668	10,732
Total	5,15,668	4,10,732

ADITYA BIRLA MONEY MART LIMITED

22 RETIREMENT BENEFITS

The company operates defined plans of Gratuity for its employees. . The Scheme is funded with an Insurance company in the form of qualifying

The following tables summarise the components of net benefit expense recognised in Statement of Profit and Loss Account and the funded status and the amounts recognised in the Balance Sheet for the respective plans

(a) Statement of Profit and Loss

Net Employee Benefit Expense recognized In Income Statement

	Gratuity	
	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Current service cost	2,858	-
Interest cost on obligation	-	4,203
Interest (income) on plan assets	(32,900)	(33,187)
Expense recognised in Income Statement	**(30,042)**	**(28,984)**

Expenses Recognised during the year

	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Expense recognised in Income Statement	(30,042)	(28,984)
Expense recognised in Other Comprehensive income	(24,689)	13,238
Total expenses/(Income)Recognised during the year	**(54,731)**	**(15,746)**

(b) Balance Sheet

Benefit Asset / Liability

	Gratuity	
	As at March 31, 2020	**As at March 31, 2019**
Present Value of defined benefit obligation	2,858	-
Fair Value of Plan Assets	(6,16,166)	(5,58,471)
Plan (Asset) / Liability - to be Funded to Gratuity Trust	**(6,13,308)**	**(5,58,471)**

(c) Changes in the present value of the defined benefits obligation are as follows :

	Gratuity	
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Opening Defined Benefit Obligation	-	2,40,558
Current service cost	2,858	-
Interest Cost	-	4,203
Benefits paid including transfer in / (out)	-	-
Transfer of employee dues	-	(2,48,002)
Actuarial (gains) / losses arising from:		
Change in Demographic Assumptions		
Change in Financial assumptions	-	(4,632)
Experience Variance	-	7,873
Closing defined benefit obligation	**2,858**	**-**

(d) Changes in the Fair Value of Plan Assets are as follows :

	Gratuity	
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Opening Fair Value of Plan Assets	5,58,577	5,18,724
Investment Income	32,900	49,744
Contributions by Employer	-	-
Benefits paid including transfer in / (out)	-	-
Return on Plan Assets	24,689	(9,997)
Closing fair value of plan assets	**6,16,166**	**5,58,471**

(e) Actual Return on Plan Assets

	Gratuity	
	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Expected return on Plan Assets	32,900	49,744
Actuarial Gain / (Loss) on Plan Assets	24,689	(9,997)
Actual return on Plan Assets	**57,589**	**39,747**

Plan Assets of Gratuity have been invested in Insurer Managed Fund (Group Bond Plan I,Group Fixed Interest Fund Plan I and Group Money Market Fund Plan I)

ADITYA BIRLA MONEY MART LIMITED

(f) **Major Category of Plan Assets: (As a percentage of total plan assets)**

	As on March 31, 2020	As on March 31, 2019
Funds managed by Insurer	100%	100%

(g) The principal assumptions used in determining Gratuity Obligations for the company's plans are shown below:

	For Year ended March 31, 2020	For Year ended March 31, 2019
Rate of Interest	5.89%	7.85%
Salary growth	7.00%	7.50%
Withdrawls rate, based on age : (per annum)		
Upto 30 Years	25%	50%
31 - 44 years	0%	41%
Above 44 years	0%	8%
Mortality Rates	IALM (2012-14) Ultimate	LIC (2006-08) ultimate Mortality Rates
Retirement age	60 years	60 years
Expected Return on Plan Assets	5.89%	7.85%

Experience Adjustment

Particulars	Grauity	
	As at March 31, 2020	As at Marh 31, 2019
Present Value of Defined Benefit Obligation	2,858	-
Fair Value of Plan Assets	6,16,166	5,58,471
(Surplus)/Deficit	(6,13,308)	(5,58,471)
Experience adjustment on Plan Liability - (Gain) / Loss	-	7,873
Experience adjustment on Plan Assets - Gain / (Loss)	24,689	(9,997)

(h) **Sensitivity Analysis of principal assumptions**

	As at March 31, 2020	As at Marh 31, 2019
Impact of increase in 50bps on DBO		
Discount Rate	2,758	2,44,589
Salary Escalation Rate	2,960	2,51,540
Attrition Rate	-	2,39,846
Mortality Rate	-	2,48,099
Impact of decrease in 50bps on DBO		
Discount Rate	2,962	2,51,545
Salary Escalation Rate	2,759	2,44,563
Attrition Rate	-	2,70,171
Mortality Rate	-	2,47,906

(i) **Maturity Profile of Defined Benefit Obligation**

	As at March 31, 2020	As at Marh 31, 2019
Above 1 year	13	1,01,085
Between 2 and 5 Years	26	1,58,848
Between 5 and 10 years	3,284	27,569
Beyond 10 years	-	39,719
Total expected payments	**3,323**	**3,27,221**
Weighted Average duration	3.99 Years	3 Years

(j) **Defined Contribution Plan :**

The Company has recognized the following amounts as expenses and included in Note 19 in "Contribution to Provident and Other Funds"

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Contribution to Government Employees Provident Fund	20,712	37,910

23 Components of Other Comprehensive income.

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Remeasurement of gains(Losses) on defined benefit plans -Part of Retained earnings	24,689	(13,238)
Total	24,689	(13,238)

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ADITYA BIRLA MONEY MART LIMITED

24 EARNINGS PER SHARE

			For the year ended March 31, 2020 RS.	For the year ended March 31, 2019 RS.
Net Profit as per Statement of Profit and Loss Account for Contunuing Operations :			6,18,45,017	(3,02,96,321)
Less : Preference Dividend and Tax thereon			-	-
Net Profit for Basic EPS		(A)	6,18,45,017	(3,02,96,321)
Weighted Average number of Outstanding Equity Shares for EPS :				
	- Basic	(B)	9,31,96,446	1,00,000
	- Diluted	(C)	9,31,96,446	1,00,000
Earnings per Share (Rs)				
	- Basic	(A) / (B)	0.66	(302.96)
	- Diluted	(A) / (C)	0.66	(302.96)

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25 Significant accounting judgements, estimates and assumptions

The preparation of the Companys consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Estimation of Useful life of Plant Property Equipments and Intangible Assets
Refer Note no 2.1(c) and (d)

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

26 Fair Values

Financial Assets	Carrying Value As at March 31, 2020 Rs.	Carrying Value As at March 31, 2019 Rs.	Fair Value As at March 31, 2020 Rs.	Fair Value As at March 31, 2019 Rs.
Investments in Aditya Birla Special Situation fund I	27,01,45,559	-	29,32,61,411	-
Total	27,01,45,559	-	29,32,61,411	-

Financial Liabilities	Carrying Value As at March 31, 2020 Rs.	Carrying Value As at March 31, 2019 Rs.	Fair Value As at March 31, 2020 Rs.	Fair Value As at March 31, 2019 Rs.
0.01% Redeemable Non Convertible Cumulative Preference Shares	13,22,597	11,70,504	13,22,597	11,70,504
0.1% Compulsory Convertible Debentures	36,78,50,639	33,74,85,486	36,78,50,639	33,74,85,486
Loan from Related Party (Unsecured)	-	3,99,06,055	-	3,99,06,055
Total	36,91,73,236	37,85,62,045	36,91,73,236	37,85,62,045

The management assessed that other assets and liablities othet than those disclosed above approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.The following methods and assumptions were used to estimate the fair values:

► The fair values of the unquoted Investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

27 Fair hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities which are measured in Fair value.
Quantitative disclosures fair value measurement hierarchy for assets and Liabilities:

	Date of Valuation	Fair Value Measurement Using: Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities Measured As Fair Value as at March 31, 2019:-					
0.01% Redeemable Non Convertible Cumulative Preference Shares	31-03-2019	**11,70,504**	-	-	11,70,504
0.1% Compulsory Convertible Debentures	31-03-2019	**33,74,85,486**	-	-	33,74,85,486
Loan from Related Party (Unsecured)	31-03-2019	**3,99,06,055**	-	-	3,99,06,055
Liabilities Measured As Fair Value as at 31st March 2020:-					
0.01% Redeemable Non Convertible Cumulative Preference Shares	31-03-2020	**13,22,597**	-	-	13,22,597
0.1% Compulsory Convertible Debentures	31-03-2020	**36,78,50,639**	-	-	36,78,50,639
Loan from Related Party (Unsecured)	31-03-2020	-	-	-	-

Note: The fair values of the company's interest-bearing borrowings, loans and secuirty deposits are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

28 The company has single reportable segment viz referral Fees for the purpose of IND AS 108 on 'Segment Reporting'. The company doesnot have any geographical segment.

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29 RELATED PARTY DISCLOSURES

Name of Related Parties and Related Party relationship :

Related Parties where Control exist :

Ultimate Holding Company :	Grasim Industries Limited
Holding Company :	Aditya Birla Capital Limited
Subsidiary Company :	Aditya Birla Money Insurance Advisory Services Ltd

Related Parties with whom transactions have taken place during the year :

Fellow Subsidiaries :	Aditya Birla Finance Limited Aditya Birla Insurance Brokers Limited Aditya Birla Special Situation Fund -I

The following Inter Company Transactions/Balances with Subsidiaries/Fellow Subsidiaries/Joint Ventures /Associates have taken place during the period under review and are included in the above figures under respective heads:-

(Amount In Rs.)

Sr. No.	Particulars	Year Ended	
		March 31,2020	March 31,2019
		(Audited)	(Audited)
A	**Holding Company / Ultimate Holding Company**		
	Interest Expenses -		
	Aditya Birla Capital Limited (Interest on Debenture)	3,06,25,956	2,80,98,993
	Aditya Birla Capital Limited (Interest on ICD)	39,15,588	36,91,312
	Aditya Birla Capital Limited (Interest On Preference Shares)	1,52,094	1,34,596
	Expenses Reimbursed		
	Aditya Birla Capital Limited (ESOP Expenses)	-	(10,963)
	Financial Liabilities		
	Aditya Birla Capital Limited(ICD)	-	3,99,06,055
	Aditya Birla Capital Limited(ICD Interest)	-	16,56,538
	Aditya Birla Capital Limited (Debenture)	36,78,50,640	33,74,85,486
	Aditya Birla Capital Limited (Redeemable Non Convertible Cumulative Preference Shares)	13,22,598	11,70,504
	Aditya Birla Capital Limited (Debenture Interest)	-	1,16,719
	Financial Assets - (Loans)		
	Aditya Birla Capital Limited(ESOP)	9,262	9,262
B	**Subsidiaries / Fellow Subsidiaries**		
	Interest Income		
	Aditya Birla Money Insurance Advisory Services Limited (Interest on Loan)	-	9,124
	Director Sitting Fees		
	Mr. Vijay Agarwal	4,50,000	2,00,000
	Mr. Suresh Kothari	4,50,000	2,50,000
	Expenses Reimbursed		
	Aditya Birla Finance Limited	-	1,15,653
	Aditya Birla Insurance Brokers Limited (Insurance Recovery)	1,857	-
	Aditya Birla Finance Limited (Employee transfer dues)	-	43,625
	Financial Assets- Investments		
	Investment in Equity shares of Aditya Birla Money Insurance Advisory Services Limited	32,25,43,648	29,75,43,648
	Aditya Birla Special Situation Fund -I	26,95,62,342	-
	Fixed Assets (Intangible)		
	Aditya Birla Insurance Brokers Limited (Purchase of Finance Portal)	28,02,401	20,14,333
	Other Financial Liabilities		
	Aditya Birla Finance Limited	3,47,186	3,47,186
	Aditya Birla Insurance Brokers Limited	-	22,11,738

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Aditya Birla Money Mart Limited MUMBAI

ADITYA BIRLA MONEY MART LIMITED

30 Financial risk management objectives and policies

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

As at March 31, 2020	Neither past due nor impaired	Past due but not impaired					Total
		< 30 days	30 to 60 days	61 to 90 Days	91 to 120 Days	> 120 days	
Trade Receivables	-	-	-	-	-	-	-
Loans	-	36,579	-	-	-	-	36,579
Interest accrued on Investment		-					-
Other current assets		22,59,487					22,59,487
	-	22,96,066	-	-	-	-	22,96,066

As at March 31, 2019	Neither past due nor impaired	Past due but not impaired					Total
		< 30 days	30 to 60 days	61 to 90 Days	91 to 120 Days	> 120 days	
Trade Receivables	-	-	-	-	-	-	-
Loans	-	9,262	-	-	-	-	9,262
Interest accrued on Investment		-	-	-	-	-	-
Other current assets		16,22,826	-	-	-	-	16,22,826
	-	16,32,088	-	-	-	-	16,32,088

Movement of Allowances	Advances to Employees	Trade Receivables	Security Deposits	Other Advances	Total
As at 1-04-2018	-	-	-	1,00,886	1,00,886
Provided during the year	-	-	-	-	-
Amounts written off	-	-	-	1,00,886	1,00,886
Reversals of provision	-	-	-	-	-
Transferred on account of demerger	-	-	-	-	-
As at 31-03-2019	-	-	-	-	-
Provided during the year	-	-		-	-
Amounts written off	-	-		-	-
Reversals of provision	-	-			-
As at 31-03-2020	-	-	-	-	-

ADITYA BIRLA MONEY MART LIMITED

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, preference shares. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The manages its liquidity risk through temorory funding from its ultimate holding company and availing bank oveedraft as and when require.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

Year Ended March 31, 2020	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Loans	-	36,579	-	-	-	36,579
Trade and Other Receivables	-	-	-	-	-	-
Borrowings	-	-	36,78,50,639	-	-	36,78,50,639
Preference Shares	-	-	-	13,22,597	-	13,22,597
Trade and Other Payables	-	2,26,789	-	-	-	2,26,789
Other Financial Liabilities	-	4,39,885	-	-	-	4,39,885

Year Ended March 31, 2019	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Loans	-	9,262	-	-	-	9,262
Trade and Other Receivables	-	-	-	-	-	-
Borrowings	3,99,06,055	-	-	33,74,85,486	-	37,73,91,541
Preference Shares	-	-	-	11,70,503.76	-	11,70,504
Trade and Other Payables	-	4,34,017	-	-	-	4,34,017
Other Financial Liabilities	-	43,39,880	-	-	-	43,39,880

Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. 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. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	31-Mar-20 Rs.	31-Mar-19 Rs.
Borrowings(Note no. 11a)	36,91,73,237	37,85,62,045
Trade Payables (Note No. 12)	2,26,789	4,34,017
Other Payables (Note no 13)	4,39,885	43,39,880
Less : Cash and Cash Equivalents (Note No. 6)	69,05,63,718	29,75,247
Net Debt	(32,07,23,807)	38,03,60,695
Equity	91,49,53,015	(7,78,81,151)
Capital and Net Debt	59,42,29,208	30,24,79,544
Gearing Ratio	-54%	126%

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Aditya Birla Money Mart Limited MUMBAI

ADITYA BIRLA MONEY MART LIMITED

31 CONTINGENT LIABILITIES

Contingent Liabilities not provided for :

	As at March 31, 2020	As at March 31, 2019
Service Tax	9,05,673	9,05,673
Total	**9,05,673**	**9,05,673**

Level at which pending	Contingent Liability	Grounds of Appeal
Pending at CESTAT	9,05,673	Advertisement income from investime considered as commission income from MF.
	9,05,673	

32 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) as on 31st march 2020 is Rs.NIL (31st march 2019- NIL)

33 DEFERRED TAX

The breakup of Net Deferred Tax Asset arising on account of following timing differences is as under :

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Asset		
Unabsorbed Depreciation and Carry forward losses	1,79,52,555	4,59,65,910
IND AS Adjustments	76,81,191	72,73,110
Total Deferred Tax Asset	2,56,33,746	5,32,39,020
Deferred Tax Asset Recognised to extent the of Deferred Tax Liabilities due to reasonable uncertanty	**1,05,680**	**53,814**
Less: Deferred Tax Liability:		
Depreciation / amortisation	1,05,680	53,814
Total Deferred Tax Liability	1,05,680	**53,814**
Net Deferred Tax Asset / (Liability)	-	-

Deferred tax assets have been created only to the extent of Deferred tax liability due to absence of reasonable certainty. Accordingly Deferred tax asset as on 31st March 2020 Rs 1,05,680/- (31st March 2019 Rs.53,814)/- is not recognised in the Accounts.

34 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.

35 The Company had subscribed for 19,75,000 0.5% Compulsory Convertible Debenture (CCD) of face value Rs.10/- each at premium of Rs.113/- on 29th September, 2015 in its subsidiary company Aditya Birla Money Insurance Advisory Services Limited (ABMIAS). Each CCD was convertible into 1 Equity share of Rs.10/- each at Par value at end of 5 year from the date of issue or any such time as may be informed in writing at option of holder thereof.

CCD are converted in equity shares of the ABMIAS at the request of the Company. Each CCD is converted into 1 Equity share of Rs. 10 each at par value. Accordingly, the Investment value outstanding as at March 31, 2018 of Rs. 173,153,158 along with equity component of Debentures of Rs. 119,490,490 is converted into investment equity shares of the ABMIAS.

During the year company has invested Rs. 2,50,00,000/- (Equity shares of Rs. 10/- each) in its subsidiary company Aditya Birla Money Insurance Advisory Services Limited (ABMIAS).

Value of Investment in subsidiary(ABMIAS) as at March 31, 2020 is Rs. 32,25,43,648/-

36 During the year company has invested Rs. 91,30,02,701/- in Aditya Birla Special Situations Fund I, a scheme of Aditya Birla Special Situation Fund. The details of investment drawdown and distribution of capital are as below:

Particulars	Date	Unit	Face value	Amount in Rs.
1st drawdown	May 07, 2019	64,32,857.14	100	64,32,85,714
2nd drawdown	July 05, 2019	19,373.78	100	19,37,378
3rd drawdown	Oct 04, 2019	33,154.98	100	33,15,498
4th drawdown	Jan 06, 2020	26,14,285.71	100	26,14,28,571
5th drawdown	Jan 06, 2020	30,355.40	100	30,35,540
Total		91,30,027.01		91,30,02,701
1st distribution	Feb 28, 2020	4500528.23	100	45,00,52,823
2nd distribution	Mar 20, 2020	2005714.27	100	20,05,71,427
Total		65,06,242.50		65,06,24,250
Balance as on March 31, 2020		**26,23,784.51**	**100**	**26,23,78,451**

Aditya Birla Money Mart Limited MUMBAI

37 The Company's pending litigations comprise of claims against the Company proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements (Refer note 31). The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements as at March 31, 2020.

MUMBAI CHARTERED ACCOUNTANTS

38 The outbreak of COVID–19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which is continued at present across the nation to contain the spread of the virus.

In preparing the accompanying financial statements, the Company management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for determining of the Company's investments, are based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. The Company has used internal and external sources of information including credit ratings, economic forecasts, valuation report from a third party valuer and consensus estimates from market sources on the expected future performance of the underlying investments in developing the estimates and assumptions to assess, without undue cost and efforts, the fair value of the investments as at March 31, 2020.

Given the dynamic nature of the pandemic situation, in the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the investments, the financial position and performance of the Company.

39 Previous Year Figures
The figures in respect of the previous year have been regrouped / rearranged, wherever necessary to make them comparable.

As per our report of even date

For S R BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

Place : Mumbai
Date: May 20, 2020

For and on behalf of the Board of Directors of
Aditya Birla Money Mart Limited

Director
DIN:

Director
DIN :

Chief Financial Officer

MANAGER

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Money Mart Limited MUMBAI

Aditya Birla ARC Limited

/ Lamda

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla ARC Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Aditya Birla ARC Limited (hereinafter referred to as "the Company") and its trust (the Company and its trust together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2020, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 March 31, 2020, their consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 41 to the consolidated Ind AS financial statements, which describes the increased uncertainty of estimates relating to the Group's investment valuation due to the continued outbreak of COVID-19 virus.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

S.R. BATLIBOI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

In connection with our audit of the consolidated Ind AS 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 Ind AS 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 and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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 changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (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 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; 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, management is 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 Board of Directors are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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.

S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

- 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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.

Report on Other Legal and Regulatory Requirements

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 Ind AS 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;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and 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 Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS 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 Company as on March 31, 2020 taken on record by the Board of Directors none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Group for the year ended March 31, 2020;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group does not have any pending litigations which would impact its consolidated financial position;

ii. The Group did not have 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 Group.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

S.R. BATLIBOI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

UDIN: 20102102AAAADR2588
Place of Signature: Mumbai
Date: May 04, 2020

ANNEXURE 1 to the Independent Auditor's Report of even date on Consolidated IND AS Financial Statements of Aditya Birla ARC 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 over financial reporting of Aditya Birla ARC Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and trustees of the trust are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Company's and trust policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 consolidated Ind AS 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 consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 these consolidated Ind AS 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 these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS 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 these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting includes only the Company. The trust forming part of the consolidated Ind AS financial statements is not a company as defined as per the Act and accordingly reporting on the adequacy and operating effectiveness of the internal controls is not applicable to the trust.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN : 20102102AAAADR2588
Place of Signature: Mumbai
Date: May 04, 2020

Aditya Birla ARC Limited

Consolidated Balance Sheet as at 31st March, 2020

Rs. in Lakhs

	Note	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	7	91.67	124.88
(b) Bank Balance other than (a) above	8	4,992.17	10,458.46
(c) Loans	9	58.33	55.63
(d) Investments	10		
- Other Investments		44,793.01	-
(e) Other Financial Assets	11	93.31	-
Sub-Total		**50,028.49**	**10,638.97**
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		380.80	63.57
(b) Property, Plant and Equipment	12	58.40	74.87
(c) Right to use of Assets	35	79.19	-
(d) Other non-Financial assets	13	38.56	110.14
Sub-Total		**556.95**	**248.58**
Total assets		**50,585.44**	**10,887.55**
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a)Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		27.78	24.64
(b) Debt Securities	14	36,205.27	-
(c) Subordinate Liabilities	15	1,600.00	1,100.00
(d) Lease Liability	35	81.35	-
(e) Other Financial Liabilities	16	325.29	188.75
Sub- Total		**38,239.69**	**1,313.39**
(2) Non Financial Liabilities			
(a) Current tax liabilities (net)		10.08	2.01
(b) Provisions	17	31.61	7.62
(c) Deferred tax liabilities (net)	34	144.79	-
(d) Other Non Financial Liabilities	18	1,948.69	3.41
Sub- Total		**2,135.17**	**13.04**
(3) Equity			
(a) Equity Share capital	19	10,000.00	10,000.00
(b) Other Equity	20	210.58	(438.88)
Equity attributable to owners of the parents		**10,210.58**	**9,561.12**
Total equity		**10,210.58**	**9,561.12**
Total Equity and Liabilities		**50,585.44**	**10,887.55**

Summary of Significant Accounting Policies 6

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report of even date attached

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 4th May, 2020

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

Ajay Srinivasan
Director
DIN-00121181

Tushar Shah
Director
DIN-00239762

Sanjay Jain
Chief Executive Officer
Mumbai, 4th May, 2020

Rajesh Gandhi
Company Secretary

Aditya Birla ARC Limited

Aditya Birla ARC Limited

Statement of Consolidated Profit and Loss for the year ended 31st March, 2020

Rs. in Lakhs

	Note	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Revenue from operations			
Fee Income	21	954.89	-
Net Gain on Fair Value Changes	22	1,491.71	-
Total Revenue from Operations		**2,446.60**	-
Other Income	23	443.78	759.70
Total Income		**2,890.38**	**759.70**
EXPENSES			
(a) Finance Costs	24	1,143.44	-
(b) Net Loss on Fair Value Changes	25	-	166.76
(c) Impairment on Financial Instruments	26	4.22	-
(d) Employee benefits expense	27	734.96	488.59
(e) Depreciation and amortisation expenses	28	117.50	25.00
(f) Other expenses	29	88.17	409.59
Total Expenses		**2,088.29**	**1,089.94**
Profit before exceptional items and tax		**802.09**	**(330.24)**
Profit Before Tax		**802.09**	**(330.24)**
Tax Expenses			
Current Tax		-	-
Deferred Tax		144.79	-
Total Tax Expenses		**144.79**	-
Profit for the year		**657.30**	**(330.24)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(1.56)	-
Other Comprehensive Income for the year		**(1.56)**	-
Total Comprehensive Income for the year		**655.74**	**(330.24)**
Earnings per share :	30		
Basic- (Rs.)		0.66	(0.33)
Diluted - (Rs.)		0.65	(0.33)
(Face Value of Rs. 10 each)			

Summary of Significant Accounting Policies 6

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report of even date attached

For **S.R. Batliboi & Co. LLP**
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 4th May, 2020

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

Ajay Srinivasan
Director
DIN-00121181

Tushar Shah
Director
DIN-00239762

Sanjay Jain
Chief Executive Officer

Rajesh Gandhi
Company Secretary

Mumbai, 4th May, 2020

Aditya Birla ARC Limited

Aditya Birla ARC Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Rs. In Lakhs

Note	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
A	Cash Flow From Operating Activities		
	Profit before tax	802.09	(330.24)
	Adjustments for :		
	Impairment on Financial Assets	4.22	-
	Net gain on Fair value changes	(1,491.71)	-
	Interest Income on Fixed Deposits	(423.60)	(759.70)
	Finance Cost - Debt Securities	1,134.20	-
	Notional Interest on Lease	9.23	-
	Depreciation and Amortisation	117.50	25.00
	Operating Profit Before Working Capital Changes	151.93	(1,064.94)
	Adjustments for:		
	Decrease/(Increase) in Loans	(2.71)	(55.63)
	Decrease/(Increase) in Other Financial Assets	(97.53)	-
	Decrease/(Increase) in Other Non-Financial Assets	(92.82)	(95.11)
	Decrease/(Increase) in Trade Payables	3.14	(65.99)
	Decrease/(Increase) in Provisions	22.43	7.62
	Decrease/(Increase) in other Financial Liabilities	293.13	188.75
	Decrease/(Increase) in other Non Financial Liabilities	1,944.82	(3.13)
	Cash Generated from Operations	2,070.46	(23.49)
	Income Taxes Refund/(Paid)	(309.16)	(71.92)
	Net Cash Flow From Operating Activities	1,913.23	(1,160.35)
B	Cash Flow from Investing Activities		
	Addition to Property, Plant and Equipment and Intangibles	(21.62)	(83.26)
	Investment in Security Receipts	(46,608.67)	-
	Redemption of Security Receipts	3,307.36	-
	Interest Received	750.82	381.25
	Bank Deposits placed during the year	(15,430.94)	(33,257.02)
	Bank Deposits matured during the year	20,570.00	23,177.01
	Net Cash (Used In)/From Investing Activities	(37,433.05)	(9,782.02)
C	Cash Flow From Financing Activities		
	Lease Liability - Principal Portion	(75.24)	-
	Lease Liability - Interest Portion	(9.23)	-
	Proceeds from Debt Securities	37,819.00	-
	Repayment of Debt Securities	(2,240.00)	-
	Interest Cost on Debt Securities	(507.94)	-
	Proceeds from Compulsorily Convertible Preference Shares	500.00	300.00
	Net Cash (Used In)/From Financing Activities	35,486.59	300.00
	Net Increase In Cash And Equivalents	(33.21)	(10,642.37)
	Cash And Cash Equivalents (Opening Balance)	124.88	10,767.25
	Cash And Cash Equivalents (Closing Balance)	91.67	124.88

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flow's prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2. Cash and cash equivalents in the balance sheet comprise of Cash at bank.

The accompanying Notes are an integral part of the Financial Statements.
In terms of our report of even date attached

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 4th May, 2020

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

Ajay Srinivasan
Director
DIN-00121181

Tushar Shah
Director
DIN-00239762

Sanjay Jain
Chief Executive Officer
Mumbai, 4th May, 2020

Rajesh Gandhi
Company Secretary

Aditya Birla ARC Limited

Aditya Birla ARC Limited
Statement of Changes in Equity for the year ended 31st March 2020

(A) EQUITY SHARE CAPITAL

Rs. in Lakhs

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of face value of Rs. 10/- each issued on subscribed and fully paid up				
Balance at the beginning of the year	100,000,000	10,000.00	100,000,000	10,000.00
Changes in Equity share capital during the year	-	-	-	-
Balance at the end of the year	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**

(B) OTHER EQUITY

Rs. in Lakhs

Particulars	Reserve and Surplus	Total Other Equity
Balance as at 1st April, 2018	(108.64)	(108.64)
Profit/(Loss) for the year	(330.24)	(330.24)
Other Comprehensive Income/(loss) for the year	-	-
Total Comprehensive income	(330.24)	(330.24)
Balance as at 31st March, 2019	**(438.88)**	**(438.88)**
Equity attributable to Shareholders of Company	**(438.88)**	**(438.88)**
Balance as at 1st April, 2019	(438.88)	(438.88)
Profit/(Loss) for the year	657.30	657.30
Other Comprehensive Income/(loss) for the year	(1.56)	(1.56)
Total Comprehensive income	655.74	655.74
Less: IND AS 116 adjustment during the year from opening Reserve	(5.83)	(5.83)
Less: Deemed Distribution	(0.45)	(0.45)
Balance as at 31st March, 2020	**210.58**	**210.58**
Equity attributable to Shareholders of Company	**210.58**	**210.58**

The accompanying Notes are an integral part of the Financial Statements.
In terms of our report of even date attached

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 4th May, 2020

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

Ajay Srinivasan
Director
DIN-00121181

Tushar Shah
Director
DIN-00239762

Sanjay Jain
Chief Executive Officer

Rajesh Gandhi
Company Secretary

Mumbai, 4th May, 2020

Aditya Birla ARC Limited

Aditya Birla ARC Limited

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 7		
Balances with Banks		
Current Accounts	91.67	124.88
	91.67	**124.88**
NOTE: 8		
Bank Balance other than Cash and Cash Equivalents		
Fixed Deposit Accounts (with original maturity period of more than 3 months)	4,992.17	10,458.46
	4,992.17	**10,458.46**
NOTE: 10		
Other Investments		
Investments in Security Receipts		
ABARC-AST-002 Trust	37,521.56	-
ABARC-AST-003 Trust	2,576.74	-
ABARC-AST-004 Trust	3,143.41	-
ABARC-AST-005 Trust	1,551.30	-
Less: Expected Credit Loss	-	-
	44,793.01	-
In India	44,793.01	
Outside India	-	
NOTE: 11		
Other Financial Assets		
(Unsecured, unless stated otherwise)		
Interest Accrued	0.19	-
Other Advance	90.38	-
Less: Expected Credit Loss	(0.36)	-
Other Receivable	3.10	-
	93.31	-

Aditya Birla ARC Limited

Aditya Birla ARC Limited
Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 9		
Loans		
Security Deposits (carried at amortised cost)	45.52	39.87
Loans (Secured, carried at amortised cost)	16.67	15.76
Less: Expected Credit Loss*	(3.86)	-
	58.33	**55.63**

NOTE: 9.1*

Sr. No.	Particulars	As at 31st March, 2020 At Amortised Cost	As at 31st March, 2019 At Amortised Cost
(A)	Retail (Housing Loan)	16.67	15.76
	Total Gross (A)	**16.67**	**15.76**
	Less: Expected Credit Loss	(3.86)	-
	Total Net (A)	12.81	15.76
(B)	(i) Secured by tangible assets	16.67	15.76
	Total Gross (B)	**16.67**	**15.76**
	Less: Expected Credit Loss	(3.86)	-
	Total Net (B)	12.81	15.76
(C)(I)	Loans in India		
	(i) Public Sector		
	(ii) Others	16.67	15.76
	Total Gross (C)(I)	**16.67**	**15.76**
	Less: Expected Credit Loss	(3.86)	-
	Total Net (C)(I)	12.81	15.76
(C)(II)	Loans outside India	-	-
	Less: Expected Credit Loss	-	-
	Total Net (C)(II)		
	Total (C)(I) and (II)	**12.81**	**15.76**

Aditya Birla ARC Limited

Aditya Birla ARC Limited
Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 12
Property, Plant and Equipment

Rs. in Lakhs

Particulars	Computers	Leasehold Improvements	Office Equipments	Furniture & Fixtures	Vehicles	TOTAL
Gross Block						
As at 1st April, 2018	-	-	-	-	-	-
Additions	0.62	85.31	11.65	2.29	-	99.87
Deletions						-
As at 31st March, 2019	**0.62**	**85.31**	**11.65**	**2.29**	-	**99.87**
Accumulated Depreciation						
As at 1st April, 2018	-	-	-	-	-	-
Additions	0.08	23.45	1.37	0.10	-	25.00
Deletions						-
As at 31st March, 2019	**0.08**	**23.45**	**1.37**	**0.10**	-	**25.00**
Net Carrying amount as at 31st March, 2019	**0.54**	**61.86**	**10.28**	**2.19**	-	**74.87**
Gross Block						
As at 1st April, 2019	0.62	85.31	11.65	2.29	-	**99.87**
Additions	2.73	2.29	0.01	-	16.60	**21.63**
Deletions						-
As at 31st March, 2020	3.35	87.60	11.66	2.29	16.60	**121.50**
Accumulated Depreciation						
As at 1st April, 2019	0.08	23.45	1.37	0.10	-	**25.00**
For the year	1.05	32.12	2.33	0.23	2.37	**38.10**
Deletions						-
As at 31st March, 2020	**1.13**	**55.57**	**3.70**	**0.33**	**2.37**	**63.10**
Net Carrying amount as at 31st March, 2020	**2.22**	**32.03**	**7.96**	**1.96**	**14.23**	**58.40**

Aditya Birla ARC Limited

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 13		
Other non-financial assets		
(Unsecured, Considered Good, unless stated otherwise)		
Dues Recievable from Government - GST	23.60	98.18
Advance to Vendor	5.66	3.42
Deferred Rent Expenses	-	7.82
Prepaid expenses	4.80	0.72
Gratuity Plan Assets	4.50	-
	38.56	**110.14**
NOTE: 14		
Debt Securities		
(Secured, Amortised Cost)		
Non Convertible Debentures	36,205.27	-
SUB-TOTAL	**36,205.27**	-
TOTAL	**36,205.27**	-
Debt Securities:		
In India	36,205.27	-
Outside India	-	-

Following is the repayment terms of Debt Securities

Repayment clause	Coupon rate		Maturity period
Repayment is linked to the receipt of distribution amount from redemption of Security Receipts (SR), against which the debentures are issued.	11.50%		8 years

Notes:

1. Secured by hypothecation over the Escrow Accounts, Receivables and Other Assets Related to Escrow
2. Company is also required to create pledge on SRs issued, however no pledge created on SRs till date. Further Company has executed a Non Disposal Undertaking in favour of Debenture Trustee. Subject to applicable law, as and when the Debenture Trustee instructs the Company to create pledge,Company will create the pledge.

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 15		
Subordinate Liabilities		
(At Amortised Cost)		
Compulsorily Convertible Preference Shares	1,600.00	1,100.00
TOTAL	**1,600.00**	**1,100.00**
Subordinate Liabilities		
In India	1,600.00	1,100.00
Outside India	-	-

0.01% compulsorily convertible preference shares

1. Compulsorily convertible preference shares on a non-cumulative basis
2. To be compulsorily converted into equity shares of Rs. 10/- each at higher of
   (a) Fair Market value determined as on the date of conversion or
   (b) Rs. 10/- per equity share (being the face value of equity shares)
3. Tenor of CCPS amounting to Rs. 1,100 lakhs is 20 years and Rs. 500 lakhs is 10 years

Aditya Birla ARC Limited

Aditya Birla ARC Limited

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 16		
Other Financial Liabilities		
(Carried at amortised cost, unless stated otherwise)		
Payable Related to Employees	325.29	188.75
	325.29	**188.75**
NOTE: 17		
Provisions		
Provision for Employee Benefits		
:- Provision for Leave encashment	14.60	5.37
:- Provision for Gratuity	17.01	2.25
	31.61	**7.62**
NOTE: 18		
Other Non Financial Liabilities		
Unearned Revenue	1,925.61	-
Others		
Statutory Dues	23.08	3.41
	1,948.69	**3.41**

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Aditya Birla ARC Limited

Aditya Birla ARC Limited
Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	Numbers	As at 31st March, 2020	Numbers	As at 31st March, 2019
NOTE: 19				
Share Capital				
Authorised:				
Equity Shares of Rs. 10/- each	130,000,000	13,000.00	130,000,000	13,000.00
	130,000,000	**13,000.00**	**130,000,000**	**13,000.00**
Issued:				
Equity Share Capital				
Equity Shares of Rs. 10/- each	100,000,000	10,000.00	100,000,000	10,000.00
	100,000,000	**10,000.00**	**100,000,000**	**10,000.00**
Subscribed and Paid-up:				
Equity Share Capital				
Equity Shares of Rs. 10/- each, fully paid-up	100,000,000	10,000.00	100,000,000	10,000.00
	100,000,000	**10,000.00**	**100,000,000**	**10,000.00**

1) Reconciliation of the number of shares authorized at the beginning and at the end of the year

Sr. No.	Description	As at 31st March, 2020		As at 31st March, 2019	
		Equity Shares	Amount	Equity Shares	Amount
1	No of Shares Outstanding at the beginning of the year	130,000,000	13,000.00	102,000,000	10,200.00
2	Add increased during the year	-	-	28,000,000	2,800.00
3	No. of Shares Outstanding at the end of the year	**130,000,000**	**13,000.00**	**130,000,000**	**13,000.00**

2) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Sr. No.	Description	As at 31st March, 2020		As at 31st March, 2019	
		Equity Shares	Amount	Equity Shares	Amount
1	No of Shares Outstanding at the beginning of the year	100,000,000	10,000.00	100,000,000	10,000.00
2	Add increased during the year	-	-	-	-
3	No. of Shares Outstanding at the end of the year	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**

Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

Shares held by holding / ultimate holding Company and / or their subsidiaries / associates

Out of equity shares issued by the company, shares held by its holding company, ultimate company and their subsidiaries / associates are as below:

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Amount	Amount
Parent - Aditya Birla Capital Limited 10,00,00,000 (31st March 2019: 10,00,00,000) equity shares	10,000.00	10,000.00

Aditya Birla ARC Limited

Aditya Birla ARC Limited

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 20		
Other Equity		
Retained Earnings*		
Opening Balance	(438.88)	(108.64)
Addition:		
Profit/(Loss) for the Year	657.30	(330.24)
Other Comprehensive Income/(loss) for the year	(1.56)	-
Deduction:		
Impact of IND AS 116 on application	(5.83)	-
Deemed Distribution	(0.45)	-
Closing Balance	210.58	(438.88)
Total Other Equity	210.58	(438.88)

* Retained Earning composed of Surplus in Profit & Loss Account of the Company

Aditya Birla ARC Limited

Aditya Birla ARC Limited

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
NOTE: 21		
Fee Income		
Trusteeship fees over period of time	954.89	-
	954.89	-
NOTE: 22		
Net Gain on Fair Value Changes		
Net gain / (loss) on financial instruments at fair value through profit or loss		
Net Gain from Investments in Security Receipts	1,491.71	-
	1,491.71	-
Fair Value changes :		
Realised	-	-
Unrealised	1,491.71	-
	1,491.71	-
NOTE: 23		
Other Income		
Interest Income from Investments		
On Financial Assets classified at fair value through profit or loss	-	120.50
Interest on deposits with Banks		
On financial Assets Measured at Amortised Cost	423.60	639.20
Interest on Others		
On financial Assets Measured at Amortised Cost	6.53	-
Rental Income	13.65	-
	443.78	**759.70**

Aditya Birla ARC Limited

Rs. in Lakhs

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
NOTE: 24		
Finance Cost		
Interest on Financial Liability measured at Amortised Cost	-	-
Debt securities	1,134.21	-
Finance Cost - Lease Liability	9.23	-
	1,143.44	-
NOTE: 25		
Net loss on financial instruments at fair value through profit or loss		
On trading portfolio	-	166.76
	-	**166.76**
Fair Value changes :		
Realised	-	166.76
	-	**166.76**
NOTE: 26		
Impairment on Financial Assets		
On Loans	3.86	-
On other Financial Assets held at Amortised Cost	0.36	-
	4.22	-
NOTE: 27		
EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	700.47	478.06
Contribution to Provident Fund (Refer Note no 33)	17.62	6.70
Contribution to Gratuity Fund (Refer Note no 33)	5.51	1.25
Staff Welfare Expenses	11.36	2.58
	734.96	**488.59**
NOTE: 28		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation of Property, plant and equipment	38.10	25.00
Amortisation on Lease Assets	79.40	-
	117.50	**25.00**
NOTE: 29		
OTHER EXPENSES		
Rent	0.13	99.30
Repairs & Maintenance - Others	21.38	9.55
Insurance	0.11	-
Rates & Taxes	0.03	30.98
Advertisement and Sales Promotion Expenses	-	1.80
Legal & Professional Expenses (Refer Note 29.1)	35.77	232.48
Travelling & Conveyance	7.22	4.84
Printing and Stationery	1.34	1.37
Communication Expenses	0.47	0.15
Electricity Charges	2.97	3.22
Information Technology Expenses	7.02	0.30
Director Sitting Fees	2.00	1.50
Recruitment Charges	1.71	7.83
Miscellaneous Expenses	8.02	16.27
Total	**88.17**	**409.59**
Note: 29.1		
Includes Auditors Remuneration		
Audit Fees	4.50	2.25
Other Certification Fees	0.50	0.50
Reimbursement of Expense	0.21	0.20
	5.21	**2.95**

Aditya Birla ARC Limited

` in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
NOTE: 30		
DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE		
Earnings per Share (EPS) is calculated as under:		
Weighted-average Number of Equity Shares for calculation of Basic EPS	1,000	1,000
Weighted-average number of Equity Shares for calculation of Diluted EPS	1,011.01	1,009.25
Nominal Value of Shares (`)	10.00	10.00
Profit attributable to equity holders of the Parent:		
Continuing Operations	657.30	(330.24)
Basic EPS (`)	0.66	(0.33)
Diluted EPS (`)	0.65	(0.33)*

*Since the impact of conversion of potential equity shares is anti-dilutive in nature for 31st March 2019, the same have not been considered in calculation of diluted EPS.

Dilutive shares for computation of Earnings per share pertain to 16,00,000(Previous year: 11,00,000) 0.01% compulsorily convertible preference shares

Aditya Birla ARC Limited

Aditya Birla ARC Limited
Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

31. Disclosure in respect of Related Party pursuant to Indian Accounting Standard (Ind AS) 24: (as identified by Management and relied upon by Auditor)

a. List of Related Parties:

A **Holding Company**

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

B **Directors and Key Management Personnel**

Ajay Srinivasan- Director
Tushar Shah- Director
Sanjay Jain - Chief Executive Officer - w.e.f 1st August 2018
Vijayalakshmi Iyer- Independent Director

C **Fellow Subsidiary**

Aditya Birla Finance Limited
Aditya Birla Money Limited
Aditya Birla Sunlife Insurance Company Limited
Aditya Birla Health Insurance Company Limited
Aditya Birla Stressed Asset AMC Private Limited
Aditya Birla Financial Shared Services Limited
Aditya Birla PE Advisors Private Limited
Aditya Birla Sun Life AMC Limited

b. Related Parties with whom the Group has entered into transactions during the year

Rs. in Lakhs

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
A	**Holding Company**		
1	**Transactions during the year ***		
	Aditya Birla Capital Limited (Issue of Compulsorily Convertible Preference Shares)	500.00	-
	Aditya Birla Capital Limited (Employee Training Expense)	-	0.66
	Aditya Birla Capital Limited (Other Expense paid)	0.01	-
2	**Balance Outstanding**		
	Aditya Birla Capital Limited (Equity Shares)	10,000.00	10,000.00
	Aditya Birla Capital Limited (CCPS)	500.00	-
	Aditya Birla Capital Limited (Other - Payables)	-	0.72
B	**Fellow Subsidiaries**		
	Transactions during the year*		
1	**Expenses Reimbursement**		
	Aditya Birla Finance Limited (Payroll)	114.48	146.76
	Aditya Birla Stressed Asset AMC Private Limited (Payroll Expense)	31.28	-
2	**Expense Recovery**		
	Aditya Birla Financial Shared Services (Recurring expense recovery)	0.27	-
	Aditya Birla Finance Limited (Received against reimbursement of expenses)	2.01	-
3	**Expenses**		
	Aditya Birla Health Insurance Company Limited (Insurance expenses)	0.42	0.55
	Aditya Birla Money Limited (Custodian fees) **	5.63	0.15
	Aditya Birla Sun Life Insurance Company Limited (Insurance expense)	1.04	0.36
4	**Income**		
	Aditya Birla Finance Limited (Rental Income)	12.02	-
	Aditya Birla Financial Shared Services (Rental Income)	1.63	-

Aditya Birla ARC Limited

5	**Others**		
	Aditya Birla Money Limited (Received against employee transfer)	0.42	0.62
	Aditya Birla Money Limited (Purchase of Asset)	-	0.19
	Aditya Birla Finance Limited (Received against employee transfer)	9.36	1.73
	Aditya Birla Finance Limited (Purchase of Asset)	4.91	-
	Aditya Birla Finance Limited (Received against employee Insurance)	-	0.06
	Aditya Birla PE Advisors Pvt. Ltd. (Paid against asset transfer)	0.18	-
	Aditya Birla PE Advisors Pvt. Ltd. (Received against employee transfer)	2.24	-
	Aditya Birla Sun Life AMC Ltd. (Paid against Employee Transfer)	1.11	
	Grasim Industries Limited -Employee Gratuity Trust Fund (Amount paid towards Gratuity)	4.03	-
6	**Directors and Key Management Personnel**		
	Sanjay Jain (Remuneration)^	155.34	66.71
	Vijayalakshmi Iyer (Sitting Fees)	1.50	1.50
7	**Advance for Expenses**		
	Aditya Birla Health Insurance Company Limited (Advance Insurance Premium)	0.42	-
	Aditya Birla Sun Life Insurance Company Limited (Insurance premium deposit)	0.15	0.08
	Aditya Birla Health Insurance Company Limited (Insurance premium deposit)	0.13	-

Outstanding Balances

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
1	**Receivable**		
	Aditya Birla Money Limited **	0.42	-
	Aditya Birla Financial Shared Services	2.05	-
	Aditya Birla Finance Limited	0.63	-
	Grasim Industries Limited -Employee Gratuity Trust Fund (Amount paid towards Gratuity)	4.50	-
2	**Payable**		
	Aditya Birla Money Limited **	-	-
	Aditya Birla Stressed Asset AMC Private Limited	4.86	-
	Aditya Birla Finance Limited	-	9.76

* All amounts are exclusive of GST

** Figures rounded off to the nearest thousand

^ Variable Pay & Retirement Benefits are not included

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Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 32

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.

Rs. in Lakhs

Particulars	31st March, 2020			31st March, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	91.67	-	91.67	124.88	-	124.88
Bank Balance other than above	4,992.17	-	4,992.17	10,458.46	-	10,458.46
Loans	58.33	-	58.33	-	55.63	55.63
Investments	13,630.74	31,162.27	44,793.01	-	-	-
Other financial assets	93.31	-	93.31	-	-	-
Non-financial Assets						
Deferred tax assets (net)			-			-
Current tax asset	-	380.80	380.80	-	63.57	63.57
Property, plant and equipment	-	58.40	58.40	-	74.87	74.87
Right to use of Assets	79.19	-	79.19	-	-	-
Other non financial assets	38.56	-	38.56	4.14	106.00	110.14
Total assets	**18,983.97**	**31,601.47**	**50,585.44**	**10,587.48**	**300.07**	**10,887.55**
Liabilities						
Financial Liabilities						
Trade payables						
total outstanding dues of creditors other than micro enterprises and small enterprises	27.78	-	27.78	24.64	-	24.64
Debt Securities	8,728.22	27,477.05	36,205.27			-
Subordinate Liabilities	-	1,600.00	1,600.00	-	1,100.00	1,100.00
Lease Liabilities	81.35	-	81.35	-	-	-
Other Financial liabilities	233.29	92.00	325.29	150.75	38.00	188.75
Non-financial Liabilities						
Current tax liabilities (net)	10.08	-	10.08	2.01	-	2.01
Provisions	14.60	17.01	31.61	5.37	2.25	7.62
Deferred tax liabilities (net)	-	144.79	144.79	-		-
Other non-financial liabilities	1,948.69	-	1,948.69	3.41	-	3.41
Equity						
Equity Share Capital	-	10,000.00	10,000.00	-	10,000.00	10,000.00
Other Equity	-	210.58	210.58	-	(438.88)	(438.88)
Total Liabilities	**11,044.01**	**39,541.43**	**50,585.44**	**186.18**	**10,701.37**	**10,887.55**
Net			-			-

Aditya Birla ARC Limited
Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 33
Employee Benefit Disclosures

Defined Contribution Plan

The amounts charged to the Statement of Profit and Loss during the year for Provident fund contribution aggregates to Rs. 17.62 lakhs (Previous year – Rs. 6.70 lakhs).

Defined Benefit Plan

General Description of the plan:
The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

Nature of Benefits:
The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Inherent Risks:
The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the balance sheet for the gratuity plan of the Company.

Amounts recognized in the Balance sheet in respect of Gratuity

Rs. in Lakhs

Particulars	31st March, 2020	31st March, 2019
Opening Defined Benefit Obligations	2.25	-
Current Service Cost	5.35	1.25
Interest Cost	0.16	-
Acturial changes arising from changes in demographic assumptions	-0.01	-
Acturial changes arising from changes in financial assumptions	1.38	-
Acturial changes arising from changes in experience assumptions	0.65	-
Add: Benefits paid including transfer in/out	7.23	1.00
Present value of defined benefit obligation	17.01	2.25

Changes in Fair Value of Plan Assets

Rs. In lakhs

Particulars	31st March, 2020	31st March, 2019
Opening Fair Value of the Plan Assets	-	-
Interest Income on the Plan Assets	-	-
Employers Contribution	4.03	-
Return on Plan Assets	0.47	-
Closing Fair Value of the Plan Assets	4.50	-

Amounts recognized in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity

Rs. in Lakhs

Particulars	31st March, 2020	31st March, 2019
In Statement of Profit and Loss	5.35	1.25
Interest on net defined benefit liability	0.16	-
Total Expenses Recognized for the period	5.51	1.25

Other Comprehensive Income:

Rs. in Lakhs

Particulars	31st March, 2020	31st March, 2019
Actuarial (gains)/ losses		
Actual Return on Plan Assets excluding amount recognised in net interest expense	(0.47)	-
Actuarial changes arises from change		
- Demographic Assumptions	(0.01)	
- Financial Assumptions	1.39	-
- Experience Variance	0.65	
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in OCI	1.56	-

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Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in OCI	1.56	-

b) Maturity Profile of Defined Benefit

Rs. in Lakhs

Weighted average duration (based on discounted cashflows)	6 years
Expected cash flows over the next (valued on undiscounted basis):	
1 years	1.72
2 to 5 years	8.07
6 to 10 years	7.97
More than 10 years	8.00

c) Expected Contribution during the next annual reporting period

The company's best estimate of contribution during the next year	19.69

d) Funding Arrangements and Funding Policy

The Scheme is on funded basis.

e) Principal Actuarial Financial Assumptions

Particulars	31st March, 2020	31st March, 2019
Discount Rate (per anumn)	6.95%	5.60%
Salary Growth Rate (per anumn)	10%	10%
Decrement adjusted remaining working life	4.4	4.39

The discount rate indicated above reflects the estimated timing and currency of benefit payments.It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

f) Demographic Assumptions

Particulars	31st March, 2020	31st March, 2019
Mortality Rate	100% of IALM 2006-08	100% of IALM 2012-14
Normal retirement age	60 yrs	60 yrs
Attrition/Withdrawal rate (per anumn)	20%	20%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

g) Major Categories of Plan Assets (as a percentage of Total Plan Assets)

Particulars	31st March, 2020	31st March, 2019
Government of India Securities	4.36%	-
State Govt. Securities	0.68%	-
High Quality Corporate Bonds	0.28%	-
Fund Managed by Insurers	39.63%	-
Other Investments	55.05%	-
Total	100.00%	-

Sensitivity Analysis

Rs. in Lakhs

Particulars	31st March 2020		31st March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 0.5%)	17.58	16.48	2.34	2.17
(% change compared to base due to sensitivity)	3.3%	-3.2%	4%	-3.80%
Salary Growth (-/+ 0.5%)	16.49	17.55	2.17	2.34
(% change compared to base due to sensitivity)	-3.10%	3.20%	-3.70%	3.90%
Attrition Rate (-/+ 50%)	25.78	13.49	4.03	1.32
(% change compared to base due to sensitivity)	51.5%	-20.70%	79%	-41.20%
Mortality Rate (-/+ 10%)	17.00	17.03	2.24	2.26
(% change compared to base due to sensitivity)	-0.10%	0.1%	-0.30%	0.30%

Sensitivity Analysis Method

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

34. Current tax for the year of Rs. NIL/- (Previous Year Rs. NIL).
Income Tax Disclosure

The major components of income tax expense for the years ended

Statement of profit and loss:

Profit or loss Section	31-Mar-20	31-Mar-19
Current tax	-	-
Deferred tax	144.79	-
Income tax expense reported in the statement of profit or loss	144.79	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for years ended

	31-Mar-20	31-Mar-19
A) Income before income tax	802.09	(330.24)
B) Enacted tax rate in India	25.17%	-
C) Expected Tax Expense (A*B)	201.89	-
D) Other Adjustments*	(57.10)	-
Income tax expense reported in the statement of profit and loss	144.79	-

* Since the Company is creating defer tax liability (net) for the first time, it includes impact of previous year

Note: Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have recognised is Tax losses (capital in nature) amounting to Rs. 166.76 lakhs relating to FY2018-19

Deferred tax:
Deferred tax relates to the following:

Balance Sheet	31-Mar-20	31-Mar-19
Deferred tax Liabilities		
Marked to Market Value of Investment	374.53	-
Subtotal A	374.53	-
Deferred tax Assets		
Leave Encashment	(3.67)	-
Difference in WDV between Companies Act and Income Tax Act	(9.87)	-
Impact of IND AS 116 on Reserve	(1.46)	-
Employee LTIP provision	(23.16)	-
Unfunded Gratuity	(3.15)	-
1/5th of preliminary expenses u/s 35D	(13.37)	-
ECL provisions	(0.08)	-
Carry forwarded losses	(174.98)	-
Subtotal B	(229.74)	-
Net deferred tax (assets)/liabilities	144.79	-
Reflected in the balance sheet as follows:	31-Mar-20	31-Mar-19
Deferred tax assets	(229.74)	-
Deferred tax liabilities	374.53	-
Deferred tax (assets)/liabilities (net)	144.79	-

Reconciliation of deferred tax (assets)/ liabilities (net)	31-Mar-20	31-Mar-19
Opening balance as of 1 April	-	-
Tax (income)/expense during the period recognised in profit and loss	144.79	-
Tax (income)/expense during the period recognised in OCI	-	-
Closing balance as at 31 March	144.79	-

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Transition

Effective April1, 2019, the Group adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 150.78 lakhs and a lease liability of ₹ 156.59 lakhs. The cumulative effect of applying the standard, amounting to ₹ 5.81 lakhs was debited to retained earnings, net of taxes. The effect of this adoption is in significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is between the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Category of ROU Asset Leasehold premises
Balance as at 1st April, 2019	150.78
Additions: Deferred Rent Exp	7.81
Deletions	0.00
Depreciation	79.40
Balance as at 31st March, 2020	79.19

Amounts recognised in profit and loss

	Year ended 31 March, 2020
Depreciation expense on right-of-use assets	79.40
Interest expense on lease liabilities	9.23

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	Amount (Rs. In lakh)
Current Lease Liabilities	81.35
Non-Current Lease Liabilities	0.00
Total	81.35

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Amount (Rs. In lakh)
Balance as at 1st April, 2019	0.00
Additions	156.59
Additions through Business Combinations	0.00
Finance Cost accrued during the period	9.23
Deletions	
Payment of Lease Liabilities	84.47
Balance as at 31st March, 2020	81.35

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount (Rs. In lakh)
Less than one year	84.47
One to Five years	0.00
More than Five years	0.00
Total	84.47

Impact on Financial Statements

A reconciliation of the operating lease commitments at March 31, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognized in the statement of financial position at April 1, 2019 is provided below:

Operating lease commitments disclosed as at 31 March 2019 (includes common area maintenance charges)	186.32
Discounted using the incremental borrowing rate at 1 April 2019	156.59
Lease liabilities recognized as at 1 April 2019	156.59

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.

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Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 36

Fair Value

The following table provides the fair value measurement hierarchy of the Company's Assets Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020 & 31st March 2019

As at 31st March 2019

Rs. in Lakhs

Financial Assets	Carrying Value	Fair Value
Cash & Cash Equivalents	124.88	124.88
Bank Balance other than above	10,458.46	10,458.46
Security Deposits	39.87	39.87
Loan	15.76	15.76
Total	10,638.97	10,638.97

Financial Liabilities	Carrying Value	Fair Value
Trade payables	24.64	24.64
Compulsorily Convertible Preference Shares	1,100.00	1,100.00
Others financial liabilities	188.75	188.75
Total	1,313.39	1,313.39

As at 31st March 2020

Rs. in Lakhs

Financial Assets	Carrying Value	Fair Value
Cash & Cash Equivalents	91.67	91.67
Bank Balance other than above	4,992.17	4,992.17
Security Deposits	45.52	45.52
Loans	12.81	12.81
Investments Unquoted(FVTPL)	44,793.01	44,793.01
Others financial Asset	93.31	93.31
Total	50,028.49	50,028.49

Financial Liabilities	Carrying Value	Fair Value
Compulsorily Convertible Preference Shares	1,600.00	1,600.00
Debt Securities	36,205.27	36,205.27
Trade payables	27.78	27.78
Lease liabilities	81.35	81.35
Others financial liabilities	325.29	325.29
Total	38,239.69	38,239.69

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTE: 37

Fair Value Hierarchy

Following table provides the fair value measurement hierarchy of the Company's assets and liabilities as on 31st March 2020 & 31st March 2019

As at 31st March 2019

Rs. in Lakhs

Financial Assets	Date of Valuation	Total	Level 1	Level 2	Level 3
Security Deposits	31/03/2019	39.87			39.87
Loan	31/03/2019	15.76			15.76

Rs. in Lakhs

Financial Liabilities	Date of Valuation	Total	Level 1	Level 2	Level 3
Compulsorily Convertible Preference Shares	31/03/2019	1,100.00			1,100.00

Fair value of Financial Asset measured at fair values, including their levels in fair value heirarchy are presented below

As at 31st March 2020

Rs. in Lakhs

Financial Assets	Date of Valuation	Total	Level 1	Level 2	Level 3
Investments Unquoted(FVTPL)	31/03/2020	44,793.01			44,793.01

Financial Assets & Financial Liabilities not measured at fair value, including their levels in the fair value heirarchy are presented below.

Rs. in Lakhs

Particulars	Date of Valuation	Total	Level 1	Level 2	Level 3
Financial Assets					
Loan	31/03/2020	12.81			12.81
Security Deposits	31/03/2020	45.52			45.52
Financial Liabilities					
Compulsorily Convertible Preference Shares	31/03/2020	1,600.00			1,600.00
Lease liabilities	31/03/2020	81.35			81.35
Debt Securities	31/03/2020	36,205.27			36,205.27

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level-2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level-3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This means that fair values are determined in whole or in part part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price.

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Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

Movement in Level 3 Financial Instruments measured at fair Value

Rs. In

Financial Assets	Investments Unquoted (in SRs)	
Particulars	As at 31st March 2020	As at 31st March 2019
As at April 01,	-	-
Investments	46,608.63	-
Redemptions/write offs	(3,307.33)	-
Gains for the year (recognised) in profit or loss	1,491.71	-
At March 31,	44,793.01	-
Unrealised gains related to balances held at the end of the year	1,491.71	-

Unobservable inputs used in measuring fair value categorised within Level 3

Rs. in Lakhs

Type of Financial Instruments	Fair Value of Asset as on March 31, 2020	Valuation Techniques	Significant Unobservable Input
Investments Unquoted(FVTPL)	44,793.01	Discounted Projected Cash Flow	Expected Gross Recoveries* & Discount Rates

Type of Financial Instruments	Fair Value of Asset as on March 31, 2019	Valuation Techniques	Significant Unobservable Input
Investments Unquoted(FVTPL)	-	Discounted Projected Cash Flow	Expected Gross Recoveries* & Discount Rates

* Expected Gross Recoveries are pertaining to the overall assets under management of the Company. The cash attributable to the Company's share in expected gross recoveries will be dependant on the Company's investment share and terms of the SR subscribed.

Qualitative analysis of significant unobservable

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spread are added to the benchmark rate when discounting the future expected cash flows. Hence these spreads are reduce the net present value of an asset or increase the value of liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quaity of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

Cash Flow

Expected Cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlysing assets including default rates, manner of resolution and other economic drivers. The manner of resolution is determined based on financial position and negotiaitions with counterparty.

NOTE: 38

RISK MANAGEMENT FRAMEWORK

a. Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

b. Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The primary source of capital used by the Company is equity including CCPS, Debt Securities.

Available capital resources at 31 March 2020

Rs. in Lakhs

Particulars	March 31, 2020	March 31, 2019
Compulsorily Convertible Preferences shares	1,600	1,100
Debt Securities	36,205.27	-
Total Equity	10,000	10,000
Total Capital	**47,805.27**	**11,100**

c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the company are subject to regulatory requirements within the jurisdictions in which it operates.

Financial risks

1. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, preference shares. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company manages its liquidity risk through temporary funding from its holding Company and availing bank overdraft as and when require.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

` in Lakhs

Year ended March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Compulsorily Convertible Preferences shares	-	-	-	-	1,100.00	1,100.00
Other financial liabilities	-	-	188.75	-	-	188.75
Trade and other payables	-	-	24.64	-	-	24.64
	-	-	213.39	-	1,100.00	1,313.39

` in Lakhs

Year ended March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Compulsorily Convertible Preference Shares	-	-	-	-	1,600.00	1,600.00
Debt Securities*	-	-	8,728.22	27,477.05	-	36,205.27
Other financial liabilities	-	2.29	231.00	92.00	-	325.29
Lease Liabilities	-	21.10	60.25	-	-	81.35
Trade and other payables	-	-	27.78	-	-	27.78
	-	23.39	9,047.25	27,569.05	1,600.00	38,239.69

* Term of Debt Securities is 8 years, repayment is dependent on distribution from Security Recipts which may stretch more than 5 years

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Aditya Birla ARC Limited

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

The table below summarises the maturity profile of the Company's financial Assets based on contractual undiscounted payments.

` in Lakhs

Year ended March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	124.88	-	-	-	-	124.88
Security Deposits	-	-	-	39.87	-	39.87
Loans	-	-	-	15.76	-	15.76
Fixed Deposits	-	-	10,458.46	-	-	10,458.46
	124.88	-	10,458.46	55.63	-	10,638.97

` in Lakhs

Year ended March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	91.67	-	-	-	-	91.67
Loans	-	-	12.81	-	-	12.81
Security Deposits	-	-	45.52	-	-	45.52
Investments	-	-	13,630.74	31,162.27	-	44,793.01
Fixed Deposits	-	294.58	4,697.59	-	-	4,992.17
Other Financial Assets	-	-	93.31	-	-	93.31
	91.67	294.58	18,479.97	31,162.27	-	50,028.49

2.Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process. Internal control deficiency are reviewed by management and audit committee on periodic basis.

3.Credit risks

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, investments in security Receipts. The carrying amount of following financial assets represent the maximum credit risk exposure:

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	45.52	39.87
Loans	12.81	15.76
Investments Unquoted(FVTPL)	44,793.01	-
Others financial Asset	93.31	-
Total	44,944.65	55.63

39. Credit Quality of Assets for Loans

Credit Quality of Assets

Following table that sets out the information about he Credit Quality of Financial Assets measured at amortised cost

Particulars	As on March 31, 2020	As on March 31, 2019
Loans measured at amortised cost	Purchased or Originated as Credit Impaired (POCI)	Purchased or Originated as Credit Impaired (POCI)
Individually impaired	16.67	15.76
Total	16.67	15.76

Gross carrying amount reconciliation

Particulars	As on March 31, 2020	As on March 31, 2019
Loans measured at amortised cost	Purchased or Originated as Credit Impaired (POCI)	Purchased or Originated as Credit Impaired (POCI)
Gross carrying amount opening balance	15.76	-
New Assets purchased	-	15.76
Interest income during the year	1.06	-
Less: Recovery	0.15	
Less: ECL provision	3.86	-
Gross Carrying amount closing balance	12.81	15.76

Reconciliation of ECL Balances

	As on March 31, 2020
Particulars	Purchased or Originated as Credit Impaired (POCI)
ECL allowance opening balance	-
ECL provision for the year	3.86
ECL allowance closing balance	3.86

Collateral Held and concentration of Credit Risk

Collateral Held

The company holds collateral and other credit enhancements against certain of its credit exposures. The following table set out the collateral held

Instrument Type	Percentage of exposure		Principal type of collateral held
	As at March 31, 2020	As at March 31, 2019	
Loan to Borrower	100%	100%	Immovable property

Aditya Birla ARC Limited

Quantitative information of collateral -

Loan to Value (LTV) range - 75% to 100%

40. Involvement with unconsolidated structured entities

The company has concluded that the Assets Reconstruction trust in which it invests, but that it does not consolidate meet the definition of structured entities because –

- The voting rights in the company are not dominant rights in deciding who controls them because the right relate to administrative tasks only.
- Each Trust activities are restricted by trust deed.
- Insufficient equity to permit the structured entity to finance its activities without substantial financial support, and
- The trust have well defined objective to provide recovery activities to investors.

The following table describes the type of structured entities that the company does not consolidate but in which it holds an interest-

Type of Structures Entity	Nature and Purpose	Interest Held by the Company	As of March 31, 2020	
		Investment in Security Receipts	SRs issued by Trust	SRs subscribed by Company
Asset Reconstruction Trust	To acquire stresses assets for the purpose of carrying on the activity of securitization and assets reconstruction	Acting as trustee to the Trusts	2,96,96,772	46,60,863

The following table sets out an analysis of the carrying amount of interest held by company in unconsolidated structure entities. The maximum exposure to loss in carrying amount of the asset

Rs. In Lakhs

Carrying Amount	As on March 31, 2020
Investment in SR	44,793.01
Reimbursement from Trusts	70.25

41. Note on COVID-19

The outbreak of COVID–19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organisation. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended by 19 days across the nation to contain the spread of the virus.

In preparing the accompanying financial statements, the Group management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for determining of the Company security receipts investments, are based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. The Group has used internal and external sources of information including credit reports, economic forecasts and consensus estimates from market sources on the expected future performance of the underlying companies in developing the estimates and assumptions to assess, without undue cost and efforts, the fair value of the investments as at March 31, 2020.

Given the dynamic nature of the pandemic situation, in the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the security receipts investments, the financial position and performance of the Group.

NOTE: 42
Contingent Liability
The Company has reviewed its pending litigations and proceedings, and on the basis of the same it has been concluded that there is no contingent liability as at 31st March 2020 and 31st March 2019.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

NOTE: 43
Capital Commitments
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Nil (Previous year ended on March 31, 2019) Nil

NOTE: 44
Long Term Contract
The Company doesn't have long term contract including Derivative contract as at 31st March 2020 and 31st March 2019.

NOTE: 45
Events after the reporting date
There have been no events after the reporting date that require disclosure in these financial statements.

NOTE: 46
Segment Information
The Directors of the Company has been identified as the chief operating decision maker (CODM) as defined by Indian Accounting Standard 108 "Operating Segments". The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit.
The principal business of the Company is of "acquistion and managing Securitisation Trust". All other activities of the Company revolve around its principal business. Therefore, directors have concluded that there is only one operating reportable segment as per Indian Accounting Standard 108 "Operating Segments".

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Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 47
Prior year comparatives
Previous year figures have been regrouped/reclassified wherever necessary to confirm to the current year's presentation.

In terms of our report of even date attached

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No 102102

Mumbai, 4th May, 2020

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

Ajay Srinivasan
Director
DIN-00121181

Tushar Shah
Director
DIN-00239762

Sanjay Jain
Chief Executive officer

Rajesh Gandhi
Company Secretary

Mumbai, 4th May, 2020

Aditya Birla ARC Limited

1. **About the Group**
Aditya Birla ARC Limited (the Company) was incorporated as a public limited company under the provisions of the Companies Act, 2013 on March 10, 2017.

The Company and its structured entities as at 31 March 2020 are together referred to as "Group". The principal activity of the Group is to carry on the business of securitization and asset reconstruction as defined in section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('the SARFAESI Act'). The Group acts as an Investment Manager / Trustee for trusts set up for securitization pursuant to the SARFAESI Act. The financial assets are acquired under separate trusts set up for securitization or directly for asset reconstruction.

Reserve Bank of India ('RBI') granted a Certificate of Registration to the Company on 13 March 2018 to carry on business of securitization or asset reconstruction under section 3 of the SARFAESI Act.

The Group recognises its income through Trusteeship Fees, which is recognized on accrual basis in accordance with the terms of the respective trust deed / offer document / commitment agreement, wherever applicable.

The financial statements were authorized for issue by the Company's Board of Directors on May 4, 2020.

2. **Basis of preparation of Financial Statements**
The 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 financial statements have been prepared on a historical cost basis and accrual basis except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

3. **Use of Estimates**
The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4. **Presentation of Financial Estimates**
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.

5. **Basis of Consolidation**
The consolidated financial statements comprise the financial statements of the Company and its structured entities as at 31 March 2020 (together referred to as "Group"). The Group consolidates a structured entity 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. Generally, there is a presumption that a majority of voting rights result in control. To support this

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presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

-The contractual arrangement with the other vote holders of the investee.

-Rights arising from other contractual arrangements.

-The Group's voting rights and potential voting rights.

-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 structured entity begins when the Group obtains control over the structured entity and ceases when the Group loses control of the structured entity. Assets, liabilities, income and expenses of a structured entity acquired 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 structured entity.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation Procedure: -

Structured Entities:

The consolidated financial statements comprise the financial statements of the Company and its structured Entities. Structured Entities are entities controlled by the Group. The Group controls an investee 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 combines the financial statement of the Parent and its structured entities line by line adding together like items. Inter- Group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of structured entities to bring their accounting policies into line with the Group's accounting policies. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a structured entity, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a structured entity, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the structured entity and any non-controlling interests. Amounts previously recognised in OCI in relation to the structured entities are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner, as would be required, if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former structured entity at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

6. Summary of Significant Accounting Policies

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6.1 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. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 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 goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Upside income represents gain / yield on redemption of investments in SRs of trusts set up for acquisition of financial assets. Upside income from investment in SRs of trusts set up for acquisition of financial assets is recognized as per the distribution advice received from the respective trusts and in accordance with the terms of the respective trust deed / offer document / commitment agreement.

Rental Income

Temporary arrangements were made to give unoccupied workstations to other businesses, rent were charged for the period on these workstations on basis of area wise cost allocation.

Interest Income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For interest income on Fixed Deposit, the Group recognizes it on accrual basis

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

6.2 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Date of Recognition

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Financial assets and liabilities, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument

Initial Measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

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De-Recognition of Financial Assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

On derecognition of a financial asset other than in it's entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financials asset between the part it continues to recognise under continuing involvement, and the part is no longer recognises on the basis of relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Impairment of Financial Assets (ECL Policy)

In accordance with IND AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets & credit risk exposure.

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances held at amortised cost for impairment based on evidence or information that is available without undue cost or effort.

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets.

Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group has assessed that all loans and advances with no default or upto 30 days default would fall under this category.

For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL – Significant increase in credit risk

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is calculated on the gross carrying amount of the asset less ECL already provided.

Stage 3: Lifetime ECL – Credit Impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

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Credit-impaired financial assets:
At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit impaired. A financial asset is 'credit-impaired' when a breach of contract such as a default or past due event that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
ECL provisioning is being done on each reporting date basis probability of default and loss given default on outstanding financial asset.

Trade Receivables
Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 115 are recognize

Other Financial Assets
Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk.

Financial Liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, debt securities and subordinated liabilities, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair- value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through 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 is recognized in OCI.
These gains/ loss 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 recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities and equity instruments
Financial instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognized at the proceeds received, net of direct issue costs.

Loans & Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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Amortized 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 amortization is included as finance costs in the statement of profit and loss

De-recognition of financial liabilities
A financial liability shall be de-recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

6.3 Cash and Cash Equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and 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, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

6.4 Property, Plant & Equipment.
Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably. Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
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. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation on Tangible Fixed Assets is provided on Straight Line using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Group has used the following useful life to provide depreciation on its fixed assets, which is in line with the useful life suggested by Schedule III.

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
Computers (end user computers, Laptops)	3
Office Equipment	5
Furniture & Fixtures	10

Useful life of assets estimated by management supported by the Internal Technical assessment.

Asset	Estimated Useful Life
Leasehold Improvements *	3
Motor Vehicles^	4-5

*In case of Leasehold Improvements, Depreciation calculated based on lease period
^ In case of Motor Vehicles, depreciation calculated on basis of its replacement.

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Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the date of addition/disposal/discarding.

6.5 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 the 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level-1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level-2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level-3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

6.6 Impairment of Non-Financial Assets

The Group assesses, at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for any asset is required, the Group estimates the assets recoverable amount. An assets recoverable amount is the higher of an assets fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflow that is largely independent of those from other assets or Group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to it recoverable amount.

6.7 Retirement and Other Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Group, as detailed below:

Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefits from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the Statement of Profit and Loss when incurred.

Defined Benefit Plans (Gratuity)

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In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Group.
The Group's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The Group recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity. The Group has employees' gratuity fund under Grasim Industries Limited Employees Gratuity Trust managed by the ultimate parent Group.

Short Term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated Absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.
The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.
The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

Other Benefits

Few employees transferred from other business of the Aditya Birla Capital Group were eligible under long term incentive plan (the "LTIP scheme") issued by that business in September 2017. The scheme is for 4 years and pay out under the scheme to employees will be made at end of 4 years, as per option opted by the employees. This is a one time option, which cannot be changed to the option of early vesting, hence liability has been equally spread over the tenure. In case these employees leave before the stipulated period of 4 years, the liability to pay under the aforesaid LTIP scheme ceases.

6.8 Leases

AS per IND AS 116

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has

Aditya Birla ARC Limited

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. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.
Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the under lying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value – in – use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.
The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment on exercise of an extension or a termination option.
Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

6.9 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

6.10 Taxes

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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.

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Deferred Tax

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

6.11 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

6.12 Capital Management

The primary objective of the Group's capital management is to maximize 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.

6.13 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years

Measurement of Defined Benefit Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-

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term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cashflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amount of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Property plant and equipment and investment property

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Group's assets at the end of its useful life are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful life are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Impairment of trade receivables

Trade receivables are the trusts of which Group is a trustee and also holds investments in the trust through Security Receipts. The Group estimates the probability of collection of accounts receivable by analyzing the future cash flow in the trust. If the financial condition of the trust deteriorates, additional allowances may be required.

Fair Value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

ECL on financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different level of allowances.

The Group ECL calculation are outputs of models with a number of underlying assumptions regarding the choice of variable inputs ad their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates includes:

- Probabilities of Defaults (PDs) the calculations of which includes historical data, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Developments of ECL models, including the various formulas and choices of inputs

Aditya Birla ARC Limited

- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effects of PDs, exposure at defaults and loss given defaults.

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;
- 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.

Policy for sales out of amortised cost business model portfolios

Group existing business model focuses on acquisition of financial assets through trusts, with or without participation from external investors. Our existing resolution strategy is to right size the debt and restructure the debt with focus on improvement in operational performance of the acquired financial assets with existing sponsors or strategic investors.

At present Group has no amortised cost business model portfolio, therefore it has not prepared and adopted any such policy.

Aditya Birla ARC Limited

Aditya Birla Stressed Asset AMC Private Limited

Start 4 AMC

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Stressed Asset AMC Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Aditya Birla Stressed Asset AMC Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 Ind AS 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 March 31, 2020, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 40 to the financial statements, which describes the increased uncertainty of estimates relating to the Company's valuation of investment in units of Alternate Investment Fund (AIF) due to the continued outbreak of COVID 19 virus.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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 and Those Charged with Governance for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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 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 Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAEZ8370
Place of Signature: Mumbai
Date: May 20, 2020

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 Stressed Asset AMC Private Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to it. As informed, the provisions of employees' state insurance, sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions of employees' state insurance, sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax and cess which have not been deposited on account of any dispute. As informed, the provisions of employees' state insurance, sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.

S.R. BATLIBOI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN : 20102102AAAAEZ8370
Place of Signature: Mumbai
Date: May 20, 2020

ANNEXURE 2 to the Independent Auditor's Report of even date on Ind AS Financial Statements of Aditya Birla Stressed Asset AMC Private 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 over financial reporting of Aditya Birla Stressed Asset AMC Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS 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 these Ind AS 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 these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Shrawan

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAEZ8370
Place of Signature: Mumbai
Date: May 20, 2020

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS MUMBAI

Aditya Birla Stressed Asset AMC Private Limited
Balance Sheet as at 31st March, 2020

Rs. in Lakhs

	Note No.	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	6	11.09	0.51
(b) Bank Balance other than (a) above	7	-	9.46
(c) Trade Receivables	8	41.33	-
(d) Investments	9		
- Other Investments		1,817.20	-
(e) Other Financial Assets	10	4.89	-
Sub-Total		**1,874.51**	**9.97**
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	11	12.54	0.05
(b) Property, Plant and Equipment	12	1.99	-
(c) Other non-Financial assets	13	0.65	0.59
Sub-Total		**15.18**	**0.64**
Total assets		**1,889.69**	**10.61**
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a)Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.81	0.45
(b) Other Financial Liabilities	14	19.23	-
Sub- Total		**22.04**	**0.45**
(2) Non Financial Liabilities			
(a) Provisions	15	25.09	-
(b) Other Non Financial Liabilities	16	10.62	0.05
Sub- Total		**35.71**	**0.05**
(3) Equity			
(a) Equity Share capital	17	1,480.00	25.00
(b) Other Equity	18	351.94	(14.89)
Equity attributable to owners of the parents		**1,831.94**	**10.11**
Total equity		**1,831.94**	**10.11**
Total Equity and Liabilities		**1,889.69**	**10.61**

Summary of Significant Accounting Policies 5
The accompanying Notes are an integral part of the Financial Statements.

In terms of our report of even date attached
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 20th May, 2020

For and on behalf of the Board of Directors
Aditya Birla Stressed Asset AMC Private Limited

Tushar Shah
Director
DIN-00239762

Anantha Dhananjaya
Director
DIN-1744569

Shailesh Kumar Daga
Chief Financial Officer

Pallavi Singh
Company Secretary

Mumbai, 20th May, 2020

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Stressed Asset AMC Private Limited ★

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Aditya Birla Stressed Asset AMC Private Limited
Statement of Profit and Loss for the year ended 31st March, 2020

Rs. in Lakhs

	Note	Year Ended 31st March, 2020	For the period 22nd May, 2018 to 31st March, 2019
Revenue from operations			
Fee and Commission Income	19	361.49	-
Net Gain on Fair Value Changes	20	11.80	-
Investment Income	21	170.12	
Total Revenue from Operations		**543.41**	-
Other Income	22	15.62	0.52
Total Income		**559.03**	**0.52**
EXPENSES			
(a) Employee benefits expense	23	43.54	-
(b) Depreciation	24	1.54	-
(c) Other expenses	25	25.12	15.41
Total Expenses		**70.20**	**15.41**
Profit Before Tax		**488.83**	**(14.89)**
Tax Expenses			
Current Tax		119.81	-
Deferred Tax		-	-
Total Tax Expenses		**119.81**	-
Profit for the year		**369.02**	**(14.89)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(2.93)	-
Income tax relating to items that will not be reclassified to profit and loss		0.74	-
Other Comprehensive Income for the year, net of tax :		**(2.19)**	-
Total Comprehensive Income for the year, net of tax :		**366.83**	**(14.89)**
Earnings per equity share :			
Basic- (`)	26	3.41	(7.23)
Diluted - (`)		3.41	(7.23)
(Face Value of `10 each)			

Summary of Significant Accounting Policies 5

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report of even date attached
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Mumbai, 20th May, 2020

For and on behalf of the Board of Directors
Aditya Birla Stressed Asset AMC Private Limited

Tushar Shah
Director
DIN-00239762

Anantha Dhananjaya
Director
DIN-1744569

Shailesh Kumar Daga
Chief Financial Officer

Pallavi Singh
Company Secretary

Mumbai, 20th May, 2020

Aditya Birla Stressed Asset AMC Private Limited

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Aditya Birla Stressed Asset AMC Private Limited
Cash Flow Statement for the Year ended 31st March, 2020

` in Lakhs

Note	Particulars	Year Ended 31st March, 2020	Period Ended 31st March, 2019
A	Cash Flow From Operating Activities		
	Profit before tax	**488.83**	**(14.89)**
	Adjustments for :		
	FV Change on Investment	(11.80)	-
	Investment Income	(170.12)	
	Net gain / (loss) on financial instruments	(15.28)	-
	Share Issue Expenses	18.57	-
	Interest Income	(0.04)	(0.52)
	Depreciation	1.54	-
	Operating Cash Flow Before Working Capital Changes	**311.70**	**(15.41)**
	Adjustments for:		
	Decrease/(Increase) in Trade Receivables	(41.33)	-
	Decrease/(Increase) in Loans & Advances	-	(0.08)
	Decrease/(Increase) in Other Non-Financial Assets	(0.06)	(0.51)
	Decrease/(Increase) in Other Financial Assets	(4.85)	-
	(Decrease)/Increase in Trade Payables	2.37	0.45
	(Decrease)/Increase in Provisions	22.15	-
	(Decrease)/Increase in other Financial Liabilities	19.23	-
	(Decrease)/Increase in other Liabilities	10.57	0.05
		8.08	**(0.09)**
	Cash Generated from Operations	**319.78**	**(15.50)**
	Income Taxes Refund/(Paid)	(131.56)	0.05
	Net Cash Flow From Operating Activities	**188.22**	**(15.55)**
B	Cash Flow from Investing Activities		
	Addition to Property, Plant and Equipment and Intangibles	(3.53)	-
	Purchase of Investments - Non-Current	(1,499.93)	-
	Purchase of Mutual Fund Investments - Current	(1,565.00)	
	Proceeds from sale of Mutual Fund Investments - Current	205.93	-
	Proceeds from sale of AIF units	1,238.97	
	Interest Received	0.34	0.21
	Bank Deposits Placed	(5.00)	(30.15)
	Bank Deposits matured	14.15	21.00
	Net Cash (Used In)/From Investing Activities	**(1,614.07)**	**(8.94)**
	Cash Flow From Financing Activities		
	Share of Proceeds from Issue of Equity Shares (Net of Share issue expenses)	1,455.00	25.00
	Share Issue Expenses	(18.57)	-
	Net Cash (Used In)/From Financing Activities	**1,436.43**	**25.00**
	Net Increase In Cash And Equivalents	**10.58**	**0.51**
	Cash And Cash Equivalents (Opening Balance)	0.51	-
	Cash And Cash Equivalents (Closing Balance)	**11.09**	**0.51**

Notes:
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows'prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2. Cash and cash equivalents in the balance sheet comprises of Cash at bank.

In terms of our report of even date attached
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 20th May, 2020

For and on behalf of the Board of Directors
Aditya Birla Stressed Asset AMC Private Limited

Tushar Shah
Director
DIN-00239762

Anantha Dhananjaya
Director
DIN-1744569

Shailesh Kumar Daga
Chief Financial Officer
Mumbai, 20th May, 2020

Pallavi Singh
Company Secretary

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Stressed Asset AMC Private Limited ★

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Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

(A) EQUITY SHARE CAPITAL

Rs. in Lakhs

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of face value of Rs. 10/- each issued on subscribed and fully paid up				
Balance at the beginning of the year	250,000	25.00	250,000	25.00
Issue of Equity share capital during the year	14,550,000	1,455.00	-	-
Balance at the end of the year	**14,800,000**	**1,480.00**	**250,000**	**25.00**

(B) OTHER EQUITY

Rs. in Lakhs

Particulars	Reserve and Surplus	Total Other Equity
Balance as at 1st April, 2018	-	-
Profit/(Loss) for the year	(14.89)	(14.89)
Other Comprehensive Income/(loss) for the period	-	-
Total Comprehensive income	(14.89)	(14.89)
Balance as at 31st March, 2019	**(14.89)**	**(14.89)**
Balance as at 1st April, 2019	(14.89)	(14.89)
Profit for the year	369.02	369.02
Other Comprehensive Income/(loss) for the year	(2.19)	(2.19)
Total Comprehensive income	366.83	366.83
Balance as at 31st March, 2020	**351.94**	**351.94**

In terms of our report of even date attached
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 20th May, 2020

For and on behalf of the Board of Directors
Aditya Birla Stressed Asset AMC Private Limited

Tushar Shah	**Anantha Dhananjaya**
Director	Director
DIN-00239762	DIN-1744569
Shailesh Kumar Daga	**Pallavi Singh**
Chief Financial Officer	Company Secretary

Mumbai, 20th May, 2020

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

NOTE: 12
Property, Plant and Equipment

Rs. in Lakhs

Particulars	Vehicles	TOTAL
Gross Block		
As at 1st April, 2018	-	-
Additions	-	-
Deletions		-
As at 31st March, 2019	-	-
Accumulated Depreciation		
As at 1st April, 2018	-	-
Additions	-	-
Deletions		-
As at 31st March, 2019	-	-
Net Carrying amount as at 31st March, 2019	-	-
Gross Block		
As at 1st April, 2019	-	-
Additions	3.53	3.53
Deletions		-
As at 31st March, 2020	3.53	3.53
Accumulated Depreciation		
As at 1st April, 2019	-	-
For the year	1.54	1.54
Deletions		-
As at 31st March, 2020	1.54	1.54
Net Carrying amount as at 31st March, 2020	1.99	1.99

Aditya Birla Stressed Asset AMC Private Limited

S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 6		
Balances with Banks		
Current Accounts	11.09	0.51
	11.09	**0.51**
NOTE: 7		
Bank Balance other than Cash and Cash Equivalents		
months)	-	9.15
Interest Accrued	-	0.31
	-	**9.46**
NOTE: 8		
Trade Receivables (Refer Note 30)		
Unsecured, Considered Good (less than 6 months)	41.33	-
	41.33	-

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 9		
Other Investments		
Investment in units of AIF		
Aditya Birla Special Situations Fund I		-
(3,99,814.79 units of Class A, previous year Nil)	410.76	
(31,235.53 units of Class B, previous year Nil)	32.09	
Investment in Mutual Fund		
Aditya Birla Sun Life Liquid Fund - Growth- Direct	56.82	-
(17,781.697 units, previous year Nil)		
ICICI Prudential Liquid Fund - Growth- Direct	1,317.53	-
(448,472.832 units, previous year Nil)		
	1817.20	**-**
In India	1,817.20	-
Outside India	-	-
NOTE: 10		
Other Financial Assets		
(Unsecured,Carried at amortised Cost)		
Other Receivable (Refer Note 30)	4.89	-
	4.89	**-**
NOTE: 11		
Current Tax Assets (Net)		
Advance Tax (Net)	12.54	0.05
	12.54	**0.05**

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 13		
Other non-financial assets		
(Unsecured, unless stated otherwise)		
Statutory Dues from Government - GST	0.65	0.51
Advance for Expenses	-	0.04
Prepaid expenses	-	0.04
	0.65	**0.59**
NOTE: 14		
Other Financial Liability		
(Carried at amortised cost)		
Payable Related to Employees	19.23	-
	19.23	-
NOTE: 15		
Provisions		
Provision for Employee Benefits		
:- Provision for Leave encashment	5.77	-
:- Provision for Gratuity	19.32	-
	25.09	-
NOTE: 16		
Other Non Financial Liabilities		
Statutory Dues	10.62	0.05
	10.62	**0.05**

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

Particulars	Numbers	As at 31st March, 2020	Numbers	As at 31st March, 2019
NOTE: 17				
Share Capital				
Authorised:				
Equity Shares of ` 10/- each	15,000,000	1,500.00	250,000	25.00
	15,000,000	**1,500.00**	**250,000**	**25.00**
Issued:				
Equity Share Capital				
Equity Shares of ` 10/- each	14,800,000	1,480.00	250,000	25.00
	14,800,000	**1,480.00**	**250,000**	**25.00**
Subscribed and Paid-up:				
Equity Share Capital				
Equity Shares of ` 10/- each, fully paid-up	14,800,000	1,480.00	250,000	25.00
	14,800,000	**1,480.00**	**250,000**	**25.00**

1) Reconciliation of the number of shares authorized at the beginning and at the end of the year

Rs. in Lakhs

Sr. No.	Description	As at 31st March, 2020		As at 31st March, 2019	
		Equity Shares	Amount	Equity Shares	Amount
1	No of Shares Outstanding at the beginning of the year	250,000	25.00	250,000	25.00
2	Add increased during the year	14,750,000	1,475.00	-	-
3	No. of Shares Outstanding at the end of the year	15,000,000	1,500.00	250,000	25.00

2) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Rs. in Lakhs

Sr. No.	Description	As at 31st March, 2020		As at 31st March, 2019	
		Equity Shares	Amount	Equity Shares	Amount
1	No of Shares Outstanding at the beginning of the year	250,000	25.00	250,000	25.00
2	Add issued during the year	14,550,000	1,455.00	-	
3	No. of Shares Outstanding at the end of the year	14,800,000	1,480.00	250,000	25.00

Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

Shares held by holding / ultimate holding Company and / or their subsidiaries / associates

Out of equity shares issued by the company, shares held by its holding company, ultimate company and their subsidiaries / associates are as below:

Rs. In lakhs

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	% of Total paid up equity share capital	Amount	% of Total paid up equity share capital
Parent - Aditya Birla Capital Limited 148,00,000 (31st March 2019: 25,000) equity shares	1,480.00	100%	25.00	100%

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019
NOTE: 18		
Other Equity		
Surplus in Profit and loss accounts		
Opening Balance	(14.89)	-
Addition:		
Profit/(Loss) for the Year/period	366.83	(14.89)
	351.94	**(14.89)**
Total Other Equity	**351.94**	**(14.89)**

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

Rs. in Lakhs

	For the Year Ended 31st March, 2020	For the period 22nd May, 2018 to 31st March, 2019
NOTE: 19		
Fee and Commission Income		
Management Fees over period of time (Refer Note 30)	136.49	-
Arranger Fee	225.00	
	361.49	**-**
NOTE: 20		
Net Gain on Fair Value Changes		
Net gain / (loss) on financial instruments at fair value through profit or loss		
Net Gain from Investments in AIF	11.80	-
	11.80	**-**
Fair Value changes :		
Realised	-	-
Unrealised	11.80	-
	11.80	**-**
NOTE: 21		
Investment Income* (Refer Note 30)		
Interest Income	137.45	-
Premium Income	32.67	-
	170.12	**-**

* The Company has made investment in units of Alternative Investment Fund ('AIF'), Category II and income generated and distributed by AIF has been recognised in likewise nature.

	For the Year Ended 31st March, 2020	For the period 22nd May, 2018 to 31st March, 2019
NOTE: 22		
Other Income		
Interest on Loans		
Interest on deposits with Banks		
On financial Assets Measured at Amortised Cost	0.34	0.52
Net gain / (loss) on financial instruments at fair value through profit or loss		
On Mutual Fund Units	15.28	-
	15.62	**0.52**
Fair Value changes :		
Realised	4.85	-
Unrealised	10.43	-
	15.28	**-**

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited

Notes forming part of Financial Statements for the year ended 31st March, 2020

` in Lakhs

	Year Ended 31st March, 2020	For the period 22nd May, 2018 to 31st March, 2019
NOTE: 23		
EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	38.13	-
Contribution to Provident and Other Funds (Refer Note no 27)	2.55	-
Contribution to Gratuity Fund (Refer Note no 27)	2.79	-
Staff Welfare Expenses	0.07	-
	43.54	**-**
NOTE: 24		
DEPRECIATION		
Depreciation of Property, plant and equipment	1.54	-
	1.54	**-**
NOTE: 25		
OTHER EXPENSES		
Repairs & Maintenance - Others	0.13	-
Rates & Taxes	18.69	11.55
Legal & Professional Expenses (Refer Note 25.1)	6.10	3.83
Miscellaneous Expenses	0.20	0.03
Total	**25.12**	**15.42**

	Year Ended 31st March, 2020	For the period 22nd May, 2018 to 31st March, 2019
Note 25.1		
Includes Auditors Remuneration		
Audit Fees	1.50	0.50
Out of Pocket Expense	0.05	-
	1.55	**0.50**

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March, 2020

` in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
NOTE: 26		
DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE		
Earnings per Share (EPS) is calculated as under:		
Weighted-average Number of Equity Shares for calculation of Basic EPS	10,825,137	205,863
Weighted-average number of Equity Shares for calculation of Diluted EPS	10,825,137	205,863
Nominal Value of Shares (`)	10.00	10.00
Profit attributable to equity holders of the Parent:	369.02	(14.89)
Continuing Operations		
Basic EPS (`)	3.41	(7.23)
Diluted EPS (`)	3.41	(7.23)

27 Employee Benefit Disclosures

Defined Contribution Plan

The amounts charged to the Statement of Profit and Loss during the year for Provident fund contribution aggregates to Rs. 2.55 lakhs

Defined Benefit Plan

General Description of the plan:
The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

Nature of Benefits:
The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Inherent Risks:
The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the balance sheet for the gratuity plan of the Company.

Amounts recognized in the Balance sheet in respect of gratuity

Rs. in Lakhs

Particulars	31st March, 2020	31st March, 2019
Opening Defined Benefit Obligations	-	-
Current Service Cost	2.22	-
Interest Cost	0.57	-
Acturial changes arising from changes in experience assumptions	2.93	-
Acquisition adjustment	13.60	-
Add: Benefits paid including transfer in/out	-	-
Present value of defined benefit obligation	19.32	-

Amounts recognized in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity

Rs. in Lakhs

Particulars	Year Ended	For the period 22nd May, 2018 to
	31st March, 2020	31st March, 2019
In Statement of Profit and Loss	2.79	-
In Other Comprehensive Income	2.93	-
Total Expenses Recognized for the period	5.72	-

Rs. in Lakhs

Other Comprehensive Income:

Particulars	Year Ended	For the period 22nd May, 2018 to
	31st March, 2020	31st March, 2019
Actuarial (gains)/ losses		
Actual Return on Plan Assets excluding amount recognised in net interest expense	-	-
Actuarial changes arises from change		
- Demographic Assumptions	-	-
- Financial Assumptions	-	-
- Experience Variance	2.93	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in OCI	2.93	-

Aditya Birla Stressed Asset AMC Private Limited

b) Maturity Profile of Defined Benefit

Rs. in Lakhs

Weighted average duration (based on discounted cashflows)	7 years
Expected cash flows over the next (valued on undiscounted basis):	
1 years	2.46
2 to 5 years	8.33
6 to 10 years	7.72
More than 10 years	15.55

c) Expected Contribution during the next annual reporting period

The company's best estimate of contribution during the next year	21.40

d) Funding Arrangements and Funding Policy
The Scheme is on funded basis.

e) Principal Actuarial Financial Assumptions

Particulars	31st March, 2020	31st March, 2019
Discount Rate (per anumn)	6.35%	-
Salary Growth Rate (per anumn)	10%	-

The discount rate indicated above reflects the estimated timing and currency of benefit payments.It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

f) Demographic Assumptions

Particulars	31st March, 2020	31st March, 2019
Mortality Rate	100% of IALM 2012-14	-
Normal retirement age	60 yrs	-
Attrition/Withdrawal rate (per anumn)	15%	-

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity Analysis

Rs. in Lakhs

Particulars	31st March 2020	
	Decrease	Increase
Discount Rate (-/+ 0.5%)	20.06	18.63
(% change compared to base due to sensitivity)	3.8%	-3.6%
Salary Growth (-/+ 0.5%)	18.65	20.03
(% change compared to base due to sensitivity)	-3.50%	3.70%
Attrition Rate (-/+ 50%)	25.78	17.34
(% change compared to base due to sensitivity)	33.4%	-10.20%
Mortality Rate (-/+ 10%)	19.31	19.33
(% change compared to base due to sensitivity)	-0.10%	0.1%

Sensitivity Analysis Method
Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

Note 28

Current tax for the year of Rs. 119.81 lakhs (Previous Year Rs. NIL).

Income Tax Disclosure

The major components of income tax expense for the years ended 31 March 2020:

Statement of profit and loss:

Profit or loss Section	31-Mar-20	31-Mar-19
Current income tax:		
Current tax expense	119.81	-
Current tax expense of earlier years	-	-
Deferred tax		
Total tax expense reported in the statement of profit or loss	119.81	-

Reconciliation of effective tax rate

	31-Mar-20	31-Mar-19
A) Accounting Profit before tax from continuing operations	488.83	(14.89)
B) Enacted tax rates in India	25.17%	-
C) Expected tax expense (A*B)	123.04	-
D) Other Adjustments		-
Expense disallowed/(allowed)	5.90	
Less: Setoff of C/F Losses	(3.53)	
Less: Unrealised Gain on Investment	(5.60)	
Total tax expense reported in the statement of profit or loss (C+D)	119.81	-

Deferred tax:

Deferred tax relates to the following:

Balance Sheet	31-Mar-20	31-Mar-19
Deferred tax Liabilities		
Marked to Market Value of Investment in SR	2.97	-
Marked to Market Value of Investment in MF units	2.63	-
Subtotal A	5.60	-
Deferred tax Assets		
Leave Encashment	(1.45)	-
Difference in WDV between Companies Act and Income Tax Act	(0.25)	-
Unfunded Gratuity	(4.86)	-
Subtotal B	(6.57)	
Subtotal B (restricted to the Deferred Tax Liabilities as given subtotal A)	(5.60)	-
Deferred tax expense/(income)	0.00	
Net deferred tax (assets)/liabilities	0.00	-

Reflected in the balance sheet as follows:		
Deferred tax assets	-	-
Deferred tax liabilities	-	-
Deferred tax (Assets)/liabilities, net	-	-

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended 31st March 2020

Note 29: 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.

Rs. In Lakhs

Particulars	31st March, 2020			31st March, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	11.09	-	11.09	0.51	-	0.51
Bank Balance other than above	-	-	-	9.46	-	9.46
Investments	1,374.35	442.85	1,817.20	-	-	-
Trade receivables	41.33	-	41.33	-	-	-
Other financial assets	4.89	-	4.89	-	-	-
Non-financial Assets						
Current tax asset	-	12.54	12.54	-	0.05	0.05
Property, plant and equipment	-	1.99	1.99	-	-	-
Other non financial assets	0.65	-	0.65	0.59	-	0.59
Total assets	**1,432.31**	**457.38**	**1,889.69**	**10.56**	**0.05**	**10.61**
Liabilities						
Financial Liabilities						
Trade payables						
total outstanding dues of creditors	2.81	-	2.81	0.45	-	0.45
other than micro enterprises and small						-
Other Financial liabilities	19.23	-	19.23	-	-	-
Non-financial Liabilities						
Provisions	25.09	-	25.09	-	-	-
Other non-financial liabilities	10.62	-	10.62	0.05	-	0.05
Equity						
Equity Share Capital	-	1,480.00	1,480.00	-	25.00	25.00
Other Equity	-	351.94	351.94	-	(14.89)	(14.89)
Total Liabilities	**57.75**	**1,831.94**	**1,889.69**	**0.50**	**10.11**	**10.61**
Net			-			-

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2020

30 **Related Party Transactions.**

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below: (as certified by management and relied upon by Auditor)

List of Related Parties where control exists and also other Related Parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
Aditya Birla Capital Limited	Holding Company
Aditya Birla Money Limited	Fellow Subsidiary
Aditya Birla Finance Limited	Fellow Subsidiary
Aditya Birla ARC Limited	Fellow Subsidiary
Aditya Birla Special Situations Fund I	Fellow Subsidiary

Directors of the Company
Tushar Harendra Shah
Anantha Subrahmanya Dhananjaya

Transactions during the year/period with Related Parties

Rs. In Lakhs

Particulars	Year Ended 31st March, 2020	For the period 22nd May 2019 to 31st March, 2019
Holding Company		
Transaction during the year		
Aditya Birla Capital Limited (Issue of Equity Shares)	1,455.00	25.00
Balance Outstanding		
Aditya Birla Capital Limited (Equity Shares)	1,480.00	25.00
Fellow Subsidiaries		
Expenses		
Aditya Birla Money Limited (Custodian Fees)	-	0.00**
Expenses reimbursement		
Aditya Birla ARC Limited (Payroll Expense)	31.28	-
Others		
Aditya Birla Finance Limited (Paid against Asset Transfer)	3.53	-
Aditya Birla Finance Limited (Received against Employee Transfer)	17.49	-
Income		
Aditya Birla Special Situations Fund I (Management Fee)*	136.49	-
FV Gain on Investment -Realised	170.12	
Trade Receivable		
Aditya Birla Special Situations Fund I (Management Fee)	41.33	-
Investments		
Balance Investment in Aditya Birla Special Situations Fund I (Class	399.81	-
Balance Investment in Aditya Birla Special Situations Fund I (Class	31.24	
Other Receivable		
Aditya Birla ARC Limited (Payroll Expense)	4.86	-
Aditya Birla Special Situations Fund I (Deemed Income)	0.03	

* Amounts are exclusive of GST

**Figures rounded off to the nearest thousand

31 **Fair Value**

The following table provides the fair value measurement hierarchy of the Company's Assets Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020 & 31st March 2019

As at 31st March 2019

Rs. In Lakhs

Financial Assets	Carrying Value	Fair Value
Cash & Cash Equivalents	0.51	0.51
Fixed Deposits	9.46	9.46
Total	**9.97**	**9.97**

Financial Liabilities	Carrying Value	Fair Value
Trade Payable	0.45	0.45
Total	**0.45**	**0.45**

As at 31st March 2020

Rs. In Lakhs

Financial Assets	Carrying Value	Fair Value
Cash & Cash Equivalents	11.09	11.09
Trade Receivable	41.33	41.33
Investments Unquoted(FVTPL)	1,817.20	1,817.20
Other Financial Assets	4.89	4.89
Total	**1,874.51**	**1,874.51**

Financial Liabilities	Carrying Value	Fair Value
Trade Payable	2.81	2.81
Other Financial Liabilities	19.23	19.23
Total	**22.04**	**22.04**

Stressed Asset AMC

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2020

30 **Related Party Transactions.**

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below: (as certified by management and relied upon by Auditor)

List of Related Parties where control exists and also other Related Parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
Aditya Birla Capital Limited	Holding Company
Aditya Birla Money Limited	Fellow Subsidiary
Aditya Birla Finance Limited	Fellow Subsidiary
Aditya Birla ARC Limited	Fellow Subsidiary
Aditya Birla Special Situations Fund I	Fellow Subsidiary

Directors of the Company
Tushar Harendra Shah
Anantha Subrahmanya Dhananjaya

Transactions during the year/period with Related Parties

Rs. In Lakhs

Particulars	Year Ended 31st March, 2020	For the period 22nd May 2019 to 31st March, 2019
Holding Company		
Transaction during the year		
Aditya Birla Capital Limited (Issue of Equity Shares)	1,455.00	25.00
Balance Outstanding		
Aditya Birla Capital Limited (Equity Shares)	1,480.00	25.00
Fellow Subsidiaries		
Expenses		
Aditya Birla Money Limited (Custodian Fees)	-	0.00**
Expenses reimbursement		
Aditya Birla ARC Limited (Payroll Expense)	31.28	-
Others		
Aditya Birla Finance Limited (Paid against Asset Transfer)	3.53	-
Aditya Birla Finance Limited (Received against Employee Transfer)	17.49	-
Income		
Aditya Birla Special Situations Fund I (Management Fee)*	136.49	-
FV Gain on Investment -Realised	170.12	
Trade Receivable		
Aditya Birla Special Situations Fund I (Management Fee)	41.33	-
Investments		
Balance Investment in Aditya Birla Special Situations Fund I (Class	399.81	-
Balance Investment in Aditya Birla Special Situations Fund I (Class	31.24	
Other Receivable		
Aditya Birla ARC Limited (Payroll Expense)	4.86	-
Aditya Birla Special Situations Fund I (Deemed Income)	0.03	

* Amounts are exclusive of GST

**Figures rounded off to the nearest thousand

31 **Fair Value**

The following table provides the fair value measurement hierarchy of the Company's Assets Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020 & 31st March 2019

As at 31st March 2019

Rs. In Lakhs

Financial Assets	Carrying Value	Fair Value
Cash & Cash Equivalents	0.51	0.51
Fixed Deposits	9.46	9.46
Total	**9.97**	**9.97**

Financial Liabilities	Carrying Value	Fair Value
Trade Payable	0.45	0.45
Total	**0.45**	**0.45**

As at 31st March 2020

Rs. In Lakhs

Financial Assets	Carrying Value	Fair Value
Cash & Cash Equivalents	11.09	11.09
Trade Receivable	41.33	41.33
Investments Unquoted(FVTPL)	1,817.20	1,817.20
Other Financial Assets	4.89	4.89
Total	**1,874.51**	**1,874.51**

Financial Liabilities	Carrying Value	Fair Value
Trade Payable	2.81	2.81
Other Financial Liabilities	19.23	19.23
Total	**22.04**	**22.04**

Aditya Birla Stressed Asset AMC Private Limited

32 Fair Value Hierarchy

Following table provides the fair value measurement hierarchy of the Company's assets and liabilities as on 31st March 2020

As at 31st March 2020 Rs. in Lakhs

Financial Assets	Date of Valuation	Total	Level 1	Level 2*	Level 3
Investments Unquoted(FVTPL)	31/03/2020	1,817.20	-	1,817.20	-

* Level 2 Investment is Fair value of investment in Unquoted Mutual Funds & Unquoted AIF units as per NAV declared on these units

33 RISK MANAGEMENT FRAMEWORK

a. Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

b. Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

Available capital resources at 31 March 2020

Rs. In Lakhs

Particulars	March 31, 2020
Total Equity	1,480
Total Capital	**1,480**

c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the company are subject to regulatory requirements within the jurisdictions in which it operates.

34 Financial risks

1. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, preference shares. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company manages its liquidity risk through temporary funding from its ultimate holding company and availing bank overdraft as and when require.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Rs. In Lakhs

Year ended March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Other financial liabilities	-	-	19.23	-	-	19.23
Trade and other payables	-	2.81	-	-	-	2.81
	-	**2.81**	**19.23**	-	-	**22.04**

Rs. In Lakhs

Year ended March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Other financial liabilities	-	-	-	-	-	-
Trade and other payables	-	0.45	-	-	-	0.45
	-	**0.45**	-	-	-	**0.45**

The table below summarises the maturity profile of the Company's financial assets based on contractual undiscounted payments.

Rs. In Lakhs

Year ended March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	11.09	-	-	-	-	11.09
Other financial assets	-	4.89	-	-	-	4.89
Trade Receivables	-	41.33	-	-	-	41.33
Investments	-	-	1,374.35	442.85	-	1,817.20
	11.09	**46.22**	**1,374.35**	**442.85**	-	**1,874.51**

Rs. In Lakhs

Year ended March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	0.51	-	-	-	-	0.51
Fixed Deposits	-	-	9.46	-	-	9.46
	0.51	-	**9.46**	-	-	9.97

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Stressed Asset AMC Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2020

2.Operational risks
Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process. Internal control deficiency are reviewed by management and audit committee on periodic basis.

3.Credit risks
Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, investments in Mutual Fund units. The Company has no significant concentration of credit risk with any counterparty.

35 Contingent Liability

The Company has reviewed its pending litigations and proceedings, and on the basis of the same it has been concluded that there is no contingent liability as at 31st March 2020. (Previous Year - Nil).

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is certain, then the related asset is not a contingent asset and is recognized.

36 Capital Commitments

The Company is a sponsor and investment manager of Aditya Birla Special Situation Fund (Fund) and as per the SEBI (Alternative Investment Fund), 2012 read with SEBI Circular No. CIR/IMD/DF/14/2014 dated June 19, 2014, the Sponsor should have a continuing interest in the corpus of the Fund of not less than 2.5% of the corpus or Rs.5 crore; whichever is lower.
As on March 31, 2020, remaining capital commitment to invest as on March 31, 2020 as Sponsor is Rs. 468.76 lakhs (Previous Year: Nil) and as Investor is Rs. 6,000.19 lakhs (Previous Year: Nil) .

37 Long Term Contract
The Company doesn't have long term contract including derivate contract as at 31st March 2020. (Previous Year - Nil)

38 Events after the reporting date
There have been no events after the reporting date that require disclosure in these financial statements.

39 Segment Reporting
The Board of Directors of the Company has been identified as the chief operating decision maker (CODM) as defined by Indian Accounting Standard 108 "Operating Segments". The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit.
The principal business of the Company is of "Investment Manager". All other activities of the Company revolve around its principal business. Therefore, directors have concluded that there is only one operating reportable segment as per Indian Accounting Standard 108 "Operating Segments".

40 Note on COVID-19
The outbreak of COVID–19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended by 19 days and further extended by 14 days across the nation to contain the spread of the virus.

In preparing the accompanying financial statements, the Company management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for determining of the Company investment in Alternate Investment Fund (AIF) units, are based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. The Company has used internal and external sources of information including credit ratings, economic forecasts and consensus estimates from market sources on the expected future performance of the underlying investment held by AIF in developing the estimates and assumptions to assess, without undue cost and efforts, the fair value of the investment in AIF units as at March 31, 2020.

Given the dynamic nature of the pandemic situation, in the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of the AIF unit investments, the financial position and performance of the Company.

41 Prior year comparatives
Previous period figures have been regrouped/reclassified wherever necessary to confirm to the current year's presentation.

In terms of our report of even date attached

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No:- 301003E/E300005
Chartered Accountants

per Shrawan Jalan
Partner
Membership No 102102

Mumbai, 20th May 2020

For and on behalf of the Board of Directors
Aditya Birla Stressed Asset AMC Private Limited

Tushar Shah
Director
DIN - 00239762

Anantha Dhananjaya
Director
DIN - 01744569

Shailesh Kumar Daga
Chief Financial Officer

Pallavi Singh
Company Secretary

Mumbai, 20th May, 2020

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Stressed Asset AMC Private Limited

SIGN

1. **About the Company**
Aditya Birla Stressed Asset AMC Private Limited (the Company) was incorporated as a private limited company under the provisions of the Companies Act, 2013 on May 22, 2018. The primary activity of the company is raising or acquiring all types of investment funds and to as act as a fund manager, consultant, advisor, administrators, attorneys, agents, or representatives carry on the activities of all types of investment funds.
The financial statements are authorized for issue by the Company's Board of Directors on May 20, 2020.

2. **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 financial statements have been prepared on a historical cost basis and accrual basis except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

3. **Use of Estimates**
The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4. **Presentation of Financial Estimates**
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.

5. **Summary of Significant Accounting Policies**

5.1 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. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Aditya Birla Stressed Asset AMC Private Limited

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 goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the 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.

Management fee income

Revenue recognition for management fees can be divided into the following two categories:

i) Management fees – over time
Management fees is recognized on completion of the period and performance of the service.

ii) Management fees – point in time

Certain incomes are recognized only upon completion of the performance obligation of the Contract.

Interest Income
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

Disposal of Investments

On disposal of an investment the difference between carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss using weighted average cost

Aditya Birla Stressed Asset AMC Private Limited

5.2 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Date of Recognition

Financial assets and liabilities, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument

Initial Measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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Aditya Birla Stressed Asset AMC Private Limited

b. The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

Equity investments and Mutual Funds at FVTPL
Investments in Subsidiary/ Associate/ Joint Venture are out of the scope of Ind AS 109 & hence the company has accounted for its investment in Subsidiary/ Associate/ Joint Venture at cost.
All other equity investments and Mutual fund in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has irrevocable option to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of profit & loss, even on sale of investment.

Equity instruments, Mutual fund included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-Recognition of Financial Assets
The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

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On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

On derecognition of a financial asset other than in it's entirely (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financials asset between the part it continues to recognise under continuing involvement, and the part is no longer recognises on the basis of relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Impairment of Financial Assets
In accordance with IND AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets & credit risk exposure.

Other Financial Assets
Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk.

Financial Liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair- value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through 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 is recognized in OCI.

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These gains/ loss 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 recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition of financial liabilities
A financial liability shall be de-recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

5.3 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

5.4 Property, Plant & Equipment.

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably. Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
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. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation on Tangible Fixed Assets is provided on Straight Line using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Company has used the following useful life to provide depreciation on its fixed assets, which is in line with the useful life suggested by Schedule III.

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
Motor Vehicles	6

Useful life of assets estimated by management supported by the Internal Technical assessment.

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Asset	Estimated Useful Life
Motor Vehicles^	4-5

^ In case of Motor Vehicles, depreciation calculated on basis of its replacement.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the date of addition/disposal/discarding.

5.5 Retirement and Other Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefits from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the Statement of Profit and Loss when incurred.

Defined Benefit Plans (Gratuity)

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company.

The Company's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The Company recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity. The Company has employees' gratuity fund under Grasim Industries Limited Employees Gratuity Trust managed by the ultimate parent company.

Short Term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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Compensated Absences
The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.
The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.
The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

5.6 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 the 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

5.7 Impairment of Non-Financial Assets
The Company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for any asset is required, the Company estimates the assets recoverable amount. An assets recoverable amount is the higher of an assets fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflow that is largely independent of those from other assets or Company of

Aditya Birla Stressed Asset AMC Private Limited

assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to it recoverable amount.

5.8 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

5.9 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

5.10 Taxes

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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 recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.
In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

5.11 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5.12 Capital Management

The primary objective of the Company's capital management is to maximize 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.

5.13 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cashflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amount of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Fair Value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Capital Technology Services Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Capital Technology Services Limited
(Formerly known as Aditya Birla MyUniverse Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Aditya Birla Capital Technology Services Limited** (formerly known as Aditya Birla MyUniverse Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 36 to the Ind AS financial statements, which indicates that the Company has incurred a net loss of Rs. 18,82,44,032 during the year ended March 31, 2020 and has accumulated losses of Rs. 40,80,74,221 against equity of Rs. 1,80,01,120 as at March 31, 2020. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continued financial support from its shareholders. These mitigating factors including Letter of Support obtained from its shareholders, have been more fully discussed in Note 36 to the accompanying Ind AS financial statements. In view of which the Ind AS financial statements have been prepared under the going concern assumptions, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

Our opinion is not modified in respect of this matter.

HARIBHAKTI & CO. LLP ★ Chartered Accountants

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

HARIBHAKTI & CO. LLP
Chartered Accountants

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 this Ind AS 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 Ind AS 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 auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(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 Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

The Company has not paid/provided for any managerial remuneration to its directors during the year.

HARIBHAKTI & CO. LLP * Chartered Accountants *

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, 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 Ind AS financial statements - Refer Note 38 on Contingent Liabilities to the Ind AS financial statements;

(ii) The Company did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii)There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAABS2081

Place: Mumbai
Date: May 4, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Aditya Birla Capital Technology Services Limited** (formerly known as Aditya Birla MyUniverse Limited) on the Ind AS Financial Statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable properties. Therefore, clause 3(i) (c) of the Order is not applicable to the Company.

(ii) The Company does not hold any inventory. Accordingly, the provision stated in clause 3 (ii) of the order is not applicable.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) Based on information and explanation given to us in respect of Investments, the Company has complied with the provisions of section 186 of the Act. Further, the Company has not given any loan, guarantees and securities.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, goods and service tax (GST), cess and any other material statutory dues applicable to it, except that the delays in deposit have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

HARIBHAKTI & CO. LLP * Chartered Accountants *

(b) According to the information and explanation given to us, there are no dues with respect to income tax and goods and service tax which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank and has not taken any loans or borrowings from financial institutions, governments or debenture holders.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) In the absence of payment of remuneration to the managerial personnel, the provisions of section 197 read with Schedule V of the Act. Accordingly, clause 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAABS2081

Place: Mumbai
Date: May 4, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Aditya Birla Capital Technology Services Limited** (formerly known as Aditya Birla MyUniverse Limited) on the Ind AS Financial Statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements 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 financial statements of **Aditya Birla Capital Technology Services Limited** (formerly known as Aditya Birla MyUniverse Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the 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 with reference to 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

HARIBHAKTI & CO. LLP
Chartered Accountants

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

HARIBHAKTI & CO. LLP
Chartered Accountants

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAABS2081

Place: Mumbai
Date: May 4, 2020

ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2020

In Rs.

Sr. No.	Particulars	Note	As at March 31, 2020	As at March 31, 2019
I	ASSETS			
(1)	Non - Current Assets			
	(a) Property, Plant and Equipment	3	51,61,589	93,81,297
	(b) Right of Use Assets	3A	5,58,22,058	-
	(c) Intangible Assets	4	-	1,98,67,876
	(d) Intangible Assets under Development		-	21,66,817
	(e) Financial Assets			
	(i) Loans and Advances	5	25,39,980	74,71,923
	(ii) Other Financial Assets	5A	90,000	1,41,955
	(f) Advance tax		20,52,850	1,39,24,660
	(g) Other Non - Current Assets	6	2,54,12,200	17,33,67,079
			9,10,78,677	22,63,21,607
(2)	Current Assets			
	(a) Financial Assets			
	(i) Trade Receivables	7	-	99,00,841
	(ii) Cash and Cash Equivalents	8	11,728	94,312
	(iii) Loans and Advances	9	10,000	5,79,194
	(b) Other Current Assets	10	35,42,090	82,82,564
			35,63,818	1,88,56,911
	Total Assets		9,46,42,495	24,51,78,518
II	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share Capital	11	1,80,01,120	18,00,11,240
	(b) Other Equity	12	(34,48,65,336)	(2,76,82,46,485)
	Total Equity		(32,68,64,216)	(2,58,82,35,245)
(2)	Non - Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	12,00,00,484	1,20,00,03,908
	(ii) Lease Liabilities	13A	5,06,64,176	-
	(b) Provisions	14	2,76,479	33,58,116
	(c) Other Non - Current Liabilities	15	-	5,35,656
			17,09,41,139	1,20,38,97,680
(3)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	23,47,01,823	1,57,62,77,123
	(ii) Lease Liabilities	16A	26,89,756	-
	(iii) Trade and Other Payables			
	- Dues of micro enterprises and small enterprises	17	3,48,743	1,21,317
	- Dues of other than micro enterprises and small enterprises		3,64,597	90,82,578
	(iv) Other Financial Liabilities	18	1,16,94,859	2,53,99,571
	(b) Other Current Liabilities	19	5,68,310	1,51,90,677
	(c) Provisions	20	1,97,484	34,44,817
			25,05,65,572	1,62,95,16,083
	Total Liabilities		42,15,06,711	2,83,34,13,763
	Total Equity and Liabilities		9,46,42,495	24,51,78,518

Significant Accounting Policies and
The accompanying Notes are an integral part of the Financial Statements. 2.1

As per our Report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration no. 103523W / W100048

HARIBHAKTI & CO. LLP * Chartered Accountants *

Sumant Sakhardande
Partner
Membership No. 034828

Place : Mumbai
Date : May 04, 2020

For and on behalf of the Board of Directors of
Aditya Birla Capital Technology Services Limited
(Formerly Known as Aditya Birla MyUniverse Limited)

Mukesh Malik
Director
DIN : 02125091

Pinky Mehta
Director
DIN : 00020429

Khyati Mistry
Company Secretary

Aditya Birla Capital Technology Services Limited * MUMBAI

ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2020.

`In Rs.

Particulars	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
Continuing Operations :			
Revenue from Operations	21	1,72,73,440	65,75,000
Other Income	22	15,32,527	2,17,192
Total Income		1,88,05,967	67,92,192
Expenses			
Employee Benefits Expense	23	77,11,212	1,00,44,300
Finance Cost	24	2,07,59,384	84,33,731
Depreciation and Amortisation Expenses	25	28,05,653	-
Other Expenses	26	1,77,22,156	1,00,03,603
Total Expenses		4,89,98,405	2,84,81,634
Profit /(Loss) Before Exceptional Item and Tax		(3,01,92,438)	(2,16,89,442)
Exceptional Item		-	-
Profit /(Loss) before tax		(3,01,92,438)	(2,16,89,442)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Profit /(Loss) after tax for the year from Continuing Operations		(3,01,92,438)	(2,16,89,442)
Discontinued Operations :			
Profit/(loss) from discontinuing operations		(15,74,17,145)	(34,58,94,339)
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		(15,74,17,145)	(34,58,94,339)
Profit (Loss) for the year		(18,76,09,583)	(36,75,83,781)
Other Comprehensive Income Statement			
(i) Items that will not be reclassified to profit or loss in subsequent periods		(6,34,449)	10,80,198
Income tax relating to items that will not be reclassified to profit and loss		-	-
(ii) Items that will be reclassified to profit or loss in subsequent periods		-	-
Income tax relating to items that will be reclassified to profit and loss		-	-
Other Comprehensive Income for the Year		(6,34,449)	10,80,198
Total Comprehensive Income for the Year		(18,82,44,032)	(36,65,03,583)
Basic Earnings per share (FV Rs. 10)	30	(13.43)	(20.42)
Diluted Earnings per share (FV Rs.10)	30	(13.43)	(20.42)

Significant Accounting Policies and
The accompanying Notes are an integral part of the Financial Statements. 2.1

As per our Report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration no. 103523W / W100048

HARIBHAKTI & CO. LLP Chartered Accountants

Sumant Sakhardande
Partner
Membership No. 034828

Place : Mumbai
Date : May 04, 2020

For and on behalf of the Board of Directors of
Aditya Birla Capital Technology Services Limited
(Formerly Known as Aditya Birla MyUniverse Limited)

Mukesh Malik
Director
DIN : 02125091

Pinky Mehta
Director
DIN : 00020429

Khyati Mistry
Company Secretary

Aditya Birla Capital Technology Services Limited MUMBAI

ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2020.

In Rs.

Particulars	For the Period Ended March 31, 2020	For the Period Ended March 31, 2019
Operating Activities		
Loss from Continuing Operations	(3,01,92,438)	(2,16,89,442)
Loss Before Tax	(3,01,92,438)	(2,16,89,442)
Adjustment :		
Interest Income	(1,05,642)	(45,796)
(Profit) / Loss on Sale of Tangible Asset	-	9,892
Depreciation And Amortisation Expenses	28,05,653	-
Provision for Bad & Doubtful Debts, Advances and Bad debts written off	-	2,22,100
Tangible Asset Written Off	-	69,510
Loss on Intangible Asset Written Off	-	1,87,985
Intangible Assets CWIP Written Off	-	2,39,249
Interest Expenses	2,07,64,466	84,89,104
Operating profit before working capital changes	(67,27,961)	(1,25,17,398)
Movements in working capital:		
(Increase) / Decrease in Non Current Loans	(17,99,103)	(2,84,512)
(Increase) / Decrease in Other Non Current Assets	(1,84,49,830)	1,75,91,681
(Increase) / Decrease in Trade Receivables	-	68,84,312
(Increase) / Decrease in Current Loans	79,823	4,07,514
(Increase) / Decrease in Other Financial Assets	2,134	(89,867)
(Increase) / Decrease in Other Current Assets	(11,97,505)	(11,03,285)
Increase / (Decrease) in Non Current Provisions	(5,39,902)	(13,19,492)
Increase / (Decrease) in Other Non Current Liabilities	-	(36,614)
Increase / (Decrease) in Trade Payable	7,13,340	(38,34,254)
Increase / (Decrease) in Other Financial Liabilities	1,08,64,308	(45,60,132)
Increase / (Decrease) in Other Current Liabilities	4,28,458	(3,60,454)
Increase / (Decrease) in Current Provisions	(1,35,885)	(2,67,405)
Cash Generated from / (used in) Operation from continuing operations	(1,67,62,123)	5,10,094
Cash Generated from / (used in) Operation from discontinued operations	(7,24,89,947)	(21,13,10,804)
Net Cash Flow used in Operating activities	(8,92,52,070)	(21,08,00,710)
Income Tax paid	(11,04,172)	5,95,318
Net Cash Flow used in Operating activities	(9,03,56,242)	(21,02,05,392)
Investing Activities		
Purchase of Tangible Assets	(42,79,392)	-
Sale of Tangible Assets	-	-
Purchase of Intangible Assets	-	-
(Increase)/Decrease in Capital Work in Progress	-	5,64,748
Addition/(Deletion) Tangible & Intangible Assets on Demerger	(14,11,834)	97,38,402
Cash Generated from / (used in) Investing Activities from continuing operations	(56,91,226)	1,03,03,150
Cash Generated from / (used in) Investing Activities from discontinued operations	6,38,403	(2,15,60,782)
Net Cash Flow used in investing activities	(50,52,823)	(1,12,57,632)
Financing Activities		
Payment of Lease Liability	(12,36,035)	-
Payment of Interest on lease Liability	(13,73,770)	-
Interest on Unsecured Loans	(1,93,85,503)	(84,89,104)
Proceeds from Borrowings	4,73,31,619	(6,64,70,048)
Proceeds from Inter Corporate Deposits	7,99,79,387	(1,20,29,387)
Adjustment in Reserves on account of Demerger	(8,18,35,433)	7,55,73,989
Cash Generated from / (used in) Financing Activities from continuing operations	2,34,80,265	(1,14,14,550)
Cash Generated from / (used in) Financing Activities from discontinued operations	7,18,46,216	23,28,89,665
Net Cash Flow used in Financing activities	9,53,26,481	22,14,75,115
Net Increase in Cash and Cash Equivalent	(82,584)	12,091
Cash and Cash Equivalent at beginning of the year	94,312	82,221
Cash and Cash Equivalent at year end	11,728	94,312

HARIBHAKTI & CO. LLP * Chartered Accountants

Aditya Birla Capital Technology Services Limited * MUMBAI

ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2020.

In Rs.

Particulars	For the Period Ended March 31, 2020	For the Period Ended March 31, 2019
For the purpose of the statement of Cash Flow, Cash and Cash Equivalents comprise the following:		
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Balances with Banks		
Current Accounts	11,728	94,312
Balance	11,728	94,312

Significant Accounting Policies and
The accompanying Notes are an integral part of the Financial Statements. 2.1

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows' prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017.
2 Cash and Cash Equivalents in the balance sheet comprises of Cash in Hand and Cash at Bank.
3 There are no non cash activities in Investing and Financing activities.

As per our attached Report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration no. 103523W / W100048

For and on behalf of the Board of Directors of
Aditya Birla Capital Technology Services Limited
(Formerly Known as Aditya Birla MyUniverse Limited)

Sumant Sakhardande
Partner
Membership No. 034828

Mukesh Malik
Director
DIN : 02125091

Pinky Mehta
Director
DIN : 00020429

Khyati Mistry
Company Secretary

Place : Mumbai
Date : May 04, 2020

ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED

(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)

Statement of Changes in Equity for the period ended March 31, 2020

(A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance as at April 1, 2019	1,80,01,124	18,00,11,240	1,80,01,124	18,00,11,240
Issued during the year	-	-	-	-
Capital Reduction during the year	(1,62,01,012)	(16,20,10,120)	-	-
Balance as at March 31, 2020	18,00,112	1,80,01,120	1,80,01,124	18,00,11,240

(B) OTHER EQUITY

Particulars	Reserve and Surplus					Total Other Equity
	Retained Earnings	General Reserve	Share Premium	Capital Reserve	Share Option Outstanding Account	
Balance as at April 1, 2018	(3,03,38,31,698)	-	63,20,88,796	-	11,22,833	(2,40,06,20,069)
Loss for the year	(36,75,83,781)	-	-	-	-	(36,75,83,781)
Other Comprehensive Income	10,80,198	-	-	-	-	10,80,198
Total Comprehensive Income	(36,65,03,583)	-	-	-	-	(36,65,03,583)
ESOP Reserve	-	-	-	-	(11,22,833)	(11,22,833)
Balance as at March 31, 2019	(3,40,03,35,281)	-	63,20,88,796	-	-	(2,76,82,46,485)
Loss for the year	(18,76,09,583)	-	-	-	-	(18,76,09,583)
Other Comprehensive Income	(6,34,449)	-	-	-	-	(6,34,449)
Total Comprehensive Income	(18,82,44,032)	-	-	-	-	(18,82,44,032)
ESOP Reserve	-	-	-	-	-	-
Opening Adjustment due to Ind AS 116	(21,90,222)	-	-	-	-	(21,90,222)
Transfer of Lease Asset	1,26,937	-	-	-	-	1,26,937
Transferred from Capital Reduction Account (Refer Note No.34)	1,81,08,94,181	-	(56,88,79,911)	-	-	1,24,20,14,270
Adjustment due to Demerger (Refer Note No.33)	-	-	-	87,30,06,616	-	87,30,06,616
Transferred from Capital Reserve (Refer Note No.33)	87,30,06,616	-	-	(87,30,06,616)	-	-
Adjustment in Reserves on account of Demerger	49,86,67,580	-	-	-	-	49,86,67,580
Balance as at March 31, 2020	(40,80,74,221)	-	6,32,08,885	-	-	(34,48,65,336)

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration no. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place : Mumbai
Date : May 04, 2020

For and on behalf of the Board of Directors of
Aditya Birla Capital Technology Services Limited
(Formerly Known as Aditya Birla MyUniverse Limited)

Mukesh Malik
Director
DIN : 02125091

Pinky Mehta
Pinky Mehta
DIN : 00020429

Khyati Mistry
Company Secretary

ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)
Notes forming part of Financial Statements

Annexure I
Disclosure in respect of Related Party pursuant to Indian Accounting Standard (Ind AS) 24:

(I) List of Related Parties:

A Ultimate Holding Company:-
Grasim Industries Limited

B Holding Company:-
Aditya Birla Capital Limited

C Key Management Personnel
Anjali Makhija - Manager (01.04.19 - 31.12.19)
Himanshu Redkar - Chief Financial Officer - (01.04.19 - 31.12.19)
Shweta Laddha - Company Secretary - (01.04.19 - 31.12.19)
Khyati Mistry - Company Secretary (w.e.f. 01.01.20)

D Associate of Ultimate Holding Company
Aditya Birla Idea Payment Bank Limited

E Joint Venture Company
Aditya Birla Sunlife AMC Limited
Aditya Birla Wellness Private Limited

F Other related parties with whom the Company has entered into transactions during the year :

Fellow Subsidiaries:-
Aditya Birla Finance Limited
Aditya Birla Housing Finance Limited
Aditya Birla Money Insurance Advisory Services Limited
Aditya Birla Money Limited
Aditya Birla Insurance Broker Limited
Aditya Birla Sun Life Insurance Company Limited
Aditya Birla Financial Shared Services Limited
Aditya Birla Health Insurance Company Limited
ABCSL-Employee Welfare Trust
Ultratech Cement Limited
Aditya Birla Management Corporation Private Limited

STATEMENT OF RELATED PARTY TRANSACTIONS FOR THE QUARTER AND YEAR ENDED AS ON MARCH 31, 2020
The following inter - company transactions and balance with holding companies, ultimate holding company and fellow subsidiaries are included in the below figures under respective heads:-
Figures of the previous periods have been regrouped/ rearranged wherever necessary.

In Rs.

Sr. No.	Particular	Year Ended	
		March 31, 2020	March 31, 2019
		Audited	Audited
1	Income		
	Aditya Birla Finance Limited - Transaction Revenue (Commission) (Excl. GST of Rs. 2,20,511/-)	-	12,25,060
	Aditya Birla Money Limited - Transaction Revenue - Equity Broking Commission (Excl. GST of Rs. 3,97,720/-) (w.e.f 14 Dec. 2018, Aditya Birla Commodities Broking Limited merged with Aditya Birla Money Limited)	22,09,559	18,05,379
	Aditya Birla Sun Life Asset Management Company Limited - PMS Revenue (Excl. GST of Rs. 71,990/-)	-	3,99,944
	Aditya Birla Financial Shared Services Limited - ABFSG B2B Payment Gateway (Excl. GST of Rs. 2,97,000/-)	-	16,50,000
	Aditya Birla Financial Shared Services Limited - Professional Fees IT Development (Excl. GST of Rs. 31,09,219/-)	1,72,73,440	49,25,000
	Aditya Birla Sun Life Insurance Company Limited - Advertisement Revenue (Excl. GST of Rs. 9,00,000/-)	50,00,000	-
	Aditya Birla Housing Finance Limited - Referral Fees (Excl. GST of Rs. 1,08,000)	6,00,000	-
2	Recovery of Expense		
	Aditya Birla Money Limited - Recovery of expense - Office Maintenance Security (Excl.GST of Rs. 42,027/-)	-	2,33,483
	Aditya Birla Finance Limited - Recovery of Expense - Transfer of Employee (Gratuity / Leave Encashment)	-	7,25,423
	Aditya Birla Finance Limited - Recovery of expense - Electricity Sharing office premises	-	1,08,725
	Aditya Birla Finance Limited - Recovery of expense - Other	1,80,080	5,175
	Aditya Birla Financial Shared Services Limited - Employee Transfer - ESOP Recovery	-	76,737
	Aditya Birla Financial Shared Services Limited - Employee Transfer - Laptop (Excl. GST of Rs. 10,674/-)	59,297	14,687
	Aditya Birla Financial Shared Services Limited - Other Recovery (Excl. GST of Rs. 226/-)	1,250	8,521
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Employee Transfer - Gratuity / Leave Encashment	-	9,56,395
	Aditya Birla Finance Limited - Employee Transfer - Laptop (Excl. GST of Rs. 344/-)	-	1,915
	Aditya Birla Financial Shared Services Limited - Sale/Transfer of Hardware (Excl. GST of Rs. 6,09,776)	-	33,87,648
	Aditya Birla Financial Shared Services Limited -Other - (Other Receivables - Server reimbursement (Excl. GST of Rs. 1,01,834/-)	-	5,65,747
	Aditya Birla Financial Shared Services Limited -Other - (Other Receivables)	1,15,555	-
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Recovery - Other for ESOP Charges	-	2,25,250
	Aditya Birla Management Corporation Private Limited -Employee Transfer - Gratuity / Leave Encashment	-	2,05,903
	Aditya Birla Finance Limited - ESOP Expense - Recovery	57,017	-
	Aditya Birla Finance Limited - Employee transfer - (Emp. Salary)- Recovery	1,44,848	-
	Aditya Birla Finance Limited - R Tech - Security deposit -Recovery	8,51,381	-
3	Expenses		
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Interest on ICD	6,46,53,887	5,52,02,854
	Aditya Birla Idea Payment Bank Limited - Referral Fees (Excl. GST of Rs. 16,294/-)	-	90,540

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In Rs.

Sr. No.	Particular	Year Ended March 31, 2020 Audited	Year Ended March 31, 2019 Audited
	- Reimbursement of Expenses		
	Aditya Birla Finance Limited - Reimbursement of Expense - Transfer of Employee (Gratuity / Leave Encashment)	6,92,717	51,306
	Aditya Birla Financial Shared Services Limited -Other & Prepaid- (Other payment - Support Charges - Software/License Reimbursement (Excl. GST of Rs. 33,97,459 /-)	1,71,58,928	1,88,15,760
	Aditya Birla Money Limited - Reimbursement of Expense - KRA Service Recovery (Excl. GST of Rs. 2,500 /-)	13,890	52,617
	Aditya Birla Financial Shared Services Limited - Employee Transfer - Gratuity / Leave Encashment	4,93,042	2,15,688
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Salary Expense (Excl. GST of Rs. 15,54,818/-)	78,52,635	50,18,433
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Employee Transfer - Vehicle	-	10,52,528
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Other (Excl. GST of Rs. 282/-)	1,429	2,33,726
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Reimbursement - Other for ESOP Charges	5,12,516	-
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Reimbursement - Support Charges (Incl. GST)	23,85,740	21,48,966
	Aditya Birla Money Limited - Reimbursement of Support Charges - Software/ License (Excl. GST of Rs. 5,112/-)	28,377	40,281
	Aditya Birla Finance Limited - Reimbursement of Expense - Electricity Sharing office premises	1,95,727	7,13,608
	Ultratech Cement Limited - Reimbursement of Expense - Transfer of Employee (Gratuity / Leave Encashment)	-	9,97,323
	Aditya Birla Management Corporation Private Limited -Employee Transfer - House Deposit		1,50,000
	Aditya Birla Sun Life Insurance Company Limited - Reimbursement of Expense - Transfer of Employee (Gratuity / Leave Encashment)	45,793	-
	Aditya Birla Idea Payment Bank Limited - Assets Purchase (Excl. GST of Rs. 1,32,926/-)	7,38,673	-
	Aditya Birla Finance Limited - Other Reimbursement (Excl. of GST. Rs. 66,396)	3,68,866	-
4	**Other Transactions**		
	- Issue of Inter Company Deposit by Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited)	19,05,00,000	37,08,00,000
5	**Outstanding Balances**		
	a) Receivables		
	Aditya Birla Finance Limited - (Trade Receivable)	-	52,762
	Aditya Birla Finance Limited - (Recovery of other Receivable)	-	7,27,682
	Aditya Birla Money Limited - (Trade Receivable) (w.e.f 14 Dec. 2018, Aditya Birla Commodities Broking Limited merged with Aditya Birla Money Limited)	-	2,37,435
	Aditya Birla Financial Shared Services Limited - (Prepaid Expense)	-	1,65,337
	Aditya Birla Financial Shared Services Limited - (Trade Receivable)	-	32,37,773
	Aditya Birla Health Insurance Company Limited - Group Insurance Float	-	2,00,000
	Aditya Birla Sun Life Insurance Company Limited - Group Insurance Float	-	2,00,000
	ABCSL Employee Trust - Corpus Fund	1,246	10,000
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - (Recovery of other Receivable)	-	5,37,274
	Aditya Birla Management Corporation Private Limited - (Recovery of other Receivable)	-	55,903
	b) Payables		
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Inter Corporate Deposit - (Short Term)	13,59,00,000	82,08,00,000
	Aditya Birla Sun Life Insurance Company Limited - (Trade Payable)	-	20,918
	Aditya Birla Financial Shared Services Limited - (Trade Payable)	2,60,575	-
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Reimbursement of Salary , Other of Functional Support - ABFSG team & ESOP Charges	29,414	-
	Aditya Birla Finance Limited - (Reimbursement of Payables)	75,02,778	7,24,474
6	**Long-term borrowings**		
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Compulsory Convertible Preference Shares	12,00,00,484	59,99,99,998
7	**Equity held by the Company**		
	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) - Equity Share Capital	6,12,10,005	71,10,98,369
	ABCSL Employee Welfare Trust - Equity Share Capital	-	10,10,01,917

Sr. No.	Particulars	Year Ended March 31, 2020 Audited	Year Ended March 31, 2019 Audited
1	Salary, Allowances and Others	1,25,34,830	64,64,516
2	Contribution to Provident and Other Funds	5,65,125	4,53,915
3	Director Sitting Fees	6,80,000	6,85,000
		1,37,79,955	76,03,432
	The Remuneration to Key Management Personnel does not include Provision for Gratuity and Leave Encashment as they are determined on an acturial basis for the company as a whole.		

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ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED

(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

(1) CORPORATE INFORMATION

Aditya Birla Capital Technology Services Limited (Formerly Known as Aditya Birla MyUniverse Limited (the 'Company') was incorporated on September 11, 2008 under the provisions of Companies Act, 1956. The main object the Company is to provide all kinds of financial services including but not limited to customer interaction, management services and consultancy services.

(2) BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017.

All the Assets and Liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of the Assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of Current/Non-Current classification of Assets and Liabilities.

The Financial Statements are presented in INR unless otherwise stated.

(2.1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates :

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Current versus Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

1) Expected to be realised or intended to be sold or consumed in normal operating cycle
2) Held primarily for the purpose of trading
3) Expected to be realised within twelve months after the reporting period, or
4) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A Liability is Current when:

1) It is expected to be settled in normal operating cycle
2) It is held primarily for the purpose of trading
3) It is due to be settled within twelve months after the reporting period, or
4) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) 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:

1) In the principal market for the asset or liability, or
2) In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1) Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2) Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3) Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) PROPERTY, PLANT AND EQUIPMENT :

(i) Property, Plant And Equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Depreciation on Property, Plant And Equipment is provided on Straight Line using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Company has used the following useful life to provide depreciation on its fixed assets.

Following rates are used to provide depreciation on Property, Plant And Equipment:-

Assets	Useful Life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life used by the Company
Furniture and fixtures	10 years	7 years
Computers	3 years	4 years
Office equipments	5 years	4 years
Vehicle	6 years	4 years

Useful life of assets different from those prescribed in Schedule II has been estimated by management supported by technical assessment.

(iii)Assets costing Rs. 5,000 or less are written off in the year of purchase Useful life of assets different from those prescribed in Schedule II has been estimated by management supported by technical assessment.

(iv) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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(e) **Intangible Fixed Assets :**

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any cost comprises the purchase price and any attributable cost of bringing the asset to it's working condition for it's intended use.

Intangible assets, viz. Software are amortised over a period of three financial years (As per Schedule III life is six years). License are amortised over the period of licence or three whichever is earlier.

Impairment of Assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(f) **Borrowing Costs :**

Borrowing Costs are charged to the Statement of profit and loss in the period in which they are incurred. Borrowing cost includes interest incurred in connection with arrangement of borrowings.

(g) **Revenue Recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition :

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Rendering of services

Revenue from rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the stage of completion of the transaction at the end of the reporting period can be measured reliably.

Effective from April 01, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". Adoption of this standard does not have any impact on the revenue recognition and measurement.

Interest Income

For all Financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(h) **Retirement and Other Employee Benefits :**

(a) Defined Contribution Plan :

The Company makes defined contribution to Government Employee Provident Fund which is recognised in the Statement of Profit and Loss on accrual basis. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution. 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 recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due of services received before the balance sheet date, then excess is recognized 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) Defined Benefit Plan :

The Company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the balance sheet date.

(i) **Income Taxes :**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

(j) **Deferred Tax :**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is reasonable certainty that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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(k) **Leases :**

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (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. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Right-of-Use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-Use Assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the under lying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value – in – use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Lease Liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment on exercise of an extension or a termination option.

Lease Liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a Lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(l) **Contingent Liabilities and Provisions :** 1

Contingent Liabilities :

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions

Provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(m) **Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

1) Debt instruments at amortised cost
2) Debt instruments at fair value through other comprehensive income (FVTOCI)
3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at Amortised Cost

A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt Instrument at FVTOCI

A 'Financial Instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI Financial Instrument is reported as interest income using the EIR method.

Debt Instrument at FVTPL

FVTPL is a residual category for Financial Instruments. Any Financial Instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial Instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any Financial Instrument as at FVTPL.

Financial Instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

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Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables, deposits or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss 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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the 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/ loss are not subsequently transferred to profit and loss. 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 or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(n) Cash and Cash Equivalent :

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(o) Segment Reporting :

Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(p) Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(q) Share-Based Payment :

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions :

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

(r) Translation of Foreign Currency Items :

Transactions in foreign currency are initially recorded at the spot rate of exchange prevailing on the date of transaction. Monetary asset and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange. A exchange difference on settlement or translation of all other monetary items is recognised in the Statement of Profit and Loss. Non-monetary items are measured in terms of historical cost in foreign currency duly translated using the exchange rate at transaction date.

(s) Cash Flow Statement :

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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Aditya Birla Capital Technology Services Limited MUMBAI

ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED

(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)

Notes forming part of Financial Statements

Fixed Asset Schedule as on March 31, 2020

NOTE: 3

PROPERTY, PLANT AND EQUIPMENT `In Rs.

Particulars	IT Equipments	Furniture & Fixtures	Office Equipment	Vehicle	TOTAL
Gross Block					
As at April 01, 2018	3,78,65,690	12,23,418	17,64,287	-	4,08,53,395
Additions	18,47,357	29,12,360	10,61,692	10,40,439	68,61,848
Deletions	75,75,917	12,20,734	12,71,527	-	1,00,68,178
Ind AS Adjustment -March 31, 2017	-	-	-	-	-
As at March 31, 2019	3,21,37,130	29,15,044	15,54,452	10,40,439	3,76,47,065
Additions	6,49,627	-	89,046	35,40,719	42,79,392
Deletions	1,56,33,083	-	-	-	1,56,33,083
Addition/(Deletion) on Demerger (Ref. Note No.33)	(1,52,12,340)	(26,02,845)	(5,02,343)	(10,40,439)	(1,93,57,967)
As at March 31, 2020	19,41,334	3,12,199	11,41,155	35,40,719	69,35,407
Accumulated Depreciation					
As at April 01, 2018	2,46,07,083	3,25,103	10,60,667	-	2,59,92,853
For the year	65,87,488	3,74,228	3,92,047	2,38,434	75,92,197
Deletions	41,42,026	3,69,007	8,08,249	-	53,19,282
Ind AS Adjustment-March 31, 2017	-	-	-	-	-
As at March 31, 2019	2,70,52,545	3,30,324	6,44,465	2,38,434	2,82,65,768
For the year	25,70,902	3,39,342	3,04,294	2,68,848	34,83,386
Deletions	1,55,73,787	-	-	-	1,55,73,787
Addition/(Deletion) on Demerger (Ref. Note No.33)	(1,29,47,435)	(5,87,504)	(4,33,093)	(4,33,517)	(1,44,01,549)
As at March 31, 2020	11,02,225	82,162	5,15,666	73,765	17,73,818
Net Block as at April 01, 2018	1,32,58,607	8,98,315	7,03,620	-	1,48,60,542
Net Block as at March 31, 2019	50,84,585	25,84,720	9,09,987	8,02,005	93,81,297
Net Block as at March 31, 2020	8,39,109	2,30,037	6,25,489	34,66,954	51,61,589

NOTE: 4

INTANGIBLE ASSETS `In Rs.

Particulars	Software	TOTAL
Gross Block		
As at April 01, 2018	17,78,99,796	17,78,99,796
Additions	77,05,114	77,05,114
Deletions	1,29,93,324	1,29,93,324
Ind AS Adjustment-March 31, 2017	19,04,277	19,04,277
As at March 31, 2019	17,07,07,309	17,07,07,309
Additions	29,99,544	29,99,544
Deletions	-	-
Addition/(Deletion) on Demerger (Ref. Note No.33)	(17,37,06,853)	(17,37,06,853)
As at March 31, 2020	-	-
Accumulated Amortisation		
As at April 01, 2018	12,70,16,306	12,70,16,306
For the year	3,59,61,493	3,59,61,493
Deletions	1,02,34,089	1,02,34,089
Ind AS Adjustment-March 31, 2017	19,04,277	19,04,277
As at March 31, 2019	15,08,39,433	15,08,39,433
For the year	1,35,62,693	1,35,62,693
Deletions	-	-
Addition/(Deletion) on Demerger (Ref. Note No.33)	(16,44,02,126)	(16,44,02,126)
As at March 31, 2020	-	-
Net Block as at April 01, 2018	5,08,83,490	5,08,83,490
Net Block as at March 31, 2019	1,98,67,876	1,98,67,876
Net Block as at March 31, 2020	-	-

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ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED
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Notes forming part of Financial Statements

NOTE: 4A
Right of Use Assets

`in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Right of Use Assets - Property-R Tech	5,58,22,058	-
	5,58,22,058	-

NOTE: 5
Long Term Loans

`in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Held at amortised Cost		
Security Deposits		
Unsecured, Considered Good & Doubtful	25,39,980	74,71,923
Less: Impairment Allowance (allowance for bad & doubtful)	-	-
	25,39,980	74,71,923

NOTE: 5A
Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Deposits (Lien with PFRDA)	-	50,000
Accrued Interest on PFRDA - Deposit	-	1,955
Deposit with NSDL for Dematerialised shares under custody	90,000	90,000
	90,000	1,41,955

NOTE: 6
Other Non - Current Assets

`in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	-	-
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government:-		
Unsecured, Considered Good & Doubtful		
- Service Tax Input Credit/Receivable Trf in TRAN-1	11,00,019	88,28,405
- Service Tax Refund Receivable	7,00,598	56,22,773
	18,00,617	1,44,51,178
- Service Tax Receivable Provision for Doubtful Debt	(18,00,617)	(1,44,51,178)
	-	-
- Service Tax Credit Trf in TRAN-1-GST	2,04,27,484	16,39,44,492
- GST Tax Input Credit / Receivable	49,83,470	2,79,71,983
Less: Impairment Allowance - GST	-	(2,09,52,795)
	2,54,10,954	17,09,63,680
Deferred Rent Expenses	-	22,10,572
Others	1,246	10,000
Prepaid Expense	-	1,82,827
	2,54,12,200	17,33,67,079

NOTE: 7
Trade Receivables

`in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, Considered Good	-	-
Unsecured, Considered Good	-	99,00,841
Unsecured, Considered Doubtful	-	1,61,33,078
	-	2,60,33,919
Less: Impairment Allowance (Allowance for bad & doubtful debts)	-	(1,61,33,078)
Balance	-	99,00,841

Break up of Trade Receivables:

`in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables from Others	-	2,25,05,949
Receivables from Related parties	-	35,27,970
	-	2,60,33,919

NOTE: 8
Cash And Cash Equivalents

`in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
Current Accounts	11,728	94,312
	11,728	94,312

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2020.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

`in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
Current Accounts	11,728	94,312
	11,728	94,312
Less: Bank Overdraft	(9,88,01,823)	(75,54,77,123)
Balance	(9,87,90,095)	(75,53,82,811)

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NOTE: 9

Short Term Loans

'in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good held at Amortised cost		
Others		
Unsecured, Considered Good		
- Advance to Employees	10,000	4,84,289
- Security Deposits	-	94,905
	10,000	5,79,194

NOTE: 10

Other Current Assets

'in Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	20,74,944	13,26,509
Advance to Vendors	14,67,146	49,09,207
Deferred Loan Expenses	-	18,839
Deferred Rent Expense	-	7,07,150
Recovery of other Receivable from Related Party	-	13,20,859
	35,42,090	82,82,564

NOTE: 11

Equity Share Capital

'in Rs.

Particulars	Shares March 31, 2020	Shares March 31, 2019	As at March 31, 2020	As at March 31, 2019
Authorised:				
Equity Shares of Rs. 10/- each	3,00,00,000	3,00,00,000	30,00,00,000	30,00,00,000
Preference Shares of Rs. 10/- each	1,00,00,000	1,00,00,000	10,00,00,000	10,00,00,000
	4,00,00,000	4,00,00,000	40,00,00,000	40,00,00,000
Issued:				
EQUITY SHARE CAPITAL				
Equity Shares of Rs. 10/- each	1,80,01,124	1,80,01,124	18,00,11,240	18,00,11,240
Capital Reduction during the year	(1,62,01,012)	-	(16,20,10,120)	-
	18,00,112	1,80,01,124	1,80,01,120	18,00,11,240
Subscribed and Paid-up:				
EQUITY SHARE CAPITAL				
Equity Shares of Rs. 10/- each, fully paid-up	1,80,01,124	1,80,01,124	18,00,11,240	18,00,11,240
Capital Reduction during the year	(1,62,01,012)	-	(16,20,10,120)	-
	18,00,112	1,80,01,124	1,80,01,120	18,00,11,240

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Notes forming part of Financial Statements

1) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Sr. No.	Description	As at March 31, 2020	As at March 31, 2019
		Equity Shares	
1	No of Shares Outstanding at the beginning of the period	1,80,01,124	1,80,01,124
	Issued during the year	-	-
	Capital Reduction during the year	(1,62,01,012)	-
2	No of Shares Outstanding at the end of the period	18,00,112	1,80,01,124

2) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- 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 Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3) Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of shares held are as under:

Sr. No.	Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
		No of Shares Held	% of Total Paid-up Equity Share Capital	No of Shares Held	% of Total Paid-up Equity Share Capital
1	Aditya Birla Capital Limited (Formerly Known as Aditya Birla Financial Services Limited)	18,00,112	100.00%	1,68,66,271	93.70%
2	Aditya Birla Customer Services Employee Welfare Trust	-	-	11,34,853	6.30%

4) There are no Equity Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bonus shares or bought back during the preceding last five years.

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Notes forming part of Financial Statements

NOTE: 12
Other Equity

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Opening Balance	(3,40,03,35,281)	(3,03,38,31,698)
Loss for the year	(18,76,09,583)	(36,75,83,781)
Other Comprehensive Income	(6,34,449)	10,80,198
Opening Adjustment due to Ind AS 116	(21,90,222)	-
Transfer of Lease Asset	1,26,937	-
Transferred from Capital Reduction Account	1,81,08,94,181	-
Transferred from Capital Reserve	87,30,06,616	-
Adjustment in Reserves on account of Demerger	49,86,67,580	-
Closing Balance (A)	(40,80,74,221)	(3,40,03,35,281)
Capital Reserve		
Opening Balance	-	-
Add: Adjustment due to Demerger	87,30,06,616	-
Less: Transferred to Retained Earnings	(87,30,06,616)	-
Closing Balance (B)	-	-
Capital Reduction		
Opening Balance	-	-
Add: Adjustment due to Capital Reduction of Share Capital	1,81,08,94,181	-
Less: Transferred to Retained Earnings	(1,81,08,94,181)	-
Closing Balance (C)	-	-
Securities Premium :		
Opening Balance	63,20,88,796	63,20,88,796
Add : Securities Premium on issue of Shares	-	-
Less : Transferred to Capital Reduction Account	(56,88,79,911)	-
Closing Balance (D)	6,32,08,885	63,20,88,796
ESOP Reserve :		
Opening Balance	-	11,22,833
Add: Charge for the Year	-	(11,22,833)
Closing Balance (E)	-	-
Total Balance (A+B+C+D+E)	(34,48,65,336)	(2,76,82,46,485)

NOTE: 13
Long Term Borrowings

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
0.001 % CCPS (Number of Shares - 9,39,188) Fair Value at Amortised cost	12,00,00,484	1,20,00,03,908
	12,00,00,484	1,20,00,03,908

Compulsorily Convertible Preference Shares (CCPS) :
CCPS carry cumulative dividend @0.001% p.a.
The CCPS so issued are convertible on the occurrence of the earlier of the two events, namely:

(i) at the option of the holder

(ii) on the occurrence of the mandatory conversion event

Optional Conversion : Each CCPS shall be convertible at the option of the holder thereof, at any time by a written notice into such number of Equity Shares, calculated in such manner as mentioned in the Shareholders agreement.

Mandatory Conversion : All of the CCPS shall mandatorily be converted in such manner and into such number of fully paid Equity Shares as mentioned in the agreement, upon the occurrence of listing of the entity.

In the event of liquidation before conversion of CCPS, the holders of the CCPS should be eligible for such claim, calculated in such manner as mentioned in the CCPS agreement.

Pursuant to the approval of the Hon'ble National Company Law Tribunal (NCLT) vide order dated December 13, 2019 to the Scheme of Arrangement, the financials also incorporate the capital reduction of the CCPS of the Company from Rs. 9,39,18,760/- comprising of 46,95,938- 0.001% Class "A" CCPS shares of Rs. 10/- each and 46,95,938- 0.001% Class "B" CCPS shares of Rs. 10/- each to Rs. 93,91,880 /- comprising of 4,69,594 - 0.001% Class "A" CCPS shares of Rs. 10/- each and 4,69,594- 0.001% Class "B" CCPS shares of Rs. 10/- each.

NOTE: 13A
Lease Liability

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability - Property	5,06,64,176	-
	5,06,64,176	-

NOTE: 14
Non - Current Provisions

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefit		
Provision for Gratuity (Refer Note 35)	2,76,479	33,58,116
	2,76,479	33,58,116

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NOTE: 15
Other Non - Current Liabilities

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income	-	5,35,656
	-	5,35,656

NOTE: 16
Short- Term Borrowings

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Loan from Related Party (Aditya Birla Capital Limited)	13,59,00,000	82,08,00,000
Overdraft Bank Balance	9,88,01,823	75,54,77,123
	23,47,01,823	1,57,62,77,123

NOTE: 16A
Lease Liability

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability - Property	26,89,756	-
	26,89,756	-

NOTE: 17
Trade Payables

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
TRADE PAYABLES		
- Micro enterprises and small enterprises	3,48,743	1,21,317
- Creditors other than micro enterprises and small enterprises	3,64,597	90,82,578
	7,13,340	92,03,895

Break up of Trade Payables

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables to others	4,52,765	91,82,977
Trade payables to related parties	2,60,575	20,918
	7,13,340	92,03,895

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020, and no interest payment made during the year to any Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 18
Other Financial Liabilities

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Payable for Capital Expenditure	-	25,94,125
Payable for Employee Benefits	9,77,002	85,82,378
Provision for Expenses	31,85,665	1,34,98,594
Reimbursement of Payables to Related Party	75,32,192	7,24,474
	1,16,94,859	2,53,99,571

NOTE: 19
Other Current Liabilities

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income	-	35,55,187
Contract Liability (Refer Note. 38)	-	93,71,979
Statutory Dues	5,68,310	20,52,747
Excess MF Brokerage received	-	2,10,764
	5,68,310	1,51,90,677

NOTE: 20
Current Provisions

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefit		
Provision for Gratuity (Refer Note 35)	35,755	6,12,234
Provision for Leave Encashment (Refer Note 35)	1,61,729	28,32,583
	1,97,484	34,44,817

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NOTE: 21

Revenue from Services

`In Rs.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Professional Fees - Payment Gateway	1,72,73,440	65,75,000
	1,72,73,440	65,75,000

NOTE: 22

Other Income

`In Rs.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income at Amortised cost:		
Other Interest Income	-	1,423
Notional Income on Security deposit	1,03,508	44,240
Provision Bad Debts Recovered - Other income	-	1,547
Krishi Kalyan Cess, Edu. and SBC - Provision Written Back	-	1,00,214
Foreign Exchange Gain / (Loss)	-	5,778
Creditors Balance Written Back	-	63,857
Interest on PFRDA - Deposit	2,134	133
Excess GST Provision Written Back	14,26,885	-
	15,32,527	2,17,192

NOTE: 23

Employee Benefits Expenses

`In Rs.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries and Wages	63,37,978	92,48,163
Contribution to Provident and Other Funds	3,04,489	3,52,329
Employee Stock Option Cost	48,784	7,877
Staff Welfare Expenses	10,19,961	4,35,931
	77,11,212	1,00,44,300

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NOTE: 24
Finance Cost

`In Rs.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on Bank Overdraft	87,89,045	46,72,730
Interest on ICD	1,05,96,458	37,60,937
Interest - CCPS	111	64
Interest Expense on Property Lease Liability	13,73,770	-
	2,07,59,384	84,33,731

NOTE: 25
Depreciation And Amortisation Expenses

`In Rs.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation of Tangible Assets	5,29,636	-
Depreciation on Property Lease Assets	22,76,017	-
	28,05,653	-

NOTE: 26
Other Expenses

`In Rs.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Support Charges - Software / License	-	8,78,868
Rent (Refer Note 28)	3,46,218	9,64,785
Repairs & Maintenance :		
Others	1,45,83,719	33,64,949
Rates and Taxes	1,18,520	53,552
Commission and Brokerage	-	73,180
Legal and Professional Expenses	5,65,337	1,37,347
Audit Fees (Refer Note 26A)	6,07,907	1,20,589
Director's Sitting Fees	1,41,038	46,669
Staff recruitment expenses	649	29,337
License Expenses	28,845	7,09,481
Outsource Manpower Expenses	1,10,675	53,477
Insurance	87,022	57,999
Housekeeping and Security	3,15,360	1,40,857
Printing and Stationery	54,333	38,974
Travelling & Conveyance	33,468	29,518
Communication Expenses	4,01,525	5,73,017
Electricity Charges	2,51,999	1,12,562
Bank Charges	8,408	1,048
Miscellaneous Expenses	66,861	37,473
Interest on GST	272	1,27,636
GST Tax -Provision	-	14,27,501
Provision for Bad & Doubtful Debts, Advances and Bad Debts written off	-	1,54,481
Krishi Kalyan Cess and Edu. -Written off	-	2,96,049
Loss on Sale of Tangible Asset	-	9,892
Bad Debts	-	67,618
Tangible Asset Written Off	-	69,510
Loss on Intangible Asset Written Off	-	1,87,985
Intangible Assets CWIP Written Off	-	2,39,249
	1,77,22,156	1,00,03,603

NOTE: 26A
Payment to Auditors

`In Rs.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
As Auditor:		
Statutory Audit Fees and Other Reporting Fees	5,73,562	1,13,776
Tax Audit Fees	34,345	6,813
Out of Pocket Expenses	20,129	7,870
Total Payment to Auditors	6,28,036	1,28,459

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ADITYA BIRLA CAPITAL TECHNOLOGY SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA MYUNIVERSE LIMITED)
Notes forming part of Financial Statements

27 **Significant accounting judgements, estimates and assumptions**

The preparation of the Company financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) **Defined Benefit Plans (Gratuity Benefits)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) **Property, Plant And Equipment**

Estimation of useful life of Property, plant and equipments - Refer Note no. 2 1 (c) & (d)

28 **Leases :**

Operating Lease Payments recognised in the Statement of Profit and Loss Account Rs. 6,49,500 /- (Previous Year Rs. 1,41,61,073 /-)

The Company has taken certain office premises on cancellable and non cancellable operating lease.

The future minimum lease rental payments in respect of non cancellable operating lease are as follows :

Particulars	As at March 31, 2019
Not later than one year	1,15,16,964
Later than one year and not later than five years	3,94,81,036
Later than five years	-

Transition :

Effective April 01, 2019, the Group adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the Lease Liability at the present value of the Lease payments discounted at the incremental borrowing rate and the Right of Use Asset at its carrying amount as if the standard had been applied since the commencement date of the Lease, but discounted at the Lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' Asset of Rs. 40,011,813 /- and a Lease Liability of Rs. 42,202,035 /- . The Cumulative effect of applying the standard, amounting to Rs. 2,190,222/- was debited to retained earnings, net of taxes. The effect of this adoption is in significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of Lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of Leases of similar Assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize Right-of-Use Assets and Liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the Right-of-Use Asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are Leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as Leases under Ind AS 17

The weighted average incremental borrowing rate applied to Lease Liabilities as at April 1, 2019 is between the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

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.

Following are the changes in the carrying value of Right of Use Assets for the year ended March 31, 2020:

Particulars	Category of ROU Asset Leasehold Premises
Balance as at April 01, 2019	4,00,11,813
Add : Deferred Rent Lease eqi	29,17,722
Deletions :	(3,50,80,478)
Additions	5,39,94,122
Add : Deferred Rent Lease eqi	32,42,390
Depreciation	(92,75,511)
Balance as at March 31, 2020	5,58,22,058

Amounts Recognised in Profit and Loss:

Particulars	Year ended 31 March, 2020
Depreciation expense on Right-of-Use Assets	
Discontinued Operations	22,76,017
Continuing Operations	69,99,494
Interest Expense on Property Lease Liabilities	
Discontinued Operations	13,73,770
Continuing Operations	20,44,194

The following is the break-up of Current and Non-Current Lease Liabilities as at March 31, 2020:

Particulars	Amount
Current Lease Liabilities	26,89,756
Non-Current Lease Liabilities	5,06,64,176
Total	5,33,53,932

The following is the movement in Lease Liabilities during the year ended March 31, 2020:

Particulars	Amount
Balance as at April 01, 2019	4,22,02,035
Additions	5,39,94,122
Deletions	(3,62,75,702)
Finance Cost accrued during the period	34,17,964
Payment of Lease Liabilities	(99,86,487)
Balance as at March 31, 2020	5,33,53,932

The table below provides details regarding the contractual maturities of Lease Liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	69,00,000
One to Five years	3,00,15,000
More than Five years	4,17,91,000
Total	7,87,06,000

Impact on Financial Statements :

A reconciliation of the Operating Lease commitments at March 31, 2019, disclosed in the Company's 2019 Financial Statements, to the Lease Liabilities recognized in the Statement of Financial position at April 01, 2019 is provided below:

Operating Lease Commitments disclosed as at March 31, 2019	-
Discounted using the Incremental Borrowing rate at April 01,2019	4,22,02,035
(Less): short-term leases recognized on a straight-line basis as expense	-
(Less): low-value leases recognized on a straight-line basis as expense	-
(Less): components of contracts reassessed as service agreements	-
Add/(less): adjustments as a result of a different treatment of extension and termination options	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-
Add/(less): residual value guarantees	-
Discounting using the Company's incremental borrowing rate	-
Lease liabilities recognized as at 1 April 2019	4,22,02,035

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.

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29 The breakup of Net Deferred Tax Asset arising on account of following timing differences is as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability		
Depreciation / Amortisation	(6,75,313)	-
Gross Deferred Tax Liability	(6,75,313)	-
Deferred Tax Asset		
Depreciation / Amortisation	-	2,12,12,447
Unabsorbed Depreciation and Carry forward losses	10,16,47,452	83,38,13,842
Provision For Doubtful Debts/Gratuity/Leave Encashment/Service Liability	1,08,443	23,58,303
Gross Deferred Tax Assets	10,17,55,895	85,73,84,592
Deferred Tax Asset/(Liability) (net)	10,10,80,583	85,73,84,592

Deferred tax asset has been created only to the extent of Deferred tax liability in the absence of Reasonable certainty.
Company does not have any taxable income and there is no provision for tax in books of accounts

30 Earnings per Share (EPS) is calculated as under :

Particulars	As at March 31, 2020	As at March 31, 2019
Basic :		
Loss as per Statement of Profit and Loss :	(18,76,09,583)	(36,75,83,781)
Weighted Average number of Outstanding Equity Shares for Basic EPS : -	1,39,73,004	1,80,01,124
Basic EPS	(13.43)	(20.42)
Diluted:		
Net loss as per Statement of Profit and Loss	(18,76,09,583)	(36,75,83,781)
Add: Dividend on CCPS		
Net profit considered for diluted EPS calculation (a)	(18,76,09,583)	(36,75,83,781)
Weighted average number of equity shares considered in calculating diluted earnings per share (b)	1,67,29,820	3,15,01,969
Diluted EPS - (a) / (b)	(11.21)	(11.67)
Diluted earnings per share (Since Diluted EPS (a) / (b) is anti dilutive, effect of the same has not been considered while calculating diluted earnings per share. Thus basic earnings per share are considered to be diluted earnings per share).	(13.43)	(20.42)

31 Unhedged Foreign Currency Exposure (UFCE)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount in USD	Amount in Rs.	Amount in USD	Amount in Rs.
Unhedged Foreign Currency Exposures	-	-	-	-
Total	-	-	-	-

Foreign Exchange earnings and expenditure
There were no Foreign Exchange earnings during the year as well as during the previous year. However, the Foreign Exchange expenditure was Rs. 72,480 /- in comparison with Rs.1,79,29,471 /- in the previous year.

32 Segmental Reporting

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of " Software Technology Development ". As the Company operates only in a single business segment and all other activities revolve around its principal business, no segment information thereof is given as required under Ind AS 108.

33 Discontinued Operation on account of Demerger :

At the meeting of Board of Directors of the company held on September 10, 2019, the Board approved the Scheme of Arrangement (Scheme) under section 230 to 232 of the Companies Act, 2013 and other applicable provisions for merger of Transaction Business of the Company with Aditya Birla Finance Limited. Upon filing of the Scheme, the Hon'ble National Company Law Tribunal (NCLT) has approved the Scheme vide order dated December 13, 2019 and upon filing of the Scheme with Registrar of Companies it has become effective from January 01, 2020. In compliance of Indian Accounting Standard 105 for presentation and disclosure requirements, the identified Assets comprising Fixed Assets and other Current and Non-Current Assets and relevant Liabilities of demerged Transaction Business of the Company are disclosed separately in the statement of Assets and Liabilities. Hence figures for the current financial year are those of continuing residual operations and figures of comparative financial year have also been restated accordingly.

The Statement of Assets and Liabilities of the Transaction Business being the Discontinued Operation as on December 31, 2019 is as follows :

Rs.

Particulars	As at December 31, 2019
ASSETS	
Non - Current Assets	
(a) Property, Plant and Equipment	49,56,417
(b) Right of Use Assets	3,13,32,288
(c) Intangible Assets	91,04,727
(d) Intangible Assets under Development	-
(e) Financial Assets	
(i) Loans and Advances	70,98,023
(ii) Other Financial Assets	-
(f) Advance tax	1,35,47,211
(g) Other Non - Current Assets	17,62,95,239
Total Non - Current Assets (A)	24,25,33,905
Current Assets	
(a) Financial Assets	
(i) Trade Receivables	37,55,022
(ii) Cash and Cash Equivalents	82,541
(iii) Loans and Advances	4,96,048
(b) Other Current Assets	58,37,817
Total Current Assets (B)	1,01,71,448
Total Assets (C = A + B)	25,27,05,353
EQUITY AND LIABILITIES	
Equity	
(a) Equity Share Capital	-
(b) Retained Earnings	(49,86,67,576)
(c) Capital Reserve	(87,30,06,616)
Total Equity (D)	(1,37,16,74,192)
(b) Retained Earnings	
Non - Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	-
(ii) Lease Liabilities	2,43,09,343
(b) Provisions	31,10,542
(c) Other Non - Current Liabilities	4,639
Total Non - Current Liabilities (E)	2,74,24,524
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	1,56,97,92,064
(ii) Lease Liabilities	80,81,232
(iii) Trade and Other Payables	
- Dues of micro enterprises and small enterprises	-
- Dues of other than micro enterprises and small enterprises	11,49,298
(iv) Other Financial Liabilities	1,28,21,650
(b) Other Current Liabilities	30,73,669
(c) Provisions	20,35,108
Total Current Liabilities (F)	1,59,69,53,021
Total Liabilities (G = E + F)	1,62,43,77,545
Total Equity and Liabilities (H = D + G)	25,27,05,353

The amalgamation of Transaction Business with ABFL qualifies as a 'common control transaction'. Consequently, the amalgamation has been accounted by ABFL using the pooling of interest method as per Appendix C to Ind AS 103 'Business Combinations'.

Accordingly, the financial statements have to be restated by ABFL as if the business combination had occurred with effect from April 01, 2018 irrespective of the actual date of acquisition.

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All the Assets, Liabilities, and Reserves of the Transaction Business have been transferred to ABFL at their respective book values as appearing in the books as at April 01, 2018 creating an opening Capital Reserve, as shown hereunder :

The Statement of Asset, Liabilities and Reserves of the Transaction Business as at April 01, 2018 is as follows :

In Rs.

Particulars	As at April 01, 2018
ASSETS	
Non - Current Assets	
(a) Property, Plant and Equipment	1,26,16,818
(b) Intangible Assets	4,32,00,827
(c) Intangible Assets under Development	43,21,003
(d) Financial Assets	
(i) Loans and Advances	17,27,200
(ii) Other Financial Assets	-
(e) Advance tax	86,81,146
(f) Other Non - Current Assets	15,61,95,333
Total Non - Current Assets (A)	22,68,42,327
Current Assets	
(a) Financial Assets	
(i) Trade Receivables	3,99,60,476
(ii) Cash and Cash Equivalents	69,806
(iii) Loans and Advances	31,36,197
(b) Other Current Assets	69,79,230
Total Current Assets (B)	5,01,45,709
Total Assets (C = A + B)	27,70,88,036
LIABILITIES	
Non - Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	-
(b) Provisions	55,90,472
(c) Other Non - Current Liabilities	1,37,92,486
Total Non - Current Liabilities (D)	1,93,82,958
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	1,04,51,71,021
(ii) Trade and Other Payables	
- Dues of micro enterprises and small enterprises	-
- Dues of other than micro enterprises and small enterprises	3,75,88,882
(iii) Other Financial Liabilities	3,03,09,212
(b) Other Current Liabilities	1,34,49,630
(c) Provisions	41,92,929
Total Current Liabilities (E)	1,13,07,11,684
Total Liabilities (F = D + E)	1,15,00,94,652
Capital Reserve (G = C - F)	(87,30,06,616)

34 **Capital Reduction :**

Pursuant to the approval of the Honourable High Court of Gujarat vide order dated December 13 , 2019 to the Scheme of Arrangement, the Financial also incorporate the capital Reduction of the Equity Shares Capital of the Company from 1,80,01,124 Equity Shares of Rs. 10/- each to 18,00,112 Equity Shares of Rs. 10/- each ; 46,95,936- 0.001% Class "A" CCPS shares of Rs. 10/- each and 46,95,936- 0.001% Class "B" CCPS shares of Rs. 10/- each to 4,69,594 - 0.001% Class "A" CCPS shares of Rs. 10/- each and 4,69,594- 0.001% Class "B" CCPS shares of Rs. 10/- each. Accordingly CCPS Share Liability, Equity component of Preference Shares and Equity Share Capital is adjusted to the extent against Accumulated Losses.

35 **Retirement Benefits (Unfunded) :**

Disclosure in respect of Employee Benefits pursuant to Ind AS -19 The Company has classified the various benefits provided to employees as under :

Defined Contribution Plan :

The Company has recognized the following amounts as expenses and included in Note 23 in "Contribution to Provident and Other Funds"-

In Rs.

Particulars	March 31, 2020	March 31, 2019
Employer's Contribution to Government Employee Provident Fund	14,80,502	22,84,166
Employer's Contribution to Government Employee Pension Fund	7,44,521	10,97,027
Employer's Contribution to Government Employee ESIC	1,30,079	2,19,537

Defined Benefit Plan :

Gratuity Plan :

The Company operates Defined Benefit Plan, viz., Gratuity for its employees. Under the Gratuity Plan, every employee who has completed atleast five years of service gets a Gratuity on departure @ 15 days of last drawn salary for each completed year of service. The Scheme is non-funded.

The following tables summarise the components of net benefit expense recognised in Statement of Profit and Loss and the funded status and the amounts recognised in the Balance Sheet for the respective plans:-

Balance Sheet

In Rs.

Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Present Value of Defined Benefit Obligation	3,12,234	39,70,350
Fair Value of Plan Assets	-	-
Plan (Asset) / Liability	3,12,234	39,70,350

Statement of Profit and Loss

Net Employee Benefit Expense recognized in the Employee Cost

In Rs.

Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Current Service Cost	39,733	7,80,792
Interest cost on obligation	2,74,535	4,09,803
Net Actuarial (Gain) / Loss recognised	-	-
Expense recognised in Statement of Profit and Loss	3,14,268	11,90,595

Amount recognised in Other Comprehensive Income (OCI) for the year

In Rs.

Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Experience Adjustment	6,08,096	(11,75,541)
Demographic Assumptions	-	-
Financial Assumption	26,353	95,343
Closing amount recognised in OCI outside Profit and Loss account	6,34,449	(10,80,198)

Changes in the present value of the Defined Benefits Obligation are as follows :

In Rs.

Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Opening Defined Benefit Obligation	39,70,350	56,17,732
Liability in respect of Employees transferred	-	-
Current Service Cost	39,733	7,80,792
Interest Cost	2,74,535	4,09,803
Benefits paid	(46,06,833)	(17,57,779)
Actuarial (Gains) / Losses on obligation	6,34,449	(10,80,198)
Closing Defined Benefit Obligation	3,12,234	39,70,350

A quantitative sensitive analysis for significant assumptions as on March 31, 2020 is as shown below:-

Assumptions	March 31, 2020		March 31, 2020	
	Discount rate		Salary Growth	
Sensitivity Level	0.50 % Increase	0.50% Decrease	0.50 % Increase	0.50% Decrease
Impact of defined benefit obligation	3,01,533	3,23,552	3,23,371	3,01,597

Assumptions	March 31, 2020		March 31, 2020	
	Attrition rate		Mortality rate	
Sensitivity Level	50 % Increase	50% Decrease	10 % Increase	10% Decrease
Impact of defined benefit obligation	2,80,288	3,80,770	3,12,469	3,11,997

A quantitative sensitive analysis for significant assumptions as on March 31, 2019 is as shown below:-

Assumptions	March 31, 2019		March 31, 2019	
	Discount rate		Salary Growth	
Sensitivity Level	0.50 % Increase	0.50% Decrease	0.50 % Increase	0.50% Decrease
Impact of defined benefit obligation	38,51,932	40,96,248	40,95,840	38,51,200

Assumptions	March 31, 2019		March 31, 2019	
	Attrition rate		Mortality rate	
Sensitivity Level	50 % Increase	50% Decrease	10 % Increase	10% Decrease
Impact of defined benefit obligation	36,41,721	47,30,523	39,73,789	39,66,897

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The principal assumptions used in determining Gratuity and Leave Encashment obligations for the Company's Plans are shown below:

Assumptions	March 31, 2020	March 31, 2019
Discount Rate	5.60%	6.90%
Salary Growth	7.00%	7.00%
Mortality Rate (% of IALM 06-08)	100%	100%
Attrition / Withdrawal Rates, based on age: (Per Annum) :		
Up to 30 years	30%	30%
31 - 44 years	20%	20%
Above 44 years	10%	10%

Disability :- Leaving service due to disability is included in the provision made for all causes of Leaving service (as above)

The estimates of future Salary increase, considered in Actuarial Valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Leave Encashment :

Leave Encashment / Sick Leave are entitled to be carried forward for future encashment or availment, at the option of the employee during the tenure of the employment.

The Net Provision for unfunded Leave Encashment/ Sick Leave Liability upto March 2020 is Rs.1,61,729 /- (Previous year Rs. 28,32,581/-)

36 Employee Stock Option Plan :

Pursuant to ESOP Plan being established by the Holding Company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the Financial year. Total cost incurred by the Holding Company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs 4.55 Lacs has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss.

37 The Company has accumulated losses of Rs.40,80,74,221 /- (Previous year Rs.340,03,35,281/-) as at the Balance Sheet date, resulting in a complete erosion of Company's Net Worth. However, the Company has been able to meet its obligations in the ordinary course of business and considering the financial support received and also the Letter of Support received from Aditya Birla Capital Limited (Holding Company) these financial statements have been prepared assuming that the Company will continue as a going concern.

38 Provision for Service Liability is recognised for the future services to be provided to the Subscribers. It is recognised on the basis of customer life cycle management cost.
Contract Liability is the amount payable to customers for the unserviceable period due to discontinued account aggregation services out of the advance paid by them for the contract period.

The Company has discontinued account aggregation services for new and existing customers from April 01, 2019 pursuant to letter dated January 16, 2019 received from The Reserve Bank of India ("RBI") advising the following: a) Not to on-board any new customer in the Company for aggregation related activity and b) No incremental business with respect to account aggregation can be added even for existing customers in the Company. Hence the company has decided to reverse the Provision for Service Liability for unexpired period. The table below gives information about movement in Service Liability.

`in Rs.

Particulars	March 31, 2020	March 31, 2019
At the beginning of the year	-	15,15,010
Arising during the year	-	-
Utilised /Reversed during the year	-	(15,15,010)
Balance	-	-

39 There are no Contingent Liabilities as at March 31, 2020 (Previous Year: Nil).

The Company's pending Litigations comprise of claims against the Company with proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the Contingent Liabilities where applicable, in its Financial Statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its Financial results at March 31, 2020.

40 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).

41 Details of dues to micro and small enterprises as defined under MSMED Act,2006.

Based on current information/confirmations available with the Company, the amounts of Rs. 1,48,743 /- have fallen due for payment to suppliers who are registered under the Micro Small and Medium Enterprise Development Act, 2006 as at March 31, 2020.

42 The Company has discontinued account aggregation services for new and existing customers from April 01, 2019. Suitable intimation was made to existing account aggregation customers of the Company.

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43 Fair Values

`In Rs.

	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
Security Deposits	25,39,980	75,66,828	27,37,327	73,89,432
Total	25,39,980	75,66,828	27,37,327	73,89,432

`In Rs.

	Carrying Value		Fair Value (Refer Note 44)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Liabilities				
Borrowings				
Compulsory Convertible Preference Shares	12,00,00,484	1,20,00,03,908	12,00,00,484	1,20,00,03,908
Total	12,00,00,484	1,20,00,03,908	12,00,00,484	1,20,00,03,908

The management assessed that other Assets and Liabilities other than those disclosed above approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

44 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities which are measured in Fair value.
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020.

`In Rs.

Particulars	Date of Valuation	Fair Value Measurement Using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/Liability Measured As Fair Value as at March 31, 2019:-					
Security Deposits	31-Mar-19	73,89,432	-	-	73,89,432
Compulsory Convertible Preference Shares	31-Mar-19	1,20,00,03,908	-	-	1,20,00,03,908
Assets/Liability Measured As Fair Value as at March 31, 2020:-					
Security Deposits	31-Mar-20	27,37,327	-	-	27,37,327
Compulsory Convertible Preference Shares	31-Mar-20	12,00,00,484	-	-	12,00,00,484

45 Related Party Transaction :

During the year ended March 31, 2020, the Company had transactions with related parties as defined in IND-AS 9 on "Related Party Disclosures". Related Parties have been identified by the management on the basis of the information available with the Company. Details of these parties with whom the Company had transactions, nature of the relationship, transactions with them and balances at year-end, are detailed in Annexure I.

46 Capital Management

For the purpose of Capital Management, Capital includes Equity share capital, Convertible Preference shares, Share Premium and all Other Equity Reserves attributable to the Equity holders of the parent. 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. The funding requirement are met through equity, operating cash flows and borrowing. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020.

Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the company to cash flow interest rate risk, whereas fixed interest rate instruments expose the company to fair value interest risk. The Company has primarily invested in fixed rate borrowings. Hence the company is not significantly exposed to interest rate risk.

`In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
	INR	INR
Borrowing other than Convertible Preferencces shares	23,47,01,823	1,57,62,77,123
Trade Payables	7,13,340	92,03,895
Other Financial Liabilities	1,16,94,859	2,53,99,571
Less: Cash and Cash Equivalents	(11,728)	(94,312)
Net Debt	24,70,98,294	1,61,07,86,277
Convertible Preferences shares	12,00,00,484	1,20,00,03,908
Equity	1,80,01,120	18,00,11,240
Total Capital	13,80,01,604	1,38,00,15,148
Capital and Net debt	38,50,99,898	2,99,08,01,425
Gearing Ratio	64%	54%

Aditya Birla Capital Technology Services Limited MUMBAI

HARIBHAKTI & CO. LLP Chartered Accountants

47 Risk management framework:-

a. Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

b. Approach to Capital Management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The primary source of Capital used by the Company is Equity including CCPS and Short Term Borrowing.

Available Capital Resources as at March 31, 2020.

'In Rs.

Particulars	March 31, 2020	March 31, 2019
Compulsory Convertible Preference Shares	12,00,00,484	1,20,00,03,908
Total Equity	(32,68,64,216)	(2,58,82,35,245)
Borrowings	23,47,01,823	1,57,62,77,123
Total Capital	**2,78,38,091**	**18,80,45,786**

Financial Risks :

1. Liquidity Risk :

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with Financial Liabilities that are settled by delivering cash or another Financial Asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, preference shares. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company manages its Liquidity Risk through temporary funding from its ultimate holding company and availing bank overdraft as and when require.

The table below summarises the Maturity Profile of the Company's Financial Liabilities based on contractual undiscounted payments and relied by Auditors:

'In Rs.

Year ended March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than Convertible Preference Shares)	23,47,01,823	-	-	-	-	23,47,01,823
Convertible Preference Shares	-	-	-	12,00,00,484	-	12,00,00,484
Lease Liabilities	-	4,31,444	22,58,312	2,16,46,759	2,90,17,416	5,33,53,932
Other Financial Liabilities	-	1,07,17,857	9,77,002	-	-	1,16,94,860
Trade and Other Payables	-	7,13,340	-	-	-	7,13,340
	23,47,01,823	1,18,62,642	32,35,314	14,16,47,243	2,90,17,416	42,04,64,438

'In Rs.

Year ended March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than convertible preference shares)	1,57,62,77,123	-	-	-	-	1,57,62,77,123
Convertible Preference Shares	-	-	-	1,20,00,03,908	-	1,20,00,03,908
Other Financial Liabilities	-	1,69,73,270	84,26,301	-	-	2,53,99,571
Trade and Other Payables	-	92,03,895			-	92,03,895
	1,57,62,77,123	2,61,77,165	84,26,301	1,20,00,03,908	-	2,81,08,84,497

The table below summarises the Maturity Profile of the Company's Financial Assets based on contractual undiscounted payments and relied by Auditors:

'In Rs.

Year ended March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Loans and Advances	-	10,000	-	-	25,39,980	25,49,980
Trade Receivables	-	-	-	-	-	-
Cash and Cash Equivalents	11,728	-	-	-	-	11,728
Other Financial Assets	-	-	-	90,000	-	90,000
	11,728	10,000	-	90,000	25,39,980	26,51,708

'In Rs.

Year ended March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Loans and Advances	-	-	5,79,194	74,71,923	-	80,51,117
Trade Receivables	-	99,00,841	-	-	-	99,00,841
Cash and Cash Equivalents	94,312	-	-	-	-	94,312
Other Financial Assets	-	-	-	1,41,955	-	1,41,955
	94,312	99,00,841	5,79,194	76,13,878	-	1,81,88,225

2.Operational Risks :-

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process. Internal control deficiency are reviewed by management and audit committee on periodic basis.

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Aditya Birla Capital Technology Services Limited ★ MUMBAI

3. Credit Risks

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 is exposed to Credit Risk from its operating activities (Primarily Trade Receivables).

Movement of Impairment Allowance :-

'In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balances	1,61,33,078	1,38,88,328
Fresh provisions made	-	22,67,463
Provisions written back	-	(22,713)
Provisions transfer to ABFL on account of Demerger	(1,61,33,078)	-
Closing Balances	-	1,61,33,078

'In Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables	-	99,00,841
Provision made	-	22,67,463
% of Provision over Trade Receivables	0%	23%

As at March 31, 2020:-

Particulars	Neither Past due not Impaired	Past due not Impaired				
		0 - 30 Days	30 - 60 Days	60 - 90 Days	90 - 120 Days	More Than 120 Days
Trade Receivables	-	-	-	-	-	-
Loans and Advances	25,49,980	-	-	-	-	-
Closing Balance	25,49,980	-	-	-	-	-

As at March 31, 2019 :-

Particulars	Neither Past due not Impaired	Past due not Impaired				
		0 - 30 Days	30 - 60 Days	60 - 90 Days	90 - 120 Days	More Than 120 Days
Trade Receivables	85,77,071	7,12,153	10,490	-	57,067	5,44,060
Loans and Advances	80,51,117	-	-	-	-	-
Closing Balance	1,66,28,188	7,12,153	10,490	-	57,067	5,44,060

48 The Company has reclassified previous year's figures to confirm to current year's classification. Audited figures for Financial Year 2018-2019 as per Ind AS have been regrouped to be in line with amounts/ disclosures for the Financial Year 2019-2020.

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration no. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place : Mumbai
Date : May 04, 2020

For and on behalf of the Board of Directors of
Aditya Birla Capital Technology Services Limited
(Formerly Known as Aditya Birla MyUniverse Limited)

Mukesh Malik
Director
DIN : 02125091

Pinky Mehta
Director
DIN : 00020429

Khyati Mistry
Company Secretary

Aditya Birla Financial Shared Services Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Financial Shared Services Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Aditya Birla Financial Shared Services Limited** ((“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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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 and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 this Ind AS 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 Ind AS 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.

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- 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 auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(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 Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

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e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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, 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 Ind AS financial statements - Refer Note 28 on Contingent Liabilities to the Ind AS financial statements;

(ii) The Company did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii)There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

UDIN: 20034828AAAABT4232

Place: Mumbai

Date: May 4, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Aditya Birla Financial Shared Services Limited** on the Ind AS Financial Statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable properties. Therefore, clause 3(i) (c) of the Order is not applicable to the Company.

(ii) The Company does not hold any inventory. Accordingly, the provision stated in clause 3 (ii) of the order is not applicable.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) (a), 3 (iii) (b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) Based on information and explanation given to us in respect of Investments, the Company has complied with the provisions of section 186 of the Act. Further, the Company has not given any loan, guarantees and securities.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, goods and service tax (GST), cess and any other material statutory dues applicable to it, except that the delays in deposit have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

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(b) According to the information and explanation given to us, the dues outstanding with respect to income tax on account of dispute, are as follows:

Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	37,31,508	A.Y. 2014-15	CIT (Appeals)	-
Income Tax Act, 1961	Income Tax	7,78,272	A.Y. 2015-16	CIT (Appeals)	-

(viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks, governments or debenture holders.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) In the absence of payment of remuneration to the managerial personnel, the provisions of section 197 read with Schedule V of the Act. Accordingly, clause 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

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Chartered Accountants

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAABT4232

Place: Mumbai
Date: May 4, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Aditya Birla Financial Shared Services Limited** on the Ind AS Financial Statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements 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 financial statements of **Aditya Birla Financial Shared Services Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the 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 with reference to 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

HARIBHAKTI & CO. LLP * Chartered Accountants *

Sumant Sakhardande

Partner

Membership No. 034828

UDIN: 20034828AAAABT4232

Place: Mumbai
Date: May 4, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (NOTES) FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

A. Company Overview:

Aditya Birla Financial Shared Services Limited ('the Company') was incorporated on 19th June 2008 under the provisions of the Companies Act, 1956. The registered office of the Company is located at India Bulls Centre, Tower 1, 18th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013. It is a 100% subsidiary of Aditya Birla Capital Limited (formerly Aditya Birla Financial Services Limited). The object of this Company is to provide a common pool of facilities and resources like providing technology, application and business process services to its group companies, with a view to optimize the benefits of specialization and minimize the cost for each member Company. The member companies have participated in the common pool of facilities and share the expenses incurred by the Company.

B. Significant Accounting Policies:

1.1 (A) Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified on 16th February, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2017. As per notification Listed Companies with net worth of Rs. 500 Crore or more are required to prepare IND AS financials from April 1, 2016. Holding, Subsidiary and associate companies of aforesaid companies are required to prepare IND AS financials from April 1, 2016. As the Holding Company i.e Aditya Birla Capital Ltd (formerly Aditya Birla Financial Services Limited) is a Subsidiary of Grasim Industries Ltd, which a Listed Company is having net worth more than of Rs. 500 Crore, the Company has prepared its financials under IND AS for consolidation.

For all the periods up to the year ended 31 March 2016, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, (Indian GAAP). The Financial Statements have been prepared on a historical cost basis, except certain financial assets and liabilities have been measured at fair value.

(B) Functional and presentation currency

These financial Statements are presented in Indian Rupees (INR), which is also the Company's Functional currency. All the amounts have been rounded-off to the nearest rupees unless otherwise indicated.

Accounting Policies and Notes to Financial Statements given here under are exhaustive and are in line with INDAS, however few of them are not applicable to the Company.

1.2 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.3 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.4 Property, Plant and Equipment & Depreciation

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company has elected to regard those values of property as deemed cost at the date of the revaluation since they were broadly comparable to fair value.

All tangible assets are stated at cost net off accumulated depreciation and Impairment losses, if any. In case of Capital work in progress it is stated at cost.

Depreciation on tangible fixed assets is provided on straight line basis using the rates arrived at based on the useful estimated lives by the management.

The Company has used the following useful life to provide depreciation on its fixed assets.

Asset Type	Management's estimate of useful life (In years)		Useful Life as Prescribed by Schedule II of the Co. Act,2013
	till 31.03.2018	w.e.f 01.04.2018	
i) Office Computers & Servers			
a. Servers	4 years	5 years	6 years
b. Others	4 years	5 years	3 years
ii) Furniture & Fixtures	5 years	5 years	10 years
iii) Vehicle	5 years	5 years	8 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset individually costing less than Rupees Five Thousand, are fully depreciated in the year of purchase.

Depreciation on the fixed assets added/disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred

1.5 Intangible assets and amortization

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure incurred. The Company has used following useful life on intangible assets:

Asset Type	Management's estimate of useful life (In years)		Useful Life as Prescribed by Schedule II of the Co. Act,2013
	till 31.03.2018	w.e.f 01.04.2018	
i) Intangible Assets - Software	3 years	5 years	6 years

The useful lives of intangible assets are assessed as either finite or indefinite
Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

1.6 Current versus non-current classification

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria set out in the schedule III of the companies' act 2013. Based on the nature of products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities

1.7 Revenue Recognition

A) Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The company recognises revenue from contracts with customers based on a five step model as set out in Ind 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 goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognize revenue when (or as) the company satisfies a performance obligation Brokerage fee income Revenue recognition for brokerage fees can be divided into the following two categories:
a) Brokerage fees – over time Fees earned for the provision of services are recognized over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognized over the term of the contract.
b) Brokerage fees – point in time Revenue from contract with customer is recognized point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

B) Brokerage in respect of facultative inward / outward and treaty reinsurance placements is accounted when the premium is to be paid by the insurer to the reinsurance company becomes due.

C) Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at market value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

D) Interest income is recognized in the profit or loss account on accrual basis.

E) Dividend income on investment is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend.

F) Realized profit/loss on sale /redemption of mutual fund units is computed on weighted average cost basis.

1.8 Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the rates existing as at the balance sheet date. The resulting exchange gain or loss for revenue transactions is reflected in the Statement of Profit and Loss. Non-monetary items are measured in terms of historical cost in foreign currency duly translated using the exchange rate at transaction date.

1.9 Retirement and other employee benefits

A) Defined contribution plan

The Company has no obligation, other than the contribution payable to the provident fund under defined contribution plan. The Company recognises contribution payable to the provident fund scheme as expenditure, 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 recognized 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 recognized 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) Defined benefit plan

The Company operates three defined benefit plans for its employees, viz., and gratuity, leave encashment, and Long term incentive plan. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, 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 OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. The costs of providing benefits under these plans are determined based on actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

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 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.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement and presentation purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The company has long term incentive plan for different cadre of employee. The current year provision is based on the management estimates.

1.10 Finance Leases

The determination of whether an arrangement is (or contains) a lease is based on the Substance of the arrangement at the inception of the lease. The arrangement is or contains lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys; a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition to Ind AS.

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The Company has capitalized the leased item at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return.

Assets acquired under finance leases are capitalized at the fair value of the leased asset at the inception of the lease and are depreciated on a straight-line basis over the useful life in accordance with the Company's depreciation policy.

1.11 Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The Group as a lessee:

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

(1) the contract involves the use of an identified asset

(2) the group has substantially all 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. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements 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 impairment losses.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.13 Income-Tax

Tax expense comprises of current and deferred tax

The basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. 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).

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balancesheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company off sets current tax assets and current tax liabilities, where it has alegally enforceable right to set off the recognized amounts and where it intends either to settle onanet basis,or to realize the asset and settle the liability simultaneously. The income tax provision for the inter imperiod is made based on the best estimate of the annual average tax rate expected to be applicable for the full fiancial year. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

1.14 Impairment of Assets

In accordance with lnd AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables and credit risk exposure:

a. Impairment of Financial Assets

Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financingcomponent ismeasured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non Financial Assets

Intangible assets and equipment's

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated Amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.15 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables loans and borrowings including bank overdrafts, and any other financial instruments.
Subsequent measurement

i) Financial liabilities at fair value through 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 is recognized in OCI. These gains/ losses are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

iii) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

1.16 Financial Assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date i.e. the date that the Company commits to purchase or sell the asset.

For purpose of subsequent measurement financial assets are classified in four categories

i) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met

a) **Business model test** : the objective of the Company’s model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
b) **Cash flow characteristics test** : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

After initial measurement such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) **Business model test**: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets

b) **Cash flow characteristics test**: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However the Company recognizes interest income impairment losses & reversals in the P&L. On derecognition of the asset cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii) Debt instruments equity instruments at fair value through profit or loss (FVTPL)
FVTPL is a residual category for debt instruments. Any debt instrument which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to P&L. even on sale of investment. However the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

1.17 Off setting 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.18 Contingent liabilities / assets and commitments

Contingent liability is disclosed in the case of

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are disclosed by way of notes.

Contingent assets are possible assets that arise from a past event and whose existence is confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity

Where inflow of economic benefits is probable, the Company shall disclose a brief description of the nature of the contingent assets at the balance sheet date and, where practicable, an estimate of their financial estimate. Where any of the information required above is not disclosed because it is not practicable to do so, the fact shall be disclosed. In extremely rare circumstances, when disclosure of any or all the above information is considered to be seriously prejudicial to the position of the entity in a dispute with other parties on the subject matter of the contingent asset, the Company need not disclose the information but will disclose the general nature of the dispute, together with the fact that and reason why, the information has not been disclosed. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

1.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.20 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding **during the year.**

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Aditya Birla Financial Shared Services Ltd
Balance Sheet as at 31st March, 2020

₹ in INR

		Note	As at 31 March 2020	As at 31 March 2019
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	2A	26,03,90,933	33,96,42,013
	(b) Right to use of Assets		11,19,28,334	-
	(c) Capital work-in-progress		11,00,000	-
	(d) Intangible assets	2B	16,74,20,515	17,07,02,259
	(e) Intangible assets under development		2,08,43,013	92,86,887
	(f) Financial assets			
	(i) Loans	3A	64,26,867	1,15,23,435
	(iii) Others	5A		
	(g) Non current tax asset	4	10,96,54,408	10,29,50,595
	(h) Other non-current-assets	5A	4,21,081	15,78,598
			67,81,85,151	63,56,83,787
(2)	**Current assets**			
	(a) Financial assets			
	(i) Investments	6	7,23,745	14,36,369
	(ii) Cash and cash equivalents	7	1,87,71,684	96,59,216
	(iii) Loans	3B	1,24,56,981	19,26,646
	(iv) Others	8	24,98,15,834	17,84,07,987
	(b) Other current assets	5B	10,45,65,621	6,55,75,710
			38,63,33,865	25,70,05,928
	Total assets		1,06,45,19,016	89,26,89,715
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	9	5,00,000	5,00,000
	(b) Other equity	9A	78,42,539	52,78,211
	Total equity		83,42,539	57,78,211
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	10A	28,24,99,584	37,92,19,716
	(ii) Lease liability		7,42,66,145	
	(b) Provisions	11A	2,59,55,813	1,89,73,507
			38,27,21,542	39,81,93,223
(3)	**Current liabilities**			
	(a) Financial liabilities			
	Trade payables	13		
	Micro enterprises and small enterprises		2,73,57,492	34,93,382
	Other than micro enterprises and small enterprises		6,00,58,835	6,17,96,197
	Other financial liabilities	14	39,15,75,784	30,46,02,884
	(b) Provisions	11B	13,28,87,166	7,97,31,874
	(c) Other current liabilities	12	6,15,75,658	3,90,93,944
			67,34,54,935	48,87,18,281
	Total liabilities		1,05,61,76,477	88,69,11,504
	Total equity and liabilities		1,06,45,19,016	89,26,89,715

Significant accounting policies 1

The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

For and on behalf of Board of Directors
Aditya Birla Financial Shared Services Limited

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 04, 2020

A. Dhananjaya
Director
DIN: 01744569
Mumbai, May 04, 2020

Subhro Bhaduri
Director
DIN: 07504331

Aditya Birla Financial Shared Services Limited Mumbai

Aditya Birla Financial Shared Services Ltd

Statement of Profit and Loss for the year ended 31st March, 2020

₹ in INR

	Note	Year Ended 31 March 2020	Year Ended 31 March 2019
Other Income	15	40,17,921	12,47,153
Total Income		40,17,921	12,47,153
Expenditure			
(a) Employee benefits expenses	16	-	-
(b) Finance cost	17	-	-
(b) Depreciation and amortisation expense	18	-	-
(c) Other Expenses	19	-	-
Total Expenses		-	-
Profit Before exceptional Item and tax		40,17,921	12,47,153
Exceptional Item		-	-
Profit before tax		40,17,921	12,47,153
Tax expenses			
Current Tax		-	73
Write back of excess provision for tax related to earlier Provision for Taxation		(3,04,098)	-
Profit for the year		43,22,019	12,47,080
Other comprehensive Income statement			
Items that will not be reclassified to profit or loss	20	-	-
Remeasurement of post employment benefit obligation		-	-
Other comprehensive Income for the Year		-	-
Total comprehensive Income for the Year		43,22,019	12,47,080
Earnings per share (Face value of Rs. 10 each)	21		
- Basic		86.44	24.94
- Diluted		86.44	24.94

Significant Accounting Policies Refer Note : 1

The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande

Partner

Membership No. 034828

Mumbai. May 04. 2020

For and on behalf of Board of Directors

Aditya Birla Financial Shared Services Limited

A. Dhananjaya

Director

DIN: 01744569

Mumbai. May 04. 2020

Subhro Bhaduri

Director

DIN: 07504331

Aditya Birla Financial Shared Services Limited

Cash Flow Statement for the period ended 31st March 2020

₹ in INR

Particulars		Year Ended 31 March 2020	Year Ended 31 March 2019
Cash flow from operating activities			
Net Profit as per Profit & Loss account before taxes		43,22,019	12,47,080
Adjustment for:			
Less: Expense on Employee Stock Options Scheme			(21,25,134)
Add: Depreciation		16,49,07,547	10,19,65,548
Less profit on sale of fixed asset		(1,80,500)	-
Operating Profit before working capital changes		16,90,49,066	10,10,87,494
(Increase) / decrease in loans		(54,33,767)	(89,57,184)
(Increase) / decrease in other financial assets		(7,14,07,848)	(12,90,57,171)
(Increase) / decrease in long-term loans and advances		-	-
Increase / (decrease) in other long term liabilities		-	-
(Increase) / decrease in other non financial assets		11,57,517	(4,94,359)
(Increase) / decrease in other current assets		(3,89,89,911)	(6,88,658)
Increase / (decrease) in trade payables		2,21,26,748	2,05,14,959
Increase / (decrease) in other financial liabilities		2,59,09,600	4,21,27,755
Increase / (decrease) in other non financial liabilities		-	(10,48,953)
Increase / (decrease) in other liabilities		2,24,81,714	(1,10,87,301)
Increase / (decrease) in provisions		6,01,37,598	4,84,58,078
Net cash flow from operating activities before taxes		18,50,30,717	6,08,54,661
Less : Taxes paid		(67,03,811)	(2,28,73,193)
Net cash flow from operating activities	(A)	17,83,26,906	3,79,81,468
Cash flow from investing activities			
Purchase of tangible assets		(11,29,78,785)	(19,11,28,077)
Purchase of intangible assets		(5,61,77,497)	(8,22,60,421)
Sale of Fixed Assets		1,80,500	0
Purchase of Mutual Fund Units - short term		(9,50,00,000)	(7,30,00,000)
Redemption of Mutual Fund Units		9,65,00,000	9,10,00,000
Dividend re-investment of Mutual Fund		(7,87,375)	(12,46,772)
Net cash from investing activities	(B)	(16,82,63,157)	(25,66,35,270)
Cash flow from financing activities			
Proceed of long term borrowing		10,30,55,170	38,52,29,430
(Repayment) of short/long term borrowing		(21,27,12,333)	(17,26,76,580)
Proceed of lease liability		12,89,36,663	
(Repayment) of lease liability		(2,02,30,781)	-
Net cash inflow from financing activities	(C)	(9,51,281)	21,25,52,850
Net increase / (decrease) in cash and bank balances (A+B+C)		91,12,468	(61,00,953)
Cash and Bank Balances at beginning of the period		96,59,216	1,57,60,169
Cash and bank balances at end of the period		1,87,71,684	96,59,216
Components of Cash and Cash Equivalents			
Balance in Current Account		1,87,71,684	96,59,216
Total		1,87,71,684	96,59,216

Cash Flow from Operations includes:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
a. **Interest paid**	5,75,05,159	5,12,01,457
b. **Dividend Received**	7,87,375	12,46,107

The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard III of Cash flow statement

As per our Report attached of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

For and on behalf of Board of Directors
Aditya Birla Financial Shared Services Limited

Sumant Sakhardande
Partner
Membership No. 034828

A. Dhananjaya
Director
DIN: 01744569
Mumbai, May 04, 2020

Subhro Bhaduri
Director
DIN: 07504331

Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2020

NOTE 2A

Property, Plant and Equipment

₹ in INR

	Computer & Servers	Furniture& Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block					
As at 1 April 2018	**31,04,30,757**	**41,36,190**	**9,39,640**	**95,69,123**	**32,50,75,710**
Additions	15,07,89,309	2,73,05,039	22,71,501	1,17,89,414	19,21,55,263
Deletions/Adjustment				(15,00,893)	(15,00,893)
Adjustment					-
As at 31 March 2019	**46,12,20,066**	**3,14,41,229**	**32,11,141**	**1,98,57,644**	**51,57,30,080**
Additions	1,86,86,614	3,51,495	1,13,697	-	1,91,51,806
Deletions/Adjustment	(1,16,55,557)			(18,92,735)	(1,35,48,292)
Adjustment	(9,408)		9,408		-
As at 31 March 2020	**46,82,41,715**	**3,17,92,724**	**33,34,246**	**1,79,64,909**	**52,13,33,594**
As at 1 April 2018	**10,18,18,025**	**16,57,570**	**1,66,178**	**28,23,937**	**10,64,65,710**
For the year	6,15,44,441	48,30,154	5,16,319	32,05,150	7,00,96,064
Deletions/Adjustment	-	-	-	(4,73,707)	(4,73,707)
As at 31 March 2019	**16,33,62,466**	**64,87,724**	**6,82,497**	**55,55,380**	**17,60,88,067**
For the year	8,61,68,378	63,26,635	7,02,483	36,37,095	9,68,34,591
Deletions/Adjustment	(1,16,55,557)	-	-	(3,24,439)	(1,19,79,996)
As at 31 March 2020	**23,78,75,287**	**1,28,14,359**	**13,84,980**	**88,68,036**	**26,09,42,661**
Net book amount as at 31 March 2020	**23,03,66,428**	**1,89,78,365**	**19,49,266**	**90,96,873**	**26,03,90,933**
Net book amount as at 31 March 2019	29,78,57,599	2,49,53,505	25,28,644	1,43,02,264	33,96,42,013

NOTE 2B

Intangible Assets

₹ in INR

	Specialised Software	TOTAL
As at 1 April 2018	**18,78,71,823**	**18,78,71,823**
Additions	7,46,50,374	7,46,50,374
Deletions/Adjustment	-	-
Adjustment		
As at 31 March 2019	**26,25,22,197**	**26,25,22,197**
Additions	**4,46,21,371**	**4,46,21,371**
Deletions/Adjustment		
Adjustment		
As at 31 March 2020	**30,71,43,568**	**30,71,43,568**
As at 1 April 2018	**5,99,50,455**	**5,99,50,455**
For the year	3,18,69,483	3,18,69,483
Deletions/Adjustment	-	-
As at 31 March 2019	**9,18,19,938**	**9,18,19,938**
For the year	4,79,03,115	4,79,03,115
Deletions/Adjustment	-	-
As at 31 March 2020	**13,97,23,053**	**13,97,23,053**
Net book amount as at 31 March 2020	**16,74,20,515**	**16,74,20,515**
Net book amount as at 31 March 2019	17,07,02,259	12,79,21,368

Aditya Birla Financial Shared Services Ltd

Notes forming part of the Financial Statements for the year ended 31st March 2020

	₹ in INR	
	As at 31 March 2020	As at 31 March 2019
LOANS AND ADVANCES		
NOTE: 3A		
Long term loans and advances		
Security deposits - held at Amortised cost		
Unsecured, considered Good	64,26,867	1,13,21,346
Loans and Advances to Employees	-	2,02,089
	64,26,867	**1,15,23,435**
NOTE: 3B		
Short term loans and advances		
Security deposits - held at Amortised cost	1,24,56,981	17,26,656
Unsecured, considered Good		
Loans and Advances to Employees		
Considered good - held at Amortised cost	-	1,99,990
	1,24,56,981	**19,26,646**
NOTE: 4		
Non current tax asset		
Advance tax / TDS (net of provision of tax Rs. 21,04,352/-, P.Y. Rs. 24,08,450/-)	10,96,54,408	10,29,50,595
	10,96,54,408	**10,29,50,595**

Aditya Birla Financial Shared Services Ltd

Notes forming part of the Financial Statements for the year ended 31st March 2020

	As at 31 March 2020	As at 31 March 2019
		₹ in INR
OTHER NON FINANCIAL ASSETS		
NOTE: 5A		
Other non current assets		
Deferred rent expenses	-	12,75,886
Prepaid expense	4,21,081	3,02,712
	4,21,081	**15,78,598**
NOTE: 5B		
Other current assets		
Other taxes recoverable, and dues from Government Goods & Service Tax	-	28,57,825
Prepaid expenses	3,65,59,666	2,14,91,628
Gratuity (Funded)	6,70,30,628	3,95,46,523
Other receivable	-	2,00,012
Advance for expenses - others	9,75,327	3,67,402
Deferred rent expense	-	11,12,320
	10,45,65,621	**6,55,75,710**
NOTE: 6		
Current		
- Unquoted		
- Classified at FVTPL		
- Mutual fund	7,23,745	14,36,369
7223.358 Units (P.Y. : 14329.104) ABSL liquid fund-daily dividend - direct Plan- reinvestment		
Repurchase price Rs. 7,23,745/-(P.Y. Rs. 14,36,369/-)		
	7,23,745	**14,36,369**
NOTE: 7		
CASH AND CASH EQUIVALENTS		
Balances with banks		
Current accounts	1,87,71,684	96,59,216
	1,87,71,684	**96,59,216**
OTHER FINANCIAL ASSETS		
NOTE: 8		
Current		
Reimbursement of expenses receivables from related parties. (Refer	24,98,15,834	17,78,66,085
Others		5,41,902
	24,98,15,834	**17,84,07,987**

₹ in INR

	As at 31 March 2020	As at 31 March 2019
NOTE: 9		
SHARE CAPITAL		
Authorised:		
50,000 Equity Shares (P.Y. 50,000 Equity Shares) of Rs. 10 each	5,00,000	5,00,000
Total	**5,00,000**	**5,00,000**
Issued, Subscribed & Paid up:		
EQUITY SHARE CAPITAL		
50,000 Equity Shares (P.Y. 50,000 Equity Shares) of Rs. 10 each	5,00,000	5,00,000
Total	**5,00,000**	**5,00,000**

1 Term/right attached to equity shares:

The company has only one class of equity Shares having a par value of Rs.10 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 equity shares will receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

2 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

S No	Description	As at 31-March-20		As at 31-March-19	
		Equity Shares	Rupees	Equity Shares	Rupees
1	No of Shares outstanding at the beginning of the Year	50,000	5,00,000	50,000	5,00,000
2	Issued / Buyback	-	-	-	-
3	No of Shares outstanding at the end of the Year	50,000	5,00,000	50,000	5,00,000

3 All the Equity Share Capital are held by its Holding company i.e. Aditya Birla Capital Limited

Name of Share Holder	**As at 31-March-20**		**As at 31-March-19**	
	No of Shares held	**% of total paid-up equity share capital**	**No of Shares held**	**% of total paid-up equity share capital**
Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)	50,000	100%	50,000.00	100%

4 Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Name of Share Holder	**As at 31-March-20**		**As at 31-March-19**	
	No of Shares held	**% of total paid-up equity share capital**	**No of Shares held**	**% of total paid-up equity share capital**
Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)	50,000	100%	50,000	100%

5 There are no Equity Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bonus shares or bought back during the preceding last five years.

Aditya Birla Financial Shared Services Limited
Statement of Changes in Equity for the period ended 31st March 2020

(A) EQUITY SHARE CAPITAL

₹ In Rs.

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of face value of Rs. 10/- each issued on subscribed and fully paid up				
Balance at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Changes in Equity share capital during the year				
Balance at the end of the period		5,00,000		5,00,000

(B) OTHER EQUITY

₹ In INR

Particulars	Reserve and Surplus		Equity attributable to Shareholders of Company	Non Controlling Interest	Total Other Equity
	Retained Earnings				
	Surplus as per Statement of Profit and Loss	General Reserve			
Balance as of April 1, 2019	52,78,211	-	52,78,211	-	52,78,211
Profit for the period	43,22,019	-	43,22,019	-	43,22,019
Total Comprehensive income	43,22,019	-	43,22,019	-	43,22,019
Addition/ (Subsraction) during the period					
Less: Adjustment of INDAS 116	(17,57,692)		(17,57,692)	-	(17,57,692)
			-		-
Balance as at 31st March, 2020	78,42,538	-	78,42,538	-	78,42,538

(C) For the year ended 31st March 2019

₹ In INR

Particulars	Reserve and Surplus		Equity attributable to Shareholders of Company	Non Controlling Interest	Total Other Equity
	Retained Earnings				
	Surplus as per Statement of Profit and Loss	General Reserve			
Balance as at 1st April, 2018	61,56,265	-	61,56,265	-	61,56,265
Profit for the period	12,47,080		12,47,080		12,47,080
Total Comprehensive income	12,47,080	-	12,47,080	-	12,47,080
Addition/ (Subsraction) during the year			-		-
Equity Component of ESOP issued by Aditya Birla Capital Limited	(18,08,225)	-	(18,08,225)	-	(18,08,225)
Reversal of Excess reserve	(3,16,909)		(3,16,909)		(3,16,909)
Balance as at 31st March 2019	52,78,211	-	52,78,211	-	52,78,211

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

For and on behalf of Board of Directors
Aditya Birla Financial Shared Services Limited

A. Dhananjaya
Director
DIN: 01744569
Mumbai, May 04, 2020

Subhro Bhaduri
Director
DIN: 07504331

Aditya Birla Financial Shared Services Ltd

Notes forming part of the Financial Statements for the year ended 31st March 2020

		₹ in INR
	As at 31 March 2020	As at 31 March 2019
NOTE: 9A		
RETAINED EARNINGS		
i)Surplus in Profit and loss accounts		
Opening Balance	52,78,211	40,31,131
Surplus in Profit and loss accounts	43,22,019	12,47,080
Less: Adjustment of INDAS 116	(17,57,692)	-
	78,42,539	**52,78,211**
(ii) Other Reserves		
Opening Reserve	-	21,25,134.00
Equity Component of ESOP		
Transfer to Aditya Birla Capital Ltd	-	18,08,225.00
Adjustment	-	3,16,909.00
	-	-
Total Balance of Other Equity	**78,42,539**	**52,78,211**

Aditya Birla Financial Shared Services Ltd
Notes forming part of the Financial Statements for the year ended 31st March 2020

NOTE: 10A
BORROWINGS

	As at 31 March 2020	As at 31 March 2019
		₹ in INR
LONG-TERM BORROWINGS		
Secured		
Finance lease liability	10,28,25,839	18,10,69,780
Taken from Hewlett Packard Financial Sales India Pvt. Ltd. against IT hardware of the Company.		
Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st January 2020 till 1st October 2023 with interest ranging from 9.44% to 11.03% per annum		
	10,28,25,839	**18,10,69,780**
Unsecured		
Rupee term loans from		
Others	17,96,73,745	19,81,49,936
Repayment Terms : Between 1 - 16 Quarterly Instalments from 1January 2020 till 1st December 2023 with interest ranging from 10.50% to 11.03% per annum		
	17,96,73,745	**19,81,49,936**
Total Long-term Borrowings	**28,24,99,584**	**37,92,19,716**
Lease Liability		
Finance lease liability - Premises	7,42,66,145	-
	7,42,66,145	**-**

- For explanations on the Company's liquidity risk management processes, refer to Note 25.

Aditya Birla Financial Shared Services Ltd

Notes forming part of the Financial Statements for the year ended 31st March 2020

PROVISIONS

	As at 31 March 2020	As at 31 March 2019
		₹ in INR
NOTE: 11A		
Long Term Provisions		
Provision for employee benefit		
Provision for leave encashment (unfunded)	1,05,48,701	73,63,798
Provision for sick leave (unfunded)	1,54,07,112	1,16,09,709
	2,59,55,813	**1,89,73,507**
NOTE: 11B		
Short Term Provisions		
Provision for employee benefit		
Provision for long term incentive plan	3,12,53,227	1,21,19,480
Provision for leave encashment (unfunded)	2,25,969	2,70,734
Provision for sick leave (unfunded)	62,14,252	48,10,866
Provision for gratuity obligation	9,51,93,718	6,25,30,794
	13,28,87,166	**7,97,31,874**
NOTE: 12		
Current:		
Withholding taxes payable	1,63,28,246	15,32,892
GST payable	1,88,66,819	1,29,11,630
Other statutory dues	43,32,430	30,96,579
Income received in advance - Refer Annex. 1	2,20,48,163	2,13,43,149
Others	-	2,09,694
	6,15,75,658	**3,90,93,944**

Aditya Birla Financial Shared Services Ltd
Notes forming part of the Financial Statements for the year ended 31st March 2020

₹ in INR

	As at 31 March 2020	As at 31 March 2019
NOTE: 13		
TRADE PAYABLES - TOTAL OUTSTANDING DUES OF		
- Micro enterprises and small enterprises	2,73,57,492	34,93,382
- Other than micro enterprises and small enterprises	6,00,58,835	6,17,96,197
	8,74,16,327	**6,52,89,579**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020, and no interest payment made during the year to any Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
NOTE: 14		
Current:		
Current maturity of unsecured borrowing	12,75,36,210	9,34,28,044
Current maturity of secured borrowing	9,64,73,742	10,39,58,344
Interest accrued but not due	86,98,271	91,39,208
Accrued expenses	6,40,27,916	4,28,66,012
Other employee related obligation	6,03,99,909	5,52,11,276
Current maturity of lease liability	3,44,39,737	-
	39,15,75,784	**30,46,02,884**

- For explanations on the Company's liquidity risk management processes, refer to Note 25.

Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statements for the year ended 31st March 2020

₹ in INR

	31 March 2020	31 March 2019
NOTE 15		
OTHER INCOME		
Dividend Income	7,87,375	12,46,107
Gain/(Loss) on fair valuation of Investment through P&L (net)	-	665
Misc Income	1,016	381
Profit on Sale of Assets	1,80,500	-
Interest on Income tax refund	30,49,030	-
	40,17,921	**12,47,153**
NOTE 16		
EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	43,37,52,035	39,11,77,950
Contribution to provident & other funds	3,74,82,596	2,85,95,560
Employee stock option	43,18,561	81,38,084
Staff welfare expenses	73,40,613	51,61,700
	48,28,93,804	43,30,73,294
less : Recovery as professional services cost	(48,28,93,804)	(43,30,73,294)
	-	-
NOTE 17		
FINANCE COST		
Interest on finance lease/Loan obligation	5,75,05,159	5,10,18,991
Interest on ICD	-	1,82,466
Less : Recovery as professional services cost	(5,75,05,159)	(5,12,01,457)
	-	-
NOTE 18		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Property, Plant and Equipment	9,68,34,591	7,00,96,064
Depreciation on right of use asset	2,01,69,841	-
Depreciation on intangible assets	4,79,03,115	3,18,69,483
	16,49,07,547	10,19,65,548
Less : Recovery as professional services cost	(16,49,07,547)	(10,19,65,548)
	-	-

Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statements for the year ended 31st March 2020

	31 March 2020	31 March 2019
		₹ in INR
NOTE 19		
OTHER EXPENSES		
Rent - Premises	16,06,431	2,20,96,842
Rent - Others	32,94,977	38,56,562
Repairs and maintenance (others)	67,12,982	47,82,279
insurance	25,76,133	50,65,093
Legal and professional charges	23,67,46,908	16,44,75,245
Auditors remuneration		-
-Audit fees	4,50,000	4,00,000
-Tax audit fees	1,00,000	75,000
-Other services	1,80,000	1,75,000
-Reimbursement of expenses	23,665	46,236
Software and support expenses	20,87,66,252	17,35,77,957
Electricity charges	22,09,393	19,51,823
Printing and stationery	16,11,196	37,28,770
Travelling and conveyance	1,11,58,608	1,05,21,269
Communication expenses	1,81,79,903	2,10,53,230
Postage and telegram	1,43,663	87,635
Call Centre expenses	4,05,73,075	2,64,88,646
Security expenses	16,56,014	16,82,947
Service charges	39,41,159	44,00,607
Rates and taxes	21,67,775	7,05,376
Reward and recognition	72,98,771	4,14,933
Training, seminar and membership expenses	44,76,579	1,00,38,652
Interest on tds and service tax	1,83,480	-
Miscellaneous expenses	6,26,626	11,89,848
Recruitment expenses	3,11,043	6,90,308
	55,49,94,632	45,75,04,257
Less : Recovery as professional services cost	(55,49,94,632)	(45,75,04,257)
	-	-

	31 March 2020	31 March 2019
NOTE 20		
OTHER COMPREHENSIVE INCOME		
Employee benefit expenses (Gratuity)	95,02,595	1,12,90,947
Less : Recovery (net) as professional services cost	(95,02,595)	(1,12,90,947)
	-	-

Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statements for the year ended 31st March 2020

		As at 31 March 2020	As at 31 March 2019
			₹ in INR
NOTE: 21			
DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE			
Earnings per Share (EPS) is calculated as under:			
Net Profit as per the Statement of Profit and Loss		43,22,019	12,47,080
Net Profit for EPS	**(A)**	**43,22,019**	**12,47,080**
Weighted-average Number of Equity Shares for calculation of Basic EPS	**(B)**	50,000	50,000
Basic EPS (₹)	**(A/B)**	**86.44**	**24.94**
Weighted-average Number of Equity Shares Outstanding		50,000	50,000
Weighted-average number of Equity Shares for calculation of Diluted EPS	**(C)**	50,000	50,000
Diluted EPS (₹)	**(A/C)**	**86.44**	**24.94**
Nominal Value of Shares (₹)		10	10

Notes Forming Part Of Financial Statements For The Year Ended 31st March, 2020 :

22. Employee Benefits

Employee Benefit Plans and Employee Contribution Plans

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

The Company has classified the various benefits provided to employees as under:

Defined Contribution Plans

Contributions to defined contribution plans recognized as expense for the year are as under:

₹ in INR

Particulars	As at 31-03-2020	As at 31-03-2019
Employer's Contribution to Government Employee Provident Fund	1,26,04,623	91,32,139
Employer's Contribution to Government Employee Pension Fund	64,08,290	40,65,185
Employer's Contribution to Government Employee State Insurance Claim	18,02,133	26,74,710

Defined Benefit Plan

The Company recognised costs related to its post-employment defined benefit plan on an actual basis. 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 in balance sheet through other comprehensive income. Thus, employee benefits expense is decreased by ₹ 95,02,595/- and is recognised in other comprehensive income during the year ended 31st March,2020 and same has been allocated to related parties.

Gratuity is payable to all eligible employees on superannuation, death or on separation / termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

Leave Encashment / Sick leave are entitled to be carried forward for future encashment or availment, at the option of the employee during the tenure of the employment

A. Gratuity

The following table sets out the funded status of the gratuity plan and unfunded status of paid leave encashment and the amounts recognized in the Company's financial statements as at 31 March 2020.

₹ in INR

		As at 31 March 2020	As at 31 March 2019
i	**Amounts recognised in the Balance Sheet in respect of Gratuity**		
	Present Value of the funded Defined Benefit Obligations at the end of the year	9,51,93,718	6,25,30,794
	Fair Value of Plan Assets	6,70,30,628	3,95,46,523
	Net (Asset) / Liability	**2,81,63,090**	**2,29,84,271**
	Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
	Current Service cost	1,37,07,642	1,23,13,271
	Interest on net defined benefit liability / (assets)	17,85,077	(4,02,103)
	Past Service Cost	-	-
	Net Gratuity Cost	**1,54,92,719**	**1,19,11,168**
	Amount recognised in Other Comprehensive Income (OCI) for the year		
	Actual return on plan assets excluding interest income	(14,28,447)	(26,73,975)
	Actuarial changes arising from changes in demographic assumptions	1,08,528	-
	Actuarial changes arising from changes in financial assumptions	1,25,57,107	4,86,587
	Actuarial changes arising from changes in experience assumptions	(17,34,593)	1,34,78,345
	Closing amount recognised in OCI outside profit and loss account	**95,02,595**	**1,12,90,957**

ii **Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:**

₹ in INR

Change in net liability/ assets		
Opening net defined benefit liability/ (assets)	2,29,84,271	(51,58,828)
Expense charged to profit and loss account	1,54,92,719	1,19,11,168
Amount recognised outside profit and loss account - OCI	95,02,595	1,12,90,957
Employer Contributions	(1,98,16,495)	49,40,974
Closing net defined benefit liability / (asset)	**2,81,63,090**	**2,29,84,271**
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligations	6,25,30,794	2,90,47,521
Current Service Cost	1,37,07,642	1,23,13,271
Interest Cost	48,56,464	22,64,096
Actuarial changes arising from changes in demographic assumptions	1,08,528	
Actuarial changes arising from changes in financial assumptions	1,25,57,107	4,86,587
Actuarial changes arising from changes in experience assumptions	(17,34,593)	1,34,78,345
Benefits Paid	31,67,776	49,40,974
Closing Defined Benefit Obligations	**9,51,93,718**	**6,25,30,794**
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	3,95,46,523	3,42,06,349
Interest Income on plan assets	30,71,387	26,66,199
Actual return on plan assets less interest on plan assets	14,28,447	26,73,975
Contributions by the Employer	1,98,16,495	(49,40,974)
Benefits Paid	31,67,776	49,40,974
Closing Fair Value of the Plan Assets	**6,70,30,628**	**3,95,46,523**

iii **Funding Arrangement and Policy**

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.
The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.
There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ 457,54,186 (Previous Year ₹ 36,095,657).

Maturity Profile of defined benefit obligation ₹ in INR

	As at 31 March 2020	As at 31 March 2019
Within the next 12 months (next annual reporting period)	5,06,165	5,03,573
Between 2 and 5 years	48,22,222	33,72,965
Between 6 and 10 years	1,35,47,377	1,13,40,482
Above 10 years	31,04,68,965	23,57,91,459

The weighted average duration to the payment of these cash flows is 17 years (Previous Year 17 Years)

iv **Quantitative sensitivity analysis for significant assumption is as below :**

Increase / decrease on present value of defined benefits obligation at the end of the year ₹ in INR

	As at 31-03-2020		As at 31-03-2019	
i) 50 bps increase in discount rate	8,79,29,092	-7.60%	5,78,84,249	-7.40%
ii) 50 bps decrease in discount rate	10,32,04,764	8.40%	6,76,44,116	8.20%
i) 50 bps increase in rate of salary increase	10,29,38,152	8.10%	6,75,17,869	8.00%
ii) 50 bps decrease in rate of salary increase	8,80,87,367	-7.50%	5,79,48,954	-7.30%
i) 50 % increase in employee turnover rate	9,20,13,815	-3.30%	6,06,45,160	-3.00%
ii) 50 % decrease in employee turnover rate	9,88,72,253	3.90%	6,47,14,932	3.50%
i) 10 % increase in mortality rate	9,50,70,156	-0.10%	6,24,75,416	-0.10%
ii) 10 % decrease in mortality rate	9,53,17,958	0.10%	6,25,86,478	0.10%

v **Sensitivity Analysis Method**

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

₹ in INR

	Period Ended 31st March 2020	
Disaggregation of Plan Assets	**Quoted Value**	**Total**
Government debt instruments	29,42,645	29,42,645
Other debt instruments	4,75,917	4,75,917
Special Deposit Scheme		-
Insurer Managed Funds	2,58,00,089	2,58,00,089
Others	3,78,11,977	3,78,11,977
Grand Total	6,70,30,628	6,70,30,628

Disaggregation of Plan Assets

	Period Ended 31st March 2019	
	Quoted Value	**Total**
Government debt instruments	20,18,106	20,18,106
Other debt instruments	1,13,786	1,13,786
Special Deposit Scheme	-	-
Insurer Managed Funds	1,52,22,215	1,52,22,215
Others	2,21,92,416	2,21,92,416
Grand Total	3,95,46,523	3,95,46,523

There are no amount included in the Fair value of Plan Assets for:

i) Company's own financial instrument

ii) Property occupied by or other assets used by the Company

₹ in INR

	As at 31 March 2020	As at 31 March 2019
vi **Principal Actuarial Assumptions at the Balance Sheet Date**		
Discount Rate	6.85%	7.75%
Salary escalation		
Salary escalation - Staff	10.00%	10.00%
Mortality rate during employment	100.00%	100.00%
Rate of Employee Turnover		
Age - Up to 30 Years	11.90%	11.90%
Age 31 to 44 Years	2.40%	2.40%
Age 44 and above	0.00%	0.00%

Disability :- Leaving service due to disability is included in the provision made for all causes of leaving service (as above)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

B) The net provision for unfunded leave encashment/ sick leave liability upto March 2020 is ₹ 32,396,034/- (p.y. ₹ 24,055,107/-)

C) Employee Stock Option Plan

ESOP Scheme of Aditya Birla Capital Limited for employees employed in various Group Companies including Aditya Birla Financial Shared Services Limited (ABFSSL). Based on fair valuation of ESOP liability ABCL has charged ₹ 43,18,561/- to ABFSSL being its proportionate share of benefits and the same has been recovered by ABFSSL from its Business Units.

23. Related Party Transactions

During the year ended 31st March 2020, the Company had transactions with related parties as defined in IND-AS 9 on "Related Party Disclosures". Related Parties have been identified by the management on the basis of the information available with the Company. Details of these parties with whom the Company had transactions, nature of the relationship, transactions with them and balances at year-end, are detailed in Annexure 1

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. 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. The funding requirement are met through equity, operating cash flows and borrowing

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the company to cash flow interest rate risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The Company has primarily invested in fixed rate borrowings. Hence the company is not significantly exposed to interest rate risk.

24. Financial Instruments - Accounting Classifications And Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Principles For Estimating Fair Value

- The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

- The carrying value of trade receivable, trade payable, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

Trade and other receivables

Interest-free receivables are discounted if it has a material impact on fair value. The carrying amount has been reduced for impaired receivables and reflects a reasonable approximation of fair value due to limited credit risk and short time to maturity.

Cash and short-term deposits

Fair value is assumed to be equal to the carrying amount.

Long-term interest-bearing debt and other long-term liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows. Since there are no active market with quoted prices, Group have used valuation techniques to estimate the fair value. It is evaluated by the group based on parameters such as interest rates, creditworthiness of the company etc.

Trade payables and other short-term debt

Interest-free short-term payables are discounted if it has material impact on fair value. Fair value is assumed to be equal to the carrying amount due to limited credit risk and short time to maturity.

- The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at 31 March 2019. The different levels have been defined as follows:

Level 1: category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2: category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3: category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

As at 31 March 2020

₹ in INR

Particulars	Carrying amount	Fair value		
	As at 31.03.2020	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Security Deposit - Non Current	64,26,867			64,26,867
	64,26,867			**64,26,867**
Financial assets at fair value through profit or loss				
Investments in Mutual Funds	7,23,745		7,23,745	
Total	**7,23,745**		**7,23,745**	
Total Financial Assets	**71,50,612**		**7,23,745**	**64,26,867**
Financial liabilities				
Measured at Amortised Cost for which fair values are disclosed				
Fixed rate borrowings	30,72,09,956			30,75,60,111
Finance lease obligations , if any	19,92,99,581			19,97,68,075
Total	**50,65,09,537**			**50,73,28,186**

As at 31 March 2019

₹ in INR

Particulars	Carrying amount	Fair value		
	As at 31.03.2019	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Security Deposit - Non Current	1,30,48,002	-	-	43,91,208
	1,30,48,002	**-**	**-**	**43,91,208**
Financial assets at fair value through profit or loss				
Investments in Mutual Funds	14,35,704	-	14,36,369	-
Total	**14,35,704**	**-**	**14,36,369**	**-**
Total Financial Assets	**1,44,83,706**	**-**	**14,36,369**	**43,91,208**
Financial liabilities				
Measured at Amortised Cost for which fair values are disclosed				
Fixed rate borrowings	29,15,77,981			15,39,62,244
Finance lease obligations , if any	28,50,28,123			21,07,08,992
Total	**57,66,06,104**	**-**	**-**	**36,46,71,236**

The fair value of unquoted investment have been calculated using Nav.

The fair value of fixed rate borrowings and finance lease obligations have been calculated using Discounted Cash flow method

The management has assessed that cash & cash equivalent, short term loans & advances and other receivable from related parties, short term deposit received, trade payable approximate their carrying amount largely due to short term maturities of these instruments. Hence, are valued at there carrying cost.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

To manage associated financial risks, the Company reviews its investments and loans on each reporting date. All its investments are approved by the Board of Directors

Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Majority of receivables are form related parties hence company has nominal credit risk as on balance sheet date.

₹ in INR

Exposure to credit risk	As at 31 March 2020	As at 31 March 2019
Long term loans and advances	64,26,867	1,15,23,435
Cash and bank balances	1,87,71,684	96,59,216
Short-term loans and advances	1,24,56,981	19,26,646

Trade Receivable

₹ in INR

As at 31 March 2020	Neither past due nor impaired	Past due but not impaired					**Total**
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Financial assets receivable from related parties	24,98,15,834	-	-	-	-	-	24,98,15,834
	24,98,15,834	0	0	0	0	0	24,98,15,834

As at 31 March 2019	Neither past due nor impaired	Past due but not impaired					Total
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Trade Receivables	17,84,07,987	-	-	-	-	-	17,84,07,987
	17,84,07,987	0	0	0	0	0	17,84,07,987

No significant changes in estimation techniques or assumptions were made during the reporting period.

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 treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position.

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 INR

As at 31 March 2020	**Less Than 3 Months**	**3 to 12 months**	**1 to 2 years**	**2 to 3 years**	**3 to 5 years**	**> 5 years**	**Total**
Borrowings	6,80,27,889	16,46,80,298	17,95,57,982	8,00,85,877	2,28,55,761		51,52,07,807
Trade & Other Payables	15,14,44,243						
	21,94,72,132	**16,46,80,298**	**17,95,57,982**	**8,00,85,877**	**2,28,55,761**	**-**	**51,52,07,807**

As at 31 March 2019	**Less Than 3 Months**	**3 to 12 months**	**1 to 2 years**	**2 to 3 years**	**3 to 5 years**	**> 5 years**	**Total**
Borrowings	5,92,71,813	14,72,53,783	19,17,60,249	14,53,01,120	4,21,58,346		58,57,45,311
Trade & Other Payables	10,81,55,590						
	16,74,27,403	**14,72,53,783**	**19,17,60,249**	**14,53,01,120**	**4,21,58,346**	**-**	**58,57,45,311**

26. Deferred Tax (Net)

Company has not recognised deferred tax in books.

27. Segment Information

Ind AS 108 introduces a 'management approach' to identifying and measuring the financial performance of an entity's operating segments. Segment information provided in financial statements is based on the information used internally by management. The Company's operations is to provide common pool of facilities to its group companies. The member companies participate in common pool of facilities and share the expenses incurred by the Companies. Accordingly there is no revenue which is accounted in statement of profit of loss account of the Company related to its operation. Hence there is no segment wise internal reporting which is used by the Management for taking key decision.

28. Contingent Liabilities And Commitments:

(a) Contingent Liabilities:

Contingent Liability related to income tax matters (A.Y. 2014-15) net off payment (₹ 658,502/-)₹ 37,31,208/- as on March 31, 2019 (₹ 37,31,208/- March 31, 2018). This is related to depreciation claimed by the Company on assets purchased from HPFS on lease. The Company has claimed depreciation on such assets which was disallowed by the Income tax department. The Company has preferred appeal against the order passed by the income tax department. The appeal has been filed with CIT (Appeals).

Contingent Liability related to income tax matters (A.Y. 2015-16) net off payment (₹ 194,568/-) ₹ 7,78,272/- as on March 31, 2019 (₹ 7,78,272/- March 31, 2018). This is related to depreciation claimed by the Company on assets purchased from HPFS on lease. The Company has claimed depreciation on such assets which was disallowed by the Income tax department. The Company has preferred appeal against the order passed by the income tax department. The appeal has been filed with CIT (Appeals).

(b) Capital Commitment:

Value of estimated contracts remaining to be executed on capital account not provided for is ₹ 10,36,61,304/- (Previous year: ₹ 1,61,04,000/-).

29. Assets acquired under finance leases

Fixed assets stated below as at 31st March 2020 have been acquired on finance lease.

₹ in INR

Particulars	31 March 2020	31 March 2019
Computer & Servers		
Acquired during the year	-	-
Carrying amount as at balance sheet	70,16,828	1,78,26,632

Effective April 1, 2019, the Group adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 378,02,900/-, and a lease liability of ₹ 395,60,591/-. The cumulative effect of applying the standard, amounting to ₹ 17,57,692/- crore was debited to retained earnings, net of taxes. The effect of this adoption is in significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is between the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

₹ in INR

Particulars	Category of ROU Asset Leasehold
Balance as at 1st April, 2019	3,78,02,900
Balance of Deferred Lease as at 1st April, 2019	23,88,206
Additions	8,93,76,071
Addition in Deferred Lease during the year	25,07,931
Deletions	-
Depreciation	2,01,46,774
Balance as at 31st March, 2020	11,19,28,334

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

₹ in INR

Particulars	Amount
Current Lease Liabilities	3,44,39,737
Non-Current Lease Liabilities	7,42,66,145
Total	10,87,05,882

The following is the movement in lease liabilities during the year ended March 31, 2020:

₹ in INR

Particulars	Amount
Balance as at 1st April, 2019	3,95,60,592
Additions	8,93,76,071
Additions through Business Combinations	-
Deletions	-
Finance Cost accrued during the period	27,43,240
Payment of Lease Liabilities	2,29,74,021
Balance as at 31st March, 2020	10,87,05,882

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

₹ in INR

Particulars	Amount
Less than one year	4,19,47,344
One to Five years	8,59,55,571
More than Five years	-
Total	12,79,02,915

A reconciliation of the operating lease commitments at March 31, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognized in the statement of financial position at April 1, 2019 is provided below:

₹ in INR

Particulars	Amount
Operating lease commitments disclosed as at 31 March 2019	4,90,45,689
Discounted using the incremental borrowing rate at 1 April 2019	4,50,58,571
(Less): short-term leases recognized on a straight-line basis as expense	54,97,979
Lease liabilities recognized as at 1 April 2019	3,95,60,592

The lease rentals charged during the current year and the maximum obligations on finance leases payable at the balance sheet date, as per the rentals stated in the agreements are as follows:

₹ in INR

Particulars	**31 March 2020**	**31 March 2019**
Lease payments made	1,19,46,579	-
Interest paid	1,12,55,223	-
Present Value of lease payments	6,91,355	-

₹ in INR

Particulars	**Not Later than One Year**	**Later Than One year but not later than five years**	**Later Than five years**
Minimum Lease payment outstanding	3,14,785	-	-
Future Interest Outstanding	7,256	-	-
Present Value of lease payments	3,22,041	-	-

Particulars	31 March 2020	31 March 2019
A) Operating Lease payment recognised into Statement of Profit and Loss:	49,01,408	2,59,53,404
The Company has taken leasehold premises	-	-
B) The future minimum lease rental payments in respect of non-cancellable operating lease are as follows:		
i) Not later than one year		
ii) Later than one year and not later than five years	-	-
iii) Later than five years	-	-
	-	-

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.

31 **Income Tax Disclosure**

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

₹ in INR

	31 March 2020	31 March 2019
Current income tax:		
Current income tax charge	-	73
Adjustments in respect of current income tax of previous year	(3,04,098)	-
Deferred tax:		
Relating to origination and reversal of temporary differences		
Income tax expense reported in the statement of profit or loss	(3,04,098)	73

OCI section - Deferred tax related to items recognised in OCI during in the year:

	31 March 2020	31 March 2019
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Unrealised	-	-
Income tax expense charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

₹ in INR

	31 March 2020	31 March 2019
Accounting Profit before tax from continuing operations	-	-
Profit/(Loss) before tax from Other Income	40,17,921	12,47,153
	40,17,921	12,47,153
Enacted tax rates in India / MAT	22.88%	19.06%
Accounting profit before income tax		
At India's statutory income tax rate of 22.88% (31 Mar 2018: 19.055%)	9,19,300	2,37,645
Less: Income not taxable	(9,19,300)	(2,37,572)
Add: Write Back of previous year tax		
Income tax expense as per effective tax rate	-	73

Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on 20 September 2019, the Company intends to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 22.88%) from the current financial year.

32. Previous year's figures have been regrouped/rearranged to confirm to the current year's presentation, wherever necessary.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place : Mumbai
Date : 04th May 2020

For and on behalf of the Board of Directors
Aditya Birla Financial Shared Services Limited

A. Dhananjaya
Director
DIN: 02430368
01744569

Subhro Bhaduri
Director
DIN: 07504331

Place : Mumbai
Date : 04th May 2020

Aditya Birla Financial Shared Services Limited Mumbai

cc

Aditya Birla Insurance Brokers Limited

S.B. Billimoria & Co.

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th – 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S REPORT

To The Members of Aditya Birla Insurance Brokers Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Aditya Birla Insurance Brokers Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

S.B. Billimoria & Co.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative financial information of the Company for the year ended March 31 2019 included in these financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated April 22, 2019 expressed an unmodified opinion.

Our opinion on the financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from all the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

S.B. Billimoria
& Co.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S.B.BILLIMORIA & CO
Chartered Accountants
(Firm's Registration No. 101496W)

Mukesh Jain
Partner
(Membership No. 108262)
UDIN: 20108262AAAAEA6981

Place: Mumbai
Date: May 8, 2020

Aditya Birla Insurance Brokers Limited
Balance Sheet as at March 31, 2020

Sr no	Particulars	Notes	March 31, 2020 Rs.	March 31, 2019 Rs.
	Assets			
(1)	**Non Current assets**			
	(a) Property, plant and equipment	1A	5,21,34,784	4,85,15,732
	(b) Right-of-use Assets		5,05,16,415	-
	(c) Other intangible assets	1B	3,95,20,952	3,41,00,023
	(d) Intangible assets under development		1,16,38,257	1,36,08,558
	(e) Financial assets			
	(i) Loans	2	1,86,34,930	1,65,31,644
	(ii) Others	3	1,40,88,690	1,31,95,648
	(f) Deferred tax asset (net)	4	4,29,36,635	4,45,05,702
	(g) Income tax asset (net)	5	63,10,26,984	31,71,16,568
	(h) Other non current assets	6	8,60,87,637	4,16,93,421
	Total Non Current Assets		**94,65,85,284**	**52,92,67,296**
(2)	**Current assets**			
	(a) Financial assets			
	(i) Current investments	7	20,09,73,102	24,25,86,262
	(ii) Trade and other receivables	8	40,56,34,380	43,36,07,963
	(iii) Cash and cash equivalents	9A	70,04,480	41,39,054
	(iv) Bank Balance other than (iii) above	9B	4,63,92,231	5,25,24,465
	(v) Loans	10	18,23,32,965	20,47,36,299
	(vi) Other financials assets	11	4,32,198	4,55,516
	(b) Other current assets	12	15,64,83,219	4,21,76,477
	Total Current Assets		**99,92,52,575**	**98,02,26,036**
	Total assets		**1,94,58,37,859**	**1,50,94,93,332**
	EQUITY AND LIABILITIES			
(1)	**Equity**			
	(a) Equity share capital	13	5,13,00,000	5,13,00,000
	(b) Other equity	14	66,09,60,787	53,96,67,641
	Total equity		**71,22,60,787**	**59,09,67,641**
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Lease liabilities		2,97,57,672	-
	(b) Long term provision	15A	5,09,62,844	3,91,69,563
	(c) Other non current liabilities	15B	-	77,25,341
	Total Non Current Liabilities		**8,07,20,516**	**4,68,94,904**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade and other payables	16		
	- Micro and small enterprises		48,15,221	37,61,246
	- Other than micro and small enterprises		74,81,35,528	55,58,93,181
	(ii) Lease liabilities		2,58,96,662	-
	(iii) Other Financial Liabilities	17	27,06,93,562	24,38,90,550
	(b) Other current liabilities	18	7,48,77,290	4,57,17,287
	(c) Short term provisions	19	2,84,38,293	2,23,68,523
	Total Current Liabilities		**1,15,28,56,556**	**87,16,30,787**
	Total liabilities		**1,23,35,77,072**	**91,85,25,691**
	Total Equity and Liabilities		**1,94,58,37,859**	**1,50,94,93,332**

Significant accounting policies and other notes to financial statements 29

Notes referred above form an integral part of the financial statements

As per our report of even date

For S. B. Billimoria & Co.
ICAI Firm Registration No.: 101496W
Chartered Accountants

Mukesh Jain
Partner
Membership No: 108262

Place: Mumbai
Date: May 08, 2020

For and on behalf of the Board of Directors of
Aditya Birla Insurance Brokers Limited

Director DIN 00058548

Director DIN 00023684

Chief Executive Officer

Chief Financial Officer

Company Secretary

Place: Mumbai
Date: May 08, 2020

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Statement of Profit & Loss for the year ended March 31, 2020

Sr no	Particulars	Notes	March 31, 2020 Rs.	March 31, 2019 Rs.
1	**Revenue from operations:**			
	Revenue from operations	20	5,11,05,37,660	4,44,60,45,343
	Other Income			
	Interest Income	21	1,88,45,254	2,35,97,815
	Net Gain/(Loss) on Fair Value Changes	22	1,69,36,839	1,67,80,558
	Others	23	44,88,147	5,92,045
			4,02,70,240	4,09,70,418
	Total income		**5,15,08,07,900**	**4,48,70,15,761**
2	**Expenses:**			
	(a) Fees and commission expense		3,73,09,89,663	3,28,07,35,700
	(b) Finance cost (Interest expense on lease liabilites)		51,74,880	-
	(c) Impairment on financial instruments including loss on derecognition of financial assets		1,09,93,797	1,49,22,162
	(d) Employee benefits expenses	24	66,40,63,990	58,68,57,879
	(e) Depreciation and amortisation expenses	25	7,67,49,434	4,00,09,349
	(f) Other expenses	26	24,18,34,028	29,09,91,049
	Total expenses		**4,72,98,05,792**	**4,21,35,16,139**
3	**Profit from operations before exceptional items**		**42,10,02,108**	**27,34,99,622**
4	Exceptional items		-	-
5	**Profit before tax**		**42,10,02,108**	**27,34,99,622**
6	Income tax expenses	27		
	Current tax		10,78,12,600	8,76,80,100
	Income tax for prior years		(5,30,031)	(52,55,098)
	Deferred tax charge - (Net)		40,58,471	(78,31,550)
			11,13,41,040	**7,45,93,452**
7	**Profit for the year**		**30,96,61,068**	**19,89,06,170**
8	Other comprehensive income (Not to be reclassified to profit and loss -acturial gain/(loss) on defined benefit plan)	28	(44,26,577)	12,24,060
	Income tax relating to items that will not be reclassified to profit and loss		11,33,583	-
9	**Total comprehensive income for the year**		**30,63,68,074**	**20,01,30,230**
10	**Earnings per share of Rs. 10 each**	29		
	(a) Basic - Rs.		**60.36**	**38.77**
	(b) Diluted - Rs.		**60.36**	**38.77**

Significant accounting policies and other notes to financial statements 29

Notes referred above form an integral part of the financial statements

As per our report of even date

For S. B. Billimoria & Co.
ICAI Firm Registration No.: 101496W
Chartered Accountants

Mukesh Jain
Partner
Membership No: 108262

Place: Mumbai
Date: May 08, 2020

For and on behalf of the Board of Directors of
Aditya Birla Insurance Brokers Limited

Director DIN 00058548 | **Director** DIN 00823484 | **Chief Executive Officer**

Chief Financial Officer | **Company Secretary**

Aditya Birla Insurance Brokers Ltd. ★ Mumbai

Place: Mumbai
Date: May 08, 2020

ADITYA BIRLA INSURANCE BROKERS LIMITED

Statement of cash flows for the year ended March 31, 2020

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. **Cash Flow from Operating Activities**		
Profit Before Tax	**42,10,02,108**	**27,34,99,622**
Adjustment for:		
Expense on Employee Stock Options Scheme	-	(1,31,97,216)
Impairment on financial instruments including loss on derecognition of financial assets	1,09,93,797	1,49,22,162
Net (gain) on Fair value changes	(1,69,36,839)	(1,67,80,558)
(Gain)/ Loss on sale of Property, Plant and Equipment	(20,85,273)	1,59,218
Interest income	(1,88,45,254)	(2,35,97,815)
Interest expense related to lease liability	51,74,880	-
Depreciation and Amortisation	7,67,49,434	4,00,09,349
(Gain)/Loss on unrealised foregin exchange	7,53,779	14,12,520
Amortisation of deferred lease	5,68,613	-
Operating Profit before Working Capital changes	**47,73,75,245**	**27,64,27,282**
Adjustment for-		
Decrease in Trade Receivables	1,62,26,007	3,61,63,167
Decrease/(Increase) in Loans	17,76,586	(54,79,340)
(Increase)/Decrease in Other Non Financial Assets	(16,21,18,291)	33,30,947
Decrease in Financial Assets	61,32,234	8,42,41,719
Increase in Trade Payables	19,32,96,322	4,59,16,315
Increase in Provisions	1,34,36,474	1,20,02,582
Increase/(Decrease) in other Financial Liabilities	2,32,46,624	(2,31,88,128)
Increase/(Decrease) in other non Financial Liabilities	2,14,34,662	(5,59,12,522)
Cash generated from Operations	**59,08,05,863**	**37,35,02,022**
Income Taxes (paid)	(42,00,59,401)	(33,91,71,909)
Net cash generated from operations	**17,07,46,462**	**3,43,30,113**
B. **Cash Flow from Investing Activities**		
Addition to Property, Plant and Equipment and Intangibles assets	(4,86,43,701)	(4,19,17,936)
Proceeds from sale of Property, Plant and Equipment	30,29,853	28,53,570
Interest received	1,64,98,992	2,34,73,475
(Purchase)/Sale of Current Investments (Net)	5,85,50,000	6,16,99,998
Redemption of Inter corporate deposites	2,00,00,000	10,00,00,000
Net Cash generated from Investing Activities	**4,94,35,144**	**14,61,09,107**
C. **Cash Flow from Financing activities**		
Repayment of lease liability (including interest as per Ind AS 116)	(3,83,00,625)	-
Payment of dividend (including dividend distribution taxes)	(17,90,15,555)	(22,20,46,941)
Net Cash (Used in) financing Activities	**(21,73,16,180)**	**(22,20,46,941)**
Net Increase in Cash and Cash Equivalents	**28,65,426**	**(4,16,07,721)**
Opening Cash and Cash Equivalents	**41,39,054**	**4,57,46,775**
Closing Cash and Cash Equivalents	**70,04,480**	**41,39,054**

Significant accounting policies and other notes to financial statements 29

Notes referred above form an integral part of the financial statements

As per our report of even date

For S. B. Billimoria & Co.
ICAI Firm Registration No. : 101496W
Chartered Accountants

Mukesh Jain
Partner
Membership No: 108262

Place: Mumbai
Date: May 08, 2020

For and on behalf of the Board of Directors of
Aditya Birla Insurance Brokers Limited

Director	**Director**	**Chief Executive Officer**
DIN 00058543	DIN 00023684	
Chief Financial Officer		**Company Secretary**

Place: Mumbai
Date: May 08, 2020

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited
Statement of changes in Equity for year ended March 31, 2020

(A) Equity share capital

Particulars	No of Shares	Notes	Amount (Rs.)
As at April 01, 2018	27,00,000	13	2,70,00,000
Changes in Equity share capital	24,30,000		2,43,00,000
As at March 31, 2019	51,30,000		5,13,00,000
Changes in Equity share capital	-		-
As at March 31, 2020	**51,30,000**	**13**	**5,13,00,000**

(B) Other Equity

(Amount in Rs.)

Particulars	Notes	Reserves & Surplus			Total
		Retained earnings	General reserve	Other Reserves - Other equity component reserve	
Balance at April 01, 2018	**14**	**49,09,60,986**	**9,49,23,367**	**1,31,97,216**	**59,90,81,569**
Profit for the year		19,89,06,170	2,46,71,882	-	22,35,78,052
Other comprehensive income (Remeasurement gains/(loss) on defined benefit plan)		12,24,060	-	-	12,24,060
Total comprehensive income for the year		20,01,30,230	2,46,71,882	-	22,48,02,112
Other equity component reserve		-	-	(1,31,97,216)	(1,31,97,216)
Transfer to general reserve		(2,46,71,882)	-	-	(2,46,71,882)
Dividend (Including dividend distribution taxes)		(22,20,46,942)	-	-	(22,20,46,942)
Issue of Bonus shares		(2,43,00,000)	-	-	(2,43,00,000)
Balance as at March 31, 2019	**14**	**42,00,72,392**	**11,95,95,249**	-	**53,96,67,641**
Profit for the year		30,96,61,068	1,98,90,617	-	32,95,51,685
Impact on account of transition to Ind AS 116 (net of deferred tax amounting Rs. 24,89,405)		(60,59,373)	-	-	(60,59,373)
Other comprehensive income (Remeasurement gains/(loss) on defined benefit plan)		(32,92,994)	-	-	(32,92,994)
Total comprehensive income for the year		30,03,08,701	1,98,90,617	-	32,01,99,318
Transfer to general reserve		(1,98,90,617)	-	-	(1,98,90,617)
Dividend (Including dividend distribution taxes)		(17,90,15,555)	-	-	(17,90,15,555)
Balance as at March 31, 2020	**14**	**52,14,74,921**	**13,94,85,866**	-	**66,09,60,787**

As per our report of even date

For S. B. Billimoria & Co.
ICAI Firm Registration No. : 101496W
Chartered Accountants

Mukesh Jain
Partner
Membership No: 108262

For and on behalf of the Board of Directors of
Aditya Birla Insurance Brokers Limited

Director
DIN
00058548

Director
DIN
00023684

Chief Executive Officer

Chief Financial Officer

Company Secretary

Place: Mumbai
Date: May 08, 2020

Aditya Birla Insurance Brokers Ltd. Mumbai

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Balance Sheet as at March 31, 2020

Note 1A: Property, Plant and Equipment

(Amount in Rs.)

Particulars	Lease hold improvements	Office computers and electronic equipments	Furniture and fixtures and other office equipments	Vehicle	Total
Gross Block					
As at April 01, 2018	2,68,40,364	3,41,73,491	70,59,274	2,47,96,021	9,28,69,150
Additions during the year	48,30,454	84,60,975	10,21,921	18,73,336	1,61,86,686
Deletions during the year	-	18,40,349	1,96,515	32,24,165	52,61,029
As at March 31, 2019	**3,16,70,818**	**4,07,94,117**	**78,84,680**	**2,34,45,192**	**10,37,94,807**
Additions during the year	30,14,946	1,01,99,888	23,82,672	99,18,745	2,55,16,251
Deletions during the year	-	1,22,515	2,48,447	6,20,188	9,91,150
As at March 31, 2020	**3,46,85,764**	**5,08,71,490**	**1,00,18,905**	**3,27,43,749**	**12,83,19,908**
Accumulated depreciation					
As at April 01, 2018	77,78,890	2,07,03,935	33,60,568	80,79,258	3,99,22,651
Additions during the year	57,91,393	74,87,299	14,21,902	49,18,405	1,96,18,999
Deletions during the year	-	18,19,386	1,24,705	23,18,484	42,62,575
As at March 31, 2019	**1,35,70,283**	**2,63,71,848**	**46,57,765**	**1,06,79,179**	**5,52,79,075**
Additions during the year	62,93,597	81,24,964	15,90,757	55,54,607	2,15,63,925
Deletions during the year	-	1,01,421	1,42,996	4,13,459	6,57,876
As at March 31, 2020	**1,98,63,880**	**3,43,95,391**	**61,05,526**	**1,58,20,327**	**7,61,85,124**
Net book amount as at March 31, 2020	**1,48,21,884**	**1,64,76,099**	**39,13,379**	**1,69,23,422**	**5,21,34,784**
Net book amount as at March 31, 2019	**1,81,00,535**	**1,44,22,267**	**32,26,916**	**1,27,66,014**	**4,85,15,732**

Aditya Birla Insurance Brokers Ltd. Mumbai

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Balance Sheet as at March 31, 2020

Note 1B: Intangible assets

(Amount in Rs.)

Particulars	Computer software	Market know-how	Total
Gross Block			
As at April 01, 2018	7,40,24,259	19,46,219	7,59,70,478
Additions during the year	2,49,54,817	-	2,49,54,817
Deletions during the year	24,17,200	-	24,17,200
As at March 31, 2019	**9,65,61,876**	**19,46,219**	**9,85,08,095**
Additions during the year	2,93,44,555	-	2,93,44,555
Deletions during the year	28,19,817	19,46,219	47,66,036
As at March 31, 2020	**12,30,86,614**	-	**12,30,86,614**
Accumulated amortization			
As at April 01, 2018	4,24,74,369	19,46,219	4,44,20,588
Additions during the year	2,03,90,350	-	2,03,90,350
Deletions during the year	4,02,867	-	4,02,867
As at March 31, 2019	**6,24,61,852**	**19,46,219**	**6,44,08,071**
Additions during the year	2,33,12,321	-	2,33,12,321
Deletions during the year	22,08,511	19,46,219	41,54,730
As at March 31, 2020	**8,35,65,662**	-	**8,35,65,662**
Net book amount as at March 31,2020	**3,95,20,952**	-	**3,95,20,952**
Net book amount as at March 31,2019	**3,41,00,023**	-	**3,41,00,023**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Balance Sheet as at March 31, 2020

Note 2: Loans - Non current

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
(Unsecured, considered good, except otherwise stated)		
Rental security deposits	1,85,79,607	1,64,76,321
Other security deposits	55,323	55,323
	1,86,34,930	**1,65,31,644**

Note 3: Other non current financial assets

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Bank deposits with more than 12 months maturity (Fixed deposits with banks marked lien in favour of IRDA)	1,30,67,280	1,30,67,280
Add : Interest accrued but not due on	10,21,410	1,28,368
	1,40,88,690	1,31,95,648
Other advance	1,22,92,757	-
Less: Provision for other advance	(1,22,92,757)	-
	-	-
	1,40,88,690	**1,31,95,648**

Note 4: Deferred tax asset (net)

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Deferred tax asset (net) :		
On account of accumulated depreciation and amortization	61,84,800	54,41,000
On account of provision for doubtful debts and other provisions	3,50,70,300	3,93,65,400
Deferred tax on Ind AS adjustments	16,81,535	(3,00,698)
Net deferred tax asset	**4,29,36,635**	**4,45,05,702**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Balance Sheet as at March 31, 2020

Note 5 : Income tax asset (net)

Particulars	**March 31, 2020 Rs.**	**March 31, 2019 Rs.**
Advance payment of income tax - net of provision of Rs.34,57,15,059 (previous year March 19: Rs. 63,00,01,019)	63,10,26,984	31,71,16,568
	63,10,26,984	**31,71,16,568**

Note 6: Other non current assets

Particulars	**March 31, 2020 Rs.**	**March 31, 2019 Rs.**
Advance against capital expenditure	-	6,90,419
Fair value of plan assets- gratuity	4,10,96,800	3,77,01,329
Deferred rent expenses	-	12,49,292
Prepaid expenses	12,54,604	20,52,381
	4,23,51,404	4,16,93,421
Service tax amount paid under protest	11,61,53,173	-
Less: Provision for service tax liability	(7,24,16,940)	-
	4,37,36,233	-
	8,60,87,637	**4,16,93,421**

Note 7: Investments

Particulars	**March 31, 2020 Rs.**	**March 31, 2019 Rs.**
Unquoted:		
Investment in mutual fund units (No of units March 31, 2020 : 5,54,190.28, March 31, 2019 : 8,07,446.85 at fair value through profit and loss)	20,09,73,102	24,25,86,262
	20,09,73,102	**24,25,86,262**
Investments outside India	-	-
Investments in India	20,09,73,102	24,25,86,262

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Balance Sheet as at March 31, 2020

Note 8: Trade and other receivables

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Secured considered good	-	-
Unsecured, considered good	40,56,34,380	43,36,07,963
Unsecured, considered doubtful	1,55,35,281	1,08,00,615
	42,11,69,661	44,44,08,578
Less: Impairment loss allowances	(1,55,35,281)	(1,08,00,615)
	40,56,34,380	43,36,07,963
	40,56,34,380	**43,36,07,963**

Note 9A: Cash and cash equivalents

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Cash and cash equivalents:		
Cash on hand	-	-
Cheques on hand	-	-
Balance with banks - On current account	70,04,480	41,39,054
	70,04,480	41,39,054

Note 9B: Other bank balances

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Bank balance for reinsurance accounts	3,63,92,231	4,25,24,465
Deposit with bank having maturity more than three months	1,00,00,000	1,00,00,000
	4,63,92,231	**5,25,24,465**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Balance Sheet as at March 31, 2020

Note 10: Loans- Current

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
(Unsecured, except otherwise stated)		
Advances and other receivables from employees:		
Unsecured, considered good	5,63,541	1,09,585
Unsecured, considered doubtful	-	-
	5,63,541	1,09,585
Less: Impairment Loss allowances	-	-
	5,63,541	1,09,585
Other advances and receivables:		
Unsecured, considered good:		
Receivables from related parties	2,12,822	26,56,586
Inter corporate deposits*	18,00,00,000	20,00,00,000
Other receivables	1,93,462	1,97,115
Rental security deposits	2,65,140	11,17,368
Other security deposits	10,98,000	6,55,645
	18,23,32,965	**20,47,36,299**

Note:

* Inter corporate deposits placed with financial institution yield fixed interest rate@8.50% for general purpose requirement with put/call option.

Note 11: Other financial assets -current

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Interest accrued but not due on:		
Deposit with bank having maturity more than three months	4,32,198	4,55,516
	4,32,198	**4,55,516**

Note 12: Other current assets

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Prepaid expenses	2,09,82,242	1,71,00,511
Service tax refund receivable	-	61,70,452
GST input credit	13,43,58,986	1,67,43,883
Deferred rent expenses	-	14,77,623
Others	11,41,991	6,84,008
	15,64,83,219	**4,21,76,477**

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Notes forming part of Balance Sheet as at March 31, 2020

Note 13: Share capital

Particulars	**March 31, 2020 Rs.**	**March 31, 2019 Rs.**
Authorized share capital:		
55,00,000 (Previous year: 55,00,000) equity shares of Rs. 10 each	5,50,00,000	5,50,00,000
	5,50,00,000	**5,50,00,000**
Issued, subscribed and fully paid up share capital:		
51,30,000 (Previous year: 51,30,000) equity shares of Rs.10 each fully paid	5,13,00,000	5,13,00,000
	5,13,00,000	**5,13,00,000**

Term/right attached to equity shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of Liquidation of company, holder of equity share will be entitled to share receive remaining assets of the company, after distribution to all preferential holders. The distribution will be in proportion to the number of equity share held by the shareholders

Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Name of shareholder	**Numbers**	**Amount**
As at April 01, 2018	27,00,000	2,70,00,000
Add: Shares issued during the year	24,30,000	2,43,00,000
As at March 31, 2019	51,30,000	5,13,00,000
Add: Shares issued during the year	-	-
As at March 31, 2020	51,30,000	5,13,00,000

Details of shareholder holding more than 5% share of the company

Name of shareholder	**March 31, 2020 Nos**	**March 31, 2019 Nos**
Aditya Birla Capital Limited	25,65,103	25,65,103
Infocyber India Private Limited	25,64,897	25,64,897
	51,30,000	**51,30,000**
% of shareholding:		
Aditya Birla Capital Limited	50.002	50.002
Infocyber India Private Limited	49.998	49.998

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Notes forming part of Balance Sheet as at March 31, 2020

Note 15A: Long-term provision

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Gratuity	5,09,62,844	3,91,69,563
	5,09,62,844	**3,91,69,563**

Note 15B: Other non current liabilities

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Rent expense liability - straight lining effect	-	36,234
Service tax amount paid under protest	-	7,15,14,620
Less: Provision for service tax liability	-	(6,38,25,513)
	-	76,89,107
	-	**77,25,341**

Note 16: Trade and other payables

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Payable to related parties		
- Micro and small enterprises*	-	-
- Other than micro and small enterprises	2,28,39,532	1,95,55,228
Payable for other expenses:		
- Micro and small enterprises*	48,15,221	37,61,246
- Other than micro and small enterprises	72,52,95,996	53,63,37,953
	75,29,50,749	**55,96,54,427**

* Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Company which has been relied upon by the auditors.

Aditya Birla Insurance Brokers Ltd. Mumbai

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Notes forming part of Balance Sheet as at March 31, 2020

Note 14: Other equity

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
(1) General reserve:		
Opening balance	11,95,95,249	9,49,23,367
Add: Transfer from Retained earnings	1,98,90,617	2,46,71,882
Closing balance	**13,94,85,866**	**11,95,95,249**
(2) Retained earnings:		
Opening balance	42,00,72,392	49,09,60,986
Impact on account of transition to Ind AS 116 (net of deferred tax amounting Rs. 24,89,405)	(60,59,373)	-
Profit for the year	30,96,61,068	19,89,06,170
Other comprehensive (loss)/income for the year	(32,92,994)	12,24,060
	72,03,81,093	69,10,91,216
Less: Appropriation		
Transfer to general reserve	(1,98,90,617)	(2,46,71,882)
Dividend on equity shares*	(14,84,92,487)	(18,41,86,803)
Tax on dividend	(3,05,23,068)	(3,78,60,139)
Issue of Bonus shares	-	(2,43,00,000)
Closing balance	52,14,74,921	42,00,72,392
(3) Other equity component reserve :		
Opening balance	-	1,31,97,216
Addition during the year	-	-
Deduction during the year	-	(1,31,97,216)
Closing balance	-	-
Total (1+2+3)	**66,09,60,787**	**53,96,67,641**

* The Company has paid the dividend on equity shares @ 28.95 per share (Previous year: Rs 68.22 per share).

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Aditya Birla Insurance Brokers Limited

Notes forming part of Balance Sheet as at March 31, 2020

Note 17: Other Financial liabilities- Current

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Payable for salaries, wages and other employee benefits	18,05,31,185	15,82,42,589
Reinsurance premium payable	2,44,88,501	3,59,63,375
Other financial liabilities	6,21,17,488	4,96,84,586
Capital creditors	35,56,388	-
	27,06,93,562	**24,38,90,550**

Note 18: Other liabilities - Current

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Other payables - statutory dues	7,48,34,542	3,97,47,071
Provision for doubtful statutory liabilities-Goods & services tax	-	53,68,098
Income received in advance	42,748	6,02,118
	7,48,77,290	**4,57,17,287**

Note 19: Short-term provision

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Compensated absences	2,84,38,293	2,23,68,523
	2,84,38,293	**2,23,68,523**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Statement of Profit and Loss for the year ended March 31, 2020

Note 20: Revenue from operations

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
General insurance advisory services:		
Administrative services and consultancy charges	1,47,95,000	2,05,20,000
Brokerage	5,09,57,42,660	4,42,55,25,343
	5,11,05,37,660	**4,44,60,45,343**

Note 21: Interest Income

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Interest income from financial assets through amortized cost		
Interest on inter corporate deposits	1,56,53,973	2,04,58,219
Interest on fixed deposits with bank	17,14,742	16,75,280
Interest on loan to employee	-	2,485
Unwinding of discount on security deposits	14,76,539	14,61,831
	1,88,45,254	**2,35,97,815**

Note 22: Net Gain/(Loss) on Fair Value Changes

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
MTM of investments measured at FVTPL -(Loss)	(5,04,725)	(69,886)
Gain on sale of investments measured at FVTPL	1,74,41,564	1,68,50,444
	1,69,36,839	1,67,80,558
Fair Value changes :		
Realised	1,74,41,564	1,68,50,444
Unrealised	(5,04,725)	(69,886)
	1,69,36,839	**1,67,80,558**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Statement of Profit and Loss for the year ended March 31, 2020

Note 23: Other income

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Foreign exchange gain	18,61,069	-
Profit on sale of fixed assets	20,85,273	-
Recovery of bad debts	5,41,805	5,92,045
	44,88,147	**5,92,045**

Note 24: Employee benefits expenses

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Salaries and other allowances	60,36,49,088	51,64,60,446
Contribution to gratuity fund	66,61,081	58,21,463
Contribution to provident and other funds	2,09,69,413	1,72,21,133
Employee Stock Options Scheme -ESOP	1,70,90,485	3,39,80,758
Staff welfare expenses	1,56,93,923	1,33,74,079
	66,40,63,990	**58,68,57,879**

Note 25: Depreciation and amortization

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Depreciation on Property, plant and equipment	2,15,63,925	1,96,18,999
Amortization of intangible assets	2,33,12,321	2,03,90,350
Amortization of right-of-use assets	3,18,73,188	-
	7,67,49,434	**4,00,09,349**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Statement of Profit and Loss for the year ended March 31, 2020

Note 26: Other expenses

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Legal and professional charges (Refer note 1 below)	3,48,78,037	3,67,73,475
Advertisement and business promotion expenses	1,46,31,662	3,81,93,691
Telephone and communication expenses	1,19,75,253	1,26,41,775
Travelling and conveyance expenses	3,70,72,731	3,25,67,175
Rent	95,07,360	4,09,15,915
Rates and taxes	46,27,479	1,50,86,449
Repair and maintenance	2,48,98,157	2,97,22,568
Director's Fees	8,00,000	9,20,000
Insurance expenses	1,30,58,863	1,23,65,332
Service hire charges	4,81,39,807	3,54,79,554
Electricity expenses	51,56,160	49,91,620
Printing and stationery	19,91,140	24,58,486
Information technology expenses	17,20,394	22,29,502
Bank charges	7,25,465	5,54,092
Postage and courier expenses	12,49,105	8,46,936
Foreign exchange loss	-	59,29,692
Provision for other advance	1,22,92,757	-
CSR expenses (refer note 3 below)	71,00,000	74,00,000
Miscellaneous expenses (refer note 2 below)	1,20,09,658	1,19,14,787
	24,18,34,028	**29,09,91,049**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Insurance Brokers Limited

Notes forming part of Statement of Profit and Loss for the year ended March 31, 2020

Notes:

1. Legal and professional charges include the auditors' remuneration as under:

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
As auditor:		
Audit fee	10,00,000	12,50,000
Tax audit fee	2,00,000	2,00,000
Limited Review	9,00,000	4,50,000
In other capacity:		
Certification fee	7,00,000	2,50,000
Out of pocket expenses	20,879	69,163
	28,20,879	**22,19,163**

2. Miscellaneous Expenses :- Include employee recruitment expenses, security expenses, conference expenses and other office relevant expenses

3. Details of CSR expenditure:

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
1) Gross amount required to be spent by the company during the year	**70,14,938**	**73,82,325**
2) Amount spent during the year		
i) Construction/acquisition of any asset		
In cash	-	-
Yet to be paid in cash	-	-
Total	-	-
ii) On purpose other than (i) above - (For development and education of disabled children)		
In cash	71,00,000	74,00,000
Yet to be paid in cash	-	-
Total	**71,00,000**	**74,00,000**

Aditya Birla Insurance Brokers Ltd. Mumbai

Note 27: Income tax expenses

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Current tax	10,78,12,600	8,76,80,100
Income tax for prior years	(5,30,031)	(52,55,098)
Deferred tax charge - (Net)	40,58,471	(78,31,550)
	11,13,41,040	7,45,93,452

27.1 Tax rate reconciliation

(Amount in Rs.)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current income tax:		
Current income tax charge	10,78,12,600	8,76,80,100
Deferred tax relating to origination and reversal of temporary differences	40,58,471	(78,31,550)
Tax Charges	**11,18,71,071**	**7,98,48,550**
Adjustments in respect of current income tax of previous year	(5,30,031)	(52,55,098)
Income tax expense reported in the statement of profit or loss	**11,13,41,040**	**7,45,93,452**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020		
Accounting profit before income tax	42,10,02,108	27,34,99,622
At India's statutory income tax rate of 25.17% (March 31, 2019 29.12%)	10,59,66,231	7,96,43,100
Income tax expenses on non deductible/non taxable items	(1,35,220)	2,05,450
Reversal of deferred tax assets due to reduction in Income-tax rate	60,40,060	-
At the effective income tax rate of 26.57% (March 31, 2019: 29.20%)	**11,18,71,071**	**7,98,48,550**

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Aditya Birla Insurance Brokers Limited

Notes forming part of Statement of Profit and Loss for the year ended March 31, 2020

27.2 Deferred Tax Assets

(Amount in Rs.)

Particulars	As on March 31, 2018	Movement P&L	As on March 31, 2019	Movement P&L	Impact of IND AS 116*	As on March 31, 2020
<u>Temporary differences on account of:</u>						
Provision for doubtful debts	35,45,220	(4,00,080)	31,45,140	7,64,780	-	39,09,920
Provision for doubtful statutory liabilities and others	2,06,46,080	17,42,180	2,23,88,260	(10,68,524)	-	2,13,19,736
Long Tem Incentive Plan	1,19,39,200	18,92,800	1,38,32,000	(39,91,312)	-	98,40,688
MAT Credit	-	-	-	-		-
Retained earnings INDAS 116	-	-	-	(6,52,946)	24,89,405	18,36,459
Difference in written down value of property plant and equipment betweeen Income-tax Act and Companies Act.	9,36,800	45,04,200	54,41,000	7,43,800	-	61,84,800
Deferred tax asset on amortised cost under Ind AS 109	1,15,098	(9,304)	1,05,794	(36,421)	-	69,373
Total (A)	**3,71,82,398**	**77,29,796**	**4,49,12,195**	**(42,40,623)**	**24,89,405**	**4,31,60,976**

Deferred Tax Liabilities

(Amount in Rs.)

Particulars	As on March 31, 2018	Movement P&L	As on March 31, 2019	Movement P&L	Impact of IND AS 116*	As on March 31, 2020
<u>Temporary differences on account of:</u>						
Others- Fair valuation Adjustments						
Deferred tax liability on amortised cost under Ind AS 109	930	(930)	-	-	-	-
Fair Value Change of Investments under Ind AS 109	5,07,316	(1,00,824)	4,06,493	(1,82,152)	-	2,24,341
Total (B)	**5,08,246**	**(1,01,754)**	**4,06,493**	**(1,82,152)**	**-**	**2,24,341**
Net Deferred Tax Assets/(Liability) (A-B)	**3,66,74,152**	**78,31,550**	**4,45,05,702**	**(40,58,471)**	**24,89,405**	**4,29,36,635**

Note:

* Opening balance of deferrred tax assets on account of lease liability and right off use asset has been recognised in retained earnings to give impact of transition to Ind AS 116.

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Aditya Birla Insurance Brokers Limited

Notes forming part of Statement of Profit and Loss for the year ended March 31, 2020

Note 28: Other Comprehensive Income

Particulars	**March 31, 2020 Rs.**	**March 31, 2019 Rs.**
Other Comprehensive Income (Not to be reclassified to profit and loss -acturial gain/(loss) on defined benefit plan)	(44,26,577)	12,24,060
Income tax relating to items that will not be reclassified to profit and loss	11,33,583	-
	(32,92,994)	**12,24,060**

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Aditya Birla Insurance Brokers Ltd. Mumbai

NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1 Corporate information

Aditya Birla Insurance Brokers Limited is a limited Company incorporated and domiciled in India. The registered office of the company is located at Indian Rayon Compound, Veraval, Gujarat - 362 266.

The Company is a composite general insurance intermediary, licensed by the Insurance Regulatory and Development Authority (IRDA) of India. The Company specialises in providing general insurance broking and risk management solutions for corporates and individuals alike.

The financial statements of the Company for the year ended March 31, 2020 were authorized for issue in accordance with a resolution of the directors on May 08, 2020.

2 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities. The statement of cash flows have been prepared under indirect method.

The financial statements are presented in Indian Rupees ('INR') ,which is also the Company's functional currency.

3 Summary of significant accounting policies

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

3.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue for placement services (also commonly referred to as 'commission income') should be recognised at the point in time when the insurance policy have been agreed contractually by the insurer and policyholder, and the insurer has a present right to payment from the policyholder .

Brokerage in respect of facultative inward / outward and treaty reinsurance placements is accounted when the premium to be paid by the insurer to the reinsurance company becomes due.

Interest income is recognised using the effective interest rate method.

Aditya Birla Insurance Brokers Ltd. Mumbai

NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

3.2 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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 and loss when the asset is derecognised.

3.2.1 Depreciation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis using the rates arrived at based on the useful lives estimated by the Management. The Company has used the following useful life to provide depreciation on its property, plant and equipments.

Asset	Useful life as prescribed by Schedule II of the Co's Act, 2013	Estimated useful life
Office computers and electronic equipments	3 years	4 Years
Vehicles	8 years	5 Years
Furniture, fixtures and other office	10 years	7 Years
Leasehold improvements	Over the primary period of the lease	Over the primary period of the lease

Useful life of assets different from as prescribed in Schedule II has been estimated by management and is supported by the technical assessment. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Property, plant and equipments individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on assets acquired / sold during the year is recognised on a pro-rata basis to the statement of profit and loss from/ till the date of acquisition or sale.

3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over a period of 3 years.

Amortization on the intangible assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

The amortization period and the amortization method are reviewed at least at each financial year end. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.3.1 Intangible assets under development
Expenditure on Research and/or development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

Aditya Birla Insurance Brokers Ltd. Mumbai

NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

3.4 Leases

The company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes right - of - use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the under lying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value - in - use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.5 Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an non financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. 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 group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the resulting impairment loss is charged to the statement of profit and loss.

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 taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

3.6 Taxes

3.5.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the Indian Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.5.2 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:

- ► When the deferred tax liability arises from the initial recognition of goodwill or 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
- ► In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when 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:

- ► 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
- ► 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 taxation authority.

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NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

3.7 Retirement and other employee benefits

3.7.1 Defined contribution plan

Retirement benefit in the form of Government managed Employee Provident Fund, Government managed Employee Pension Fund and Employee State Insurance are the defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective schemes which are recognised as an expense, when an employee renders the related service.

3.7.2 Defined benefit plan

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The Company's liabilities under Payment of Gratuity Act and compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurements, comprising of actuarial gains and losses on retirement benefits arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Past service costs are recognised in profit or loss on the earlier of:

- ► The date of the plan amendment or curtailment, and
- ► 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 net defined benefit obligation under employee benefit expenses 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,
- ► Net interest expense or income.

3.7.3 Long term incentive benefit

Other long term incentive benefits includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfilment of criteria prescribed by the Company.

3.8 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

3.8.1 Initial recognition:
Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

3.8.2 Conversion:
Monetary asset and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

3.8.3 Exchange differences:
Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss. Other non-monetary items like property, plant and equipments are carried in terms of historical cost using the exchange rate at the date of transaction initial recognition .

The Company's financial statements are presented in INR, which is also the company's functional currency.

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NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

3.9 Cash Dividend And Non-Cash Distribution To Equity Holders Of The Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.10 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

3.11 Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

3.12 Financial instruments and fair value measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized by the Company when it becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument are adjusted to fair value, except where the financial instrument is measured at Fair Value through profit or loss, in which case the transaction costs are immediately recognized in profit or loss.

Financial assets

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

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.

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NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities and equity instruments

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss 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.

(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.)

Other financial liabilities
Other financial liabilities (including borrowings, financial guarantee contracts and trade and other payables) are subsequent to initial recognition, measured at amortised cost using the effective interest (EIR) method.

Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Derecognition of financial instruments
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires 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.

Fair value measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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NOTE '29'
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

Impairment of financial assets

The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the historical percentages of amounts written off of the operating revenue. Individual trade receivables are written off when management deems them not to be collectible.

3.13 Security deposits

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the prevailing market rates.

3.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.15 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimation uncertainty relating to the global health pandemic on COVID-19

The management has assessed the potential impact of the COVID-19 on the financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, expects the carrying amount of these assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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Notes to the financial statements for the year ended March 31, 2020

NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) :

Assets	March 31, 2020 Rs.	March 31, 2019 Rs.
Property, plant and equipment	12,40,404	36,38,191
Intangible assets	67,83,064	1,57,25,386
Total	**80,23,468**	**1,93,63,577**

2 Contingent liability not provided for:

Description	March 31, 2020 Rs.	March 31, 2019 Rs.
(1) Claims against the Company not acknowledged as debts	6,40,161	5,94,334
(2) Claims against the Company not acknowledged as debts	14,05,11,966	13,29,73,924
(3) Claims against the Company not acknowledged as debts	1,90,000	1,90,000
(4) Claims against the Company not acknowledged as debts	8,49,443	8,18,559
(5) Claims against the Company not acknowledged as debts	-	13,48,450
(6) Claims against the Company not acknowledged as debts	2,89,048	2,66,405
(7) Claims against the Company not acknowledged as debts	-	73,85,762
(8) Appeal filed by the DCIT with ITAT	-	2,85,763
(9) Service tax show cause notice (SCN) cum demand	89,20,108	89,20,108
(10) Order from the Commissioner of CGST and Central Excise	17,43,14,913	15,58,50,105
(11) Claims against the Company not acknowledged as debts	-	1,34,765
(12) Claims against the Company not acknowledged as debts	30,000	30,000
(13) Claims against the Company not acknowledged as debts	1,20,500	1,20,500
(14) Claims against the Company not acknowledged as debts	1,13,238	1,10,559
(15) Claims against the Company not acknowledged as debts	23,536	21,716
(16) Claims against the Company not acknowledged as debts	-	8,32,685
(17) Claims against the Company not acknowledged as debts	-	45,71,370
(18) Claims against the Company not acknowledged as debts	2,12,214	2,00,302
(19) Claims against the Company not acknowledged as debts	7,32,274	6,59,740
(20) Claims against the Company not acknowledged as debts	9,57,413	8,13,019
(21) Claims against the Company not acknowledged as debts	2,80,355	-
(22) Claims against the Company not acknowledged as debts	5,06,656	-
(23) Claims against the Company not acknowledged as debts	6,27,328	-
(24) Claims against the Company not acknowledged as debts	5,66,003	-
(25) Claims against the Company not acknowledged as debts	19,09,092	-
(26) Claims against the Company not acknowledged as debts	1,30,311	-
(27) Claims against the Company not acknowledged as debts	2,14,988	-
(28) Claims against the Company not acknowledged as debts	1,75,057	-
(29) Claims against the Company not acknowledged as debts	2,35,821	-
(30) Claims against the Company not acknowledged as debts	2,19,724	-
(31) Claims against the Company not acknowledged as debts	1,89,053	-
(32) Claims against the Company not acknowledged as debts	3,75,266	-
(33) Claims against the Company not acknowledged as debts	1,81,862	-
(34) Claims against the Company not acknowledged as debts	3,61,993	-
(35) Claims against the Company not acknowledged as debts	5,50,000	-
(36) Claims against the Company not acknowledged as debts	8,07,482	-
(37) Claims against the Company not acknowledged as debts	18,96,551	-
(38) Claims against the Company not acknowledged as debts	3,00,00,000	-
(39) Appeal filed by company with ITAT	12,21,834	-
(40) Appeal filed by the DCIT with ITAT	15,50,663	
	36,99,04,853	**31,61,28,066**

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NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

2 Notes for contingent liability not provided for:

1 Mr. Indrajeet Singh has filed a complaint before District Consumer Forum, Lucknow, U.P., against Future Generali General Insurance Co. Ltd, Hyundai Motors Limited and JSV Hyundai Motors and Construction P. Ltd. & Aditya Birla Insurance Brokers Ltd. as the Claim rejected by insurance company towards car accident. The liability is Rs. 3,80,853 plus interest @ 12% plus Rs. 50,000 (harassment) plus Rs. 25,000 (suit).

2 M/s Amar Plastics has filed a complaint before the National Commission Delhi, against Iffco Tokio General Insurance Co. Ltd. and Aditya Birla Insurance Brokers Limited as Claim rejected by insurance company towards property damage. The liability is Rs. 4,17,63,900 plus interest @ 18% plus Rs. 10,00,000 (harassment)

3 Mr. Banvari Lal has filed a complaint before Permanent Lok Adalat, Varanasi against Manager, ICICI Lombard General Insurance Company Ltd, Branch Manager, ICICI, Hemant Kumar and Aditya Birla Insurance Brokers Limited as Claim rejected by insurance company towards motor theft. The liability is Rs. 1,00,000 plus Rs. 90,000 (harassment).

4 Ms. Sonam Agarwal has filed a complaint before Permanent Lok Adalat, Lucknow, U.P. against Bharti Axa General Insurance Co. Ltd, SAS Hyundai Motors and Aditya Birla Insurance Brokers Limited due to Non settlement of claim by insurance company. The liability is Rs. 2,20,000 plus interest @ 14% plus Rs. 50,000 plus Rs. 4,30,000 (legal & additional compensation).

5 Ms. Sachina Kharel has filed a complaint before Consumer Dispute Redressal Forum against Mahindra and Mahindra Fiancial Services Ltd and Aditya Birla Insurance Brokers Limited due to Non settlement of claim by insurance company. The liability is Rs. 9,00,000 plus interest @ 14% plus Rs. 1,72,286 (harassment & other charges). The same case has been disposed.

6 Mr. Suresh Kumar Yadav has filed a complaint before Consumer Dispute Redressal Forum against Reliance General Insurance Company Limited, Manager of Reliance General Insurance and Aditya Birla Insurance Brokers Limited due to Non settlement of claim by insurance company. The liability is Rs. 1,25,450 plus interest @ 18% plus Rs. 1,00,000 (harassment & other charges).

7 Mr. Narapati Sharma (Dhakal) has filed a complaint before Motor Accident Claims Tribunal East Sikkim against Ms. Sachina Kharel and Aditya Birla Insurance Brokers Limited due to Death of Mr. Narapati's son (Amit Sharma) in the car accident caused by Ms. Sachina Kharel. The liability is Rs. 60,29,800 plus interest @ 12% . The same case has been disposed.

8 The Company had received a refund of Rs. 9,47,309 for assessment year 2007-08. The Deputy Commissioner of Income Tax from Income Tax Department has applied to the Income Tax Appellate Tribunal against the order of the Commissioner of Income Tax (Appeal) to disallow certain expenses. In turn ITAT has restored back the matter to the file of AO.

9 The Commissioner of Service Tax – I, Mumbai has issued a Show Cause Notice (SCN) to the Company, along with a demand of service tax amounting to Rs. 89,20,108 along with interest at the appropriate rate and penalties for alleged non-payment of service tax on re-insurance brokerage income earned by the Company from the foreign re-insurers. The Company has disputed to this demand and responded that the said income has been earned on export of services and hence is exempt from service tax. Hence, the management is of the opinion that the company has a strong case and chances of cash outflow owing to this demand are remote.

10 The Service tax department has issued a Show Cause Notice (SCN)/order to the Company, for alleged availment of ineligible cenvat credit on invoices. The Company does not agree with the allegations and filed an appeal/reply before the authorities stating that the said cenvat credit is eligible as per service tax law. Based upon an independent legal advice obtained by the Company, the management is of the opinion that the company has a strong case and chances of cash outflow owing to this demand are remote.

11 Mr. Shersingh has filed a complaint before Consumer Dispute Redressal against L n T General Insurance Co. Ltd and Aditya Birla Insurance Brokers Limited due to Non settlement of claim by insurance company. The liability is Rs. 74,765 plus Rs. 60,000 (Harassment and Legal Charges). The date of hearing is fixed on April 18, 2019. The same case has been disposed.

12 The Complainant has filed a litigation in Consumer Forum Karimnagar - Telanganafor claim of cost of mobile and compensation towards mental agony. The date of hearing is fixed on June 11, 2019.

13 Ms. Sunandani Shipra has filed a complaint for insurance claim for accident of Hyundai Grand I10 sportz purchased from Kanak Hyundai. The Complainant has sought main relief from the Insurance Company, namely, Reliance General Insurance Company and has made no specific allegation against Aditya Birla Insurance Brokers Limited.The liability is Rs. 85,000 plus Rs. 35,000 (Legal & other charges). The date of hearing is fixed on August 05, 2019

14 Mr. Ajay Kumar Mishra has filed a complaint before District Consumer Forum, Lucknow, U.P.against Bharti Axa General Insurance Co. Ltd due to Non settlement of claim by insurance company. The liability is Rs. 22,261 plus interest @ 12% plus Rs. 86,000 (Harassment, legal & others). The next hearing date will be notified soon.

15 Mr. Suraj Kumar purchased Honda Mobilo which he insured from Chola MS, Subsequently, Mahindra First Choice, authorise dealer insured the vehicle with SBI General Insurance. The Complaiant alleges that the second insurance was done without his consent and demands back the premium amount annd Rs. 5000 as compensation for Legal expenses.

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NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

16 Mr. Baturi Ram has filed a complaint before Additional Motor Accident Claims Tribunal, District against Aditya Birla Insurance Brokers Limited and Ors due to Non settlement of claim by insurance company. The liability is Rs. 3,00,000 plus interest @ 12% The date of hearing is fixed on April 22, 2019.The same case has been disposed.

17 Mr. Shashi Srivas has filed a complaint before Additional Motor Accident Claims Tribunal, District against Aditya Birla Insurance Brokers Limited and Ors due to Non settlement of claim by insurance company. The liability is Rs. 42,50,000 plus interest @ 12% The date of hearing is fixed on April 22, 2019.The same case has been disposed.

18 Mr. Arvind Kumar Raghuvanshi has filed a complaint before District Consumer Forum, Guna against Aditya Birla Insurance Brokers Limited and Ors due to Non settlement of claim by insurance company. The liability is Rs.99,000 plus interest @ 12% The date of hearing is fixed on April 05, 2019.

19 Mr. Kalyan Debnath has filed a complaint before District Consumer Forum, Morigaon against Aditya Birla Insurance Brokers Limited and Ors due to Non settlement of claim by insurance company. The liability is Rs. 6,02,804 plus interest @ 12% The date of hearing is fixed on April 25, 2019.

20 Ms. Chanchala Devi and Ors.has filed a complaint before MVACT, Hazaribagh against Aditya Birla Insurance Brokers Limited and Ors due to Non settlement of claim by insurance company. The liability is Rs. 8,00,000 plus interest @ 18% The date of hearing is fixed on April 10, 2019.

21 Mr.Amar Singh has alleged that he vehicle was stolen and the insurance company, i.e. ICICI Lombard General Insurance company repudiated the claim made by the Complainant and thus the present complaint has been filed.Interest @ 18% is charged on Liability of Rs.2,37,094 /- which includes Mental Agony Charges of Rs.50000/- and Litigation Cost of Rs.50000/-. The date of hearing was scheduled on April 7,2020

22 Mr. Tarun Arora has allegedly filed a complain as the Premium he paid in Cash to O.P. No. 1 did not remit the said premium amount to the insurance company, i.e., ICICI Lombard General Insurance Company Ltd., O.P. No. 3 and issued a cheque towards the payment of insurance premium which got dishounoured and resultantly the insurance policy was cancelled. Interest @ 18% is charged on liability of Rs.4,33,708/- which is inclusive of Insurance Premium of Rs.8708/- , Unfair Trade Practice Rs.4,00,000/- and Litigation expenses of Rs.25,000/- The date of hearing was scheduled on April 29,2020

23 Mr.Anil Kumar has filed the instant claim under Setion 140 and 166 of Motor Vehicles Act, 1988 seeking compensation for accident by Royal Enfiled Bullet bearing Registration No. UP-70-DP-0759. Interest @15% calculated on Liability of Rs.5,25,000/- which included No fault Liability of Rs.25,000/- The date of hearing was scheduled on April 23,2020

24 Mr.Sonjay kumar has filed this consumer case praying for insurance claim after the accident of his Hyundai I10 which wass insured by the The New India Assurance Co. Ltd. Interest @12% calculated on total liability of Rs.3,47,000/- , inclusive of Rs.50,000/- towards Bodily Injury. Other Charges of Rs.1,25,000/- are levied towards compensation for harrassment and litigation charges. The date of hearing was fixed on February 14,2020.

25 Mrs.Rukmini Bai of RKW builders has prayed for an appleall, which doesn't mention a specific claim amount but wants the state commission to set aside the order of the DC (subject to changes by SCDRC) towards compensation for her deceased husband Mr.Vitthal. As a policy that employee joining after commencement of the policy was assumed to be covered under the same logic i.e 3 times of salary however, Vitthal was covered for only @1 time of the salary. The case further enumerates details pertaining to the endorsement dated 11th March,2011 in which the sum assured was left blank. The liability is of Rs.19,09,092/-. No interest applicable. Date for hearing of this case is awaited from Lawyers.

26 Mr.Ankula Sahoo has filed this consumer case praying for insurance claim after the accident of his TVS Apache which was insured by the The TATA AIG General Insurance. Interest of 6.40%is calculated on Mental Agony of Rs.1,00,000/- and Litigation Expande of Rs.25,000/-. The Interest shall be calculated on compound interest basis, which shall be compounded annually (w.e.f 1.8.2019). Date of hearing of this case was scheduled on 11th March 2020

27 Complainant No.1-Mr. P Nisan Unni and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.1,31,300/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

28 Complainant No.1-Mr. Jayam Vijay Daniel &and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.1,06,870/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

29 Complainant No.1-Mr. R Pavan Kumar &and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.1,40,096/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

30 Complainant No.1-Mr.Vinayak Mohan Naik &and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.1,29,374/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

31 Complainant No.1-Mr.Amit Kumar Mishra &and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.1,14,000/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

32 Complainant No.1-Seema Bai &and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.2,28,000/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

33 Complainant No.1-Mr.Prashanth Venu &and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.1,10,143/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

34 Complainant No.1-Mr. Amresh Kumar Mishra &and Complainant No.2 - FNF India Private Limited, are praying for insurance claim from the Opposite Parties. The Complainant no. 1 is an employee of Complainant no. 2 who due to the internal policy got into a group health with the Opposite Party no. 1. Interest @ 24% calculated on Rs.2,21,081/- which includes Harassment,Inconvinience & Agony Charges of Rs.1,00,000/- The hearing for this case was scheduled on 31st March 2020.

35 Mr.Rahul Sharma has filed this claim case praying for insurance claim after break down of the Car due to the camber burst which was insured with Bharti AXA General Insurance Company Ltd. No Interest to be calculated on Liability of Rs.5,50,000/- which includes Harassment,Inconvinience & Mental Agony Charge of Rs.1,00,000/-. The hearing for this case was scheduled on 27th February 2020.

36 Mr.Mohnish Kansal has filed this claim case praying for insurance claim after accident from the car which was insured with Liberty General Insurance Ltd. No interest to be calculated on Liability of Rs.8,07,482/- which includes repair charges of Rs.5,72,482/-, Harassment,Inconvinience & Mental Agony Charges of Rs.50,000/-, Financial Loss of Rs.50,000/- , Litigation costs of Rs.25,000/- The hearing for this case was scheduled on 12th March 2020

37 Mr.Rajesh Kumar is praying for the insurance claim of his Truck, which was damaged during an accident. The Complainant is further stating that his claim was wrongly repudiated on false grounds of overloading. No Interest to be calculated on Liability of Rs.18,96,551/- which ncluded legal expenses of Rs.5,500/- The hearing for this case was scheduled on 26th March 2020.

38 IRDAI on 30th December, 2019, passed an order alleging certain non-compliances / violations of MISP guidelines read with IRDAI (Insurance Brokers) Regulations, 2018 and Insurance Act, 1938 (including amendments). ABIBL has contested the charges and has filed an appeal in the Securities Appellate Tribunal to which stay has been granted on 28th January, 2020. The hearing for this case is scheduled on 27th April 2020.

39 The Deputy Commissioner of Income Tax (Assessing Officer) from Income Tax Department has disallowed certain expenses. The Company has filed/applied appeal to the Commissioner of Income Tax (Appeal) against the disallowance of expenses. However, the management is of the opinion that the company has a strong case and chances of cash outflow owing to this demand are remote.

40 The Assessing officer has granted short TDS credit in assessment order issued u/s 143(3) of the Income-tax Act, 1961. The company has filed rectification letter u.s 154 of the act with supporting of original TDS certificate. Hence, the management is of the opinion that the company has a strong case and chances of cash outflow owing to this demand are remote.

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(B) OTHER NOTES TO FINANCIAL STATEMENTS

3 Disclosure in respect of employee benefits pursuant to Ind AS -19

A The details of the company's defined benefit plans in respect of gratuity (funded by the company):

General description of the plan

The Company has maintained a gratuity plan with a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

The expected contribution payable to the plan next year is Rs 4,270,462

B The status of employee benefits as on March 31, 2020 as per actuarial valuation report is as under:

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Amounts recognised in Balance Sheet in respect of gratuity:		
Present value of the funded defined benefit obligations at the end of the year	5,09,62,844	3,91,69,563
Fair value of plan assets	4,10,96,800	3,77,01,329
Net (Asset)/ Liability	**98,66,044**	**14,68,234**
Amounts recognised in employee benefits expenses in the Statement of Profit and Loss in respect of gratuity:		
Current service cost	54,86,086	51,92,244
Interest on net defined benefit liability / (assets)	58,195	1,04,340
Net gratuity cost	**55,44,281**	**52,96,584**

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Amount recognised in Other Comprehensive Income (OCI) for the year:		
Actual return on plan assets excluding interest income	6,70,962	(32,64,294)
Actuarial changes arising from changes in demographic assumptions	-	(32,130)
Actuarial changes arising from changes in financial assumptions	33,40,023	12,83,592
Actuarial changes arising from changes in experience assumptions	10,74,125	10,34,314
Closing amount recognised in OCI outside the statement of profit and loss	**50,85,110**	**(9,78,518)**

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

C Reconciliation of present value of the obligation & fair value of plan assets

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Change in net liability/ assets		
Opening net defined benefit liability/ (assets)	14,68,234	27,63,955
Expense charged to profit and loss account	55,44,281	52,96,584
Amount recognised outside profit and loss account - OCI	50,85,110	(9,78,518)
Employer contributions	(55,44,916)	(67,16,125)
Impact of liability assumed or (settled)	33,13,335	11,02,338
Closing net defined benefit liability / (asset)	**98,66,044**	**14,68,234**
Change in Present Value of the Obligations:		
Opening defined benefit obligations	3,91,69,563	3,22,48,776
Current service cost	54,86,086	51,92,244
Interest cost	26,56,394	22,92,599
Actuarial changes arising from changes in demographic assumptions	-	(32,130)
Actuarial changes arising from changes in financial assumptions	33,40,023	12,83,592
Actuarial changes arising from changes in experience assumptions	10,74,125	10,34,314
Past service costs	-	-
Liabilities assumed / (settled)	33,13,335	11,02,338
Benefits paid	(40,76,682)	(39,52,170)
Closing defined benefit obligations	**5,09,62,844**	**3,91,69,563**
Change in fair value of assets:		
Opening fair value of plan assets	3,77,01,329	2,94,84,821
Interest on plan assets	25,98,199	21,88,259
Actuarial gain/(loss)	-	-
Contributes by employer	55,44,916	67,16,125
Remeasurements due to :		
Actual return on plan asset less interest on plan assets	(6,70,962)	32,64,294
Assets acquired on acquisition/distributed on divestiture	-	-
Benefits paid	(40,76,682)	(39,52,170)
Closing fair value of plan assets	**4,10,96,800**	**3,77,01,329**
Experience adjustment:		
Defined benefit obligation	5,09,62,844	3,91,69,563
Plan assets	4,10,96,800	3,77,01,239
Surplus/(deficit)	**(98,66,044)**	**(14,68,324)**
Principal actuarial assumptions at the balance sheet date:		
Discount rate (p.a.)	6.15%	7.10%
Salary escalation rate	7.00%	7.00%
Attrition Rate		
For MM & SM	7.50%	7.50%
For JM	23.00%	23.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	60 Years	60 Years

Aditya Birla Insurance Brokers Ltd. Mumbai

NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

D **Sensitivity analysis**

The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	March 31, 2020		March 31, 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
a. -50 basis points	5,28,04,559	4,91,84,807	4,06,81,011	3,77,39,834
a. -50 basis points impact (%)	3.61%	-3.49%	3.86%	-3.65%
b. + 50 basis points	4,91,32,270	5,27,30,638	3,77,47,605	4,06,75,212
b. + 50 basis points impact (%)	-3.59%	3.47%	-3.63%	3.84%

Sensitivity analysis method

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

E **Projected future contributions:**

Maturity profile	March 31, 2020 Amount (Rs.)	March 31, 2019 Amount (Rs.)
Expected benefits for 1 year	42,70,462	37,46,482
Expected benefits for 2 year	43,94,840	37,89,519
Expected benefits for 3 year	49,65,085	37,29,745
Expected benefits for 4 year	42,43,645	45,24,657
Expected benefits for 5 year	38,88,905	33,28,567
Expected benefits for 6 to 10 year	2,22,91,470	1,64,34,833
Expected benefits for 10 year and above	4,31,88,044	3,84,01,551

F

Disaggregation of plan assets	As at March 31, 2020		
	Quoted value	Non quoted value	Total
Government debt instruments	-	20,72,343	20,72,343
Other debt instruments	-	1,15,234	1,15,234
Entity's own equity instruments	-	-	-
Insurer managed funds	-	1,62,87,111	1,62,87,111
Others	-	2,26,22,112	2,26,22,112
Grand Total	-	**4,10,96,800**	**4,10,96,800**

Disaggregation of plan assets	As at March 31, 2019		
	Quoted value	Non quoted value	Total
Government debt instruments	-	19,23,944	19,23,944
Other debt instruments	-	1,08,477	1,08,477
Entity's own equity instruments	-	-	-
Insurer managed funds	-	1,45,11,964	1,45,11,964
Others	-	2,11,56,944	2,11,56,944
Grand Total	-	3,77,01,329	3,77,01,329

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Actual return on plan assets	19,27,237	54,52,553

4 **Defined contribution plan**

Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
Contribution to employees' provident fund (Govt. Provident Fund)	1,44,14,548	1,14,45,148
Contribution to employees' pension scheme (Govt. Pension Fund)	56,01,520	47,48,403
Contribution to ESIC fund	25,378	26,888
Contribution to MLW fund	19,368	8,559

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NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

5 Related party disclosures

(a) List of related parties:

Relationship
Ultimate holding company
Grasim Industries Limited (From July 01, 2017)
Holding company
Aditya Birla Capital Limited

Relationship
Second largest shareholding:
Infocyber India Private Limited
Fellow subsidiaries
Aditya Birla Finance Ltd (ABFL)
Aditya Birla Financial Shared Services Limited (ABFSSL)
Aditya Birla Money Mart Limited (ABMML)
Aditya Birla Sun Life Insurance Company Limited (ABSLI)
Aditya Birla Money Limited
Aditya Birla Housing Finance Limited
Aditya Birla Health Insurance Limited
Associates
IDEA Cellular Limited (Upto August 01, 2018)
Key Management Personnel:
Mr. Sandeep Dadia (Chief Executive Officer)
Mr. M. M. Bhagat (Director)
Mr. Adesh Gupta (Director)
Mr. Vijay Agrawal (Director)
Other related party
Grasim Industries Limited Employee Gratuity Fund
Other Related Parties in which Directors are interested
Aditya Birla management Corporation Private Limited

Notes:

(i) The related party relationships have been identified by the management on the basis of the requirements of the Ind AS-24 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.

(ii) The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.

Aditya Birla Insurance Brokers Ltd. Mumbai

The following inter company transactions/balances with Holding Company/Fellow Subsidiaries have taken place during the period under review and are included in the above figures under respective heads:

(Amount in Rs.)

Particulars	For the year ended/as at year ended	
	March 31, 2020	March 31, 2019
Holding Company		
Aditya Birla Capital Limited:		
Dividend Paid		
Aditya Birla Capital Limited	7,42,49,225	9,20,97,085
Equity Share Capital (Issue of Bonus shares)	-	2,56,51,040
Other Comprehensive Income/(Loss):		
Aditya Birla Capital Limited	5,32,529	-30,168
Expenses Reimbursed		
Aditya Birla Capital Limited *(Other expenses)*	78,07,405	77,39,801
Aditya Birla Capital Limited *(Employee benefit expense)*	2,29,88,545	2,59,56,926
Aditya Birla Capital Limited *(ESOP expense)*	1,70,90,485	3,39,69,795
Trade Payable		
Aditya Birla Capital Limited - *(Payable against expenses)*	94,57,969	1,19,12,047
Second largest shareholding:		
Dividend Paid		
Infocyber India Private Limited	7,42,43,262	9,20,89,718
Fellow subsidiaries:		
Income from operations		
Aditya Birla Health Insurance Limited *(General insurance brokerage)*	1,84,34,587	2,18,31,758
Aditya Birla Sun life Insurance Company Limited *(Life Insurance Brokerage)*	45,46,456	36,06,000
Other Comprehensive Income/(Loss):		
Aditya Birla Financial Shared Services Limited	1,26,004	2,75,710

Aditya Birla Insurance Brokers Ltd. ★ Mumbai

(Amount in Rs.)

Particulars	For the year ended/as at year ended	
	March 31, 2020	March 31, 2019
Expenses recovered		
Aditya Birla Health Insurance Company Limited *(Rent Expenses)*	4,08,162	3,93,744
Aditya Birla Finance Limited *(Sale of Assets)*	-	1,18,800
Aditya Birla Sun Life Insurance Company Limited *(Employee Benefit Expenses -Transfer of employee dues)*	46,65,143	12,81,020
Aditya Birla Financial Shared Services Limited *(Transfer of Employee dues)*	-	91,555
Aditya Birla Money Mart Limited *(Sale of Assets)*	28,02,401	20,14,333
Aditya Birla Money Mart Limited *(Insurance Expenses)*	1,857	-
Aditya Birla Housing Finance Limited *(Rent Expenses)*	76,861	-
Expenses reimbursed		
Aditya Birla Finance Limited *(Rent expenses)*	8,24,428	48,000
Aditya Birla Finance Limited *(Other expenses,)*	1,59,097	3,79,197
Aditya Birla Sun Life Insurance Company Limited *(Rent expenses)*	16,14,798	7,04,106
Aditya Birla Sun Life Insurance Company Limited *(Employee Benefit Expenses -Transfer of Assets)*	7,55,395	-
Aditya Birla Money Limited *(Rent expenses)*	3,46,440	3,46,440
Aditya Birla Financial Shared Services Limited *(Employee Benefit expenses)*	63,36,746	1,06,65,399
Aditya Birla Financial Shared Services Limited *(Service Hire expenses)*	1,88,27,595	1,54,53,514
Aditya Birla Financial Shared Services Limited *(Other expenses)*	58,81,132	43,06,199
Aditya Birla Financial Shared Services Limited *(ESOP)*	-	10,963
Aditya Birla Housing Finance Limited *(Rent expenses)*	45,12,656	-
IDEA Cellular Ltd. (Communication expenses upto 30th August 2018)	-	1,89,500
Contribution to Gratuity Fund :		
Grasim Industries Limited Employee Gratuity Fund	14,68,234	27,63,955
Other Transactions :		
Aditya Birla Sun Life Insurance Company Limited *(Reinsurance premium received)*	24,55,314	34,96,504
Key Management Personnel:		
Mr. Sandeep Dadia *	5,14,07,589	3,26,73,425
Mr. M. M. Bhagat	2,65,000	3,40,000
Mr. Adesh Gupta	2,00,000	2,00,000
Mr. Vijay Agrawal	3,35,000	3,80,000

Aditya Birla Insurance Brokers Ltd. Mumbai

(Amount in Rs.)

Particulars	For the year ended/as at year ended	
	March 31, 2020	March 31, 2019
Trade Payables :		
Aditya Birla Finance Limited *(Payable against expenses)*	2,58,610	-
Aditya Birla Sun Life Insurance Company Limited *(Payable against expenses)*	5,90,505	1,91,816
Aditya Birla Money Limited *(Payable against expenses)*	3,37,585	56,974
Aditya Birla Housing Finance Limited *(Payable against expenses)*	20,53,139	-
Aditya Birla Financial Shared Services Limited *(Payable against expenses)*	1,01,41,724	73,94,391
Financial assets : Receivables from related parties		
Aditya Birla Health Insurance Limited *(Receivable against rent)*	2,12,822	78,446
Aditya Birla Finance Limited *(Receivable against expenses)*	-	1,16,402
Aditya Birla Money Mart Limited *(Receivable against sale of asset)*	-	22,11,738
Other current assets (non financial):		
Aditya Birla Financial Shared Services Limited *(Prepaid expenses)*	8,72,646	9,46,809
Trade and other receivables:		
Aditya Birla Sun Life Insurance Company Limited *(Life Insurance Brokerage)*	5,38,312	2,42,152
Aditya Birla Health Insurance Limited *(General insurance brokerage)*	6,82,609	8,47,778
Other Related Parties in which Directors are interested		
Expenses Recovered		
Aditya Birla Management Corporation Private Limited *(Employee benefit expense - transfer of employee dues)*	-	2,50,000
Trade and other receivables:		
Aditya Birla Management Corporation Private Limited *(Transfer of employee dues)*	-	2,50,000

Notes:

1. Expenses are net of GST
2. Payables/Receivables are net of TDS

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

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NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Company's risk philosophy involves a competent and comprehensive risk management framework & robust policies and processes which minimise the element of uncertainty and help in developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. The Risk Management provides stability and balance ensuring that growth is backed by a robust portfolio. Company is exposed to various types of risks such as credit risk, market risk (which includes liquidity risk and pricing risk), operational risk, legal risk, regulatory risk and competition risk.

Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices. The Board of Directors have an oversight over the risk management framework applicable to the Company. The risk management oversight structure includes various Committees such as Risk Management Committee which consist of Board members and Senior Management. The Risk Management Committee ("RMC") which is chaired by an Independent Director conducts review at regular intervals to monitor compliance with risk policies, risk tolerance limits, review and analysis of risk exposure and provides oversight of risk across the organization.

6.1 Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Market Risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and loans.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

Assumptions

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

6.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's inter corporate deposits. The interest rate on inter corporate deposits is largely of fixed nature, hence the company is not exposed to interest rate risk.

6.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's Reinsurance activities where revenue is denominated in a foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible changes in Foreign exchange rates, with all other variables held constant.

Currency	March 31, 2020					
	Amount in Foreign Currency	Base Rate	Effect of 10% strengthening of INR on profit	Effect of 10% strengthening of INR on equity	Effect of 10% Diminishing of INR on profit	Effect of 10% Diminishing of INR on equity
Bangladeshi Taka	66,995	0.88	5,920	5,920	(5,920)	(5,920)
British Pound	1,368	93.87	12,840	12,840	(12,840)	(12,840)
EURO	17,054	83.08	1,41,686	1,41,686	(1,41,686)	(1,41,686)
Kuwaiti Dinar	1,573	239.25	37,642	37,642	(37,642)	(37,642)
Sri Lankan Rupees	25,85,853	0.40	1,02,788	1,02,788	(1,02,788)	(1,02,788)
Tanzanian Shiling	11,97,871	0.03	3,905	3,905	(3,905)	(3,905)
Turkish Lira	1,73,794	11.47	1,99,368	1,99,368	(1,99,368)	(1,99,368)
United Arab Emirates Dirham	51,028	20.52	1,04,721	1,04,721	(1,04,721)	(1,04,721)
US Dollar	25,248	75.37	1,90,291	1,90,291	(1,90,291)	(1,90,291)
Increase / (Decrease) in profit/ equity	**41,20,784**		**7,99,160**	**7,99,160**	**(7,99,160)**	**(7,99,160)**

Currency	March 31, 2019					
	Amount in Foreign Currency	Base Rate	Effect of 10% strengthening of INR on profit	Effect of 10% strengthening of INR on equity	Effect of 10% Diminishing of INR on profit	Effect of 10% Diminishing of INR on equity
Bangladeshi Taka	5,29,579	0.82	43,184	43,184	(43,184)	(43,184)
British Pound	1,401	90.28	12,648	12,648	(12,648)	(12,648)
EURO	19,553	77.75	1,52,031	1,52,031	(1,52,031)	(1,52,031)
Kuwaiti Dinar	1,694	227.23	38,489	38,489	(38,489)	(38,489)
Omani Rial	2	179.57	31	31	(31)	(31)
Philippines Piso	146	1.31	19	19	(19)	(19)
Sri Lankan Rupees	65,57,084	0.39	2,58,880	2,58,880	(2,58,880)	(2,58,880)
Tanzanian Shiling	11,97,871	0.03	3,583	3,583	(3,583)	(3,583)
Thai Baht	97,225	2.17	21,133	21,133	(21,133)	(21,133)
Turkish Lira	1,47,335	12.16	1,79,165	1,79,165	(1,79,165)	(1,79,165)
United Arab Emirates Dirham	69,804	18.87	1,31,719	1,31,719	(1,31,719)	(1,31,719)
US Dollar	18,434	69.32	1,27,789	1,27,789	(1,27,789)	(1,27,789)
Increase / (Decrease) in profit/ equity	**86,40,129**		**9,68,672**	**9,68,672**	**(9,68,672)**	**(9,68,672)**

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The sensitivities are based on financial assets and liabilities held at March 31, 2020 where balances are not denominated in the functional currency. The results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

6.2 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 is exposed to credit risk from its operating activities (primarily trade receivables)and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

6.2.1 Trade receivables

Debtor's credit risk is managed by the company subject to the Company's established policy, procedures and control relating to Debtor's credit risk management. Outstanding Debtors are regularly monitored.

As at March 31, 2020	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Trade Receivables	-	34,64,41,644	1,92,08,051	53,06,317	47,91,385	4,54,22,264	42,11,69,661
Total	-	**34,64,41,644**	**1,92,08,051**	**53,06,317**	**47,91,385**	**4,54,22,264**	**42,11,69,661**

As at March 31, 2019	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Trade Receivables	-	37,66,70,185	1,22,73,723	64,41,975	56,24,049	4,33,98,647	44,44,08,578
Total	-	**37,66,70,185**	**1,22,73,723**	**64,41,975**	**56,24,049**	**4,33,98,647**	**44,44,08,578**

ECL movement allowances	Amount Rs.
As at April 01, 2018	1,21,74,521
Provided during the year	1,49,22,161
Amounts written off	(1,62,96,067)
Reversals of provision	-
As at March 31, 2019	**1,08,00,615**
Provided during the year	1,09,93,797
Amounts written off	(62,59,131)
Reversals of provision	-
As at March 31, 2020	**1,55,35,281**

6.2.2 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company Management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Authorised Persons and updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

6.3 Liquidity risk

The Company monitors its Liquidity position on a regular basis and the same is managed by the Company Management.

The Company invests its surplus funds in bank fixed deposit, inter corporate deposits and schemes of mutual funds, which carry no or low mark to market risks.

Maturity profile of financial assets and liabilities

The table below provides details regarding the remaining contractual maturities of financial assets and liabilities at the reporting date based on contractual undiscounted payments.

(Amount in Rs.)

As at March 31, 2020	Less than 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Financial assets							
Cash and cash equivalents	70,04,480	-	-	-	-	-	70,04,480
Bank Balance other than (iii) above	3,63,92,231	1,00,00,000	-	-	-	-	4,63,92,231
Loans- Other	18,95,91,338	7,90,000	83,53,200	-	25,06,860	21,60,439	20,34,01,837
Current investments	20,09,73,102	-	-	-	-	-	20,09,73,102
Trade and other receivables	37,69,86,054	4,41,83,607	-	-	-	-	42,11,69,661
Other financials assets	-	15,48,419	1,29,72,470	-	-	-	1,45,20,889
Total	**81,09,47,205**	**5,65,22,026**	**2,13,25,670**	-	**25,06,860**	**21,60,439**	**89,34,62,200**
Financial Liabilities							
Trade Payables	53,70,86,590	21,58,64,158	-	-	-	-	75,29,50,748
Other financial liabilities	3,16,75,660	23,90,17,909	-	-	-	-	27,06,93,569
Lease liabilities	67,52,231	1,98,59,519	1,20,93,265	85,05,564	1,00,24,840	74,47,324	6,46,82,743
Total	**57,55,14,481**	**47,47,41,586**	**1,20,93,265**	**85,05,564**	**1,00,24,840**	**74,47,324**	**1,08,83,27,060**

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(B) OTHER NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

As at March 31, 2019	Less than 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Financial assets							
Cash and cash equivalents	41,39,054	-	-	-	-	-	41,39,054
Bank Balance other than (iii) above	4,25,24,465	1,00,00,000	-	-	-	-	5,25,24,465
Loans- Other	20,47,40,962	77,63,710	9,85,000	83,53,200	16,54,642	8,60,660	22,43,58,174
Current investments	24,25,86,262	-	-	-	-	-	24,25,86,262
Trade and other receivables	39,77,87,047	4,66,21,531	-	-	-	-	44,44,08,578
Other financials assets	-	4,55,515	10,56,196	1,21,39,454	-	-	1,36,51,165
Total	**89,17,77,790**	**6,48,40,756**	**20,41,196**	**2,04,92,654**	**16,54,642**	**8,60,660**	**98,16,67,698**
Financial Liabilities							
Trade Payables	36,04,65,327	19,91,89,100	-	-	-	-	55,96,54,427
Other financial liabilities	8,56,59,129	15,82,31,422	-	-	-	-	24,38,90,551
Lease liabilities	-	-	-	-	-	-	-
Total	**44,61,24,456**	**35,74,20,522**	-	-	-	-	**80,35,44,978**

6.4 **Capital risk management**

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company's monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity' as shown in the balance sheet plus net debt.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. However as on balance sheet date, the Company does not have any debts.

	As at March 31, 2020	As at March 31, 2019
Total Debt	-	-
Equity	71,22,60,787	59,09,67,641
Capital and net debt	71,22,60,787	59,09,67,641
Gearing Ratio	0%	0%

6.5 **Operational & businesss risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit

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7 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques including the DCF model, net book value as appropriate. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in Rs.)

Financial assets	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash and cash equivalents	70,04,480	41,39,054	70,04,480	41,39,054
Bank Balance other than (iii) above	4,63,92,231	5,25,24,465	4,63,92,231	5,25,24,465
Loans	20,09,67,895	22,12,67,943	20,12,14,833	22,13,68,451
Current investments	20,09,73,102	24,25,86,262	20,09,73,102	24,25,86,262
Trade and other receivables	40,56,34,380	43,36,07,963	40,56,34,380	43,36,07,963
Other financials assets	1,45,20,889	1,36,51,165	1,45,20,889	1,36,51,165
Total	**87,54,92,976**	**96,77,76,851**	**87,57,39,914**	**96,78,77,359**

(Amount in Rs.)

Financial Liabilities	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade Payables	75,29,50,749	55,96,54,428	75,29,50,749	55,96,54,428
Other Financial Liabilities	27,06,93,562	24,38,90,550	27,06,93,562	24,38,90,550
Lease liabilities	5,56,54,334	-	5,56,54,334	-
Total	**1,07,92,98,645**	**80,35,44,978**	**1,07,92,98,645**	**80,35,44,978**

The management assessed that, the fair value, of cash and cash equivalents, trade receivable and trade & other payables and certain loans approximate their carrying amounts, largely due to their short term maturities

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at March 31, 2020. The different levels have been defined as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Financial assets	Date of valuation	Total value (Rs.)	Fair value measurement using (Rs.)		
			Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities	Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable	Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
Cash and cash equivalents	March 31, 2020	70,04,480			70,04,480
Bank Balance other than (iii) above		4,63,92,231			4,63,92,231
Loans & Other Security Deposits		20,12,14,833	-	-	20,12,14,833
Current Investments		20,09,73,102	-	20,09,73,102	-
Trade and other receivables		40,56,34,380			40,56,34,380
Other financials assets		1,45,20,889	-	-	1,45,20,889
Cash and cash equivalents	March 31, 2019	41,39,054	-	-	41,39,054
Bank Balance other than (iii) above		5,25,24,465	-	-	5,25,24,465
Loans & Other Security Deposits		22,13,68,451	-	-	22,13,68,451
Current Investments		24,25,86,262	-	24,25,86,262	-
Trade and other receivables		43,36,07,963			43,36,07,963
Other financials assets		1,36,51,165			13651164.99

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Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

Financial liabilities	Date of valuation	Total value (Rs.)	Fair value measurement using (Rs.)		
			Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities	Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable	Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
Trade Payables	March 31, 2020	75,29,50,749	-	-	75,29,50,749
Other Financial Liabilities		27,06,93,562	-	-	27,06,93,562
Lease liabilities		5,56,54,334	-	-	5,56,54,334
Trade Payables	March 31, 2019	55,96,54,428	-	-	55,96,54,428
Other Financial Liabilities		24,38,90,550	-	-	24,38,90,550
Lease liabilities		-			-

Description of significant unobservable inputs to valuation:
Discounted Cash Flow (DCF) method is used for the valuation for Loans and other receivable that are carried at amortised cost.

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(B) OTHER NOTES TO FINANCIAL STATEMENTS

8 *Transition- Lease*

Effective April1, 2019, the company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 7,22,56,705/- and a lease liability of Rs. 8,08,05,483/- The cumulative effect of applying the standard, amounting to Rs.60,59,373/- was debited to retained earnings, net of taxes. The effect of this adoption is in significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4.Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is between the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

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;
- Determination of whether variable payments are in-substance fixed;

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.

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8.1 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

Particulars	Category of ROU Asset Leasehold premises (Amount in Rs.)
Balance as at April 01, 2019	7,22,56,706
Transfer from deferred lease expense	21,58,301
Additions	79,74,596
Deletions	-
Amortisation	(3,18,73,188)
Balance as at March 31, 2020	**5,05,16,415**

8.2 Amounts recognised in profit and loss for the year ended March 31, 2020

Particulars	Amount in Rs.
Amortisation expense on right-of-use assets	3,18,73,188
Interest expense on lease liabilities	51,74,881
Expense relating to short-term leases	6,22,380
Expense relating to leases of low value assets	5,16,644
Total	**3,81,87,093**

8.3 The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	Amount in Rs.
Current Lease Liabilities	2,58,96,662
Non-Current Lease Liabilities	2,97,57,672
Total	**5,56,54,334**

8.4 The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	Amount in Rs.
Balance as at April 01, 2019	8,08,05,483
Additions	79,74,596
Deletions	-
Finance Cost accrued during the year	51,74,880
Payment of Lease Liabilities	(3,83,00,625)
Balance as at March 31, 2020	**5,56,54,334**

8.5 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount in Rs.
Less than one year	2,66,11,751
One to Five years	3,06,23,669
More than Five years	74,47,324
Total	**6,46,82,744**

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8.6 Future minimum lease payments payables for the period March 31, 2019

Particulars	Amount in Rs.
Not later than one year	41,29,956
Later than one year and not later than five years	5,40,000
Later than five years	-

A reconciliation of the operating lease commitments at March 31, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognized in the statement of financial position at April 1, 2019 is provided below:

Particulars	Amount in Rs.
Operating lease commitments disclosed as at March 31, 2019	46,69,956
Less: Discounted using the lessee's incremental borrowing rate of at the date of initial application	(12,71,160)
Add: Rental payouts for the leases which were not covered in minimum lease disclosure of F.Y. 2018-19 since those were cancellable leases	4,09,27,164
Add: Rental payouts for the cancellable period of leases since cancellable period was not considered in minimum lease disclosure of F.Y. 2018-19	3,64,79,523
Lease liabilities recognized as at April 01, 2019	8,08,05,483

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.

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9 The Company has single reportable segment viz-insurance advisory & broking services for the purpose of IND AS 108 on 'Segment Reporting'. The Company does not have any reportable geographical segment

10 Earnings per share (basic and diluted):

Particulars	March 31, 2020	March 31, 2019
Net profit after tax available for equity shareholders (Rs)	30,96,61,068	19,89,06,170
Weighted average number of equity shares outstanding (Nos):		
Number of shares at the beginning of the year	51,30,000	27,00,000
Bonus Shares issued during the year	-	24,30,000
Number of shares at the end of the year	51,30,000	51,30,000
Earning per share (Rs)	60.36	38.77
Nominal value of share (Rs)	10	10

11 **Foreign currency transactions:**

Nature of transaction	March 31, 2020	March 31, 2019
Earning in foreign currency (Rs)	1,27,03,532	1,19,49,622
Expenses in foreign currencies (Travel expenses) (Rs)	20,02,311	18,72,333
Expenses in foreign currencies (Other expenses) (Rs)	12,69,746	10,82,638

12 The details of the clients from where the Company has earned more than 10% of its total revenue are as under:-

Sr. No.	% of revenue
A	18.32%
B	13.85%
C	10.86%
D	10.01%

13 Pursuant to ESOP Plan being established by the holding company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the financial year.Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs 1,70,90,485 has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss. The balance sum of Rs. 1,22,73,979 will be charged to the statement of Profit and Loss in future periods.

14 The recently promulgated Taxation Laws (Amendment) Ordinance 2019, has inserted section 115 BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/ incentives. The option needs to be exercised within the prescribed time specified for filing the return of income under section 139(1) of the Income Tax Act, 1961 for previous year FY 2019-20 relevant to the assessment year AY2020-21and such option once exercised shall apply to subsequent assessment years.

Once the option has been exercised for any previous year, such an option cannot be subsequently withdrawn for the same or any other previous year.

These financial statements are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the opening deferred tax assets has reduced by Rs.60,40,060/- due to restatement at lower rate.

15 As at the year end, the Company's current liabilities have exceeded its current assets by Rs. 15,36,03,982/- primarily on account of advance income tax assets aggregating Rs. 63,10,26,984/-which are classified as Non-current assets out of which the Company is expecting partial refund of income tax assets within a year and also expect to have positive cash flow in FY 21 and applied for lower deduction of withholding tax. This will be sufficient to cover the deficit of net working capital. On these considerations, these financial statements are prepared on a going concern basis

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

16 Estimation uncertainty relating to the global health pandemic on COVID-19

The management has assessed the potential impact of the COVID-19 on the financial statements of the Company. In assessing the recoverability of receivables and assets, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

17 The above financial statements and the corresponding figures for the year ended /as at March 31, 2019 have been subjected to audit by previous statutory auditors of the company

18 Disclosure of details as required under amended guidelines as per Regulation 34 (6) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 has been given under Annexure 1 to these financial statements.

19 The figures in respect of the previous year have been regrouped / rearranged, wherever necessary to make them comparable.

For and on behalf of the Board of Directors of
Aditya Birla Insurance Brokers Limited

Director
DIN
00058548

Director
DIN
00023684

Chief Executive Officer

Chief Financial Officer

Company Secretary

Place: Mumbai
Date: May 08, 2020

Aditya Birla Insurance Brokers Ltd. Mumbai

ADITYA BIRLA INSURANCE BROKERS LIMITED

NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

18 Annexure -1

(A) Detail of income received from insurers (Refer note below the table):

Name of insurer	March 31, 2020	March 31, 2019
Aditya Birla Health Insurance Co Ltd	1,80,91,604	1,94,21,728
Apollo Munich Health Insurance Co. Ltd.	1,27,909	4,64,947
Bajaj Allianz General Insurance Co. Ltd	33,60,60,014	26,84,47,321
Bharti Axa General Insurance Company Limited	54,71,83,970	46,73,18,785
Cignatkk Health Insurance Company Limited	19,599	8,951
Cholamandlam MS General Insurance Co. Ltd	23,31,15,591	16,54,33,950
ECGC of India Ltd.	17,80,336	7,45,539
Go Digit General Insurance Limited	4,07,03,897	97,642
Future Generali India Insurance Company Limited	19,78,56,321	17,62,38,127
HDFC Ergo General Insurance Co. Ltd	40,63,85,805	46,37,86,001
ICICI Lombard General Insurance Co. Ltd	92,31,40,891	79,98,76,840
Iffco Tokio General Insurance Co. Ltd	6,03,25,982	8,71,58,005
Kotak Mahindra General Insurance Co Ltd	6,91,61,345	1,39,27,407
Liberty Videocon General Insurance Co. Ltd.	50,43,32,984	37,16,52,082
Magma HDI General Insurance Co Ltd	14,05,077	2,28,808
Max Bupa Health Insurance Co. Ltd.	79,084	78,681
National Insurance Co. Ltd	2,46,10,513	1,46,38,166
Raheja QBE General Insurance Company Limited	7,43,813	5,67,863
Reliance General Insurance Co. Ltd	48,21,70,719	49,11,59,373
Religare Health Insurance Company Limited	67,68,863	68,84,172
Royal Sundaram Alliance Insurance Co. Ltd	1,79,74,426	2,84,22,216
SBI General Insurance Co. Ltd.	18,28,57,413	19,85,86,140
Shriram General Insurance Company Limited	2,50,017	2,12,587
Star Health and Allied Insurance Company Limited	44,55,719	11,51,464
Tata AIG General Insurance Co. Ltd	20,00,03,318	25,02,81,879
The New India Assurance Co. Ltd	69,75,20,290	47,85,40,266
The Oriental Insurance Co. Ltd	3,04,84,039	3,63,33,644
United India Insurance Co. Ltd	4,09,60,531	3,68,52,780
Universal Sompo General Insurance Co. Ltd.	20,457	13,219
Aditya Birla Sun Life Insurance Co. Ltd.	40,63,337	37,08,960
Hdfc Standard Life Insurance Co Ltd	1,74,766	2,24,800
ICICI Prudential Life Insurance Company Limited	14,23,441	-
India First Life Insurance Co.Ltd	17,01,748	-
Kotak Life Insurance Ltd	5,82,016	2,56,324
Max Life Insurance Co Ltd	4,60,271	97,522
PNB Metlife India Insurance Company Limited	(99,097)	99,097
SBI Life Insurance Company Limited	5,38,441	-

Note:
The information provided in above table is excluding reinsurance brokerage as the same is received from reinsurers

Aditya Birla Insurance Brokers Ltd. Mumbai

(B) Detail of payments received by the group companies from insurers (Refer note below the table):

Company name	Name of Insurer	Nature of payment	March 31, 2020	March 31, 2019
Aditya Birla Housing Finance Ltd	Liberty Videocon General Insurance Co. Ltd.	Signage and other display materials in office premises	-	1,29,99,800
		Insurance Commission	1,19,92,308	-
	Reliance General Insurance Co. Ltd	Signage and other display materials in office premises	-	2,49,20,000
		Insurance Commission	1,30,45,157	-
	Aditya Birla Health Insurance Co Ltd	Insurance Commission	1,18,49,926	-
	Aditya Birla Sun life Insurance Co Ltd	Insurance Commission	1,32,65,966	
		Employee transfer Dues Received	5,13,355	-
Aditya Birla Sun life Insurance Co Ltd	Aditya Birla Health Insurance Co Ltd	Recovery of expenses	32,218	89,01,737
		Retirement benefit liability of transferred employees	-	1,190
		Group mediclaim	-	1,67,596
		Reimbursement of expenses	12,43,637	9,19,664
		Reimbursement of	88,62,667	-
	Tata AIG General Insurance Co. Ltd	Glass Door Damage-Insurance Claim Expenses	-	24,720
Aditya Birla Money Insurance Advisory Services Limited	Aditya Birla Sun life Insurance Co Ltd	Insurance Commission	1,34,10,769	83,96,725
	Liberty General Insurance Ltd.	Insurance Commission	1,28,99,819	-
	Reliance General Insurance Co. Ltd.	Insurance Commission	1,73,38,152	-
	Aditya Birla Health Insurance Co. Ltd.	Insurance Commission	31,00,469	-
Grasim Industries Ltd	The New India Assurance Co. Ltd.	Office package policy claim	5,444	21,50,035
		CD Balance Refund	4,58,418	-
		Mega policy claim	93,40,213	-
	Tata AIG General Insurance Co. Ltd	Excess Premium Refund	107	-
	HDFC Ergo General Insurance Co. Ltd	CD Balance Refund	96,261	-
Aditya Birla My Universe Services Limited.	Tata-Aig General Insurance Co. Ltd	Damage claim- Laptop	-	3,901
Aditya Birla Finance Limited	Tata-Aig General Insurance Co. Ltd	Office package policy claim	2,32,660	2,27,764
	HDFC Ergo General Insurance Co. Ltd	Refund of excess premium	5,35,755	5,33,597
	ICICI Lombard General Insurance Co. Ltd	Refund of excess premium	10,649	-
Aditya Birla Money Limited	Aditya Birla Sun Life Insurance Co Ltd	Recovery of expenses	-	10,97,847
	Tata AIG General Insurance Co. Ltd	Refund of excess premium	3,814	-
Aditya Birla Health Insurance Co Ltd	Bajaj Allianz General Insurance Co. Ltd	Co-Insurance premium	-	3,70,78,456
	HDFC Ergo General Insurance Co. Ltd	Co-Insurance premium	59,55,279	6,12,61,226
	ICICI Lombard General Insurance Co. Ltd	Co-Insurance premium	-	25,69,320
	SBI General Insurance Co. Ltd.	Co-Insurance premium	52,468	77,48,474
	The New India Assurance Co. Ltd	Co-Insurance premium	3,97,90,393	7,36,47,766
	The Oriental Insurance Co. Ltd	Co-Insurance premium	50,45,639	1,51,825
	United India Insurance Co. Ltd	Co-Insurance premium	-	25,84,937
Aditya Birla Sun Life AMC Ltd	Tata AIG General Insurance Co. Ltd	Insurance Claim for Damages	97,320	1,33,805
	HDFC Ergo General Insurance Co. Ltd	GMC CD balance refund	3,11,029	-
Aditya Birla Private Equity	HDFC Ergo General Insurance Co. Ltd	GMC Topup Refund	46,425	-
	Aditya Birla Sun Life Insurance Co Ltd	Refund of Nischint Policy Premium	19,883	-

Note:
As per Regulation 34 (6) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018, insurance brokers are required to include details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof in their financial statements. The above information covers payments received from insurers by Aditya Birla Capital Group companies and Grasim Industries Limited, the ultimate holding company.

Aditya Birla Insurance Brokers Ltd.
Mumbai

ADITYA BIRLA INSURANCE BROKERS LIMITED

NOTE '29'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

(B) OTHER NOTES TO FINANCIAL STATEMENTS

(C) **Disclosure of details as required under amended guidelines as per Regulation 34 (1-C) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018.**

Cash flow statement for the year ended 31st March 2020:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Rs.	Rs.
A.Cash Flow from Operating Activities:		
Brokerage Receipts	4,64,31,56,967	3,96,61,73,724
Reinsurance Receipts	4,62,11,031	3,54,63,041
Other Receipts/Payments	3,59,78,426	(4,39,09,940)
Realisations from Sundry Debtors	43,86,91,252	47,04,01,789
Payment towards Expenses	(3,65,55,54,788)	(3,35,59,03,127)
Payment of Tax Deducted at Source	(42,00,59,401)	(33,91,71,909)
Payments to Sundry Creditors	(76,34,67,554)	(78,08,16,791)
Payment of Other Advances	(15,42,09,471)	8,20,93,326
Net Cash from Operating Activities (A)	**17,07,46,462**	**3,43,30,113**
B. Cash Flow from Investing Activities:		
Purchase of Investments	(5,24,25,00,000)	(4,98,97,00,002)
Sale of Investments	5,32,10,50,000	5,15,14,00,000
Purchases of fixed assets	(4,86,43,701)	(4,19,17,936)
Sale of fixed assets	30,29,853	28,53,570
Income received on Investments	1,64,98,992	2,34,73,475
Expenses relating to Investments	-	-
Net Cash from Investing Activities (B)	**4,94,35,144**	**14,61,09,107**
C. Cash Flow from Financing Activities:		
Proceeds from issue of Share Capital	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	(3,83,00,625)	-
Interest/Dividends paid	(17,90,15,555)	(22,20,46,941)
Net Cash from Financing Activities (C)	**(21,73,16,180)**	**(22,20,46,941)**
Net Increase/(Decrease) in Cash and Cash Equivalents [(A) + (B) + (C)]	**28,65,426**	**(4,16,07,721)**
D. Cash Bank Balances as on April 01, 2019		
Cash in Hand	-	-
Balance in Current Accounts	**41,39,054**	**4,57,46,775**
E. Cash Bank Balances as on March 31, 2020		
Cash in Hand	-	-
Balance in Current Accounts	**70,04,480**	**41,39,054**

Aditya Birla Insurance Brokers Ltd. Mumbai

Aditya Birla Money Insurance Advisory Services Limited

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Money Insurance Advisory Services Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Aditya Birla Money Insurance Advisory Services Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, 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 Ind AS 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 Ind AS 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 March 31, 2020, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Emphasis of Matter

We draw attention to note 37 to the financial statements, which describes that the extent to which COVID 19 pandemic will impact the Company's operations and its financial position, performance and cashflow will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. The board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibility of Management for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 36 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 39 to the Ind AS financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749

UDIN: 20048749AAAAHS2533

Place of Signature: Mumbai
Date: May 20, 2020

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 Money Insurance Advisory Services Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions of duty of custom, duty of excise are not applicable to the Company.

(c) According to the records of the Company, the dues of income tax, sales tax, service tax, goods and service tax, duties of customs, value added tax and cess on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15,25,917	AY 2012-13	Commissioner of Income Tax (Appeals)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

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(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749

UDIN: 20048749AAAAHS2533

Place of Signature: Mumbai
Date: May 20, 2020

ANNEXURE 2 to the Independent Auditor's Report of even date on Ind AS Financial Statements of Aditya Birla Money Insurance Advisory Services 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 over financial reporting of Aditya Birla Money Insurance Advisory Services Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS 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 these Ind AS 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 these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749

UDIN: 20048749AAAAHS2533

Place of Signature: Mumbai
Date: May 20, 2020

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2020

PARTICULARS	Notes	As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipments	3	-	2,885
(b) Tax Assets (Net)	4	90,95,770	61,30,571
Total Non Current Assets (A)		**90,95,770**	**61,33,456**
Current Assets			
(a) Financial Assets			
(i) Trade and Other Receivables	5	1,10,61,656	20,05,839
(ii) Cash and Cash Equivalents	6	1,79,34,433	26,35,588
(iii) Loans	7	-	32,390
(b) Other Current Assets	8	22,82,928	50,88,113
Total Current Assets (B)		**3,12,79,017**	**97,61,930**
Total Assets (A+B)		**4,03,74,787**	**1,58,95,386**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	4,96,50,000	2,46,50,000
(b) Other Equity	10	(1,82,98,669)	(4,38,29,144)
Total Equity(C)		**3,13,51,331**	**(1,91,79,144)**
Non-Current Liabilities			
(a) Provisions	12(a)	13,58,500	2,52,599
Total Non Current Liabilities		**13,58,500**	**2,52,599**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	-	3,24,00,000
(ii) Trade and Other Payables	13		
- Micro and small enterprises		-	-
- Other than micro and small enterprises		39,73,281	12,22,048
(iii) Other Liabilities	14	16,69,709	4,39,142
(b) Other Current Liabilities	15	7,87,837	5,16,935
(c) Provisions	12(b)	12,34,129	2,43,806
Total Current Liabilities		**76,64,956**	**3,48,21,931**
Total Liabilities(D)		**90,23,456**	**3,50,74,530**
Total Equity and Liabilities(C+D)		**4,03,74,787**	**1,58,95,386**

Summary of Significant Accounting Policies — 2.1
The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For S.R.BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

For and on behalf of the Board of Directors of
Aditya Birla Money Insurance Advisory Services Limited

per Viren H. Mehta
Partner
Membership No: 048749

Subhro Bhaduri
Director
DIN : 07504331

Sanjay Kumar Miranka
Director
DIN : 01844477

Place : Mumbai
Date: 20th May,2020

Aditya Birla Money Insurance Advisory Services Ltd.

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Notes	For the Year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
Revenue From Operations	16	4,67,49,210	83,96,725
Other Income	17	4,92,009	3,93,635
Total Revenue		4,72,41,219	87,90,360
Expenses			
Employee Benefit Expenses	18	95,94,541	20,88,232
Finance Cost	19	8,04,370	30,06,127
Depreciation	20	2,885	7,451
Other Expenses	21	1,00,85,879	22,89,843
Total Expenses		2,04,87,675	73,91,653
Profit /(Loss) before tax		2,67,53,544	13,98,707
Tax expenses			
Current Tax		-	22,41,000
Prior Period Adjustments		13,92,884	-
Profit /(Loss) For the year after Tax		2,53,60,660	(8,42,293)
Other Comprehensive Income Statement	24		
A (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
B (i) Items that will not be reclassified to profit or loss			
- Remeasurement gains/losses on defined benefit plans		1,69,815	(45,520)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income/(Loss) for the Year		1,69,815	(45,520)
Total Comprehensive Income/(Loss)		2,55,30,475	(8,87,813)
Earning per Equity Share			
Basic Earnings per Share - Rs.	22	5.11	(0.34)
Diluted Earnings per Share - Rs.	22	5.11	(0.34)
(Face Value of Rs 10/- each)			
Summary of Significant Accounting Policies	2.1		

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

For S.R.BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

Place : Mumbai
Date: 20th May,2020

For and on behalf of the Board of Directors of
Aditya Birla Money Insurance Advisory Services Limited

Subhro Bhaduri
Director
DIN : 07504331

Sanjay Kumar Miranka
Director
DIN : 01844477

Aditya Birla Money Insurance Advisory Services Ltd.

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

Statement of changes in Equity for the year ended 31st March, 2020

a. Equity Share Capital

Particulars	Number of shares	Amount
	No.	Rs.
As at 31st March, 2018	**24,65,000**	**2,46,50,000**
Issued during the year	-	-
As at 31st March, 2019	**24,65,000**	**2,46,50,000**
Issued during the year	25,00,000	2,50,00,000
As at 31st March, 2020	**49,65,000**	**4,96,50,000**

b. Other Equity

Particulars	Equity Component	Reserves and Surplus				Total
		Capital Redemption Reserve	General Reserve	Retained earnings	Securities Premium	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31st March, 2018	**80,90,929**	-	-	**(20,44,34,571)**	**15,34,03,162**	**(4,29,40,480)**
Loss for the Year	-	-	-	(8,42,293)	-	(8,42,293)
Other comprehensive income	-	-	-	(45,520)	-	(45,520)
Total comprehensive income	-	-	-	**(8,87,813)**	-	**(8,87,813)**
Other Components of Equity	(80,90,929)	-	-	80,90,078	-	(851)
As at 31st March, 2019	-	-	-	**(19,72,32,306)**	**15,34,03,162**	**(4,38,29,144)**
Profit/(Loss) for the Year	-	-	-	2,53,60,660	-	2,53,60,660
Other comprehensive income	-	-	-	1,69,815	-	1,69,815
Total comprehensive income	-	-	-	2,55,30,475	-	2,55,30,475
As at 31st March, 2020	-	-	-	**(17,17,01,831)**	**15,34,03,162**	**(1,82,98,669)**

As per our report of even date

For S.R.BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

Place : Mumbai
Date: 20th May,2020

For and on behalf of the Board of Directors of
Aditya Birla Money Insurance Advisory Services Limited

Subhro Bhaduri
Director
DIN : 07504331

Sanjay Kumar Miranka
Director
DIN : 01844477

Aditya Birla Money Insurance Advisory Services Ltd. ★

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars		For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
		Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITES			
Profit/(Loss) before Tax		2,67,53,544	13,98,707
Non Cash Adjustments to reconcile Profit/(Loss) before tax to net cash flows :			
Depreciation		2,885	7,451
Operating Profit before Working Capital Changes		2,67,56,429	14,06,158
Movements in Working Capital			
Increase / (Decrease) in Non Current provisions		11,05,901	32,274
Increase / (Decrease) in Trade payables		27,51,233	3,69,555
Increase / (Decrease) in other current financial liabilities		12,30,567	(2,39,355)
Increase / (Decrease) in Other current liabilities		2,70,902	1,43,556
Increase / (Decrease) in Current provisions		11,60,138	53,100
(Increase) /Decrease in Trade receivables		(90,55,817)	3,21,818
Decrease / (Increase) in Other Current Assets		28,05,185	6,19,163
Decrease / (Increase) in Current loans		32,390	8,48,606
		3,00,499	21,48,717
Income Tax Paid		43,58,083	8,39,096
Net cash flow from Operating Activities	(A)	2,26,98,845	27,15,779
B CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceeds from Fixed assets		-	4,784
Net cash flow from Investing Activities	(B)	-	4,784
C CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Equity Share Capital		2,50,00,000	-
Repayment of borrowings		(3,24,00,000)	(10,00,000)
Net cash flow used in Financing Activities	(C)	(74,00,000)	(10,00,000)
Net Increase/(Decrease) in Cash & Cash Equivalent	(A)+(B)+(C)	1,52,98,845	17,20,563
Cash and Cash Equivalent at the beginning of the Year		26,35,588	9,15,025
Cash and Cash Equivalent at the end of the Year		1,79,34,433	26,35,588
Components of Cash and Cash Equivalents :			
With Banks in Current account		1,79,34,433	26,35,588
Total Cash and Cash Equivalents		1,79,34,433	26,35,588

Cash Flow From Operations Include :

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Rs.	Rs.
Interest Expense	8,04,370	30,06,127

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows' prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

Summary of Significant Accounting Policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

per Viren H. Mehta
Partner
Membership No: 048749

Place : Mumbai
Date: 20th May,2020

For and on behalf of the Board of Directors of
Aditya Birla Money Insurance Advisory Services Limited

Subhro Bhaduri
Director
DIN : 07504331

Sanjay Kumar Miranka
Director
DIN : 01844477

Aditya Birla Money Insurance Advisory Services Ltd.

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(1) CORPORATE INFORMATION

Aditya Birla Money Insurance Advisory Services Limited (the company) is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 It is registered as a Corporate Agent (Composite) with Insurance Regulatory and Development Authority of India and is engaged in Distribution of Insurance products.

(2) BASIS OF PREPARATION

The special purpose Financial Statements have been prepared based on Fair Value Accounting principle prescribed under Indian Accounting Standard (Ind AS) 103 – "Business Combinations"

Pursuant to the scheme of arrangement becoming effective from July 01, 2017, Aditya Birla Nuvo Limited has merged into Grasim Industries Limited and subsequently Aditya Birla Capital Limited is demerged from Grasim Industries Limited. As per Ind AS 103, the purchase consideration has been allocated to the assets and liabilities of the Company (being a step down subsidiary of Grasim Industries Limited) on a provisional basis, based on draft valuation report obtained from an independent valuer, pending the final determination of the fair value of the assets and liabilities. The scheme being effective from July 01, 2017.

The special purpose Financial Statements have also been prepared in accordance with the recognition and measurements principles laid down under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017.

These special purpose Financial Statements are prepared to assist solely for the purpose of preparation of consolidated financial results of Grasim Industries Limited for the year ended March 31, 2019

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria set out in the Schedule III of the companies' Act 2013 Based on the nature of products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities. The financial statements are presented in INR unless otherwise stated.

(2.1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates :

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Plant ,Property & Equipments

(i) Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Depreciation on Tangible assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 Depreciation on assets added/ disposed off during the year is provided on prorata basis with reference to the month of addition / deduction. 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 income statement when the asset is derecognized.

(iii) Following rates are used to provide depreciation on Tangible fixed assets

Assets	Useful Life as prescribed by Schedule II of The Companies Act,2013	Estimated useful life used by the Company
Leasehold Improvements	Over the primary period of the lease	Lease period or six years, whichever is earlier
Servers and Networks	6 years	6 years
Computers	3 years	3 years
Office Equipments	5 years	5 years
Electronic Equipments	10 years	4 years
Furniture & fixture	10 years	7 years

(iv) Useful life of assets different from those prescribed in Schedule II has been estimated by management supported by technical assessment.

(v) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(vi) Assets costing Rs. 5,000 or less are written off in the year of purchase.

(c) Intangible Fixed Assets :

Intangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to it's working condition for it's intended use. Software is amortised over a period of three financial years.

(d) Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. 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.

(e) Fair value measurement

The Company measures financial instruments at fair value at each reporting 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:

1) In the principal market for the asset or liability, or

2) 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.

1) Quoted (unadjusted) market prices in active markets for identical assets or liabilities

2) Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

3) Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Aditya Birla Money Insurance Advisory Services Ltd.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.
At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

(f) Revenue Recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria should also be met before revenue is recognised.

Insurance Commission

Insurance Commission income is accounted in case of first/ single premium in the year in which the policy is issued and thereafter, on receipt of renewal premium and as per the terms agreed with the Insurance Company.

Interest Income

For all Financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(g) Retirement and Other Employee Benefits :

(a) Defined Contribution Plan :

The Company makes defined contribution to Government Employee Provident Fund which is recognised in the Statement of Profit and Loss on accrual basis. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

(b) Defined Benefit Plan :

The Company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the balance sheet date.

Remeasurements, comprising of actuarial gains and losses on retirement benefits, 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 Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

► 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 net defined benefit obligation under employee benefit expenses 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,

• Net interest expense or income.

(h) Income Taxes :

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. 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).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. 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 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.

(i) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment of the borrowing cost.

(j) Contingent Liabilities and Provisions :

Contingent Liabilities

Contingent Liabilities is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The estimates are reviewed at each reporting date and adjusted to reflect the current management estimates.

Aditya Birla Money Insurance Advisory Services Ltd.

(k) **Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

1) Financial Asset at amortised cost
2) Financial Asset at fair value through other comprehensive income (FVTOCI)
3) Financial Asset, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial Asset at amortised cost

A 'Financial Asset' is measured at the amortised cost if both the following conditions are met

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial Asset at FVTOCI

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI Financial Asset is reported as interest income using the EIR method.

Financial Asset at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial Asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any Financial Asset as at FVTPL.

Financial Asset included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Los.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

► The rights to receive cash flows from the asset have expired, or

► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables, deposits or contract revenue receivables.

The application of simplified approach does not require the group to track changes in credit risk.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss 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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the 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/ loss are not subsequently transferred to Profit and Loss. 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 or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

Financial Liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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.

(l) Cash and Cash Equivalent :

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

(m) Cash Flow Statement :

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(n) Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE: 3

PROPERTY, PLANT AND EQUIPMENTS

(Amount in Rs.)

	Computers	Furniture & Fixtures	Office Equipment	Total
Gross Block				
As at 31st March, 2018	9,291	11,309	3	20,603
Additions	-	-	-	-
Deletions	-	11,309	3	11,312
As at 31st March, 2019	9,291	-	-	9,291
Additions	-	-	-	-
Deletions	-	-	-	-
As at 31st March, 2020	9,291	-	-	9,291
Accumulated Depreciation				
As at 1st April, 2018	2,694	2,785	3	5,482
For the year	3,712	3,739	-	7,451
Deletions	-	6,524	3	6,527
As at 31st March, 2019	6,406	-	-	6,406
For the year	2,885			2,885
Deletions				-
As at 31st March, 2020	9,291	-	-	9,291
Net Block as at 31st March, 2019	2,885	-	-	2,885
Net Block as at 31st March, 2020	-	-	-	-

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 4 : TAX ASSETS (NET)	As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
Advance Tax	90,95,770	61,30,571
	90,95,770	61,30,571

NOTE 5 : TRADE RECEIVABLES (Unsecured, considered good and at amortised cost unless stated otherwise)	As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
Unsecured, considered good	1,10,61,656	20,05,839
Doubtful	-	1,81,754
	1,10,61,656	21,87,593
Impairment Allowance	-	1,81,754
	1,10,61,656	20,05,839
	1,10,61,656	20,05,839

NOTE 6 : CASH AND BANK EQUIVALENTS	As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
Cash and Cash Equivalents		
Balance with Scheduled Banks		
In Current Account	1,79,34,433	26,35,588
	1,79,34,433	26,35,588

NOTE 7 :LOANS

SHORT TERM LOANS (Unsecured, considered good and at amortised cost unless stated otherwise)	As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
Advances to Employees		
Unsecured, considered good		
Doubtful	-	50,000
	-	50,000
Impairment Allowance	-	50,000
	-	-
Due from Related Party	-	14,896
Security Deposits	-	15,000
Other Advances	-	2,494
	-	32,390

NOTE 8 : OTHER CURRENT ASSETS	As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
(Unsecured, considered good unless stated otherwise)		
Other advances		
Unsecured, considered good	-	3,46,162
Doubtful	-	-
	-	3,46,162
Impairment Allowance	-	-
	-	3,46,162
Prepaid Expenses	97,693	64,723
Advance Service Tax Payment	2,36,474	2,36,474
Goods And Service Tax Receivable	19,48,761	44,40,754
	22,82,928	50,88,113

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 9 : SHARE CAPITAL	As at 31st March,2020 Rs.	As at 31st March, 2019 Rs.
Authorised shares :		
50,00,000 (31st March, 2019 : 25,00,000) Equity Shares of Rs 10 each	5,00,00,000	2,50,00,000
Issued, Subscribed and Paid up :		
Equity Share Capital :		
49,65,000 (31st March, 2019 : 24,65,000) Equity Shares of Rs 10 each	4,96,50,000	2,46,50,000
	4,96,50,000	2,46,50,000

1. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

Equity Shares

	31st March,2020		31st March, 2019	
	No of Shares	Rs	No of Shares	Rs
At the beginning of the year	24,65,000	2,46,50,000	24,65,000	2,46,50,000
Issued during the year	25,00,000	2,50,00,000	-	-
Outstanding at the end of the year	49,65,000	4,96,50,000	24,65,000	2,46,50,000

2. Terms / Rights attached to Equity Shares :
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3. Shares held by the Holding Company :
All the Equity Shares are held by the Holding Company - Aditya Birla Money Mart Limited
(Previous Year - All the Equity Shares were held by the Holding Company - Aditya Birla Money Mart Limited)

4. Shareholders holding more than 5% shares in the Company
Aditya Birla Money Mart Limited - 49,65,000 Equity Shares – 100%
(Previous Year - Aditya Birla Money Mart Limited - 24,65,000 Equity Shares – 100%)

5. There are no shares reserved for issue under options and contracts/ commitments for the sale of shares / disinvestment for last five years.

NOTE 10 : RESERVES & SURPLUS	As at 31st March,2020 Rs.	As at 31st March, 2019 Rs.
RETAINED EARNINGS		
Securities Premium		
Balance as per last financial statements	15,34,03,162	15,34,03,162
Closing Balance	15,34,03,162	15,34,03,162
General reserve		
(Deficit) as per Statement of profit and loss :		
Balance as per last financial statements:	(19,72,32,306)	(20,44,34,571)
Statement of Comprehensive income	1,69,815	(45,520)
Profit/(Loss) for the year	2,53,60,660	(8,42,293)
Other Component of equity	-	80,90,078
	(17,17,01,831)	(19,72,32,306)
	(1,82,98,669)	(4,38,29,144)

NOTE 11 : BORROWINGS	As at 31st March,2020 Rs.	As at 31st March, 2019 Rs.
(At amortised Cost unless stated otherwise)		
Loan from Related Party (Unsecured)	-	3,24,00,000
	-	3,24,00,000

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 12 : PROVISIONS	As at 31st March,2020 Rs.	As at 31st March, 2019 Rs.
12(a) : LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity (Note 23)	13,58,500	2,52,599
	13,58,500	2,52,599
12(b) : SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity (Note 23)	4,42,847	90,193
Provision for Leave Encashment	7,91,282	1,53,613
	12,34,129	2,43,806

NOTE 13 : TRADE PAYABLES (At amortised Cost unless stated otherwise)	As at 31st March,2020 Rs.	As at 31st March, 2019 Rs.
Trade Payables*	39,73,281	12,22,048
	39,73,281	12,22,048

***Micro and Small Scale Business Entities**
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 14 : OTHER CURRENT FINANCIAL LIABILITIES (At amortised Cost unless stated otherwise)	As at 31st March,2020 Rs.	As at 31st March, 2019 Rs.
Salaries, Bonus & Other Employee Benefits	16,69,709	4,39,142
	16,69,709	4,39,142

NOTE 15 : OTHER CURRENT NON FINANCIAL LIABILITIES	As at 31st March,2020 Rs.	As at 31st March, 2019 Rs.
Statutory dues	7,87,837	5,16,935
	7,87,837	5,16,935

NOTE 16 : REVENUE FROM OPERATIONS	For the Year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
Sale of services		
Commission	4,67,49,210	83,96,725
	4,67,49,210	83,96,725

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NOTE 17 : OTHER INCOME

	For the Year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
Interest Income at Amortised Cost		
- Other Interest Income	1,74,650	-
Expenses Written Back	3,17,359	3,93,635
	4,92,009	3,93,635

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

	For the Year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
Salaries and bonus	88,06,855	19,44,167
Gratuity Expenses (Note No.23)	1,95,278	55,071
ESOP Expenses	48,245	(10,963)
Contribution to provident and other Funds	5,09,087	78,302
Staff welfare expenses	35,076	21,655
	95,94,541	20,88,232

NOTE 19 : FINANCE COST

	For the Year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
Interest on Loan	8,04,370	30,06,127
	8,04,370	30,06,127

NOTE 20 : DEPRECIATION

	For the year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
Depreciation	2,885	7,451
	2,885	7,451

NOTE 21 : OTHER EXPENSES

	For the Year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
Lease Rent	19,01,003	2,30,679
Rates and taxes	3,86,089	14,328
Communication expenses	1,45,061	13,566
Repairs and Maintenance:		
Computers & Equipments	38,797	99,769
Buildings	45,821	30,929
Others	1,45,733	2,788
Service Hire Charges	48,42,330	30,053
Printing and Stationery	46,949	38,840
Legal and professional charges (Refer Note 21.1)	13,88,473	12,06,536
Bank charges	22,616	-
Travelling and conveyance	65,310	20,935
Insurance	3,31,071	2,80,193
Electricity charges	2,58,761	18,823
Information Technology Charges	17,559	-
Miscellaneous expenses	4,50,306	3,02,404
	1,00,85,879	22,89,843

NOTE 21.1 : Auditors Remuneration

	For the Year ended 31st March,2020 Rs.	For the Year ended 31st March, 2019 Rs.
As Auditor		
- Audit Fees	8,00,000	7,00,000
- Reimbursement of Expenses	80,000	50,439
	8,80,000	7,50,439

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

22 Earnings per Share is calculated as under :

Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Basic :		
Profit/(Loss) as per Statement of Profit and Loss :	2,53,60,660	(8,42,293)
Weighted Average number of Outstanding Equity Shares for Basic EPS : -	49,65,000	24,65,000
Basic EPS	**5.11**	**(0.34)**
Diluted:		
Profit/(Loss) as per Statement of Profit and Loss :	2,53,60,660	(8,42,293)
Net profit considered for diluted EPS calculation (a)	2,53,60,660	(8,42,293)
Weighted average number of equity shares considered in calculating diluted earnings per share (b)	49,65,000	24,65,000
(a) / (b)	5.11	(0.34)
Diluted earnings per share (Since (a) / (b) is anti dilutive, effect of the same has not been considered while calculating diluted earnings per share. Thus basic earnings per share are considered to be diluted earnings per share.	**5.11**	**(0.34)**

23 RETIREMENT BENEFITS

The Company operates defined plan of Gratuity for its employees. Under the Gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service

The following tables summarise the components of net benefit expense recognised in Statement of Profit and Loss and the funded status and the amounts recognised in the Balance Sheet for the respective plans.

(a) Statement of Profit and Loss

Net Employee Benefit Expense recognized In Income Statement

Particulars	Gratuity For the year ended 31st March, 2020 Rs.	For the year ended 31st March,2019 Rs.
Current service cost	1,72,091	33,374
Interest cost on obligation	23,187	21,697
Expense recognised in Income Statement	**1,95,278**	**55,071**

Expenses Recognised during the year

Particulars	For the year ended 31st March, 2020 Rs.	For the year ended 31st March,2019 Rs.
Expense recognised in Income Statement	1,95,278	55,071
Expense recognised in Other Comprehensive income	(1,69,815)	45,520
Total expenses Recognised during the year	**25,463**	**1,00,591**

(b) Balance Sheet

Benefit Asset / Liability

	Gratuity As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
Present Value of Defined Benefit Obligation	18,01,380	3,42,792
Fair Value of Plan Assets	-	-
Present Value of Defined Benefit Obligation	**18,01,380**	**3,42,792**

(c) Changes in the present value of the Defined Benefits Obligation are as follows :

Particulars	Gratuity As at 31st March,2020 Rs.	As at 31st March,2019 Rs.
Opening Defined Benefit Obligation	3,42,792	3,01,563
Current service cost	1,72,091	33,374
Interest Cost	23,187	21,697
Benefits paid including transfer in/(out)	14,33,125	(59,362)
Actuarial (gains) / losses arising from		
- Changes in Financial assumptions	83,674	5,551
- Changes in Demographic assumptions	(1,088)	-
- Experience Variance	(2,52,401)	39,969
Closing Defined Benefit Obligation	**18,01,380**	**3,42,792**

(d) The principal assumptions used in determining Gratuity obligations for the company's plans are shown below:

	For The Year ended 31st March, 2020	For The Year ended 31st March, 2019
Rate of Interest	5.45%	6.75%
Salary growth	6.50%	6.50%
Withdrawals rate	25%	25%
Mortality rates	100% of IALM 2012-14	100% of IALM 2006-08
Retirement age	60 years	60 years

(e) Sensitivity Analysis

	31st March, 2020 Rs.	31st March, 2019 Rs.
Impact of increase in 50bps on Defined Benefit Obligation		
Discount Rate	17,68,350	3,36,635
Salary Escalation Rate	18,35,137	3,49,169
Impact of decrease in 50bps on Defined Benefit Obligation		
Discount Rate	18,35,507	3,49,159
Salary Escalation Rate	17,68,389	3,36,567

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(f) Maturity Profile of Defined Benefit Obligation

	31st March, 2020 Rs.	31st March, 2019 Rs.
Within the next 12 months	4,42,880	90,193
Between 2 and 5 Years	10,39,850	2,11,509
Between 5 and 10 years	7,18,476	1,34,068
Beyond 10 years	43,529	15,676
Total expected payments	**22,44,735**	**4,51,446**
Weighted Average duration	3 Years	3 Years

(g) Defined Contribution Plan :

The Company has recognized the following amounts as expenses and included in Note 18 in "Contribution to Provident and Other Funds"

Particulars	**For the year Ended 31st March,2020** **Rs.**	**For the year Ended 31st March,2019** **Rs.**
Contribution to Government Employees Provident Fund	3,52,006	78,302
Contribution to ESIC	1,57,081	-
Contribution to Labour Welfare Fund	-	-

24 Components of Other Comprehensive income.

Particulars	**For the year ended 31st March,2020** **Rs.**	**For the year ended 31st March,2019** **Rs.**
Remeasurement of gains(Losses) on defined benefit plans -Part of Retained earnings	1,69,815	(45,520)
Total	**1,69,815**	**(45,520)**

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25 Significant accounting judgements, estimates and assumptions

The preparation of the Companys financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of useful life of Plant Property Equipments and Intangible assets

Refer Note no 2.1 (b) and (c)

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

26 Fair Values

	Carrying Value		Fair Value	
Financial Assets	**31st March ,2020 Rs.**	**31st March,2019 Rs.**	**31st March ,2020 Rs.**	**31st March,2019 Rs.**
Security Deposits	-	15,000	-	15,000
Total	-	15,000	-	15,000

	Carrying Value		Fair Value	
Financial Liabilities	**31st March ,2020 Rs.**	**31st March,2019 Rs.**	**31st March ,2020 Rs.**	**31st March,2019 Rs.**
Borrowings				
Loan from Related Party (Unsecured)	-	3,24,00,000	-	3,24,00,000
Total	-	3,24,00,000	-	3,24,00,000

The management assessed that other assets and liabilities other than those disclosed above approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

27 Fair Value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities which are measured in Fair value. Quantitative disclosures fair value measurement hierarchy for assets and Liabilities:

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets Measured As Fair Value as at 31st March 2019:-					
Security Deposits	31-03-2018	15,000	-	-	15,000
Liabilities Measured As Fair Value as at 31st March 2019:-					
Loan from Related Party (Unsecured)	31-03-2018	3,24,00,000	-	-	3,24,00,000
Assets Measured As Fair Value as at 31st March 2020:-					
Security Deposits	31-03-2019	-	-	-	-
Liabilities Measured As Fair Value as at 31st March 2020:-					
Loan from Related Party (Unsecured)	31-03-2019	-	-	-	-

Note: The fair values of the company's interest-bearing borrowings, loans and security deposits are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

28 RELATED PARTY DISCLOSURES

Names of Related Parties and Related Party relationship :

Related Parties where Control exist :

Parent Company	Aditya Birla Capital Limited
Holding Company	Aditya Birla Money Mart Limited

Related Parties with whom transactions have taken place during the year :

Fellow Subsidiaries	Aditya Birla Sun Life Insurance Company Limited Aditya Birla Finance Limited Aditya Birla Health Insurance limited
Key Managerial Personnel	Ajay Kakar Subhro Bhaduri Sanjay Miranka Kanika Jain

The following Inter Company Transactions/Balances with Parent/Holding/Subsidiaries/Fellow Subsidiaries/Joint Ventures /Associates have taken place during the year under review and are included in the above figures under respective heads:-

(Amount in Rs.)

Sr. No.	Particulars	Year Ended 31st March, 2020 Rs.	Year Ended 31st March, 2019 Rs.
A	Parent Company / Holding Company		
	Interest Expense		
	Aditya Birla Money Mart Limited (Interest on Loan)	-	9,124
	Aditya Birla Capital Limited(Interest on ICD)	8,04,370	29,97,003
	Expenses Reimbursed		
	Aditya Birla Capital Limited(ESOP Expenses)	48,245	(10,963)
	Current Liabilities (Financial)		
	Aditya Birla Capital Limited (Borrowings)	-	3,24,00,000
	Aditya Birla Capital Limited (Trade Payable)	19,492	-
	Current Assets(Financial)		
	Aditya Birla Capital Limited (Loans)	-	10,112
	Other Transaction		
	Aditya Birla Money Mart Limited (ICD Repaid)	-	10,00,000
	Equity Shares issued to Aditya Birla Money Mart Limited (25,00,000 @ 10 Each)	2,50,00,000	-
	Aditya Birla Capital Limited (ICD Repaid)	3,24,00,000	-
B	Subsidiaries / Fellow Subsidiaries		
	Income From Operations		
	Aditya Birla Sun Life Insurance Company Limited (Commission)(Net of GST and Service Tax)	1,34,10,768	83,96,725
	Aditya Birla Health Insurance Limited (Commission)	31,00,469	-
	Expenses Reimbursed		
	Aditya Birla Finance Limited (Reimbursement of Rent Expenses)	19,85,430	2,11,826
	Aditya Birla Finance Limited (Reimbursement of Other Admin Expenses)	13,14,163	2,96,027
	Current Assets(Financial)		
	Aditya Birla Money Limited (Loans)	-	4,784
	Aditya Birla Sun Life Insurance Company Limited(Trade Receivables)	20,02,846	20,05,928
	Aditya Birla Health Insurance Limited (Trade Receivables)	20,59,225	-
	Current Liabilities(Financial)		
	Aditya Birla Finance Limited(Trade Payable)	34,55,361	5,90,621
	Other Transactions		
	Aditya Birla Money Limited (Asset transferred)	-	4,784
	Aditya Birla Finance Limited(Employee Transfer)	18,83,172	-
	Aditya Birla Sun Life Insurance Company Limited(Full and Final Settlement)	2,63,501	-

Share Capital

Particulars	Year Ended	Closing Balance Rs.
Holding Company		
Aditya Birla Money Mart Limited	31st March ,2020	4,96,50,000
	31st March ,2019	2,46,50,000

Aditya Birla Money Insurance Advisory Services Ltd.

29 Financial risk management objectives and policies

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 under Ind AS 7.33. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

At 31 March 2020, the company had 04 customers (31 March ,2019: 01 customer) that owed the company Rs.1,10,61,656/-(Previous Year- Rs. 20,05,839/-).

(Amount In Rs.)

As at 31st March, 2020	Neither past due nor impaired	Past due but not impaired					Total
		< 30 days	30 to 60 days	61 to 90 Days	91 to 120 Days	> 120 days	
Trade Receivables		0	49,40,193	51,14,670	-	10,06,793	1,10,61,656
	-	-	49,40,193	51,14,670	-	10,06,793	1,10,61,656

As at 31st March, 2019	Neither past due nor impaired	Past due but not impaired					Total
		< 30 days	30 to 60 days	61 to 90 Days	91 to 120 Days	> 120 days	
Trade Receivables	-	15,21,747	4,84,092	-	-	-	20,05,839
	-	15,21,747	4,84,092	-	-	-	20,05,839

Movement of Allowances	Advances to Employees Rs.	Trade Receivables Rs.	Other Current Assets Rs.	Total Rs.
As at 31st March, 2018	50,000	1,81,754	1,29,129	3,60,883
Provision created/reversed during the year	-	-		-
As at 31st March, 2019	50,000	1,81,754	1,29,129	3,60,883
Provision created/reversed during the year	50,000	1,81,754	-	2,31,754
As at 31st March, 2020	-	-	1,29,129	1,29,129

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, preference shares. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company manages its liquidity risk through temporary funding from its ultimate holding company and availing bank overdraft as and when required.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments. (Amount In Rs.)

Year Ended 31st March,2020	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Trade and Other Receivables	-	1,00,54,863	10,06,793	-	-	1,10,61,656
Loans	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Trade and Other Payables	-	39,73,281	-	-	-	39,73,281
Other Current Financial Liabilities	-	16,69,709	-	-	-	16,69,709
Year Ended 31st March, 2019	**On Demand**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**More than 5 Years**	**Total**
Trade and Other Receivables	-	20,05,839	-	-	-	20,05,839
Loans	15,000	17,390	-	-	-	32,390
Borrowings	3,24,00,000	-	-	-	-	3,24,00,000
Trade and Other Payables	-	12,22,048	-	-	-	12,22,048
Other Current Financial Liabilities	-	4,39,142	-	-	-	4,39,142

Aditya Birla Money Insurance Advisory Services Ltd.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

30 CONTINGENT LIABILITIES

Contingent Liabilities not provided for :

Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Income Tax (AY 2012-13)	15,25,917	15,25,917
Total	**15,25,917**	**15,25,917**

Level at which pending	Contingent Liability	Grounds of Appeal
Pending at Commissioner of Income Tax (Appeals) and ITAT	15,25,917	Disallowance of Reimbursement , PF , ESIC , Cenvat Credit w/off, Modvat Credit, Bonus, Expenses on leasehold improvement
	15,25,917	

31 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. NIL (Previous year NIL.)

32 DEFERRED TAX

The breakup of Net Deferred Tax Asset arising on account of following timing differences is as under :

Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
Deferred Tax Assets		
Expenses allowed on payment basis	10,46,497	2,33,065
Unabsorbed Depreciation and Carry forward losses	2,86,66,151	6,32,96,605
Net Deferred Tax Asset / (Liability)	**2,97,12,648**	**6,35,29,670**

Deferred tax assets have been created only to the extent of Deferred tax liability due to absence of reasonable certainty. Accordingly Deferred tax asset to the extent of Rs. 2,97,12,648/-/-(31st March 2019 Rs. 63,529,670/-) is not recognised.

33 Pursuant to ESOP Plan being established by the Parent company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the financial year. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of Rs. 48,245/- has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss. The balance sum of Rs. 41,099/- will be recovered in future periods.

34 The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws [Amendment] Ordinance, 2019. Due to the said revision in tax laws, the Company believes that there would not be any tax liability in the current financial year and accordingly the tax provisioning of Rs.17,12,000 done in quarter ended 30th June 2019 was reversed and recognized as a gain in the subsequent quarter ending 30th September 2019, resulting in a benefit of Rs. 17,12,000 in the standalone profit after tax for the said quarter ending 30th Sept 2019.For deferred tax calculations also revised rates have been used. However due to absence of reasonable certainty, Deferred tax assets have not been recognised (refer note 32).

35 The Company's pending litigations comprise of claims against the Company proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements (Refer note 30). The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2020.

36 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March ,2020 and 31st March, 2019:

Particulars	31st March ,2020 Rs.	31st March ,2019 Rs.
Accounting Profit/(Loss) before income tax *	2,67,53,544	13,98,707
Corporate tax rate/Minimum Alternate Tax Rate	25.17%	20.59%
Tax on Accounting profit *	67,33,332	2,87,949
Tax effect on other items	(67,33,332)	19,53,051
Income tax expense/ (income) reported in the statement of Profit	-	22,41,000

* Deferred tax assets have been created only to the extent of Deferred tax liability due to absence of reasonable certainty. Accordingly Deferred tax asset to the extent of Rs. 2,97,12,648/-/-(31st March 2019 Rs. 63,529,670/-) is not recognised.

Aditya Birla Money Insurance Advisory Services Ltd. *

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

37 The outbreak of COVID–19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which is continued at present across the nation to contain the spread of the virus.

The management have, at the time of approving the financial statements, assessed the potential impact of the COVID-19 global pandemic on the Company. Based on their current assessment, they consider that there will be no material foreseeable impact on the operations of the Company and the carrying value of assets and liabilities.

Given the dynamic nature of the pandemic situation, in the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the Company's operations and its financial position and performance and cashflow depending on future developments.

38 INDAS 116 is not applicable to the company.

39 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.

40 **PREVIOUS YEARS FIGURES**

The Company has reclassified previous years figures to confirm to this years classification.

As per our report of even date

For S.R.BATLIBOI & CO. LLP
ICAI Firm registration No: 301003E/E300005
Chartered Accountants

For and on behalf of the Board of Directors of
Aditya Birla Money Insurance Advisory Services Limited

per Viren H. Mehta
Partner
Membership No: 048749

Subhro Bhaduri
Director
DIN : 07504331

Sanjay Kumar Miranka
Director
DIN : 01844477

Place : Mumbai
Date: 20th May,2020

Aditya Birla Money Insurance Advisory Services Ltd. ★

Aditya Birla Capital Ltd.
One Indiabulls Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013
+91 22 4356 7000 | (F) +91 22 4356 7111
abc.secretarial@adityabirlacapital.com | www.adityabirlacapital.com

ADITYA BIRLA CAPITAL