

2022-23

ENRICHING LIVES, WINNING AS



PROTECTING INVESTING FINANCING ADVISING

Aditya Birla Finance Ltd.



**ADITYA BIRLA
CAPITAL**

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Year in review

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Financial statements



HIGHLIGHTS

₹80,556 Cr

Total AUM

₹53,964 Cr

Retail, SME and HNI AUM

₹49,223 Cr

Total disbursements

323

Branches

6.84%

Net Interest Margin

2.45%

RoA

14.76%

RoE

16.38%

CRAR

₹17,041 Cr

Wealth AUA

**Rated AAA/Stable
by ICRA, India
Ratings and CARE**

Credit Ratings

Note: Disbursements are non-LOC.



Enriching Lives, Winning as

ONE

At Aditya Birla Finance Limited, the guiding pillars of this approach are One Customer, One Experience and One Team. We harness leveraging data, digital and technology to achieve quality and profitable growth. We focus on collaborating by leveraging synergies to drive cross-sell and deliver complete and comprehensive solutions to our customers.

We offer a wide range of solutions to enable our customers to navigate their life needs regarding money. We follow an omnichannel distribution approach to let customers choose their preferred way of dealing with us. We are expanding our physical network in credit-underpenetrated Tier III and IV cities and a digital-first strategy for product innovation, customer selection, seamless onboarding and improving service delivery.

We are getting a balanced and granular product mix with improving credit. We have embarked on a journey that leaves an indelible mark on the lives we touch, enriching individuals – customers, employees, partners and distribution community, nurturing communities, and fostering a brighter future for all. Together, we shall conquer new horizons, Winning as One.



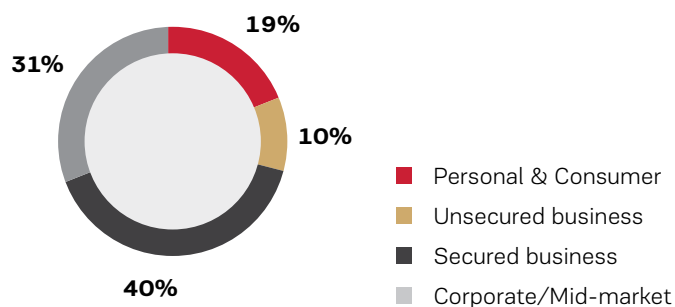
CORPORATE OVERVIEW

For the Consumer, When They Need

Aditya Birla Finance Limited (ABFL) is a subsidiary of Aditya Birla Capital Limited (ABCL), one of India's most diverse financial services conglomerates. Within the NBFC universe, Aditya Birla Finance is among India's top-five diversified NBFCs, with an AUM of ₹80,556 Crore at the end of FY23. At ABFL, we endeavour to become a preferred financial services brand for our diverse customers' varied needs across their life cycles.

Our customised solutions include personal loans, business loans, check-out financing, loan against property, term loans, working capital loans, loan against securities, project loans and wealth services. ABFL has also built digital lending platforms, allowing an end-to-end online journeys for offering personal and business loans to captive customers, extended employee base and MSMEs. We deliver rapid, easy, and hassle-free services to retail and MSME customers through this.

Customer segment-wise aum mix (%)



5.7 Million

Active customers

67%

Retail + SME + HNI Mix of AUM

Note: Values as of March 2023.

ABOUT ABCL

ABCL is a subsidiary of the Aditya Birla Group, a Fortune 500 Company, and is the holding Company for its financial services businesses. ABCL companies offer protecting, investing, and financing solutions with 1,295 branches, over 2,00,000 agents/channel partners, various bank partners, and over 34,000 employees. ABCL had about ₹3.6 Lakh Crore in assets under management, a consolidated lending book of over ₹94,936 Crore, and an active client base of over 38 Million via its subsidiaries and joint ventures, as of 31st March, 2023.



Vision

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



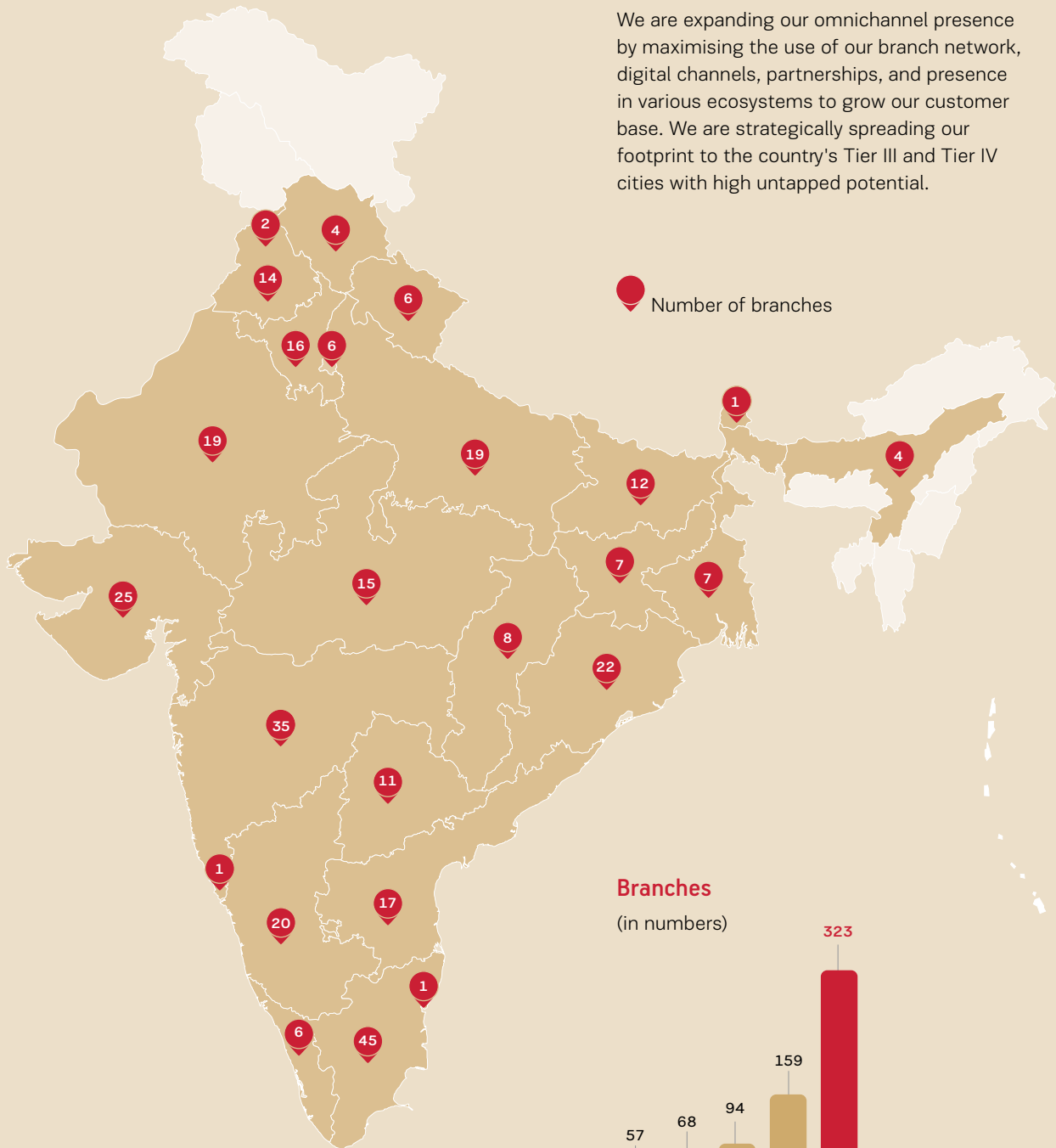
Values

- Integrity • Commitment
- Passion • Seamlessness • Speed



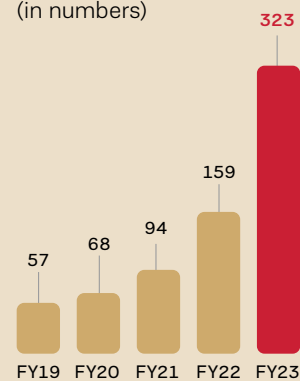
Geographical Presence

We are expanding our omnichannel presence by maximising the use of our branch network, digital channels, partnerships, and presence in various ecosystems to grow our customer base. We are strategically spreading our footprint to the country's Tier III and Tier IV cities with high untapped potential.



Branches

(in numbers)



Note: Map not to scale.

Empowering Customers: Fulfilling Aspirations Optimally



At ABFL, customer centricity has always been at the core of our brand philosophy and operations. We have developed customized solutions to enable a smooth financing journey for our customers. We are committed to establishing ABFL as a trusted financing partner to the customers, who they can count on for quick, hassle-free loan disbursement.



Dear stakeholders,

I am happy to present the Annual Report for FY23, another strong year of overall growth where we continued to design solutions to enable a smooth financing journey for our customers by leveraging the strength of our parent and group companies.

Year in review

The year gone by was challenging in terms of the global macro environment. The Russia-Ukraine conflict led to inflation becoming a significant concern worldwide. The central banks in most parts of the world, including the Reserve Bank of India (RBI), responded by raising interest rates and removing the monetary accommodation offered during the two years of the pandemic.

Between March 2022 and March 2023, the RBI raised the repo rate by 250 bps to reach 6.5%. However, India remained resilient, registering 7.2% GDP growth for FY23, the highest amongst large economies. Credit off-take in India hit a 11 year high, with a growth of 15% in FY23. Now, with inflation cooling to two years low of 4.25% in May 2023 and the RBI has hit the pause button on rate hikes in the last two monetary policy committee (MPC) meetings, things are stabilising. The growth momentum is visible in increasing industrial output and capacity utilisation, substantial improvement in services and manufacturing PMI and rising GST collections. And we expect the positive trends to continue for the economy and the sector in FY24.

Focus on MSME

We launched a unique and differentiated B2B MSME digital platform in March 2023 - "Udyog Plus". Udyog plus is an acquisition engine for MSMEs looking for small ticket loans.



This innovative one-stop business platform offers a wide range of solutions for MSMEs, including financing, protection, investments, advisory and value-added services for managing and growing their businesses. We are among the leading NBFCs in India, with a diversified portfolio, well-equipped to meet all the financing needs of the customers.

Performance

We ended FY23 with a robust performance. Our active customer base grew to 5.7 Million compared to 3.6 Million last year. Our disbursements for the entire year stood at ₹49,223 Crore, more than double of what we did in FY22, and AUM stood at ₹80,556 Crore, registering 46% y-o-y growth. Our Retail, SME and HNI segment AUM grew 57% year on year, constituting 67% of our portfolio. RoA of the business was 2.45%, and RoE was 14.76% in FY23.

This year, we doubled our branch footprint to 323 by adding 164 new branches in FY23. Despite expansion in front-line capacity, our cost-income ratio (CIR) remained very effective. I attribute this to our continued technological investments to digitise processes to grow sustainably. Our net interest income increased 43% to ₹4,410 Crore from ₹3,088 Crore. Following a well-matched ALM and diversified borrowing mix, we delivered a 60 basis points year-on-year improvement in net interest margin (NIM), taking it to 6.84% for the year. We closed FY23 with a profit before tax of ₹2,090 Crore, delivering a 41% growth yearly.

₹80,556 Cr

Total AUM

₹1,554 Cr

PAT

Credit quality

The asset quality has consistently improved over the year, with GS 2 (Gross Stage 2) + GS 3 (Gross Stage 3) coming down from 8.98% in March 2022 to 5.84% in March 2023. GS 3 has reduced to 3.12% from 3.58% last year. We maintain our provision coverage ratio at a healthy 46.2% as on March 2023, up from 39.5% in March 2022.

Digitalisation and analytics

We have adopted the digital-first approach and continue to make our systems more robust and future-ready. We leverage our technological infrastructure for customer acquisition, customer services, process automation and collections. Our loan origination and management systems use facial

recognition, bureau integration and e-contract facilities for KYC procedures. We utilise Voice IVR bots to handle our inbound contact centre calls and email bot to respond to customer emails. We have enabled self-service channels with STP for better service journeys of our customers. We have activated our repayment hub with multiple digital payment channels for EMI collections.

We use analytics in all functions, including sourcing, underwriting and collections leading to reliable customer service and satisfactory outcomes. We have used digitisation and automation in customer onboarding, servicing, and service interactions through process automation and collections.

We have built an utterly agile underwriting model with inbuilt scorecards. We have created the credit engines using alternate data for credit decisions, STP processes for faster TAT and predictive models for upselling.

Way forward

We will fuel our next growth phase by exponentially expanding our frontline distribution and strategic investments in digital and direct sourcing channels.

As we step into the future, we will drive the next leg of growth with our enhanced frontline distribution capacity and investment in digital and direct sourcing channels. By seamlessly connecting with customers on their preferred platforms, we aim to create unmatched experiences. We have been driving granularity in business through 'our presence' in the consumer, personal and MSME space and believe it to be an ample opportunity.

We are poised to redefine the financial services landscape with a relentless focus on innovation, customer-centricity, and excellence. We will 'continue' to expand our market share through innovative product offerings. We will be collaborating with new partners and diversifying our digital ecosystem. We will capitalise on secured and unsecured segments with a calibrated approach to risk.

On behalf of our Board of Directors, I express my sincerest gratitude to our customers, investors, vendors, collaborators, governing bodies, and employees for all their support over the years. I hope to receive your continued support in our exciting growth journey ahead.

Mr. Rakesh Singh

Managing Director and CEO

Catering to Diverse Customer Segments

We leverage our years of experience to utilise our broad product mix to achieve greater profitability while creating value for our customers. We offer our customers a diverse and well-balanced range of products and services. We cater to the varied needs of customers across retail, HNI, ultra HNI, micro-enterprises, SMEs, and mid and large corporates.

SEGMENT-WISE PRODUCT OFFERING



PERSONAL AND CONSUMER



PRESENCE

Semi-urban areas

ATS

~₹28,000

FOCUS

Salaried professionals with a focus on the emerging income segment

PRODUCTS

- Personal Loans
- Consumer Loans
- Checkout Financing
- Credit Card



UNSECURED BUSINESS



PRESENCE

Semi-urban areas

ATS

~₹10.7 Lakh

FOCUS

Business owners and self-employed professionals engaged in small/mid-sized businesses

PRODUCTS

- Business Loans
- Supply Chain Finance
- B2B Digital Platforms
- Business Overdrafts

Note: ATS - Average Ticket Size



SECURED BUSINESS



PRESENCE

Semi-urban areas/SME clusters

ATS

~₹1.8 Cr

FOCUS

Business owners and self-employed professionals engaged in small/mid-sized businesses

PRODUCTS

- Loans Against Property
- Working Capital Loans
- Loans Against Securities
- Lease Rental Discounting



CORPORATE/MID-MARKET



PRESENCE

Top six or seven cities in India

ATS

~₹53.5 Cr

FOCUS

Pedigreed group corporates/Mid-market companies in-focus sectors/Category A/A+ developers

PRODUCTS

- Capital Expenditure
- Working Capital Funding
- Structured Finance
- Developer Financing
- Project Finance

WEALTH SERVICES

Over the years, ABFL has enhanced and expanded its portfolio and positioned itself as a one-stop shop for the varied financial needs of customers. Technology-enabled solutions make the business smooth, financially feasible and scalably expandable.

Aditya Birla Wealth (ABW) offers customised solutions to a diversified range of customers through its strong network of relationship managers, product specialists and service managers. ABW is amongst few wealth outfits in India to have an independent research team, which helps us to empower our client with the latest market updates and

facilitate investment decisions by leveraging our strength in capital market research.

ABW comprises of two verticals two verticals – Non-Retail and Retail, catering to different segments of the industry: High Net-Worth Individual Business, Corporate and Treasury Services, Business Partner Group and Online Business.

₹17,041 Cr

Assets under administration

20,766

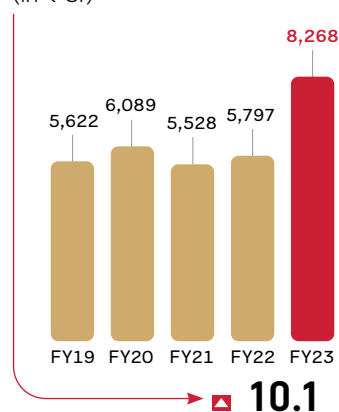
Business partners

KEY PERFORMANCE INDICATORS

Delivering Consistent Performance

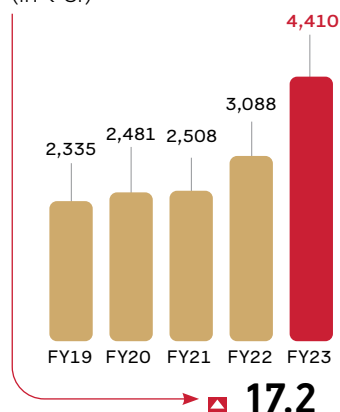
Total Income

(in ₹ Cr)



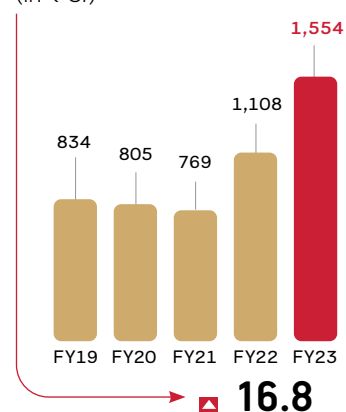
Net Interest Income

(in ₹ Cr)



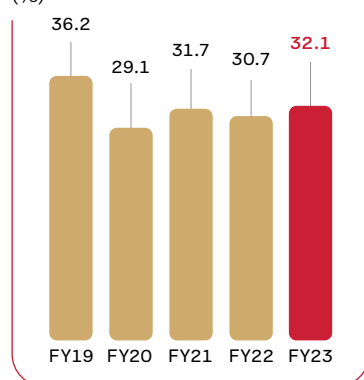
Profit After Tax (PAT)

(in ₹ Cr)



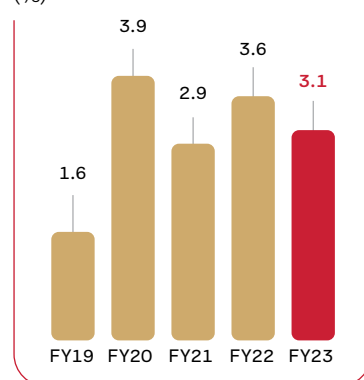
Cost-Income Ratio (CIR)

(%)



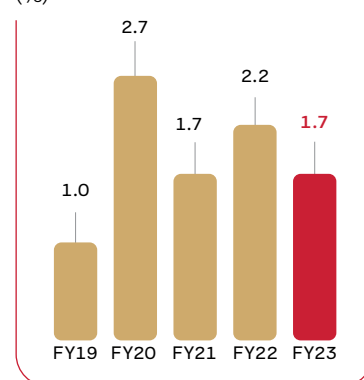
GNPA

(%)



NNPA

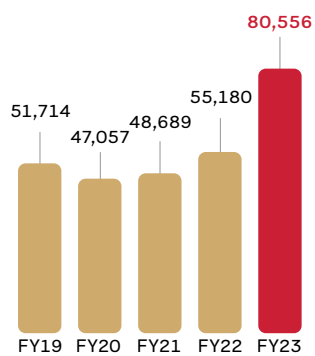
(%)



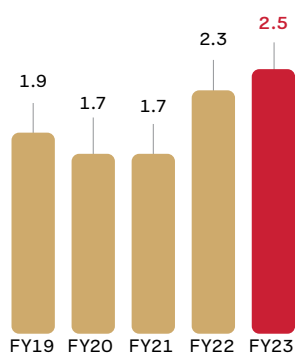
▲ Five-year CAGR %

**Total AUM**

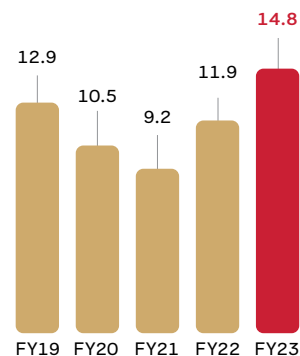
(in ₹ Cr)

→ **11.7****ROA**

(%)

**Return On Equity (ROE)**

(%)



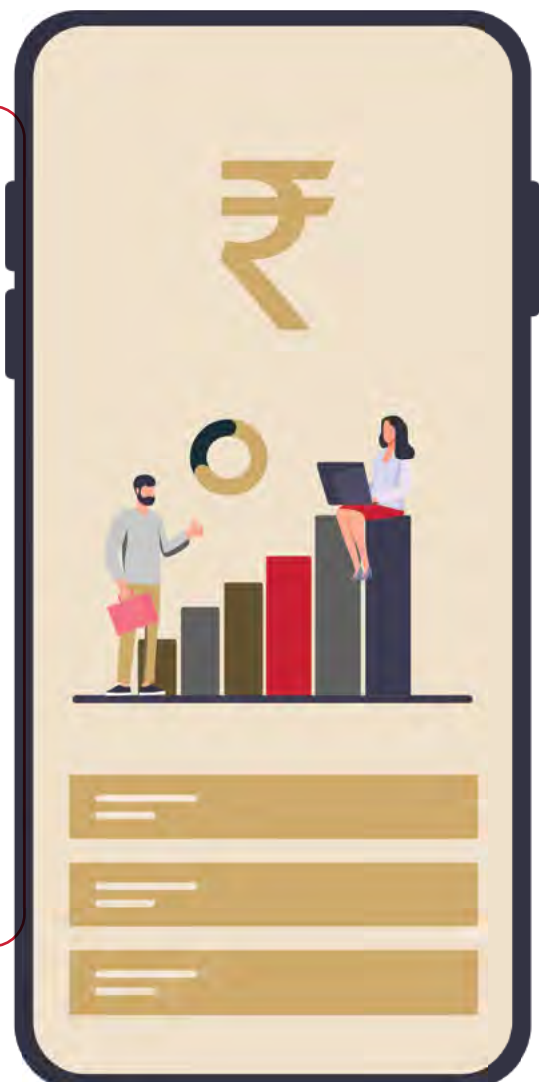
Digitalisation – a new way to the future

We at ABFL continue to invest in our technological and digital initiatives to accelerate reinvention across the customer journey. We are also actively enhancing our capabilities across data engineering, data science and analytics. ABFL has consistently implemented the best technologies available at each stage of its journey. With these investments, a large part of its customer acquisition and collections during the year has been through digital platforms leading to accelerated growth.

We deliver a unique digital experience to our customers throughout the loan process, from onboarding to disbursement to payment facilities and other services. Furthermore, we are using technology to expand our Company's presence by cross-selling, lowering turnaround times, offering pre-approved loans, and making better-informed lending decisions. We have primarily relied on data analytics solutions for sourcing, underwriting, and increasing efficiency in servicing and collections.

LEVERAGING TECHNOLOGY

- Deep-mine existing customer base acquired through digital ecosystems using analytics and increase cross-sell.
- Scorecard-based Straight-through processing (STP) journeys with zero human interventions.
- Tie up with new partners to diversify digital ecosystem sourcing mix in personal loans.
- End-to-end digital channel for direct to corporate personal loans distribution.
- Scale up Udyog Plus – a differentiated B2B digital platform for the MSME ecosystem.
- Differentiated offerings with digitally assisted assessed income programme and STPs, scorecard journeys for small-ticket loans.
- Enhance fee income opportunity through new products and digital delivery channels.
- Integrate with the Open Network for Digital Commerce (ONDC) and Open Credit Enabled Network (OCEN) platform and partner with e-commerce players.





USE OF ANALYTICS IN OPERATIONS

Sourcing

- For new to business customers, we create scorecards and apply risk-based differential pricing.
- Analytical tools help us in arranging pre-approved loans and assist in cross-selling of mutual funds and insurance products to existing customers.
- We use analytical tools to assist in cross-selling of loans and re-engagement through competitive pricing with ex-customers.
- We use technology to customise deals and products and employ behavioural scorecard analytics for new products.

Underwriting

- Analytical tools help us in identifying credit-worthy customers, and in generating custom multiple application scorecards.
- Analytical tools help us in offering appropriate credit line through calculation of fixed obligation to income ratio for income estimation and obligation.
- Analytical tools help us establish an early-stage warning system.
- We employ risk-based pricing and optimise field verification through digital processes.

Collections

- Analytical tools help us in root cause identification (for instance, inability to pay) and its solutions.
- Analytical tools help us in preparing base for collection by improvising our sourcing strategy through incorporation of collection feedback.
- Customised collection process: Basis multiple collection scorecard, Preparing customised base for different channels.
- Track agency performance: Rank the collection agencies based on recent and historical target achievement.

DIGITAL INITIATIVES

CUSTOMER ACQUISITION

99%

Customer onboarding

CUSTOMER SERVICING

98%

EMIs collected digitally

PROCESS AUTOMATION

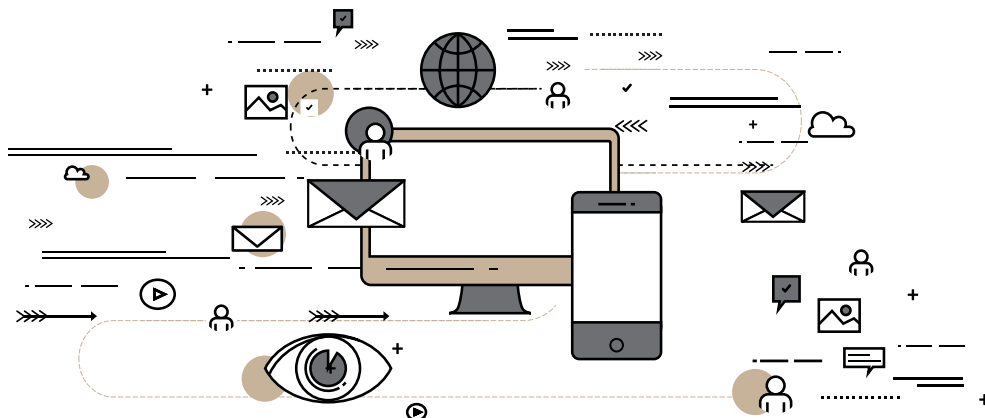
83%

Digital service interactions

COLLECTIONS

88%

E-mail bot accuracy



Udyog Plus – MSME platform

Aditya Birla
Finance Ltd.



ADITYA BIRLA
CAPITAL

Udyog Plus

Karo business befikar

We have launched Udyog Plus, An Innovative One-Stop Business Platform for MSMEs in March 2023

Udyog Plus, a unique and differentiated one-stop business platform for MSME customers, offers a wealth of useful features and tools to help MSMEs seamlessly achieve their larger business goals. It offers a paperless journey for business loans and loan disbursement of up to ₹10 Lakh.

KEY OFFERINGS

Finance

Loan

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

Eco-system Based Loan

Loan for merchants and resellers on government and private ecommerce websites

Business Solutions

E-commerce

Offline to Online
Discovery

Networking

- Explore new connects
- Industry Forums

Content

Knowledge
forums

Banking

Current account

Accounting

- Accounting tool
- Payroll Management

Business Solutions

- Tax filings GST
- Business travel



Udyog Plus

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

Opportunities in ABG ecosystem

Channel financing for dealers

Digital journeys for dealer onboarding, limit drawdown ad repayments

Secured lending for dealers

Loan against property

BUSINESS UPDATE¹

3,700+

Registered users

1,800+

Loan applications

¹As on 9 May 2023



Empowering People for Success

At ABFL, we aspire to create an engaging workplace that attracts, retains, and helps talent flourish. Our vision of being a leader in integrated financial services and fostering a purpose-driven culture gives meaning to our employees. We offer a diverse and inclusive work environment, cultivate positive relationships, provide challenging assignments, and promote growth opportunities based on meritocracy.

Talent management

In talent management, our key focus is building a strong, future-ready talent pool and establishing a robust leadership succession pipeline. We aim to develop well-rounded, customer-focused leaders who excel in execution. In FY23, we initiated a top team effectiveness intervention with the objective to drive alignment and foster a collaborative culture across all levels. Last year, we continued building digital, technology, risk and analytics skills through various initiatives and partnerships with global organisations.

50%

Senior leaders undergone leadership development journey created in partnership with Harvard Business Publishing

87

Employees covered under flagship Leadership Development programme to prepare them to take larger roles in future

265

Employees across levels moved to new roles helping them advance their career in last two years

4,799

Total Employee Strength

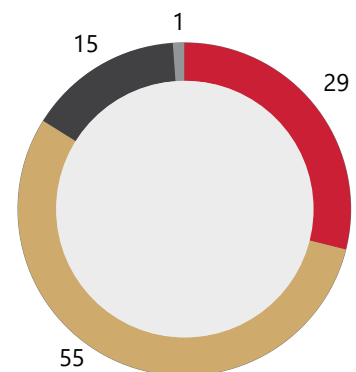
75%

Millennials in workforce

12%

Women in workforce

Age Profile of Employees (%)



■ <30 years ■ 30-40 years
■ 40-50 years ■ >50 years

Our healthcare initiatives



Health camps



Bone density check-ups



Body composition analysis



Yoga sessions



Nutritional counselling



Breast health check-up



Employee wellness and engagement

We prioritise employee health and holistic well-being comprising emotional, financial, intellectual and social well-being to foster a happier workforce that positively impacts customer satisfaction and retention.

To support our employees, we have empanelled onsite doctors and counsellors. In FY23, the employee-integrated wellness programme managed by our health insurance vertical was extended to all employees with focused health coaching for those in the high-risk category. We conducted wellness campaigns and comprehensive health assessment drives across ABFL branches, promoting employee participation in health check-ups. We also prioritise preventive annual health check-ups, partnering with diagnostic centres nationwide.



HR PROPOSITION

Functional Learning

Our Company's philosophy is to provide every employee with continuous opportunities to learn and grow. An AI-enabled learning app offers employees' easy access to personalised content that meets their unique learning requirements. Employees leveraged these resources to enhance their skills and knowledge. The functional L&D team focused on

- FLS productivity
- new joinee activation
- workforce capability building across sales and non-sales functions

62% Improvement

In 90-day-performance, post Pre-Joining Functional Induction

97%

Imparted CRISIL training on improving credit risk underwriting strength

73%

Certified platinum badge level by CRISIL

Behavioural Learning and culture building

Behavioural Learning focuses on three aspects of capability building ABG values and culture cascade, managerial capability, and self-development. Every year, we invest in interventions to sustain and reinforce the culture around our values through surveys and other mechanisms. While self-paced learning is available 24x7x365, different focus areas of self-development were built around the ABG competency framework enabling employees to enhance their skills on personal effectiveness.

1,356+ Employees

Covered through Vit V one of our core onboarding programme to cascade ABG purpose and values

2,434+ Employees

Covered through behavioural training interventions

3,000+

e-learning courses

25k+

Video-based modules

1,128 Employees

Participated in more than 2 learning programmes in FY23

Diversity, Equity and Inclusion (DEI)

At ABFL, diversity, equity and inclusion (DEI) are ingrained in our business operations. Our understanding of diversity goes beyond gender, encompassing respect, openness to new ideas, and valuing contributions from all employees. In FY23, our DEI focus involved

- increasing women's representation throughout the organisation
- developing and accelerating their progression into leadership roles
- promoting continuous engagement and communication regarding the benefits and flexible policies available to women employees

11%

Women hires in FY23, with 61% in Sales, Credit and Collection

12%

Women given role movements over past two years

Aditya Birla Capital was awarded as one of the '2022 Best Companies for Women in India' by Avatar.



Celebrate Motherhood Programme

Crèche/Nanny and Motherhood programme launched to enable women meet their personal and professional commitments.

In FY23, Aditya Birla Capital introduced the "Celebrate Motherhood" programme, aligned with our purpose of providing support to women employees who are expecting to be a mother. The programme includes "Stay in Touch" and "Return-To-Work" elements, enabling seamless integration of personal and professional commitments. As part of the programme, we offered all women employees access to crèche or nanny services, allowing them to focus on their work and pursue their career aspirations without compromising childcare. This programme provides a range of benefits to support and guide women during pregnancy and ensures a smooth transition when they resume work.



Guiding to Achieve Excellence.



MS. VISHAKHA MULYE

Non-Executive Director

Vishakha Mulye is a Non-Executive Director of our Company with over three decades of rich experience in banking and financial services. She has been on the Company Board since

21 October 2022. She is the Chief Executive Officer at Aditya Birla Capital Limited ("ABCL"), the holding company of the financial services businesses of the Aditya Birla Group. She joined the Aditya Birla Group in July 2022 and has since been instrumental in scripting the transformational journey of Aditya Birla Capital to build accelerated growth momentum across its various businesses while maintaining a sharp focus on profitability and return of capital. Under her leadership, the Company embarked on a strategic roadmap of 'One ABC, One P&L' approach, resting it on the fundamental pillars of 'One Customer, One Experience and One Team', to maximise its share of opportunities in the financial services space and delivering long-term, sustainable value for stakeholders.

Prior to joining Aditya Birla Group, she held significant leadership roles and led several strategic initiatives as part of the ICICI Group. She was the Executive Director at ICICI Bank, overseeing their domestic and international Wholesale Banking, Proprietary Trading, Markets, and Transaction Banking Group. During her long career span, she also served as the Group CFO of the ICICI Bank and was on the Board of ICICI Lombard General Insurance Company, served as the MD and CEO of ICICI Venture Funds Management Company, and chaired the Board of ICICI Bank, Canada.

A Chartered Accountant and a career banker throughout her life, Vishakha has been honoured with various prestigious awards and recognitions for her valuable contribution to the world of business and finance.



MS. ALKA BHARUCHA

Independent Director

Ms. Bharucha began her career with Mulla & Mulla and Craigie Blunt & Caroe and joined Amarchand & Mangaldas as partner in 1992. In 2008, she co-founded Bharucha & Partners, which, since inception, has been ranked by RSG Consulting, London, among the 30 best firms in India. For years, Ms. Bharucha has been rated by Chambers Global, Legal 500 and Who's Who Legal among India's leading lawyers for years. She chairs the transaction practice at Bharucha & Partners.

Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance. Ms. Bharucha's general corporate work includes establishing mutual funds and providing regulatory advice to foreign institutional investors, foreign venture capital investors, merchant bankers and other financial intermediaries. She has experience acting for financial services clients and those in the telecommunications, power, and logistics sectors. She is also actively engaged in representing transactional corporations for investments in retail, defence, and manufacturing space.

**MR. SUBHASH CHANDRA
BHARGAVA****Independent Director**

Mr. Bhargava is a retired Director (Investments) of Life Insurance Corporation of India. He was in the Investment Department for 13 years. He was involved in almost all activities related to investments, such as project financing, short-term and long-term loans, dealing in equity, debt, government securities, and monitoring of corporates, among others. He has attended various programmes at IIM, Manchester School of Management and others related to Finance. He was also a member of the technical advisory committee of RBI on Money, Foreign Exchange, and Government Security Markets from May 2004 to July 2005.

**MR. NAGESH PINGE****Independent Director**

Mr. Nagesh Pinge is an expert in Ethics, Corporate Governance, Risk Management and Internal Audit. He is a Chartered Accountant and Law Graduate from India. He has also completed the Executive Education Program from the Stephen M Ross School at Business of the University of Michigan, USA.

In a career spanning 36 years, Mr. Pinge has worked with many organisations of repute. He retired from Tata Motors in November 2016 as Chief-Internal Audit, Risk Management & Ethics. Prior to that, he was Chief Internal Audit of Reliance Retail Ltd. and JSW Steel Ltd. Mr. Pinge has also worked for

ICICI Bank and its Group Companies in Risk Management (Chief Risk Officer), Regulatory Compliance and Internal Audit (Group Head - Internal Audit). Mr. Pinge is the Past President of the Institute of Internal Auditors, India. He is a recipient of AICCA award given by the Asian Confederation of Institutes of Internal Audit for “Outstanding Contribution in Internal Audit” for the year 2017. He is also a recipient of ICAI award given by the Institute of Chartered Accountants of India for the year 2014.

Mr. Pinge is a Regular Faculty at the “Masterclass for Directors” conducted by the Institute of Directors in India. He has authored a technical guidance note on “Risk-based Audit for Banks” published by the Institute of Chartered Accountants of India.

BOARD OF DIRECTORS



MR. RAJAT JAIN Independent Director

Mr. Rajat Kumar Jain, an IIT Delhi and IIM Ahmedabad alum is a Founder Director of PadUp Ventures, a Knowledge and Mentoring Platform focusing on providing deep mentoring and incubation services to early-stage tech startups as well as a

knowledge partner to other Incubators in India. The primary mission is to impact hundreds of early-stage startups through proprietary PadUp mentoring programmes, leading to improved success rates and helping them grow successfully to the next level and institutional funding. Over 200 startups have been impacted by PadUp Ventures over the last five years and it has built up a portfolio of over 50 such companies. After a 30-year career in Corporate India in leadership roles, Rajat is now a Non-Executive on several boards and advisory boards, including Fino Payments Bank, Droom Technologies, Intelligent Resource Group, part of the 1billion GBP UK group RSG and Zydex Industries (Advisory Board) a speciality chemicals conglomerate. Recently he retired from the Board of TIMDAA, a Bennett Colman GMR JV for Delhi Airport, Neva Garments, a leading branded

thermal wear player and Securenow Tech Services, a PE-funded InsureTech startup. He is also a Trustee of the Braj Foundation, an NGO focused on environment and water conservation and an Advisor to the E&H Foundation, working for the education and health of underprivileged kids in UP and FIIB, a leading MBA school in NCR. Apart from this, his key work areas include mentoring entrepreneurs and executives alike as an angel investor and a startup mentor. Having worked across Consumer, Telecom, Media & Technology sectors, he has acquired expertise in distribution, sales and commercial, understanding consumers and enterprises across various spaces, building, and working with teams and growing businesses that revolve around services and brands. He has also built multifunctional expertise, strong market and industry knowledge and an enviable industry network.





MR. RAKESH SINGH
Managing Director and
Chief Executive Officer

Mr. Singh is the Managing Director and Chief Executive Officer at Aditya Birla Finance Limited. He also serves as a Director on the Board of Aditya Birla Housing Finance and Aditya Birla Money Mart. He has over 25 years of experience in the financial services industry, cutting across both banking and non-banking financial institutions. He is a part of several industry forums, including the Confederation of Indian Industry and the Federation of Indian Chambers of Commerce and Industry. He lends his expertise as a member of FICCI's Banking and Financial Institutions Committee. He is also on the Board of Narsee Monjee Institute of Management Studies. Prior to joining Aditya Birla Finance Limited

in July 2011, Mr. Singh spent 16 years with Standard Chartered Bank. He started with a role in Retail Assets (Mumbai and Kolkata) and became the Head of Mortgages, India. His last assignment with Standard Chartered Bank was as a General Manager and Head of SME banking in India and South Asia. Mr. Singh has attended advanced management programmes at the Harvard Business School and the Indian Institute of Management, Calcutta, and holds a postgraduation degree in International Relations.



MR. KAMLESH RAO
Non-Executive Director

Mr. Kamlesh Rao is the MD and CEO at Aditya Birla Sun Life Insurance (ABSLI). He has a successful track record of entering new markets

and businesses and turning them around by placing them on a high growth trajectory.

As an integral part of the Banking & Financial Services industry, his experience has been shaped over a career spanning 25 years. In his previous role as the Managing Director and CEO – Retail at Kotak Securities Limited, Kamlesh was responsible for planning and executing strategic initiatives. He was instrumental in driving the growth and strategy for secondary markets, primary markets, margin funding and distribution of investment products. Prior to joining Kotak Securities Limited, Kamlesh held various roles at Kotak Mahindra Bank Limited for over 19 years. His experience spans across the asset and liability portfolios, including retail lending, business loans, unsecured

loans, mortgages, SME lending, HNI banking and broking. He joined the bank as a management trainee and rapidly became the Managing Director and CEO – Retail at Kotak Securities Limited.

In his earlier stint, Kamlesh has been part of several prestigious committees, including the NSE & BSE Advisory Committees and Secondary Market Advisory Committee (SMAC). He holds a degree in engineering and is also a management graduate.

Kamlesh is a part of the Senior Management Team at Aditya Birla Capital. At ABSLI, he focuses on taking the Company to a leadership position within the private life insurance space.

LEADERSHIP TEAM

Driving Growth at ABFL

Key managerial personnel



MR. RAKESH SINGH

Managing Director and
Chief Executive Officer



MR. TUSHAR SHAH

Chief Executive Officer –
PSFG and KMP



MR. PRADEEP AGRAWAL

Chief Financial Officer



MR. ANKUR SHAH

Company Secretary



Leadership team



MR. DEEP PAL SINGH
Chief Risk Officer



MS. SUJATHA SUDHEENDRA
Head – Human Resources and
Administration



MR. KUMAR ASHISH
Head – Retail, Consumer and
Micro-business



MR. UDAYAN SHARMA
Head – Mid Market and
Wealth Management



MR. SANTANU BASU
Head – SME



MR. ARNAB BASU
Head – Wholesale Solutions



MR. AJAY SINGH
Head – Wholesale Risk



MR. NIKESH GUPTA
Chief Operations Officer



MR. JITENDRA BHATI
Chief Compliance Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Vishakha Mulye
Non-Executive Director

Ms. Alka Bharucha
Independent Director

Mr. Subhash Chandra Bhargava
Independent Director

Mr. Nagesh Pinge
Independent Director

Mr. Rajat Jain
Independent Director

Mr. Rakesh Singh
Managing Director and Chief
Executive Officer

Mr. Kamlesh Rao
Non-Executive Director

COMMITTEES OF THE BOARD

Audit

- Mr. Nagesh Pinge
- Ms. Alka Bharucha
- Mr. Subhash Chandra Bhargava
- Ms. Vishakha Mulye

Nomination and Remuneration

- Mr. Subhash Chandra Bhargava
- Ms. Alka Bharucha
- Ms. Vishakha Mulye

Corporate Social Responsibility

- Ms. Alka Bharucha
- Ms. Vishakha Mulye
- Mr. Rakesh Singh

Stakeholders Relationship

- Mr. Subhash Chandra Bhargava
- Ms. Vishakha Mulye
- Mr. Rakesh Singh

KEY MANAGERIAL PERSONNEL

Mr. Rakesh Singh
Managing Director and Chief
Executive Officer

Mr. Tushar Shah
Chief Executive Officer –
PSFG and KMP

Mr. Pradeep Agrawal
Chief Financial Officer

Mr. Ankur Shah
Company Secretary

JOINT STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

M/s. Singhi & Co.
Chartered Accountants

SECRETARIAL AUDITORS

BNP & Associates
Company Secretaries

DEBENTURES TRUSTEES

Vistra ITCL (India) Ltd.
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Tel: +91 22 69300000
Fax no: +91 22 2653 3297
Email: itclcomplianceofficer@vistra.com

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
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Email: isrl@intimespectrum.com

REGISTERED OFFICE

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Email: ankur.shah@adityabirlacapital.com
Website: www.adityabirlafinance.com

CORPORATE OFFICE

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Management Discussion and Analysis

OVERVIEW OF GLOBAL & DOMESTIC ECONOMY

The global economy witnessed tightening of monetary conditions in most regions. As per the International Monetary Fund (IMF) World Economic Outlook update, the global growth prospects for CY2023 are estimated to fall to 2.8% from 3.4% in CY2022 and then increase to 3.0% in CY2024, the impact of which is expected to be witnessed by the Indian economy as well. Global trade is estimated to have reached a record level of approximately \$32 trillion in CY2022; however, growth had turned negative during the second half of CY2022. The trade outlook for CY2023 is expected to be negatively impacted by geopolitical frictions, persisting inflation and lower global demand. Furthermore, deceleration in domestic growth could lead to some softening in imports. Consequently, there is nervousness in global financial markets with potential consequences for the real economy and financial stability.

The projection for global inflation has been revised downwards from 8.7% in 2022 to 7.0% this year and 4.9% in 2024. The current account deficits of major Advanced Economies are likely to widen further, reaching the highest level after 2008. While government debt has moderated from a post-pandemic peak in 2020, it still remains elevated relative to historical averages.

Central banks across the world have front loaded monetary policy tightening to restore price stability. In the United States, the Federal Reserve started policy tightening in March 2022 and has raised the federal funds rate to 5.00-5.25% up to May 2023. Central banks of other Emerging Market along with Advanced Economies have also started retracting accommodative stances towards policy normalisation.

In this highly uncertain global environment, the Indian economy is exhibiting signs of a gradual strengthening of the growth momentum, drawing from macroeconomic fundamentals. India continues to remain a relative “bright spot” in the world economy, and will alone contribute 15% of the global growth in 2023 as projected by International Monetary Fund. IMF expects India to retain a high growth rate @ 6.8% in CY2022 and a bit of slow down to 5.9% in CY2023 before picking up to 6.3% in CY2024. While favourable demographics and digitisation pulled India out from pandemic lows, prudent fiscal policy and significant financing for capital investments provided in the budget helped sustain the growth momentum.

INDUSTRY STRUCTURE AND DEVELOPMENTS

In FY2023, systemic credit showed strong growth on the back of pent-up retail demand from sectors such as housing and auto. Credit demand also grew due to strong demand from NBFCs and the trade segment. Overall credit grew by an estimated 13.3% and systemic retail credit by 19.2%. NBFCs have shown remarkable resilience and have gained prominence in the financial sector ecosystem. Their share in the overall credit pie increased to 18% in fiscal 2023 from 12% in fiscal 2008.

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

The COVID-19 pandemic, the consequent acceleration in the adoption of technology and change in consumer habits, and the increasing availability of data for credit decision-making have supported the further acceleration of retail credit growth. Revival of economic activity, pent-up demand, strong export, and domestic support have strengthened credit growth in the MSME segment. The market share of NBFCs in outstanding MSME loans (including LAP) was 25% in FY2022 and is estimated to have increased to 27% in FY2023. In terms of growth, NBFCs witnessed a CAGR of 21% between fiscals 2017 and 2023, compared to 8% for other players. Going forward, NBFCs are expected to continue to witness rapid growth and increase their market share in this segment.

BUSINESS OVERVIEW

Headquartered in Mumbai, Aditya Birla Finance Limited (“the Company/ABFL”) offers lending and wealth services to a diverse set of customers. ABFL is one of the top 5 diversified Non-Bank Financier in India (in terms of AUM). ABFL is classified as an Upper Layer NBFC, in the list issued by RBI in September 2022, amongst 15 other NBFCs. ABFL has a growing branch network with 323 branches as on March 2023, with focussed expansion in Tier III & IV cities.

The Company is pursuing its strategy on the following three pillars, which will drive its next level of growth.







• Product-suite Expansion

The first pillar of the Company's strategy is its product portfolio expansion with enhanced customer segmentation. ABFL over the last three years has increased the share of higher yielding retail loans in its loan book by enhancing its product profile not only in traditional products like personal loans, business loans and LAP, but it has also launched

niche products like 'Buy Now Pay Later', 'Checkout Financing' and 'Education Loans'.

ABFL is one of the fastest growing player in Personal loan segment in last 5 years. ABFL has also built digital lending platforms, allowing an end-to-end online journeys for offering personal & business loans to captive customers, extended employee base and MSMEs. This will help in building leaner operating model in long term.

Below grid represents products offering by ABFL:

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

¹ATS as on Mar 31, 2023

• Deeper distribution

ABFL continues to accelerate investments in its infrastructure. This is done in a calibrated manner with control on both costs and outcomes and it has supported its strategy to sharpen its focus on Retail and SME segments. As a result, the Company's branch presence grew from 159 in March 2022 to 323 as in March 2023.

The overall active customer base of the Company grew by 57% Y-o-Y to 5.7 million as on 31st March 2023 and continues its journey to add more customers expand its reach in retail segment. Strong product suite and strategic penetration into new business segments has helped ABFL to build a strong position across competitors. ABFL is focussed on leveraging Digital channels to increase its customer base. Our comprehensive digital platform tailored for the MSME ecosystem, offers a paperless digital

journey for business loans using traditional and alternate data sources with value added services for MSMEs to manage and grow their businesses. This platform has been integrated with both government and private e-commerce websites, enabling credit facilities for sellers operating on these platforms.

The 'ABC One Branch' strategy enables ABFL to add to its presence organically at a lower cost. Additionally, ABFL is also expanding its distribution channels and sourcing increasingly from Direct & Digital Ecosystems. The Company also plans to leverage the ABC and ABG ecosystem via cross-sell and providing wealth and Insurance solutions.

• Cutting-edge Technology

Another pillar of the Company's strategy is to leverage technology in order to make its business future ready.

Management Discussion and Analysis (Contd.)

To that end, ABFL has consistently implemented the best technologies available at each stage of its journey. With these investments, a large part of its customer acquisition and collections during the year has been through digital platforms leading to accelerated growth. This share has grown significantly in the last few years and we attribute our right to win in this segment due to our strong balance sheet, lower cost of borrowings, end-to-end agile, plug and play API tech stack, partner specific bespoke underwriting policies and product bundling for customer's overall financial needs.

We leverage our technological infrastructure for customer acquisition, customer services, process automation and collections, as set forth below:

Customer Acquisition	Customer Servicing	Process Automation	Collections
During the Financial Year 2023, 99% of our customers were onboarded digitally.	During the Financial Year 2023, 98% of the EMIs were collected digitally	We have witnessed a significant penetration in electronic national automated clearing and personal loans.	We leverage artificial intelligence for risk-based collections calling.
Our loan origination system and loan management system use facial recognition, bureau integration and e-contract facilities for KYC procedures.	Our inbound contact center calls are handled by voice IVR bots.	During the Financial Year 2023, 83% of our interactions with our customers happened digitally.	We leverage machine learning for low-risk cheque dishonor cases calling.
	We have enabled self-service channels with STP for better service journey of our customers.	We utilize an email bot to respond to customer emails.	We have activated our repayment hub with multiple digital payment channels for EMI collections.

Further, we employ analytics in our operations, including, sourcing, underwriting and collections. Set forth below is a brief summary of use of analytics in our operations:

Sourcing	Underwriting	Collections
For new to business customers, we create scorecards and apply risk based differential pricing.	Analytical tools help us in identifying credit worthy customers, and in generating custom multiple application scorecards.	Analytical tools help us in root cause identification (for instance, inability to pay) and its solutions.
For existing customers, analytical tools help in arranging for pre-approved loans and assist in cross-selling of mutual funds and insurance products to our customers.	Analytical tools help us in offering appropriate credit line through calculation of fixed obligation to income ratio for income estimation and obligation.	Analytical tools help us in preparing base for collection by improvising our sourcing strategy through incorporation of collection feedback.
For such customers who were previously associated with us, analytical tools assist in cross-selling of loans and re-engagement through competitive pricing.	We are able to employ risk-based pricing and optimize field verification through digital process.	We can customize our collection process by using multiple collection scorecards and preparing customized base for different channels.
For new products, we use technology to customize deals and products, and employ behavioral scorecard analytics.	Analytical tools help us in setting-up an early-stage warning system.	We can track agency performance and rank the collection agencies based on recent and historical target achievement data.

BUSINESS PERFORMANCE

The Company caters to the following lines of businesses:

- Personal & Consumer
- Unsecured Business
- Secured Business
- Corporate/Mid-Market

ABFL believes that diversification is a key method of risk mitigation. Its exposures are diversified across sectors,

customer segments and products. The AUM book of the Company stood at ₹80,556 Crore as on 31st March 2023. The number of customers of the Company has grown 1.6x over the previous year. The Company continues its focus on growing higher margin MSME and Retail lending. Diversification of our customer segments has a significant benefit as it allows us to pick and choose segments that work on a risk-return basis. The Retail, SME and HNI segments grew to ~67% of the portfolio in the last year.



Customer segment wise portfolio details as compared to previous year is given below:

(₹ in Crore)

Customer Segment	March 2023	March 2022	Change %	Mix %
Personal & Consumer	15,442	5,208	196%	19%
Unsecured Business	8,409	5,349	57%	10%
Secured Business	31,944	24,428	31%	40%
Corporate/Mid-Market	24,761	20,195	23%	31%
Total AUM	80,556	55,180	46%	100%

i) Personal & Consumer:

ABFL caters to individuals/small business owners/micro enterprise segments with focus on emerging income segment. ABFL has built an entire spectrum of lending, financing and wealth services including (i) Personal Loans, (ii) Consumer Loans, (iii) Checkout Financing, (iv) Credit Card.

The Company is steadily investing in broadening its portfolio towards small ticket loans including Buy Now Pay Later, Checkout Financing, Education Loans and Merchant Loans. This also synchronizes well with its efforts toward retailization and digitalization. The contribution from the small ticket loans and the customized ecosystem products has grown considerably in the last two years. The Company has created a unique online financing platform with lead acquisition, assessment and servicing performed end-to-end through an All-Digital Loan Origination System.

This segment in line with the Company's focus on moving to a granular AUM. The business grew strongly in FY2023 and closed the financial year with AUM of ₹15,442 Crore, recording a growth of 196%. The average ticket size is around ₹28,000 in FY2023, from ₹15,000 in FY2022. This segment's contribution to the overall AUM expanded to 19% in FY2023 from 9% in FY2022.

ii) Unsecured Business:

With the Indian economy expected to emerge as one of the leading economies in the world, a major impetus is being given to the SME sector which acts as the backbone of the economy. ABFL reaches out to this segment largely through relationship managers.

Digital Lending has further enhanced ABFL's capability to offer unique lending solutions to customers of strategic alliance partners. Keeping up with the rapidly evolving digital solutions, the Company has been able to create a vast range of lending offerings for its partner platforms and their captive customer base. It has developed a plug-and-play ecosystem which allows faster integration across partner journeys with improved customer experience, significant cost savings, consistency in the credit approval process and real-time loan disbursements. This offering not only provides an extended outreach but an opportunity to assess and service customers using alternate data and machine learning models. ABFL also caters to the demand arising out of working capital requirements through its solutions like vendor financing and channel financing.

This segment achieved a closing portfolio of ₹8,409 Crore as on 31st March 2023 from ₹5,349 Crore as on 31st March 2022 registering a growth of 57% y-o-y. This was in line with the strategy to increase granularity of the overall portfolio. The average ticket size for the unsecured book declined to ₹10.67 Lakh from ₹12.13 Lakh. Overall, the contribution of this segment after an absolute growth of 57%, grew marginally to 10.4% of total AUM of the Company in FY2023 from 9.7% in FY2022.

iii) Secured Business:

This segment caters to Business owners and self-employed professionals engaged in small/mid-sized businesses. ABFL offers funding against financial securities to meet needs of this client segment to expand and grow by starting new operations, entering new markets and introducing new products or increasing stake in their companies through warrants conversion, subscribing to rights issues, equity infusion in other businesses etc. The Company provides solutions in the form of Loan Against

Property (LAP), Working Capital Loans, Loan Against Securities, Micro-LAP etc. to allow this segment to raise funds quickly.

ABFL caters to the needs of this segment by financing their requirements through solutions like term loans, working capital facilities, capex funding requirements through our diversified product solutions. It also offers products like Lease Rental Discounting (LRD) to enable clients to finance business expansion and asset creation by monetizing and unlocking value of their property with rent from lessees becoming the source of repayment. The Company is live in SME industry-micro market cluster locations. This year, the Company has also launched its Digital MSME platform for sourcing across the value chain. The platform will be enabling simplified processes & better TATs to enhance its presence in B2B digital platforms that are emerging marketplaces for merchant ecosystems.

This segment's book increased by 31% during the year to reach ₹31,944 Crore as on 31st March 2023 from ₹24,428 Crore as on 31st March 2022. This segment contributed 40% to total AUM of the Company in FY2023. The average ticket size of this segment has decreased to ₹1.76 Crore in FY2023 from ₹2.16 Crore in FY2022.

iv) Corporates/Mid-Market:

ABFL serves pedigree corporate groups across sectors such as Renewable Energy, Roads and Transport, Pharmaceuticals, FMCG, Automotive, Education, Specialty Chemicals etc. It caters to these segments with term loans, project finance, as well as customized products such as structured finance. ABFL also caters to Mid-corporate companies in focus sectors seeking customized solutions to meet their long-term working capital requirements, short-term business loans, acquisition finance and other funding requirements, apart from conventional balance sheet loans to operating companies. In select markets, ABFL also provides Developer finance to Category A/ A+ developers. The project loan financing segment funds projects with ring fenced cash flows approach. In construction finance, ABFL deals with top category developers having a significant track record.

The Corporate / Mid-Market segment closed FY2023 with AUM of ₹24,761 Crore, registering a growth of 23% over FY2022. The average ticket size of the loans had a

marginal growth to ₹53 Crore in FY2023 from ₹50 Crore in FY2022. This portfolio constitutes 31% of the overall AUM in FY2023, down from 37% in FY2022. This is in line with the Company's objective to diversify its AUM.

WEALTH BUSINESS

Aditya Birla Wealth (ABW) offers customised solutions to a diversified range of customers through its strong network of relationship managers, product specialists and service managers. ABW is amongst few wealth outfits in India to have an independent research team, which helps us to empower our client with the latest market updates and facilitate investment decisions by leveraging our strength in capital market research.

ABW has been adjudged '*the Best Investment Research Company in India 2023*' by the prestigious AsiaMoney Private Banking Awards. This recognition reinforces our constant endeavor to pursue the path of excellence and build a sustainable and rewarding relationship with our clients. The Assets under Administration (AUA) under ABW stands at ₹17,041 Crore as on 31st March 2023.

FINANCIAL PERFORMANCE

The net interest income (including fee income) saw a 43% increase y-o-y to ₹4,410 Crore in FY2023, driven by strong loan growth and expansion in net interest margin. The net interest margin (including fees) increased by 60 basis points to 6.84% in FY2023, supported by an increase in proportion of higher yielding personal, consumer and business loans and increase in lending rates, offset in part by a rise in borrowing costs. The cost of borrowings increased by 37 basis points to 7.25% in FY2023 despite a 250 basis points increase in repo rates. Operating expenses increased by 50% y-o-y to ₹1,417 Crore, driven by increase in branches, costs incurred towards growing the personal, consumer, micro-enterprises and SME business and technology and digital-related expenses. The cost-to-income ratio was 32.1% in FY2023. The pre-provisioning operating profit increased by 40% to ₹2,994 Crore in FY2023. Credit provisions increased by 38% y-o-y to ₹903 Crore in FY2023. The credit cost (provisions as a percentage of average advances) was 1.43% in FY2023 compared to 1.36% in FY2022. The Profit Before Tax increased by 41% y-o-y to ₹2,090 Crore in FY2023. The Profit After Tax increased by 40% y-o-y to ₹1,554 Crore in FY2023. The Return on Assets increased by 15 basis points y-o-y to 2.45% and Return on Equity increased by 289 basis points y-o-y to 14.76% in FY2023.



Key Financials

(₹ Crore)

Profit & Loss Statement	FY2022	FY2023
Net Interest Income (Incl. fee Income)	3,088	4,410
Operating expenses	947	1,417
Credit provisioning	653	903
Profit before tax	1,487	2,090
Tax	379	536
Profit after tax	1,108	1,554
Total equity	9,860	11,426

(%)

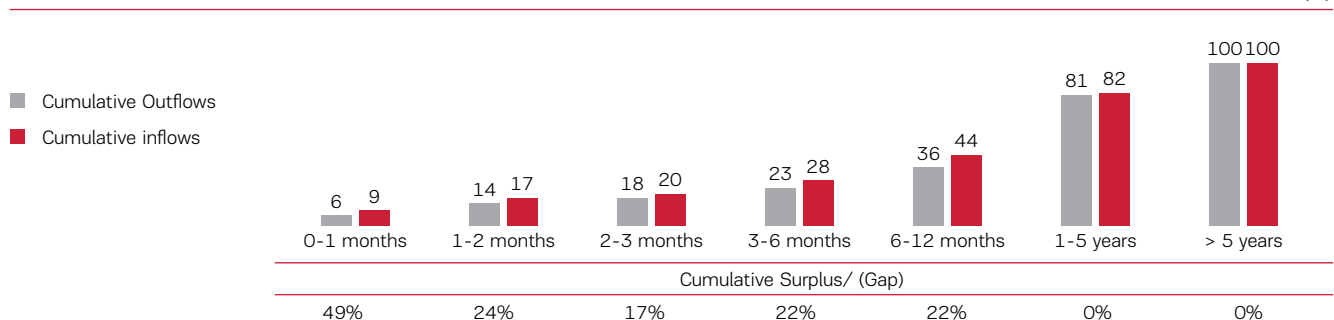
Key Ratios	FY2022	FY2023
Average yield (Incl. Fee Income)	11.72	12.76
Interest cost/Avg. Lending book	5.48	5.92
Net Interest Margin (Incl. Fee Income)	6.24	6.84
Opex/ Avg. Lending book	1.97	2.24
Cost-to-income Ratio	30.67	32.12
Credit Provisioning/ Avg. Lending book	1.36	1.43
ROA	2.30	2.45
ROE	11.87	14.76
Debt-to-equity	4.66	6.19
Capital Adequacy (CRAR)	21.79	16.38
Tier-1 ratio	18.07	13.92

• Positive ALM and Surplus Liquidity to enable Growth:

ABFL's Asset Liability Management (ALM) is optimised for both liquidity and cost. As on 31st March, 2023, ABFL had an accumulated surplus up to a one-year time frame from the ALM perspective. We raised ₹31,678 Crore long-term borrowing during FY2023 of the total liabilities, 38% have fixed rates and 62% have floating rates of the total assets, 39% have fixed rates and 61% have floating rates. Our long-term funding facilities were rated AAA and short-term funding facilities were rated A1+ by India Ratings, ICRA and Care Ratings. In terms of liquidity, there is significant availability to meet obligations, even under severe stress conditions.

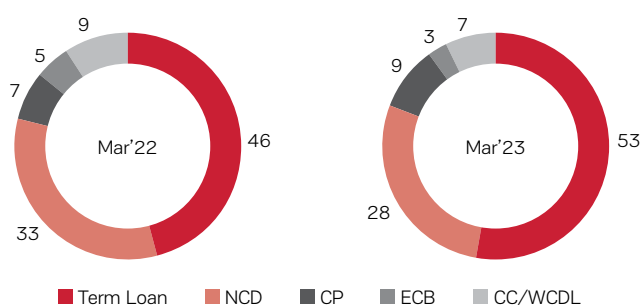
Well matched ALM and diversified borrowing mix

(%)



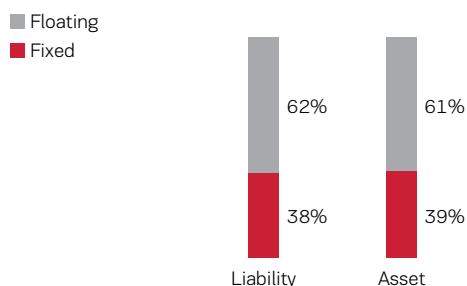
Funding Mix

(%)



Asset Liability Mix

(%)



- Long-term funding facilities rated AAA & Short-term funding facilities rated A1+ by ICRA/India Ratings/CARE
- Raised LT borrowing of ₹31,678 Crore in FY2023
- Maintained comfortable Capital Adequacy (CRAR) at 16.4% and Tier 1 ratio of 13.9%
- Total Equity:** The Total Equity of the Company expanded by 16% Y-o-Y to ₹ 11,426 Crore as on 31st March 2023 against ₹9,860 Crore as at 31st March 2022. Total borrowing outstanding at amortized cost on at 31st March 2023 was ₹70,771 Crore (previous year ₹45,986 Crore). Being a Non-deposit taking NBFC, the Company has not raised any fixed deposits from the public.
- Cost of Borrowing:** ABFL has strong funding access with well diversified sources which has helped ABFL to manage

the cost of borrowing in a rising interest rate environment. The cost of borrowing has increased by 37 basis points to 7.25% in FY23 despite a 250 basis points increase in repo rates.

- Capital Adequacy Ratio (CAR):** As on 31st March 2023, the Capital Adequacy Ratio for the Company was 16.38% (previous year 21.77%) against a minimum of 15% as required by RBI. The Tier I capital of the Company was 13.92% (previous year 18.07%) and Tier II capital was 2.46% (previous year 3.70%).
- Rating:** Long-term funding facilities of the company are rated AAA and short-term funding facilities are rated A1+ by ICRA, CARE and India Ratings. These ratings depict the confidence that the company has earned by its sound financial management and timely repayment of financial obligations.

STAGE-WISE ASSETS AND ECL PROVISIONING (%) (ON LOAN BOOK)

Gross Stage 2 loans declined by 269 basis points to 2.72% as on 31st March 2023. Gross Stage 3 loans declined by 46 basis points to 3.12% as on 31st March 2023. The provision coverage on Gross Stage 3 loans increased from 39.5% as on 31st March 2022 to 46.2% as on 31st March 2023.

Particulars	Mar 31, 2022		Mar 31, 2023	
	%	₹ Crore	%	₹ Crore
Stage 1	91.02%	49,770	94.16%	75,758
Stage 2	5.41%	2,956	2.72%	2,187
Stage 3	3.58%	1,956	3.12%	2,507
Stage 2 and 3	8.98%	4,912	5.84%	4,695
Total Loan book	100%	54,682	100%	80,452
Stage 3 PCR	39.5%		46.2%	



The growth of the loan book has been accompanied by strong credit appraisal and risk management practices, which have helped the Company deliver stable risk-adjusted returns, improve the quality of its book. Approximately 64% of ABFL's loan book is secured as of March 2023, including 4% covered by government guarantee schemes.

OPPORTUNITIES AND THREATS FOR THE COMPANY

Opportunities

- Under-penetration of formal financial services in India providing opportunity to expand to smaller towns with a focus on lending to MSME & self-employed segments
- Use of digital technologies and data to offer new products to leverage relationships with existing customers and increase revenue per customer
- Evolution of FinTech ecosystem with niche technological platforms and customer segments

Threats

- Impact of ongoing geopolitical conflicts, rising inflation and increasing interest rates on portfolio credit quality, profitability and industry growth

RISKS MANAGEMENT FRAMEWORK

The Company's risk management philosophy involves developing and maintaining a strong credit portfolio within its risk appetite and the regulatory framework. While it is exposed to various types of risks, the most important among them are credit risk, market risk (which includes liquidity risk and price risk) and operational risk. The measurement, monitoring and management of risks remains a key focus area for the Company.

The Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment, measurement and mitigation procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked against best practices in the market.

For credit risk assessment, specific policies and processes are in place, separately for each segment that the Company operates in. Management of credit risk is carried out through credit policy definition, portfolio diversification, appraisal and approval processes, internal ratings, post sanction monitoring,

operations control, fraud control, collection processes and remedial management procedures. For each product, programs defining customer segments, underwriting standards, security structures, etc. are specified to ensure consistency of credit patterns. Proposals are approved at different levels based on defined delegations of authority.

A robust collection infrastructure is core to ABFL's lending business. It has strengthened the collection capabilities by setting up dedicated collection teams for specific segments.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal controls, systems and procedures across all lines of business and support functions, commensurate with the complexity and nature of its business operations. The controls ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. The Company's management functions undergo an independent internal audit basis the scope and calendar approved by the Audit Committee of the Board. The Company's controls over its business operations are managed effectively by instituting well-defined policies and procedures and adequate supervision and reviews to ensure that the internal control systems are adequate to protect the Company against any loss or misuse of the Company's assets.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES (HR)

Your Company has always aspired to be an organization and a workplace which attracts, retains and provides a canvas for talent to operate. The Company's vision to be a leader and a role model and a culture that is purpose driven gives meaning to our people.

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

TALENT MANAGEMENT

Building a strong future ready talent pool and robust leadership succession pipeline continue to be priority areas for us in Talent Management. We have immense focus on creating well rounded leaders who are passionate about value creation for customers and execution excellence. Leaders across businesses will continue to play a pivotal role in ABC's transformation journey and drive the achievement of ABC's strategic goals. This will require them to think in new ways, enhance functional leadership and build their teams for the future.

- FY2023, we initiated the top team effectiveness intervention with the top leadership team with an objective to drive alignment and cascade a culture of collaboration across all levels.
- 50% of our senior leaders have undergone a bespoke comprehensive leadership development journey curated in partnership with Harvard Business Publishing.
- 87 members from our talent pool in middle management were covered either in our flagship leadership development program or development centers to prepare them to take on larger roles and create a succession pipeline for the organization.
- 265 employees across levels moved into new/larger roles helping them advance in their career in the past 2 years.

Additionally, focus on building future ready skills in the areas of Digital, Technology, Risk and Analytics has been ongoing for last year. Through various initiatives and partnerships with global organizations, we have continued our focus on building skills in these areas.

Employee Wellness and Engagement

Our endeavor to provide our employees diverse and engaging ecosystem continued this year. This FY we concentrated on Holistic Employee Wellbeing – ABC People Agenda FY2024. To get insights on health risks if any, for employees we focused on providing physical and digital wellness ecosystem to protect employees' 360-degree wellbeing needs.

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

At Aditya Birla Finance Limited (ABFL), we consider employee health and wellbeing to be a non-negotiable proposition.

We believe that focusing on employee health and wellbeing results in a happier workforce which further creates a positive impact on customer satisfaction and retention. Our framework focuses on Integrated and Holistic Wellbeing covering not just the Physical Wellbeing of employees but also Emotional or Mental Wellbeing, Financial Wellbeing, Intellectual Wellbeing and Social Wellbeing. We have also empaneled doctors and counsellors to provide preliminary medical consultations in our corporate offices and on-call consultations for our employees and their families in emergency cases. In FY2023 the employee integrated wellness program managed by our Health Insurance was extended to all employees and special attention in the form of health coaching was given to those in the high-risk category to help them understand their health condition, take assisted help to improve health and sustain it. Employee health and well-being campaigns were driven by running wellness carnival wherein exhaustive Health Assessment drives were deployed across ABFL branches, encouraging employees to participate in health checkups. Enabling our employees to regularly check their health and wellness levels we organized multiple health camps covering Bone density check-ups, Body composition analysis, Yoga sessions at work, Nutritional counselling, Breast Health check-ups and awareness drives and many more.

Lastly, Preventive annual health check-ups are our way of monitoring and ensuring a physically fit workforce. We have partnered with diagnostic centers across the country that enable a seamless experience for our employees.

Learning

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

An AI enabled learning app provides employees easy access to super personalized content that meets their unique individual requirements, employees leveraged these resources to enhance their skills and knowledge.

The Functional L&D team during FY2023 focused on (i) FLS productivity; (ii) New joiner activation; and (iii) Workforce capability building across Sales and Non-Sales functions.

Through launch of the industry-first initiative of Pre-Joining Functional Induction, we managed to achieve a 62% improvement in the 90-day performance of new joiners, along with ensuring prompt alignment with the Values, Code



of Conduct and Governance mechanisms of ABC, thereby achieving faster cultural integration of the retail sales workforce. The Credit Risk Master Class and Retail Credit Certification programs ensured building up the credit risk underwriting strength of the organization, to provide support to the burgeoning retail expansion as well as the fast-growing mortgage book. 97% of entire credit workforce was covered, in collaboration with CRISIL, and 73% got certified at Platinum Badge level, issued by CRISIL after a stringent evaluation. In line with strengthening the organizational muscle across the loan process cycle and customer life cycle, we also completed two key initiatives for Operations/Customer Service and Collections teams. The License-to-Operate certification, comprising of training module as well as an evaluation, mandatory for all Ops team members, was rolled out for internal Ops teams as well as the outsourced RPC (Regional Processing Center) teams to ensure accuracy in processing and reduced re-work. The Raise-The-Bar program for Collections was a multi-stage skill-builder initiative, aimed at enabling the Collections team to effectively convince the customers to repay their due accounts, and ensuring absolute adherence to the RBI Fair Practice Code and all regulatory guidelines. The team also revamped the learning tech infrastructure, phasing out the 6-year-old K-Cart LMS (Learning Management System) and deploying the ABCapital App, which is a mobile-first LMS.

Behavioral Learning & Culture Building

Behavioral Learning focused on 3 aspects of capability building- ABG Values and Culture cascade; Managerial Capability and Self-development. Every year, we invest in interventions to sustain and reinforce the culture around our values, through surveys and other mechanisms. In FY2023, Culture Onboarding was one of the key focus areas for the organization amidst the organizational expansion and transition. More than 1,356 employees went through the “Vitamin V-values” program that was curated to cascade ABG Group purpose and values & Communication across branches and corporate offices and it continues to be one of the core onboarding programs. More than 2,434 employees went through behavioral training interventions and more than 1,128 employees participated in more than 2 programs throughout the year. Managerial capability building continued to be a critical aspect to equip young managers to lead teams effectively, enhance understanding of critical people processes and engage to develop. The Transcend program ensured all first-time managers in junior management cadre went through extensive development journey to build managerial capabilities. Apart from this, specific behavioral interventions with Operations and Customer services teams

were deployed to enhance customer centric behaviors, 90% employees in customer and operations team were covered through this program. While self-paced learning is available 24x7x365, other focus areas of self development were built around the ABG competency framework enabling employees to enhance their skills on personal effectiveness.

With 3,000+ E Learning courses, 25K+ video-based modules and 2K+ micro-learning modules and 1.4K Sustainability courses our employees have the flexibility to learn anytime and from anywhere.

Diversity, Equity and Inclusion (DEI)

With more than 323 branches spread across locations, diversity and inclusiveness is built into the way we do business. At ABFL diversity is not only limited to women but also is defined as being respectful and open to new ideas and what employees bring on the table. In FY2023 DEI at ABFL the focus was around infusing women across the organization, developing and fast-tracking women to leadership roles and creating continuous engagement as well as communication around benefits & flexi-policies that the organizational ecosystem has to offer for women employees. This is aligned to the ABG purpose, vision and values.

Aditya Birla Capital was awarded as one of the 2022 Best Companies for Women in India by Avatar.

Given our philosophy on hiring, promotion and succession being a matter of competence rather than gender, out of the total hired employees in FY2023, 11% were women with close to 61% women hired were in sales, credit and collections. Special focus was to infuse women in departments like collections which is a novel initiative across industry.

12% women were given role movements over last 2 years across levels.

In FY2023, Aditya Birla Capital launched the “Celebrate Motherhood” program which is aligned with our purpose to provide an amicable support system to our women employees who are mothers to be and new mothers. It offers them an enriched experience throughout the most critical journey of their life called Motherhood. The program design enables the women employees with an engaging “Stay in Touch” and “Return-To-Work” elements for them to reintegrate their personal and professional commitments. At ABFL, we are committed towards employee care and well-being. As a part of

the program, a benefit for Women employees requiring a crèche or Nanny Services was extended to all women, so that they can focus on their work and achieve their career aspiration without compromising on childcare. Crèche facility is an extension of statutory provisions with an intention of benefiting women employees at work.

This program offers a combination of benefits that enable women with support and guidance during pregnancy and facilitates a seamless transition once they resume work. The features are spread across 4 phases of Motherhood Journey- Prenatal to Post-natal phase and then to returnity to work phase.

At ABFL this benefit was extensively leveraged by 8.7% women employees, wherein they opted for Creche or Nanny Policy benefits. In addition to the above, exclusive policy awareness training modules were imparted specifically curated for women employees across all levels every quarter. These training modules were designed to create awareness and communicate all the flexi benefits available for women and the career development opportunities within the organization.

FY2024 – WAY FORWARD AND OUTLOOK

Outlook

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

ABFL will focus on building a granular franchise and lending to retail, SME and HNI customers. In the business loans segment, differentiated offerings for MSMEs and will leverage Udyog Plus platform to acquire new customers, tap into the ABG ecosystem, focus on ecommerce partnerships and integrate with public infrastructures such as OCEN and ONDC to grow the loan portfolio. In the personal and consumer loan segment, ABFL will deep-mine the existing customer base acquired through digital ecosystems using analytics and drive cross-selling and upsell through scorecard-based Straight Through Process (STP) journeys. Through tie-ups with new partners, ABFL plans, to diversify its digital ecosystem sourcing mix in personal loans and aims to introduce new products such as education loans and two-wheeler loans to increase the wallet share among customers.

Way forward



Personal and consumer loans

- Deep mine existing customer base acquired through digital ecosystems using analytics and increase cross-sell
- Scorecard based STP journeys with zero human interventions
- Increase share of emerging salaried segment in personal loans
- Tie up with new partners to diversify digital ecosystem sourcing mix in personal loans
- Increasing wallet share through new products launch such as Education Loans and 2W Loans



Business loans

- Scale up Udyog Plus - A differentiated B2B digital platform for MSME ecosystem
- Differentiated offerings with digitally assisted assessed income program and STPs, scorecard journeys for small ticket loans
- Enhance fee income opportunity through new products and digital delivery channels
- Integrate with ONDC & OCEN infrastructure and partner with E-commerce players



Distribution network

- Focus on increasing branches in Tier 3/4 cities
- Build direct to customer for self-employed segment
- Direct to Corporate Channel for Personal Loans distribution done end-to-end digitally
- Leveraging ABG/ABC ecosystem synergies across product segments



CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's plan and objectives, financial conditions, business prospects, estimates and expectations may be forward looking statements which are based on the current belief, assumptions, projections of the Directors and the management of the Company. These statements do not guarantee the future performance and are subject to known and unknown risks, uncertainties, and other factors some of which may be beyond the control of the Company. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates, significant changes in political and economic environment in India or key markets abroad, tax laws, litigations, exchange rate fluctuations, interest and other costs.

Board's Report

Dear Members,

The Board of Directors of Aditya Birla Finance Limited ("**your Company**" or "**the Company**" or "**ABFL**") is pleased to present the 32nd (Thirty Second) Annual Report and the Audited Financial Statements (Standalone) of the Company for the financial year ended 31st March 2023 ("**financial year under review**").

FINANCIAL SUMMARY AND HIGHLIGHTS

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

Particulars	(₹ in Crore)	
	Year ended 31 st March 2023	Year ended 31 st March 2022
Total Income	8,268	5,797
Less: Finance cost	3,857	2,709
Net Interest Income	4,411	3,088
Less: Total Operating Expenses	1,417	947
Pre provision Operating Profit	2,994	2,141
Less: Impairment on financial instruments	904	654
Profit before Tax	2,090	1,487
Less: Tax expenses	536	379
Profit after Tax	1,554	1,108
Add: Other comprehensive income (net of tax)	7	24
Total comprehensive income (net of tax)	1,561	1,132
Transfer to Special Reserve	311	244

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

The financial statements of the Company are consolidated with that of Aditya Birla Capital Limited ("ABCL"), the Holding Company which has adopted Ind-AS. The Company has also prepared the financial statements in Ind-AS Fair Value format which are consolidated with ABCL for further consolidation with Grasim Industries Limited (ultimate Holding Company).

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Highlights of the Company's performance for the financial year ended 31st March 2023 are as under:

a) Key Highlights

- During the year under review, the total income ended at ₹8,268 Crore as against ₹5,797 Crore in the previous





year with a growth of 43%, primarily led by growth in the lending book.

- The Net Interest Income grew by 43% to ₹4,411 Crore from ₹3,088 Crore in the previous year. This was again primarily led by growth in the lending book along with an increase in margins by 10%.
- The operating expenses grew by 50% to ₹1,417 Crore from ₹947 Crore primarily driven by expansion in branch network and related employee costs.
- The provisions for impairment of financial instruments grew by 38% to ₹903 Crore from ₹654 Crore in the previous year.
- Operating profit for the year grew by 40% to ₹2,994 Crore from ₹2,141 Crore in the previous year.
- With the combination of factors mentioned above, both profit before tax and profit after tax increased by 40% to ₹2,090 Crore from ₹1,487 Crore and to ₹1,554 Crore from ₹1,108 Crore, respectively.



b) Business

In addition to the wealth management solutions, the Company offers lending/financing through the following products offerings:

Segment	Personal & Consumer	Unsecured Business	Secured Business	Corporate / Mid-Market
Presence	Semi-urban	Semi-urban	Semi-urban/ SME Clusters	Top 6-7 Cities
Products	Salaried Professionals with focus on emerging income segment	Business owners & Self employed professionals engaged in small/mid sized businesses	Business owners & Self employed professionals engaged in small/mid sized businesses	Pedigreed Group Corporates/ Midmarket Cos in focus sectors/Cat A/A+ developers
	 Personal Loans Consumer Loans Check-out Financing Credit Card	 Business Loans Supply Chain Finance B2B Digital Platform Business Overdraft	 Loan Against Property Working Capital Loans Micro - LAP Loan Against Securities	 Capex/WC Funding Structured Finance Developer Financing Project Finance

The detailed segment wise performance results are provided in the Management Discussion & Analysis report.

c) Portfolio quality

During FY23, focused expansion in the retail, SME and HNI segments resulted in growth of 57% in this segment contributing to 67% of your Company's Assets under management (AUM). During the financial year, the Company also enhanced its footprint to 323 branches with a focus on increasing branches in Tier 3 & 4 cities. During this period, the Company further improved the portfolio quality through strengthening of credit underwriting and enhancement of its collection capabilities.

Gross Stage 2 book was at ₹2,187 Crore (2.72 %) as on 31st March 2023 as compared to ₹2,956 Crore (5.41 %) in the previous year. Further, the Gross Stage 3 book was at ₹2,507 Crore (3.12 %) as on 31st March 2023 as against ₹1,956 Crore in the previous year, improving the combined Gross Stage 2 & 3 to 5.84% from 8.98% in the previous year. The provision coverage ratio (PCR) for Stage 3 assets was increased to 46.2% (₹1,158 Crore) in FY23 from 39.5% (₹773 Crore) in FY22. Consequently, the Net Stage 3 book was at ₹1,349 Crore (1.67 %) as on 31st March 2023 as against ₹1,183 Crore (2.16 %) in the previous year. Restructured assets at ₹1,148 Crore comprised 1.4% of loan book as on 31st March 2023.

RESOURCE MOBILISATION

During the year, the Company has been able to raise Long Term money of ₹31,679 Crore (Term Loans of ₹23,828 Crore from Banks, External Commercial Borrowing of ₹931 Crore and ₹6,920 Crore through Debentures). The External Commercial Borrowings consisted of USD 50 million from Export Development Canada and refinanced External Commercial Borrowing of JPY 8,389.35 million. The Company primarily sources funds through Banks (Term Loans, WCDL/Cash Credit) and Debt markets (Non-Convertible Debentures (NCDs), Subordinated debt, Perpetual debt and Commercial Paper (CP)). The outstanding debt (amortized) as on 31st March 2023 was ₹70,776 Crore as compared to ₹46,052 Crore as on 31st March 2022.

As per RBI mandate, from 1st December 2022, the Company has been maintaining liquidity of 70% in the form of High Quality Liquid Asset (HQLA) i.e. Government securities, T-Bill, Cash, etc.

The Company carries out periodic stress testing on the cash flow position to determine the liquidity buffer and plan for additional bank lines. The Company continues to focus on diversifying its funding sources. Bringing in new investors/lenders helps in widening the pool of funds that the Company can tap into. A wider range of investors removes the dependency on few players for funds, helps in optimum pricing and reduces the overall cost of borrowing.

ACCOUNTING METHOD

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

In accordance with the provisions of the Act, applicable Accounting Standards, the SEBI Listing Regulations, the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023, together with the Auditors' Report forms part of this Annual Report. The Audited Financial Statements of the Company as stated above are available on the Company's website at <https://abfl.adityabirlacapital.com>

MATERIAL EVENTS DURING THE YEAR

There were no material events during the year under review other than events covered under the RBI Regulations section.

DETAILS OF HOLDING COMPANY/SUBSIDIARIES/ JOINT VENTURES/ASSOCIATES

Holding Company

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

CREDIT RATING

The credit ratings enjoyed by the Company from various rating agencies as on 31st March 2023 is detailed below:

(₹ in Crore)

Facility	ICRA	Rated Amount	India Rating	Rated Amount	CARE	Rated Amount
Commercial Paper	ICRA A1+	15,000.00	IND A1+	15,000.00	NA	-
Non-Convertible Debentures (NCD)	ICRA AAA Stable	28,686.40	IND AAA, (Stable)	30,906.60	NA	-
Subordinate Bonds	ICRA AAA Stable	2,500.00	IND AAA, (Stable)	2,150.00	CARE AAA, (Stable)	195

Subsidiary Company

The Company doesn't have any Subsidiary Company.

Joint Venture/Associate Company

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

TRANSFER TO RESERVE

For the financial year ended 31st March 2023 an amount of ₹311 Crore was transferred to Special Reserve in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

DIVIDEND

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

SHARE CAPITAL

As on 31st March 2023, the Company's paid-up Equity Share Capital was ₹6,62,10,08,220 divided into 66,21,00,822 Equity Shares of ₹10 each.

Due to healthy CRAR and adequate capital being available, there was no capital infusion during the year in the Company.

DEPOSITORY

As on 31st March 2023, out of the Company's total paid-up Equity Share Capital comprising of 66,21,00,822 Equity Shares, 66,21,00,796 Equity Shares (99.99%) were held in dematerialized mode.



(₹ in Crore)

Facility	ICRA	Rated Amount	India Rating	Rated Amount	CARE	Rated Amount
Market Linked Debentures	NA	NA	IND PP-MLD AAA Stable	1,523.33	NA	-
Bank Lines	ICRA A1+/ICRA AAA Stable	50,000.00	IND AAA, (Stable)	50,000.00	NA	-
Perpetual Debt	ICRA AA+ Stable	700.00	IND AA+, (Stable)	700.00	NA	-
NCD - Public Issue	ICRA AAA Stable	5,000.00	IND AAA, (Stable)	5,000.00	NA	-
NCD - Unsecured	ICRA AAA Stable	1,500.00	NA	-	NA	-

All the above ratings indicate a high degree of safety with regard to timely payment of interest and principal. There has been no revision in any of the above credit ratings during the year under review.

PUBLIC DEPOSITS

The Company being a Non-deposit taking Systemically Important Non-Banking Finance Company has not accepted or renewed any deposit from the public during the financial year under review in accordance with Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

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

Pursuant to provisions of Section 186 (11) of the Act, the Company being a Non-Banking Finance Company registered with the RBI and engaged in the business of giving loans, is exempted from the provisions of the said Section. Thus, the provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

As the Company is a Non-Banking Financial Company engaged in the business of giving loans, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

However, some of the steps taken by the Company for conservation of energy include:

- The Company is committed to reducing negative environmental impact.

- With a view to encourage our employees to choose environmentally friendly modes of commute, your Company is providing concessions to employees purchasing hybrid/ electric vehicles.
- The Company is associated with ViaGreen, an organization that helps in waste management and recycling.
- Most of the offices of the Company have installed LED lights making them very energy efficient. Further, rooftop solar panels are installed at its Bengaluru, Noida and Pune offices. Similar renewable energy installations in other office buildings will be taken up in future.
- As a step towards further reducing the environmental impact, the documents for Board and Committee meetings are transmitted electronically using a secure web-based application, thereby saving paper.
- The energy saving measures also include selecting and designing offices to facilitate maximum natural light utilisation, video-conferencing facilities across all offices to reduce the need of employee travel, digital learning initiatives for employees, optimised usage of lights and continuous monitoring and control of the operations of the air conditioning equipment as well as elimination of non-recyclable plastic in offices.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There were no foreign exchange earnings during the financial year under review as well as during the previous financial year. However, the foreign exchange outgo during the financial year under review was ₹81 Crore as compared to ₹118 Crore, during the previous financial year.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act, read with Rule 5(1)

Board's Report (Contd.)

of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached in **Annexure I** of this Report.

Details as required under Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided upon request by a Member. In terms of the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all the Members of the Company, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on all working days of the Company up to the date of the Annual General Meeting. If any Member is interested in obtaining a copy thereof, the Member may write to the Company Secretary at the Registered Office of the Company in this regard.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION

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

CHANGE IN NATURE OF BUSINESS

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

EMPLOYEE STOCK OPTION

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

Pursuant to the approval of the shareholders of the Company at its Extra-Ordinary General Meeting held on 4th October 2022, the Company has adopted "Aditya Birla Finance Limited Employee Stock Option Scheme 2022" ("ABFL Scheme 2022") for the benefit of the employees of the Company and to the employees of present or future holding and/or subsidiary company(ies) of the Company.

The ABFL Scheme 2022 is in compliance with the Companies Act, 2013 ("Act") read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and such other applicable provisions. During the year under review 21,88,875 options were granted to various employees of the Company. The disclosure under Rule 12 of the Companies (Share Capital & Debentures) Rules, 2014 is as under:

Sr. No.	Features	As on March 31, 2023
1.	Options Granted	21,88,875
2.	Options Vested	Nil
3.	Options Exercised	Nil
4.	The total number of shares arising as a result of exercise of option	NA
5.	Options Lapsed	89,786
6.	Exercise Price	283.2
7.	Variation of terms of options	Nil
8.	Money realized by exercise of options	NA
9.	Total number of options in force	20,99,089
10.	Employee wise details of options granted to:	
a)	Key Managerial Personnel	4,58,487
b)	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
c)	identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

ABCL has also formulated "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" ("Scheme 2017") for the employees of the Company. The shareholders of ABCL, vide their resolution passed on 19th July 2017 had also extended the benefits and coverage of the Scheme 2017 to the employees of its Subsidiary Companies. The shareholders of the Company at its meeting held on 9th August 2017 had approved the extension of benefits of the Scheme 2017 to the permanent employees in the management cadre of the Company.

The shareholders of Aditya Birla Capital Limited (ABCL), vide their resolution passed on 16th October 2022, has adopted "Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022" ("Scheme 2022") and extended the benefits of the Scheme 2022 to the employees



of its Subsidiary Companies. The shareholders of the Company at its meeting held on 7th November 2022 had approved the extension of benefits of the Scheme 2022 to the permanent employees in the management cadre of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year under review, prepared as per requirements of RBI's Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, is presented as a separate section, which forms part of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set out by the Act, RBI and SEBI Listing Regulations. Corporate Governance principles form an integral part of the core values of the Company. Report on Corporate Governance for the year under review is presented, separately, which forms part of this Annual Report.

RISK MANAGEMENT

Risk Management is at the core of our business and ensuring we have the right risk-return trade-off in line with our risk appetite is the essence of our risk management while looking to optimize the returns that go with that risk. The Company has a robust Risk Management framework which proactively addresses risks while looking to optimize the returns that go with that risk.

The Board has constituted a Risk Management Committee as required under Regulation 21 of the SEBI Listing Regulations and RBI Master Directions to frame, implement and monitor the risk management plan of the Company. The objectives and scope of the Risk Management Committee broadly include: risk identification; risk assessment; risk response & risk management strategy and risk monitoring, communication and reporting with the objective to contain the negative impact of unmitigated risks on profitability and capital. The Company is exposed to various risks that are inherent to lending business.

Over the years, the Company has built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The Company was able to face the unprecedented challenges faced in the previous few years and emerged stronger during these turbulent times due to some of these policies and framework.

The Company faces potential risks, which can be classified as credit risk, liquidity risk, operational risk, market risk and IT risk. Creating awareness of the risks faced by the organization is, we believe, an important way to manage risk and accordingly, the Company makes all efforts to create an environment of risk awareness at all levels.

The Company has policies and procedures in place to identify, measure, assess, monitor, and manage these risks systematically across all its lines of business. The Company continually upgrades necessary security measures, including cybersecurity measures, to ensure mitigation of cyber threats and risks.

Risk management in ABFL is an independent function, in the context of separation of roles of credit origination (duty cast on the business functions) and evaluation and assessment (duty cast on the credit risk function) to ensure the independence of risk measurement, monitoring and control functions. This framework also enables business units at the operating level, with the use of technology, to identify opportunities to lend which fall within the risk appetite of the Company.

The various risks across the Company are monitored and reviewed through the Risk Management Committee of the Board (RMC) – the apex body for risk management and the Executive Level Committees, which meet periodically. Some of the Executive Level Committees are the Asset Liability Committee (managing the liquidity risk and interest rate risk), Credit Committees and Investment Committees (to approve credit proposals and investment proposals), Product Approval Committee (to approve any new product being offered), Operational Risk Management Committee (to identify, measure and monitor operational risks in the business) and IT Strategy & Information Security Steering Committee (to oversee the robustness of the IT systems and policies to manage cyber threats).

Credit Committees not only approve counter-party credit exposures in line with the delegation of authority assigned by the Board of Directors, but also focus on post sanction monitoring. These Committees also review the credit portfolios, non-performing loans, accounts under watch, over dues and incremental sanctions on an on-going basis.

The Audit Committee of the Board provides directions to and monitors the quality of the internal audit function and controls and also monitors compliance with observation reports of RBI, other regulators and internal & statutory auditors.

- 1. Credit Risk** - ABFL has put in place robust credit appraisal, assessment and approval frameworks in place for identification, measurement, monitoring and controlling risks embedded in the business of taking credit exposures.

ABFL has an early warning monitoring mechanism to facilitate early identification of stress and mitigation thereof. The Company through its Risk Policy & Monitoring unit tracks all key components like Key financial indicators, covenants and documentation. An escalation matrix is built in to enable continuous monitoring and timely resolution. The Risk Monitoring unit tracks the entire credit portfolio across all segments, including monitoring of early warning signals, identifies portfolio trends and generates portfolio level MIS, covering various credit quality indicators. Further, it independently reviews credit policies and programs.

- 2. Market Risk** - Market risk is managed through a comprehensive Board-approved Investment Policy. The Company maintains an investment book of Fixed Income Instruments, mostly Corporate Bonds/PSU Bonds and is managed through the investment policy which caps exposure to various securities through stringent trading risk limits/triggers, concentration risks and Mark to Market thresholds.

- 3. Operational Risk** - Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. While ultimate responsibility for ORM lies with the Board, the Board has delegated this responsibility to the Risk Management Committee of the Board (RMC). A dedicated Operational Risk Management Committee (ORMC) maintains oversight over ORM and provides periodic updates to RMC. ORMC in turn is supported by an independent ORM Function that is responsible for designing and deploying ORM framework and processes that help Business and Support functions identification and management of risks on proactive basis, ongoing review of Systems and Controls through risk and control self-assessment (RCSA), timely reporting of operational loss events and near miss events and its analysis for remediation, monitoring of Key Risk Indicators (KRIs) monitoring and issue and action management on an ongoing basis. ORM Function works closely with all Businesses and Support Functions to facilitate implementation of ORM processes. Since a strong risk culture is a pre-requisite for effective ORM, ORM Function also ensures on-going ORM training and awareness.

ABFL during the financial year ended 31st March 2023, conducted online training to enhance the awareness of operational risk.

- 4. Liquidity Risk** - ABFL has sharpened its liquidity risk management framework. Efficient management of Assets and Liabilities (ALM) is vital for sustainable growth of business for the Company. ALCO monitors the ALM position at monthly intervals and strives to proactively review the market dynamics, capturing the signals emanating from there and assessing the regulatory requirements to ensure stakeholder value creation. The ALCO also monitors the contractual repayments of liabilities and actuarial repayment of the loans and advances to arrive at the bucket level gap between inflows and outflows.

- 5. Fraud Risk** - Risks associated with frauds are mitigated through a Risk Control Unit (RCU). RCU reviews matters relating to fraud risk through review of cases which are entered in the system. Various fraud control management activities like document sampling, property visit, verification of stock statement, vendor profile check, customer profile check etc. are established.

BUSINESS CONTINUITY

Your Company has a well-documented Business Continuity Management Programme which has been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery framework has been put in place to manage business and technology interruption risk, ensure uninterrupted operations and service to customers. Your Company also has a Business Continuity Policy to have a planned response in the event of any contingency, ensuring recovery of critical activities at agreed levels within agreed timeframe, thereby complying with various regulatory requirements and minimising the potential business impact on the Company. All the business critical processes are tested in a timely manner for business continuity.

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

The Risk Management teams of your Company are continuously scanning the internal and external environment to identify risk and also to capitalise upon the opportunities presented in the environment.



CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

During the year under review, all transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, disclosure in form AOC-2 under Section 134(3) (h) of the Act, read with Rule 8 of Companies (Accounts of Companies) Rules, 2014, is not applicable. There were no material transactions entered into with related parties during the period under review, which may have had any potential conflict with the interests of the Company at large.

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

Pursuant to Regulation 23(9) of SEBI Listing Regulations, disclosures of RPTs on a standalone basis are submitted to the stock exchanges on a half-yearly basis along with Financial Results and published on the Company's website at <https://abfl.adityabirlacapital.com>

The details of contracts and arrangements with related parties of the Company for the year under review, are given in notes to the Financial Statements, which form part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on the Company's website at: <https://abfl.adityabirlacapital.com>

INTERNAL FINANCIAL CONTROLS

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

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

INTERNAL AUDIT

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

The Company has implemented an RBIA Programme in accordance with the requirements of RBI circular dated 3rd February 2021. The internal audit plan is developed based on the risk profile of business activities of the organization. The audit plan covers process audits at the head office and across various branches of the organization. The Internal audit plan is approved by the Audit Committee and Internal audits are undertaken on a periodic basis to independently validate the existing controls. Internal Audit Reports are regularly reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of annual accounts for the financial year ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors had selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of the profit of the Company for the year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) the Directors had prepared the Statement of Accounts for the financial year ended 31st March 2023 on a "going concern basis";
- v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws to the Company and that such systems were adequate and operating effectively.

DIRECTORS/KEY MANAGERIAL PERSONNEL

Appointment/Resignation of Directors

As on 31st March 2023, the Board of Directors comprised of 7 (seven) Directors out of which 4 (four) are Independent Directors (including 1 Woman Director), 2 (two) Non-Executive Directors and 1 (one) Managing Director & CEO.

Further the following changes took place in the composition of the Board of the Company during the year under review:

Appointments

Ms. Vishakha Mulye (DIN: 00203578) was appointed as the Non-Executive Director of the Company w.e.f. 21st October 2022, liable to retire by rotation.

Mr. Rajat Jain (DIN: 00046053) and Mr. Nagesh Pingre (DIN: 00062900) were appointed as the Independent Directors of the Company w.e.f. 9th March 2023.

Cessations

Mr. Ajay Srinivasan (DIN : 00121181) tendered his resignation from the directorship of the Company on 3rd August 2022 with immediate effect as he stepped down as the Chief Executive Officer of Aditya Birla Capital Limited.

Mr. Ashwani Puri (DIN: 00160662), Mr. Jitender Balakrishnan (DIN: 00028320) and Mr. Darius J Kakalia (DIN: 00029159) completed their tenure as Independent Directors of the Company on 8th March 2023 and consequently ceased to be the

Director(s) of the Company with effect from close of business hours on 8th March 2023.

The Board places on record its sincere appreciation for the valuable services rendered by Mr. Ajay Srinivasan, Mr. Ashwani Puri, Mr. Jitender Balakrishnan and Mr. Darius J Kakalia during their tenure as Directors of the Company.

Retirement by Rotation

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, the Board of Directors basis the recommendation of the Nomination & Remuneration Committee will recommend to the Members the Non-Executive Director retiring from the Board by rotation. A detailed profile of the said Director seeking re-appointment will be provided in the Notice of the 32nd Annual General Meeting of the Company.

Declaration by Independent Directors

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

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

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

Key Managerial Personnel

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Rakesh Singh, Managing Director & Chief Executive Officer (MD& CEO), Mr. Tushar Shah, KMP & CEO – PSFG, Mr. Pradeep Agrawal, Chief Financial Officer (CFO) and Mr. Ankur Shah, Company Secretary (CS), are the Key Managerial Personnel of the Company.



Fit and Proper Criteria

All the Directors meet the requirements of fit and proper criteria stipulated under the Master Directions – “Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016”, as amended.

ANNUAL PERFORMANCE EVALUATION

The evaluation framework for assessing the performance of the Directors of the Company comprises of assessment of their contributions at the meetings, strategic perspective or inputs regarding the growth and performance of the Company, amongst others.

Pursuant to the provisions of the Act and SEBI Listing Regulations and in terms of the Framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board of Directors have carried out an annual performance evaluation of the Board, performance of various Committees of the Board and individual Directors. The manner in which the evaluation was carried out had been set out in the Report on Corporate Governance, which forms part of this Annual Report. The details of the programme for familiarisation of the Independent Directors of your Company are available on your Company’s website at <https://abfl.adityabirlacapital.com>.

Outcome of the evaluation

The Board of the Company was satisfied with the functioning of the Board and its Committees. The Committees are functioning well and besides covering the Committees’ terms of reference, as mandated by law, important issues are brought up and discussed in the committee meetings. The Board was also satisfied with the contribution of Directors, in their individual capacities.

MEETINGS OF THE BOARD AND ITS COMMITTEES

Board

The Board meets at regular intervals to discuss and decide on the Company’s performance and strategies. During the financial year under review, a total of 7 (seven) Board Meetings were held on 11th May 2022, 27th June 2022, 2nd August 2022, 28th September 2022, 5th November 2022, 31st January 2023 and 21st March 2023.

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

Audit Committee

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

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

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

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

Nomination & Remuneration Committee

The Company has constituted a Nomination and Remuneration Committee (“NRC”), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act, SEBI Listing Regulations and RBI Master Directions.

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

The NRC has formulated an Executive Remuneration Philosophy/ policy on remuneration under the provisions of Section 178(3) of the Act, which is attached as **Annexure II** to the Board’s Report and the same is uploaded on the website of the Company at <https://abfl.adityabirlacapital.com>.

Other Committees

The Board of Directors has also constituted the following Committees:

- Corporate Social Responsibility Committee
- Risk Management Committee
- Asset Liability Management Committee
- IT Strategy & Information Security Steering Committee
- Stakeholders Relationship Committee
- PIT Regulation Committee

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

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 of the Company for the financial year 2022-23 is available on the website of the Company and can be accessed at <https://abfl.adityabirlacapital.com>.

AUDITORS

Joint Statutory Auditors, their Report and Notes to Financial Statements

Pursuant to the RBI Guidelines on appointment of Statutory Auditors of inter alia, NBFCs (including HFCs), the Members of the Company, on the recommendation of the Audit Committee and the Board of Directors, had approved the reduction of tenure of Deloitte Haskins & Sells LLP, as the Statutory Auditors of the Company to three years at their meeting held on 16th August 2021 i.e. till the conclusion of 32nd Annual General Meeting of the Company. The Board of Directors on the recommendation of the Audit Committee will recommend to the Members the new joint Statutory Auditors to be appointed at the ensuing AGM for the vacancy caused due to conclusion of tenure of Deloitte Haskins & Sells LLP.

Pursuant to the above mentioned RBI Guidelines, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) had been appointed as the Joint Statutory Auditors w.e.f. 16th December 2021, of the Company for a term of 3 (Three) years i.e. till the conclusion of 33rd Annual General Meeting of the Company.

The observation(s) made in the Auditor's Report are self-explanatory and therefore do not call for any further comments under Section 134(3)(f) of the Act.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.

Secretarial Audit and Secretarial Compliance Report

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

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report obtained from M/s. RS & MP Associates, Practicing Company Secretaries for the financial year under review was placed before the Audit Committee and Board. The Annual Secretarial Compliance Report for the financial year under review will be submitted to the Stock Exchanges and uploaded on the website of the Company.

The Secretarial Audit Report and the Annual Secretarial Compliance Report do not contain any qualifications, reservations or adverse remarks.

Cost Records and Auditors

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

Reporting of Frauds by Auditors

The Auditors of your Company, i.e. the Joint Statutory Auditors and Secretarial Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.



CORPORATE SOCIAL RESPONSIBILITY

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

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

As a part of its initiatives under CSR, the Company has undertaken projects in the areas of Health Care, Education, Sustainable Livelihood, Women Empowerment and Promotion of Sports. The projects are also in line with the statutory requirements under the Companies Act, 2013 and its CSR Policy. During the year under review, the Company has spent /contributed ₹28.02 Crore (including administrative overheads) towards CSR projects along with the excess balance amount carried forward from the previous FY 22. There was no unspent amount as on 31st March 2023. The details of the CSR projects are available on the Company's website at <https://abfl.adityabirlacapital.com>

The required disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure IV** to this report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

The said policy is available on the Company's website at <https://abfl.adityabirlacapital.com>

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. We further

state that during the financial year under review, two complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which were closed as on 31st March 2023.

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

RBI REGULATIONS

The Company has complied with all the regulations of RBI to the extent applicable as a Non-Deposit taking Systemically Important Company.

The Reserve Bank of India (RBI) has issued the Scale Based Regulation for NBFCs dated 22nd October 2021 vide RBI Press release dated 30th September 2022. The Company has been categorised under NBFC- Upper Layer (UL) under the scale based regulations.

The Company is in compliance with the regulatory guidelines applicable to NBFCs in Upper Layer, as issued by RBI from time to time. As per the requirements of circular no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022 issued by RBI, your Board has approved the roadmap for compliance with the disclosure requirements of a listed company under the SEBI Listing Regulations.

HUMAN RESOURCES

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

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

As on 31st March 2023, the employee strength of the Company was 4,799 employees, comprising of more than 69.5% millennials and 11.8% women.

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANY SECRETARIES OF INDIA

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

CODE FOR PROHIBITION OF INSIDER TRADING

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

Further details on the same form part of the Report on Corporate Governance which forms part of this Annual Report.

AWARDS AND CERTIFICATIONS

- ABFL has been declared a 'Winner-Large NBFC' in the Lending category at the Assocham 17th Annual Summit & Awards Banking & Financial Sector Lending Companies.
- ABFL won the 'Excellence in Personal Loan Journey' award at Lentra Digital Lending Transformation Global Summit 2022, in association with ET Edge

OTHER DISCLOSURES

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

- i. There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under Employee Stock Option Scheme referred to in this Report.
- ii. There was no Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

- iii. There was no public issue, rights issue, bonus issue or preferential issue, etc.
- iv. There was no issue of shares with differential rights.
- v. There was no transfer of un-paid or unclaimed amount to Investor Education and Protection Fund (IEPF).
- vi. There were no significant or material orders passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.
- vii. There were no proceedings for Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
- viii. There was no failure to implement any Corporate Action.
- ix. There were borrowings from Banks or financial institutions, in the ordinary course of its business.

ACKNOWLEDGEMENTS

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

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

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

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

Place: Mumbai
Date: 9th May 2023

Vishakha Mulye
Director
DIN – 00203578

Rakesh Singh
Managing Director & CEO
DIN – 07006067



Annexure I

Details to be included in the Board report as per Section 197(12) & Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for Financial Year 2022-23

- Ratio of remuneration of each Director to median remuneration of the employees of the company for the financial year;
The ratio of the remuneration paid to Mr. Rakesh Singh, MD & CEO, to median remuneration of the employees of the company for the financial year is 261.24

- Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager in the FY 2022-23

Mr. Rakesh Singh, MD & CEO	Mr. Tushar Shah, CEO – PSFG	Mr. Pradeep Agrawal, CFO	Mr. Ankur Shah, CS
10%	8%	11.6%	8.5%

- Percentage increase in median remuneration of employees in the FY
9.33%

- No. of permanent employees on rolls of the Company
4,799

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

Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year 8.06%

Average percentile increase in the salaries of the managerial personnel in the last financial year 10.03

- It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company

^{\$} For the purpose of calculating managerial remuneration, only MD & CEO is to be considered.

Annexure II

EXECUTIVE REMUNERATION PHILOSOPHY/POLICY

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

Aditya Birla Finance Limited: Executive Remuneration Philosophy/Policy

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

Objective:

Our executive remuneration program is intended to:

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

Coverage:

This Policy shall be applicable to the following Executives:

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

Governance Structure for Compensation:

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

Principles for Determination of Compensation for Executives:

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

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

1. The level and composition of compensation is reasonable and sufficient to attract, retain and motivate the Executives of the quality required to run the Company successfully, which means compensation takes on board:
 - Market competitiveness for the role (‘market’ for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).
 - The size and scope of the role (including those in control functions) and the market standing, skills and experience of incumbents while positioning our executives.
 - The size of the Company, complexity of the sector/ industry/Company’s operations and the Company’s capacity to pay.
2. Linkage of compensation to appropriate performance benchmarks.
3. Compensation outcomes are symmetric with risk outcomes and pay-outs thereof are sensitive to the time horizon of the risk.
4. Compensation structure will have a proper balance between Fixed Pay and Variable Pay.



Executive Pay-Mix

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

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

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

Salient features of the compensation structure

- The proportion of variable pay to fixed pay is higher at senior levels and varies across roles based on levels of responsibility.
- Variable Pay payable is subject to Group, Company, Business/ Function and Individual performance. Part of variable pay is deferred over a time horizon of 3 to 4 years in the manner determined by NRC/Board. This may be in the form of cash and non-cash components of the variable pay.

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

Malus and Clawback

ABFL believes in sustained business performance in tandem with prudent risk taking.

Malus arrangement permits the Company to prevent vesting of all or part of the variable pay which has been deferred. It does not reverse vesting after it has already occurred.

Clawback is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested compensation attributable to a given reference year.

Malus and clawback is applicable to employees even after their separation from the organisation.

Malus and clawback may be applied for circumstances like gross and/or willful negligence in performance of their duty or has committed fraud or has performed an act with malafide intent or obstructs the functioning of an organisation; misconduct; Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations and any other additional circumstances as determined by NRC.

In deciding the application of malus/clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation/withdrawal, the NRC will take into consideration all relevant factors, including inter alia, internal factors such as role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors, including but not restricted to situations, that may have been beyond the control of the concerned employee.

Annexure III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

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

To,
The Members
Aditya Birla Finance Limited
Regd. Office: - Indian Rayon Compound,
Veraval,
Gujarat- 362266

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Finance Limited** having **CIN U65990GJ1991PLC064603** (hereinafter called the 'Company') for the financial year ended on 31st March 2023 [(the "Audit Period")/(the period under review)]

We conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our **verification** of the Company's books, papers, minutes books, soft copies of various records, scanned copies of minutes of the Board and its Committee, forms and returns filed and other records maintained by the Company during the financial year ended 31st March 2023 as well as before the date of issue of this report;
- (ii) Our **observations** pursuant to visits to the office/s of the Company;
- (iii) **Compliance certificates** confirming compliance with all laws applicable to the Company as given by the Key Managerial Personnel/Senior Managerial Personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and

- (iv) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2023, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism in place

to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

1. Compliance with specific statutory provisions

We further report that:

1.1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year according to the applicable provisions/clauses of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder to the extent of transfer of securities;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowing made by the Company;



(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);
- (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015*, and

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial Standards) as applicable mandatorily to the Company.

* The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

1.2 During the period under review, and also considering the compliance related to action taken by the Company after 31st March 2023, but before the date of issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) Complied with the provisions of the Act, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally complied with the applicable provisions/ clauses of:
 - (a) The Act and Rules mentioned under paragraph 1.1 (i)
 - (b) FEMA to the extent of External Commercial Borrowings mentioned under paragraph 1.1 (iv) and

(c) The Secretarial Standards on meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to meetings of the Board and its committees held during the year and the **31st Annual General Meeting** held on **25th August 2022** and Extra-Ordinary General Meetings held on **4th October 2022, 7th November 2022**, (at a shorter notice), with the consent of the members and **3rd March 2023**, (at a shorter notice), with the consent of the members. The compliance with the provisions of the Rules made under the Act with regard to the meetings of the Board and its committees held through video conferencing were verified based on the minutes of the meetings provided by the Company.

(d) During the year under review, the Company had received 9 (Nine only) complaints under the Whistle Blower Mechanism and 2 cases (Two only) under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act, 2013") and after resolving the complaints, we are informed that, at the end of the year, 1 (One only) complaint under Whistle Blower Mechanism was outstanding which has been resolved as on the date of this report and there are no cases outstanding under POSH Act, 2013.

1.3 We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards and was consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns thereunder:

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (ii) The following Regulations and Guidelines prescribed under the SEBI Act, 1992:-

Annexure III (Contd.)

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
 - e. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 1.4 We have also examined, on test check basis, the relevant documents and records maintained by the Company with respect to:
- (a) Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and other relevant guidelines and circulars issued by the Reserve Bank of India, from time to time.
- ## 2. Board processes:
- We further report that:
- 2.1 The Board of Directors of the Company as on March 31, 2023 comprised of:
- (i) Managing Director - Mr. Rakesh Singh (DIN 07006067)
 - (ii) Two Non-Executive Non-Independent Directors - Ms Vishakha Mulye (DIN 00203578) and Mr. Kamlesh Rao (DIN 07665616) and;
 - (iii) Four Non-Executive Independent Directors, including a Woman Independent Director - Mr. Subhash C. Bhargava (DIN 00020021), Mr. Rajat Kumar Jain (DIN 00046053), Mr. Nagesh Pingre (DIN 00062900), and Ms. Alka Bharucha (DIN 00114067)
- 2.2 (A) The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel, during the year, were carried out in compliance with the provisions of the Act and LODR:
- i. Resignation of Mr. Ajay Srinivasan (DIN: 00121181) as Non – Executive Non-Independent Director w.e.f August 03, 2022.
 - ii. The Board of Directors at their meeting held on 11th May 2022 has recommended the re-appointment of Mr. Kamlesh Rao (DIN: 07665616), Director retiring by rotation and the same has been approved by the shareholders at their 31st Annual General Meeting held on August 25, 2022
 - iii. The Board of Directors at their meeting held on June 27, 2022 has approved making an application to RBI for appointment of Ms. Vishakha Mulye (DIN: 00203578) as a Non-Executive Director of the Company which was approved by Reserve Bank of India, vide its letter dated October 04, 2022. Her appointment was then approved by the Board of Directors through circular resolution on October 21 2022. and by the shareholders of the Company w.e.f. October 21, 2022, at the Extra – Ordinary General Meeting held on November 07, 2022.
 - iv. Cessation of directorship of Mr. Darius J. Kakalia (DIN: 00029159) as an Independent Director of the Company under section 149(11) of the Companies Act, 2013 w.e.f March 08, 2023 on account of completion of term.
 - v. Cessation of directorship of Mr. Jitender Balakrishnan (DIN: 00028320) as an Independent Director of the Company under section 149(11) of the Companies Act, 2013 w.e.f March 08, 2023 on account of completion of term.



vi. Cessation of directorship of Mr. Ashwani Puri (DIN: 00160662) as an Independent Director of the Company under section 149(11) of the Companies Act, 2013 w.e.f March 08, 2023 on account of completion of term.

vii. The Board of Directors at their meeting held on January 31 2023 has appointed Mr. Rajat Kumar Jain (DIN: 00046053) as Additional Non-Executive Independent Director of the Company and the same has been approved by the shareholders w.e.f. March 09, 2023 at the Extra – Ordinary General Meeting held on March 03, 2023.

viii. The Board of Directors at their meeting held on January 31, 2023 has appointed Mr. Nagesh Pinge (DIN: 00062900) as Additional Non-Executive Independent Director of the Company and the same has been approved by the shareholders w.e.f. March 09, 2023 at the Extra – Ordinary General Meeting held on March 03, 2023.

such as audited financial statement/results, unaudited financial results and connected papers; and

(ii) Additional subjects/ information/ presentations and supplementary notes

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.7 We note from the minutes verified that, at the meetings of the Board held during the year:

(i) Decisions were carried through majority and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as a part of the minutes.

2.3 Adequate notice of the meetings of the Board and its committees were sent to all the directors to enable them to plan their schedule for the meetings of the Board or its Committees, at least seven days in advance except for the few meetings which were convened at shorter notice, with the consent of the directors /members of the Committee/s, to transact urgent business, at which more than one independent director was present as required under Section 173 (3) of the Act and SS-1.

2.4 Agenda and detailed notes on agenda were sent to the directors at least seven days before the meetings of the Board and its committees, other than in respect of a few meetings which were convened at a shorter notice to transact urgent business, and necessary compliance as required under Section 173 (3) of the Act and SS-1 was in place.

2.5 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information

3. Compliance Mechanism

There are reasonably adequate systems and processes in the Company, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations. We observe that during the year under review, there has been a delay in filing of return DNBS 10 with the Reserve Bank of India under Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and the delay was due to reasons beyond the control of the Company.

4. Specific events/actions

4.1 During the year, the following specific events/ actions, having a major bearing on the Company's affairs, took place, in pursuance of the above referred laws, rules, regulations and standards:

a) The Board of directors at its meeting held on August 02, 2022 has approved revision in remuneration payable to Mr. Rakesh Singh (DIN: - 07006067) Managing Director & CEO of the Company, w.e.f. July 01, 2022. The shareholders have approved the same at the 31st AGM of the Company held on August 25, 2022.

- b) The shareholders at the 31st AGM of the Company held on August 25, 2022, by way of special resolution, have approved the payment of interim dividend of ₹1.65/- per Equity Share of ₹ 10/- each, declared by the Board of Directors at their meeting held on March 25, 2022 for the financial year ended March 31, 2022.
- c) In compliance with the Reserve Bank of India Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 dated April 21, 2022, the Board of Directors at its meeting held on September 28, 2022 has approved the proposal of the Company for undertaking Credit Card business, after obtaining necessary approval from Reserve Bank of India. We are informed that the approval from the Reserve Bank of India is yet to be received by the Company.
- d) The Board of Directors at its meeting held on September 28, 2022 has recommended the approval for Alteration in the Object Clause of the Memorandum of Association by inserting new sub-clause 4A in Clause III of the Memorandum of Association of the Company. The shareholders have approved the Alteration in the Objects Clause by way of Special Resolution at the Extra-Ordinary General Meeting held on October 04, 2022 and the following clause is inserted in the Object Clause of the Memorandum of Association of the Company:
- 4A. *To carry on the business of issuance and operation of various card products such as credit cards, prepaid cards, smart cards, charge cards, stores value cards, any other payments products such as travellers cheques — domestic/international, gift vouchers etc., of any form and kind and by whatever name called for use in India or any other country outside India and development of such business in India either on its own or in collaboration/partnership/association with other organizations — Indian or international, in compliance with the applicable regulations and subject to requisite regulatory approvals as may be required from time to time and to provide all services incidental thereto including but not limited to servicing thereby collecting, billing, insuring, guaranteeing, underwriting, entering into agreements (either individually or as a member) with merchant establishments (incorporated or not), managing and carrying out all actions as necessary or appropriate in connection therewith including payment products, loyalty and/or similar programs, swipe/point of sale machines, other terminals / peripherals or accessories including pin cards, authorization systems and software for the same.*
- e) i. The Board of Directors at its meeting held on September 28, 2022 has proposed adoption of the 'Aditya Birla Finance Limited Employee Stock Option Scheme 2022' ("Scheme") for such number of stock options ("Options") not exceeding 25,57,812 (Twenty-Five Lakh Fifty-Seven Thousand Eight Hundred and Twelve) Equity Shares being 0.39% of the fully paid-up capital of the Company as on August 31, 2022. The shareholders have approved the said scheme at the Extra-Ordinary General Meeting held on October 04, 2022.
- ii. The shareholders of the Company, at the Extra-Ordinary General Meeting held on October 04, 2022 have approved by way of Special Resolution, extension of the benefit of Aditya Birla Finance Limited Employee Stock Option Scheme 2022 to the employees of present or future holding and/or subsidiary company(ies) of the Company.
- f) The Board of Directors at its meeting held on November 05, 2022 has approved an increase in the overall limits of borrowings by way of issuance of Non-Convertible Debentures (NCDs) for an amount not exceeding ₹ 1,00,000 Crore (Rupees One Lakh Crore Only) as against the previous limit of ₹70,000 Crore and the shareholders of the Company have approved the increase in the borrowing limits by way of special resolution at the Extra-Ordinary General Meeting, held at a shorter notice, on November 07, 2022.



- g) The Board of Directors at its meeting held on November 05, 2022 has approved creation of Charges on the assets of the Company for an amount not exceeding ₹ 1,00,000 Crore (Rupees One Lakh Crore Only) at any point of time and the the shareholders of the Company have approved the same, by way of Special Resolution, at the Extra-Ordinary General Meeting held on November 07, 2022.
- h) The Board of Directors at its meeting held on January 31, 2023 has approved a proposal for Corporate Agency License with Insurance Regulatory Development Authority of India (IRDAI), for expansion and diversification of its business by exploring opportunities for carrying on insurance agency business as corporate agent for life/general/health/insurance policy(ies), etc. to, inter alia, its present/future customers. We are informed that the Company has yet not applied to IRDAI as the Company is awaiting the login credentials from IRDAI.
- i) The Board of Directors at its meeting held on January 31, 2023 has recommended approval for Alteration in the Object Clause of the Memorandum of Association by insertion of new sub-clause 4B after clause 4A in Clause III. The shareholders have approved the Alteration, by way of special resolution at the Extra-Ordinary General Meeting held on 3rd March 2023 and the following clause is inserted in the Object Clause of the Memorandum of Association of the Company:
- 4B. *To carry on the business of selling, distribution, marketing as a Corporate Insurance agent and brokers, of all kinds of insurance products of various companies in various fields of insurance such as life, pension & employee benefit, health, fire, marine, cargo, marine hull, aviation, oil & energy, engineering, accident, liability, motor vehicles, transit & other products of non-life insurance business and to carry on the business of insurance, re-insurance and risk management either directly or as an insurance agent, insurance broker or otherwise and provide advisory and consultancy services relating to insurance business.*
- j) In compliance with RBI Circular bearing no: RBI/2022-23/24 Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022, the Board of Directors at its meeting held on March 21, 2023 has approved the remuneration to and appointment of Mr. Jitendra Bhati as the Chief Compliance Officer of the Company for a minimum period of 3 years w.e.f. April 18, 2023.
- k) The Board of Directors at its meeting held on March 21, 2023 has approved the issuance of equity shares, on rights issue basis, to the existing shareholders for an aggregate value (including premium) not exceeding ₹ 7,50,00,00,000 (Rupees Seven Hundred and Fifty Crore Only), from time to time, during the next six months from the date of the said meeting.
- l) The Company has issued, allotted and redeemed Debentures, during the year, in various tranches, as per details given below:

Type of Debentures	Secured Non-Convertible Debentures (₹ in Crore)	Unsecured Sub-debt (₹ in Crore)	Perpetual Non-Convertible Debentures (₹ in Crore)	Unsecured Non-Convertible Debentures (₹ in Crore)
Listing	Listed at BSE and NSE	Listed at BSE and NSE	Listed at BSE and NSE	Listed at BSE and NSE
Opening Balance as on 01 st April 2022	11,923.30	2179.00	200.00	105.00
Issued during the year	6,870.50	-	-	49.00
Sub. Total	18,793.80	2,179.00	200.00	154.00
Redeemed during the year	2,647.30	35.00	-	-
Outstanding balance as on 31 st March 2023	16,146.50	2,144.00	200.00	154.00

m) The Company has issued Commercial Papers ("CPs"), in one or more tranches, which were listed on NSE, in accordance with the provisions of SEBI Operational Circular bearing no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. As on March 31, 2023, CPs amounting to ₹ 6,725 Crore were outstanding and listed on NSE.

n) **Securities and Exchange Board of India ("SEBI") - Show Cause Notice received on May 25, 2021 ("SCN") issued by SEBI to Aditya Birla Finance Limited under Section 11(1), 11(4), 11B (1), 11B (2) and 11(4A) of the SEBI Act in the matter of CG Power and Industrial Solutions Limited ("CG Power").**

In this regard the Company had submitted an interim reply dated July 15, 2021 and a final reply dated July 29, 2021 to SEBI denying the allegations levelled against it in the SCN and prayed for the withdrawal of the SCN. SEBI, having regard to the facts and circumstances of the case, vide order WTM/AB/CFID/CFID_1/20149 /2022-23 dated October 04 2022 (SEBI Order) has imposed penalty of ₹ 1 Crore on Aditya Birla Finance Limited under Section 15HA of the SEBI Act, 1992. The Company had then filed an appeal against the said order on October 21, 2022, before the Securities Appellate Tribunal (SAT), against the said Order. Subsequently, by an order dated February 27, 2023 (received by the Company on 1st March 2023), passed in the Appeal filed by the Company, the Securities Appellate Tribunal (SAT) granted a stay on the operation and effect of the SEBI Order, subject to deposit of ₹ 50 Lakh (Rupees Fifty Lakh only) by the Company with SEBI within 3 weeks from the date of the Order. The Company has accordingly deposited the said amount of ₹ 50 lakhs with SEBI on March 06, 2023 and the matter is pending.

o) The Company has received a Show Cause Notice ("SCN") dated August 03, 2022 from Reserve Bank of India under the Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, dated September 29, 2016, on failure to comply with reporting of frauds in eight instances involving amounts ranging from ₹1 lakh to ₹ 13 Lakh within the stipulated timelines of 3 weeks from their dates of detection and their reportings were made with delay of duration ranging from 8 to 70 days. The Company has accordingly filed its response on August 10, 2022, with RBI, where the Company specified the reasons for the delay which were during the period of complete lockdown in the Country. The Company also specified that the delays caused were inadvertent and were due to factors which were beyond the control of the Company and the Company has also presented its submission during personal hearing/s. The RBI, vide its Speaking Order dated January 18, 2023, has communicated not to impose any monetary penalty on the Company considering the challenges faced by the Company in filing Fraud Monitoring Report/s (FMR) on account of COVID-19 Pandemic and that the Company has been submitting FMR, on time, post-pandemic.

Venkataraman K

Associate Partner

ACS:8897/COP:12459

For BNP & Associates Company Secretaries

Firm Reg No: P2014MH037400

Peer Review No.-637/2019

UDIN: A008897E000275878

Date: May 09, 2023

Place: Mumbai

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



Annexure A

TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

To,

The Members,

Aditya Birla Finance Limited

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman K

Associate Partner

ACS:8897/COP:12459

For BNP & Associates Company Secretaries

Firm Reg No: P2014MH037400

Peer Review No.-637/2019

UDIN: A008897E000275878

Date: May 09, 2023

Place: Mumbai

Annexure IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

1. Brief outline on CSR Policy of the Company:

CSR Policy of the Company is enunciated in accordance with Section 135 of Companies Act, 2013 read with Corporate Social Responsibility Rules, 2014 (as amended from time to time) and CSR Voluntary Guidelines issued by Ministry of Corporate Affairs.

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

Our CSR Activities are undertaken broadly in the area of 'Education', 'Health Care', 'Women Empowerment & Sustainable Livelihood' and 'Sports'.

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year*	Number of meetings of CSR Committee attended during the year
Members				
1.	Ms. Alka Bharucha ^{1&2}	Chairperson (Independent Director)	1	1
2.	Mr. Ashwani Puri ²	Chairman (Independent Director)	1	1
3.	Mr. Ajay Srinivasan ¹	Member (Non-Executive Director)	1	0
4.	Ms. Vishakha Mulye ³	Member (Non-Executive Director)	2	2
5.	Mr. Rakesh Singh	Member (Managing Director & CEO)	2	2
Permanent Invitees				
6.	Mrs. Rajashree Birla	Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development	2	2
7.	Dr. Pragnya Ram	Group Executive President, Corporate Communications and CSR	2	2

* No. of meetings held during tenure of Committee Members is considered

¹ Ms. Alka Bharucha was inducted as a Member w.e.f. 2nd August 2022 in place of Mr. Ajay Srinivasan who ceased as Member w.e.f. 3rd August 2022.

² Ms. Alka Bharucha was re-designated as a Chairperson w.e.f. 9th March 2023 in place of Mr. Ashwani Puri who ceased as Chairman due to end of his tenure as an Independent Director of the Company w.e.f. 8th March 2023.

³ Ms. Vishakha Mulye was inducted as a Member w.e.f. 21st October 2022.



3. Web-link for the Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company is www.abfl.adityabirlacapital.com
4. Executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Annexed
5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹1,112.75 Crore
 (b) Two percent of average net profit of the company as per sub section (5) of section 135: ₹22.26 Crore
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: ₹5.77 Crore
 (d) Amount required to be set off for the Financial Year, if any: ₹0.10 Crore
 (e) Total CSR obligation for the Financial Year [(b) + (c) - (d)]: ₹27.93 Crore
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):
 Current Project: ₹21.50 Cr.
 Ongoing Project: ₹5.77 Cr.
- (b) Amount spent in Administrative Overheads: ₹0.46 Crore
 (c) Amount spent on Impact Assessment, if applicable: ₹0.29 Crore
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹28.02 Crore
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Name of the Fund	Amount
28,01,83,180		Nil		Not applicable

(f) Excess amount for set-off, if any: Nil

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Year:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2021-2022	5,77,05,869	Nil	15,17,79,946	5,77,05,869	30/03/2022	5,77,05,869	Nil
2	2020-2021	Nil	Nil	21,96,03,454	Nil	NA	Nil	
3	2019-2020	Nil	Nil	21,53,79,947	Nil	NA	Nil	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: None

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
					CSR Registration Number, if applicable
					Name
					Registered address
Not Applicable					

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable**Rakesh Singh**Managing Director & Chief Executive Officer
DIN – 07006067**Alka Bharucha**Chairperson – CSR Committee
DIN – 00114067



Impact Evaluation Summary

ADITYA BIRLA FINANCE LIMITED (ABFL) CSR PROGRAMS

ABFL Corporate Social Responsibility (CSR) policy focuses on reaching out to undeserved communities, for making a meaningful difference in their quality of life. The CSR team ensures identification and selection of projects through community consultation and needs assessment to prioritize areas with higher impact potential for change. On basis of this, it has chosen key focus areas of education, healthcare, sustainable livelihood, and women development. The community-based projects are undertaken through the Section 8 companies/NGO/Trusts for CSR activities.

CRISIL has evaluated 6 projects implemented through company's CSR budget. These programs fall within the education, healthcare, sustainable livelihood, and women development.

About CRISIL:

CRISIL is a global, agile and innovative analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, gradings, data, research, training, analytics and verification solutions. We have delivered efficient solutions to over 100,000 customers. CRISIL's businesses operate from India, US, UK, Argentina, Poland, China, Hong Kong and Singapore.

CRISIL Limited is a stock exchange listed entity in India and was incorporated on 29th January 1987. CRISIL is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

#	Partners name	Program Name	Program Brief
1	Aga Khan Rural Support Program	Improving Quality of Preschool and Primary School Education and Infrastructure	The program focused on improving Anganwadi centers and schools through infrastructure development, prioritizing hygiene, sanitation, and BaLa Model wall paintings. It also included capacity building for workers and teachers to enhance their skills in areas such as early childhood education, nutrition, and health.
2	Action Aid	Nai Pahal Program	The program focuses on re-enrollment and better attendance through awareness campaigns, sensitization, and school infrastructure development.
3	Maharishi Ved Vyas Pratishthan (MVVP)	Vedshree Tapovan School Infrastructure	The organization works for promotion and preservation of Vedic Science, along with development of Infrastructure.
4	WISH Foundation	strengthening quality of service delivery in PHCs	The program improves maternal care in PHCs by addressing infrastructure gaps, enhancing staff skills through capacity building and mentoring.
5	Don Bosco Tech Society	DB Tech Skill Development Training Institutes	DB Tech provides market-based skill training to school dropout youth in the age group of 18-35 years to find formal employment and income sources.
6	Indian Army	Army Central Welfare fund	The fund provides financial grant-based support to martyred soldier families for education, marriage/remarriage, and mobility.

Evaluation Methodology

The impact analysis has been conducted using both quantitative and qualitative methods based on program structures.

- Quantitative tools- Survey based semi structured interviews.
- Qualitative tools- Key Informant Interviews (KIIs) and Focused Group Discussions (FGDs).

These tools were used to interact with key program stakeholders to identify the key program indicators along with key review of program documents.

The framework for impact analysis has been developed under the guidance of Organization for Economic Cooperation and Development Assistance Committee (OECD DAC) as follows:

- Relevance
- Coherence
- Effectiveness
- Efficiency
- Impact
- Sustainability

Impact Evaluation Summary (Contd.)

The indicators used to assess relevance, coherence, efficiency, and sustainability within our matrix are similar for all programs. However, the parameters of effectiveness and impact are specific to each individual program or project.

The below section will provide a summary of key evaluation indicators for each program.



A. Aga Khan Rural Support Program- Improving Quality of Preschool and Primary Education and Infrastructure

The program involved infrastructure development in primary schools and ICDS centers, including construction or renovation of water stations and toilets, as well as various wall paintings and library setups. ICDS centers also received e-learning devices, including an LED TV, tablet, and cast device, with solar panels and other necessary equipment. Additionally, the program provided training for Anganwadi workers on Naya Pahal Modules and e-learning tools.

Partnership year: 2019-20

Location spread: Sakra Block, Muzaffarpur block, Bihar covering 62 schools with around 27706 students and 111 ICDS centres covering 3886 students.

Sampled school: Out of 62 schools, 12 schools were sampled to interview 96 students, and out of 111 ICDS centres, 15 were sampled to interview teachers and parents.

Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
 Relevance and Coherence <ul style="list-style-type: none"> • High program relevance • Adequate alignment with CSR, Govt., and SDGs 	<ul style="list-style-type: none"> • Program relevance was high since it catered for students from government school, wherein, infrastructure gaps existed in school. It also focused on ICDS centres which were in dire need of infrastructure development. • It aligns strongly with the domain of education and infrastructure development of ABFL CSR policy. The program fulfilled all requirements from the MoU. • The program is in line with several government schemes on education such as NEP 2020, RTE 2009, SSA and RMSA. In the case of Anganwadi development, it is in lines with ICDS, BaLA, NIPCCD training program, Bal Swachhta Mission, and Samagra Shiksha Abhiyan. • The program worked towards quality education (SDG 4), industry, innovation and infrastructure (SDG 9), gender equality (SDG 5), clean water and sanitation (SDG 6), Reduce inequalities (SDG 10). 	
 Efficiency <ul style="list-style-type: none"> • Well-developed program processes and KPIs • High quality program staff • High program efficiency given the need assessment approach prior to execution 	<ul style="list-style-type: none"> • The program had documentation for all program aspects such as program vision and objectives, strict reporting timelines and execution of annual and quarterly reports. • The program ensures need assessment of school and ICDS centres infrastructure requirements prior to execution, improving the efficiency of the initiative through a well-developed scoring tool. • The program had well developed key performance indicators • The discussion with program staff revealed high awareness and involvement. In addition, around 95% of students found teachers to have adopted new teaching techniques. • The program covered several stakeholders from students, teachers, and panchayat members. However, there remains scope of inclusion of parents. 	



Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
Effectiveness <ul style="list-style-type: none"> Complete Beneficiary awareness Widespread coverage of marginalized groups Improvement in core classroom infrastructure of water, toilets, walls etc. Improvement in ICDS infrastructure Change in Anganwadi workers teaching style due to training 	<ul style="list-style-type: none"> 100% of students were aware of infrastructure changes in school, and 100% of Anganwadi workers stated that the changes were essential for the ICDS centres. The program covered the students from government which has students from low-income groups and ICDS centres, which primarily function in remote and rural areas. Further, the demographic profile of our sample showed that around 88% of students belong to some marginalized groups such as SC, OBC or minority groups. The program covered 62 schools and 111 ICDS centres across Sakra block. It has been consistently growing its focus in the same block, making it an area of well-developed model schools and ICDS centres. The other program effective areas in school on improvement in drinking water facilities (97%), improvement in toilet facilities (100%), improvement and recall of school paintings (100%), and improvement in libraries was well acknowledged by the beneficiaries. In terms of ICDS centres, the improvement in drinking water facility (100%) and toilet facility (100%) was prevalent widely. There was also change observed in Anganwadi workers' teaching style. 	
Impact <ul style="list-style-type: none"> Positive outlook among students of the program outcome Positive outlook among Anganwadi workers on children's attendance and learning Improvement in teaching techniques of Anganwadi workers Scope to improve digital usage 	<p>The program level impact is as per the students and teachers' perception on,</p> <ul style="list-style-type: none"> Increase in admission of students, which was clearly positive. Improvement in students' attendance, which was clearly positive. Increase in inclination to go to school, which was clearly positive due to improvement in school ambience. Improvement in students' performance in school was somewhat positive. Similar positive effects were also observed in ICDS centres—with usage of pedagogy techniques to early learning being clearly positive. Usage of digital setup for early education was low among Anganwadi workers. 	
Sustainability <ul style="list-style-type: none"> Scope to collect feedback from key beneficiaries. Need more refresher training sessions for usage of digital tools 	<ul style="list-style-type: none"> There remains scope for the intervention to include some feedback systems with the key program stakeholders such as Anganwadi workers. The schools can have school management committees for maintenance of infrastructure. There is a need to add elements of more refresher training for usage of smart TVs and tablets for learning. The program has undertaken impact assessments. 	

B. Action Aid India- Nai Pahal Program






Action Aid's Nai Pahal program identified and mainstreamed out of school children back to school with focus on re-enrollment and better attendance through awareness campaigns and sensitization. Another program component was to improve school infrastructure by constructing functional toilets, drinking water sources, and digital setups for students. In addition, the program also facilitated learning through Mohalla classes during Covid-19 pandemic induced lockdown and restrictions.

Partnership year: 2019 -20

Location spread: 8 districts in Uttar Pradesh covering 106 schools.

Sampled school: Out of 106 schools, 12 schools were sampled to interview 96 students.

Impact Evaluation Summary (Contd.)

Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
 Relevance and Coherence <ul style="list-style-type: none"> • High program relevance • Adequate alignment with CSR, Govt., and SDGs 	<ul style="list-style-type: none"> • Program relevance was high since it catered to government school, wherein infrastructure gaps existed. It also was in locations where dropouts were high. • It aligns strongly with the domain of education and infrastructure development of ABFL CSR policy. The program fulfilled all requirements from the MoU. • The program is in line with several government schemes on education such as NEP 2020, RTE 2009, SSA and RMSA. It was also in line with governments School Har Din Aayen (SHARDA) initiative. • The program worked towards quality education (SDG 4), reduced inequality (SDG 10) and infrastructure (SDG 9) and gender equality (SDG 5) 	
 Efficiency <ul style="list-style-type: none"> • Decent documentation of activities • Well-developed KPIs • Solid engagement of stakeholders 	<ul style="list-style-type: none"> • The program had documentation for most program aspects such as program vision and objectives, and execution of annual and quarterly reports. • The program had well-developed KPIs, especially in terms of bringing dropout students back to school. • The several activities conducted by the students led to deep engagement of stakeholders with the program goals. Further, the inclusion of family and community was efficient in building a system for achievement of program goals. 	
 Effectiveness <ul style="list-style-type: none"> • Led to re-enrollment of students • Ensured continued education through monitoring and mohalla classes • Improvement in toilet facilities • Usage of smart classes to some extent 	<ul style="list-style-type: none"> • Around 15% of students had re-enrolled in school due Action Aids efforts. • Among all re-enrolled students, the prominent reasons to join were encouragement to students to get back to school (74%) and awareness to parents and community members on education (64%). • The re-enrolled students reported high monitoring (71%) by Action aid to ensure continued learning of dropout students. • Around 33% of students engaged in Mohalla classes during covid-19—and appreciated the continuation of education during testing times. • Infrastructure development was prominent in terms of toilets and digital classrooms. 	
 Impact <ul style="list-style-type: none"> • Improvement in key impact indicators 	<p>The program level impact is measured as per the students and teachers' perception on,</p> <ul style="list-style-type: none"> • Increase in admission of students, which was clearly positive. • Improvement in students' attendance, which was clearly positive. • Improvement in inclination to go to school, which was clearly positive. • Decline in dropouts, which was clearly positive. • Improvement in student performance or understanding of concept, which was somewhat positive. 	
 Sustainability <ul style="list-style-type: none"> • Decent engagement of parents and community for spreading awareness around education • Can create systems to ensure maintenance of assets 	<ul style="list-style-type: none"> • The program can develop feedback systems for beneficiaries. • The program's engagement with parents and the community, along with regular monitoring, is an effective and sustainable approach to building awareness around education. This approach has the potential to create a long-lasting impact and bring about positive change among community members. It only ensures active stakeholder participation and promotes ownership and responsibility towards the community's children. • In terms of infrastructure maintenance, the program can create active committees in school and collect maintenance funds to ensure sustainability. 	

**C. Maharishi Ved Vyas Pratishthan- Vedshree Tapovan School Infrastructure Development**

The CSR program contributed to building the Vedshree Tapovan School by MVVP. The school is a social institute dedicated to the research and propagation of vedic knowledge. The school's mission is to preserve national heritage through education and vocational skills training for students.

Partnership year: 2019

Location spread: Moshi, Pune

Sampling: 30 students and 3 teachers at school

Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
Relevance and Coherence <ul style="list-style-type: none"> • Clear objective of promoting vedic sciences • Aligns with CSR policy, govt. and SDG to some extent 	<ul style="list-style-type: none"> • The school has a clear objective of promoting and preserving the Vedic literature of India. • It aligns strongly with the domain of education and infrastructure development of ABFL CSR policy. • The program is in line with the Ministry of culture to preserve ancient learnings. • The program worked towards quality education (SDG 4) 	
Efficiency <ul style="list-style-type: none"> • Decent process of documentation • High knowledge and interest of staff • Efficient usage of funds on infrastructure with low admin expense 	<ul style="list-style-type: none"> • The program had documentation for certain program aspects such as program vision and objectives. • The program did not need any KPIs to be tracked. • The program does not have any data collection requirements except student education tracking. • The discussion with program staff revealed high knowledge and interest in Vedic sciences. • The program covers all stakeholders possible. • The school efficiency is also mapped by its fund's distribution. Around 90% of the school's funds are used to benefit students, such as an improved library, kitchen service, hostel etc. Only 10% are used for administrative purposes. 	
Effectiveness <ul style="list-style-type: none"> • Effective usage of school spaces by students for learning vedic science 	<ul style="list-style-type: none"> • The school infrastructure is highly appreciated by the beneficiaries. • The classroom infrastructure, stay, dining hall, meditation centre, and other key spaces are used by the students effectively. • The school is known to be the best in India for vedic education in terms of both learning and infrastructure. It has dedicated spaces to ensure learning similar to the past. 	
Impact <ul style="list-style-type: none"> • High satisfaction of students by infrastructure 	<p>The program level impact is measured by the satisfaction of students with the school infrastructure—which was very high. The students stated that all spaces are used for the dedicated tasks.</p>	
Sustainability <ul style="list-style-type: none"> • School premise is sustainable in nature and aims for perseverance of culture 	<p>The school has been constructed with an intention of long-term prevalence and sustenance. In this case, the sustainability of the school will be successful with a larger intake of students and regular maintenance of the school building.</p>	




D. WISH Foundation- Strengthening quality of service delivery in PHCs

WISH Foundation undertook the initiative of strengthening labour room infrastructure of 30 PHCs of Rajasthan, along with staff training and mentoring support. The intention of the program was to improve the labour room services, and provide quality antenatal, birth, and postnatal care to the young mothers while ensuring safety of new-born infants.

Partnership year: 2016-17

Location spread: 30 PHCs in 3 districts (17 PHCs in Banswara, 11 in Rajsamand, 2 in Baran) in Rajasthan.

Sampling: Out of the 30 PHCs, 10 PHCs were sampled to survey 56 patients (pregnant mothers and new mothers)

Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
 Relevance and Coherence <ul style="list-style-type: none"> Extremely high relevance Solid alignment with CSR, Government and SDGs 	<ul style="list-style-type: none"> The program aims to enhance PHC labor rooms, utilized by marginalized and lower-income groups for ante-natal care and delivery. It provides equipment and training to address service delivery gaps, resulting in high program relevance. It aligns with the healthcare domain of ABFL CSR Policy. It aligns with several programs of government of India for maternal health such as PMSMA, JSSK, NHM, LaQshya, etc. The program aligns with good health and well-being (SDG 3), gender equality (SDG 5), reduced inequalities (SDG 10), partnership for the goals (SDG 17) 	
 Efficiency <ul style="list-style-type: none"> Program ensures smooth and efficient process for selection of PHCs Use of equipment's improve the efficiency of service delivery at the PHC level High engagement of program staff Scope to include additional stakeholders 	<ul style="list-style-type: none"> The program had documentation for all program aspects such as program vision and objectives, strict reporting timelines and execution of annual and quarterly reports. The selection of PHCs for strengthening was based on detailed needs assessment, which involved using checklists and identifying gaps. This led to the selection of those PHCs that were in dire need of labor room and corresponding equipment. The program provided several pieces of equipment, which make check-ups, diagnostic testing, and other procedures smoother and more efficient for pregnant mothers. The discussion with program staff revealed high involvement and satisfaction from program. The program covered several stakeholders from PHCs doctors and staff to government officials. However, there remains scope of improvement by inclusion of grassroot level ASHA workers. 	
 Effectiveness <ul style="list-style-type: none"> High beneficiary awareness on labor room changes High program effectiveness in improving labor room services 	<ul style="list-style-type: none"> Beneficiary awareness regarding the program was low in terms of awareness about NGOs/ABFL, but high in terms of awareness about changes in labor rooms, such as the availability of more equipment (90%), additional tests for pregnant mothers (80%), and improved knowledge of nurses/doctors (80%). The program's effectiveness is further visible by high satisfaction by both pregnant mothers and mothers who have recently given birth on hospital services. Around 98% of pregnant mothers intended to give birth in the same PHC. The program's effectiveness was also visible in discussions with government officials who stated that the equipment's provided such as labor table, room heaters, suction apparatus, and surgical instruments were extremely useful and relevant. The program staff expressed a high level of satisfaction with mentoring visits, as they provided an opportunity for refreshing certain protocols related to hygiene. Certain equipment's such as Tablets with Prasav App require more training to be used. 	



Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
Impact <ul style="list-style-type: none"> High impact of program increasing enrollment and other critical areas of maternal health. 	<p>The program level impact is measured as per the parent's and other stakeholders' indications on,</p> <ul style="list-style-type: none"> Recognition of labor room change among repeat mothers, which was completely positive. Increased enrollment for ANC, which was completely positive. Increased enrollment for childbirth, which was completely positive. Better recognition of high risk and complicated cases, which was completely positive. Low maternal and infant mortality, which was somewhat positive. 	
Sustainability <ul style="list-style-type: none"> Program has the scope to utilize ASHA workers as a program stakeholder for feedback mechanism Program has focused on mentoring and guidance of PHCs 	<ul style="list-style-type: none"> The program has the scope to develop a formal feedback system for beneficiaries. An element of ASHA worker within the program design can be useful for this purpose. The program has an undertaken internal impact assessment. The program has provided mentoring and guidance sessions to the PHCs, to ensure sustenance of practices. 	

E. DB Tech Skill Development Training Institutes

DB Tech Skill Development training institute provides quality training programs to equip dropout youth with market relevant skills and knowledge to find jobs and income sources. The key areas for training are Beauty & Wellness, Electrical General, Electronics & IT Hardware, Information Technology Enabled Services, IT-ITES, Office Management, Textile and Clothing Industry and Tourism and Hospitality





Partnership year: 2016-17

Location spread: Bhopal, Indore, Ashta Sehore, Ratlam and Trombay

Sampling: 70 trainees were surveyed across all centres

Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
Relevance and Coherence <ul style="list-style-type: none"> Extremely high relevance Solid alignment with CSR, Government and SDGs 	<ul style="list-style-type: none"> The program's focus on imparting appropriate skills and training is highly relevant to the current needs of marginalized and lower-income youth in India who face challenges in accessing quality employment opportunities. By doing so, it aims to reduce the skills gap and improve employment prospects for these groups, making it an essential intervention in promoting inclusive growth and development. It aligns with the skill development domain of the CSR policy. It aligns with several government schemes around skilling such as PMKVY, NSDC, Skill India Mission, DDU-GKY, NAPs etc. Additionally, the government is actively looking for such partnerships between NGOs, CSRs and skill development centres. The program aligns with quality education (SDG 4), decent work and economic growth (SDG 8), Industry, innovation, and infrastructure (SDG 9), reduced inequalities (SDG 10), and partnership for goals (SDG 17). 	

Impact Evaluation Summary (Contd.)





Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
 Efficiency <ul style="list-style-type: none"> • Effective mobilization process • Motivated and quality program staff • Extensive stakeholder coverage 	<ul style="list-style-type: none"> • The program had documentation for all program aspects such as program vision and objectives, and execution of annual and quarterly reports. • The program utilized an effective mobilization strategy, with program staff visiting villages and slums to raise awareness about the skilling program and its benefits. They also provided counseling services, assessed student interest and commitment before admissions, resulting in better efficiency and reduced dropouts. • 100% of trainee's had positive feedback on the program staff/trainers. Additionally, discussions with trainers also revealed high motivation and satisfaction from the work. • The program covers several stakeholders from students, parents, to industry connections for placements. 	
 Effectiveness <ul style="list-style-type: none"> • High beneficiary satisfaction from the program outcome 	<ul style="list-style-type: none"> • All beneficiaries had positive feedback about the course content, with 84% indicating that it was well-aligned with market needs and 82% stating that it provided practical exposure. • All beneficiaries experienced improvement in soft skills, with 90.6% indicating confidence boost in speaking and 88% indicating confidence boost for interviews. • All beneficiaries who received placements did not have any source of income prior to the intervention. Now, 65% are earning between INR 5000-8000 and the rest 35%, earning between INR 8001-15000. • All beneficiaries found the program to be beneficial for their careers and will be recommended to others. 	
 Impact <ul style="list-style-type: none"> • High impact of program in reducing anxiety of illness • High impact of program in making cancer care affordable 	<p>The program level impact is measured as per the trainee's and other stakeholders' indications on,</p> <ul style="list-style-type: none"> • Learnt relevant job market skills, which were completely positive. • Improvement in income, which was completely true for those who got placed. • Improvement in standard of living, which was true to some extent. • Development of future aspirations, which was completely true. • Satisfaction with career, which was completely true 	
 Sustainability <ul style="list-style-type: none"> • Decent systems for sustainability • Scope to develop alumni groups 	<ul style="list-style-type: none"> • The program had a feedback system for beneficiaries. • The program conducted internal impact assessments. • The program has the scope to develop alumni/peer groups for smooth tracking after completion of training and placements. 	

**F. Indian Army Central Welfare Fund**

The fund provides financial grant-based support to martyred soldier families for education, marriage/remarriage, and mobility.

Partnership year: 2016-17

Sampling: 53 family members were surveyed across India

Extremely satisfactory	Satisfactory	Not Satisfactory
Key Indicators	Findings	
 Relevance and Coherence <ul style="list-style-type: none"> Relevant in terms of providing solidarity and support Alignment with Government and SDG 	<ul style="list-style-type: none"> The program focused on providing grants to martyred soldiers' families for education, marriage/remarriage, and mobility. The relevant of the program is through its capacity to provide solidarity, and support. It aligns with several government schemes such as AGIF, AWFBC, CWF. The program aligns with Peace, justice, and strong institutions (SDG 16). 	
 Efficiency <ul style="list-style-type: none"> Decent documentation Potential to increase the pace of grant disbursal Decent stakeholder engagement 	<ul style="list-style-type: none"> The program had documentation of key program components such as veterans list and applications. The program can consider increase in pace of grant process—as the gap between application and disbursement is high to some extent. The stakeholder engagement is decent. 	
 Effectiveness <ul style="list-style-type: none"> High beneficiary satisfaction from the program outcome 	<ul style="list-style-type: none"> The outreach to beneficiary group was high. The process of receiving grant was smooth to some extent. The education grant was extensively used for the purpose. The marriage grant was used for the purpose; however, the beneficiaries were relatively lower. The computer grant facilitated some portion of funds to purchase computers. 	
 Impact <ul style="list-style-type: none"> High sense of solidarity among beneficiaries 	<p>The program level impact is as per the beneficiaries and other stakeholders' indications on,</p> <ul style="list-style-type: none"> Reduction in financial burden, which was true to some extent. Received a sense of solidarity, which to was completely true. Support to improve computer skills was experienced by those who received the grant. Led to support for education to those who received education grant. 	
Sustainability	<ul style="list-style-type: none"> The grant-based program in its design does not seem to have sustainability as a criterion. 	

Corporate Governance Report

OUR VISION

"To be a leader and role model in helping people meet their aspirations leveraging our broad based financing options."

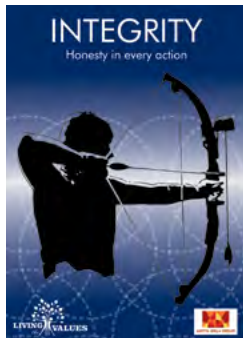
Your Company aspires to be a leader by being amongst the top 3 NBFCs in Book size, profitability and Retail book size. Your

Company also endeavours to be a role model by fair dealing, inter alia, with its employees, customers, partners and Regulators.

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

OUR VALUES

Integrity



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

Commitment



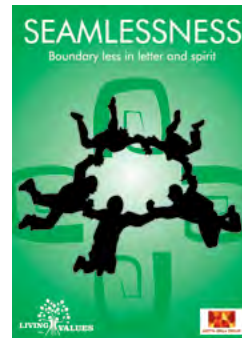
On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.

Passion



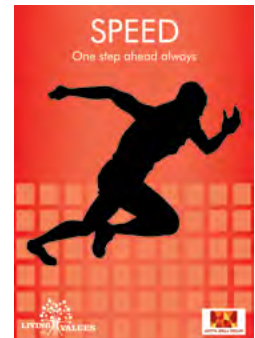
An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm.

Seamlessness



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

Speed



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



COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

Mr. Kumar Mangalam Birla,

Chairman, Aditya Birla Group

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

Your Company is a material subsidiary of Aditya Birla Capital Limited.

Your Company is one of the young and new age business ventures of Aditya Birla Group having a strong parentage and is part of a leading financial services conglomerate. It is a mix of solid traditional and cultural foundations along with the right perspective to cater to the evolving financial needs of its customers.

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

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

Your Company is in compliance with the requirements stipulated under the applicable Regulatory provisions with respect to corporate governance.

The details of compliance with the requirements stipulated under Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") to the extent applicable and RBI circular no. DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022 on 'Disclosures in Financial Statements- Notes to Accounts of NBFCs' under their Scale Based Regulation (SBR), as applicable during the financial year ended 31st March 2023 ("financial year under review") are as follows:

I. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company ("the Board") comprises of 7 (seven) Directors including 2 (two) Non-Executive Directors, 1 (one) Managing Director & CEO and 4 (four) Independent Directors, of whom one is a Woman Director. The Companies Act, 2013 mandates one-third of the total number of Directors as Independent Directors for the Company. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors submit requisite disclosures regarding the positions held by them on the Board and/or Committees of other Companies, from time to time. All the Independent Directors as per their disclosures, have confirmed their compliance with the Act and SEBI Listing Regulations.

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

it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and SEBI Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations. The Independent Directors have also submitted a declaration to the Company confirming that they have registered themselves in the Independent Directors' Database.

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

Details of changes in composition of the Board during the Financial year 2021-22 & 2022-23:

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Nature of change (resignation, appointment)	Effective date
1.	Mr. Kamlesh Rao	Non-Executive Director	07665616	Appointment	07-07-2021
2.	Mr. Baldev Raj Gupta	Independent Director	00020066	Cessation of term as an Independent Director	27-07-2021
3.	Mr. Ajay Srinivasan	Non-Executive Director	00121181	Resignation	03-08-2022
4.	Ms. Vishaka Mulye	Non-Executive Director	00203578	Appointment	21-10-2022
5.	Mr. Darius J Kakalia	Independent Director	00029159	Cessation of term as an Independent Director	08-03-2023
6.	Mr. Jitender Balakrishnan	Independent Director	00028320		
7.	Mr. Ashwani Puri	Independent Director	00160662		
8.	Mr. Nagesh Pinge	Independent Director	00062900	Appointment	09-03-2023
9.	Mr. Rajat Jain	Independent Director	00046053	Appointment	09-03-2023

None of the Independent Director(s) had resigned before the expiry of their term.

The details of the Directors of the Company with regard to their outside Directorships, Committee positions, including that in listed entities, as on 31st March 2023, are as follows:

Name of the Director	Director Since	Category/Capacity of Directorship held in your Company	DIN	No. of outside Directorship(s) in other Public companies ¹	Outside Committee positions held in Audit Committee and Stakeholders Relationship Committee		Names of other listed entities where Director is an Independent Director (excluding the Company) ³	No. of shares held in and convertible instruments held in the NBFC
					Member ²	Chairperson ³		
Ms. Vishakha Mulye ^a	21.10.2022	Non-Executive Non-Independent	00203578	6	5	0	-	Nil
Mr. Ajay Srinivasan ^b	31.07.2007	Non-Executive Non-Independent	00121181	NA	NA	NA	NA	Nil
Mr. Darius J Kakalia ^c	15.03.2001	Independent	00029159	NA	NA	NA	NA	Nil
Mr. Jitender Balakrishnan ^c	20.07.2010	Independent	00028320	NA	NA	NA	NA	Nil
Mr. Ashwani Puri ^c	13.09.2010	Independent	00160662	NA	NA	NA	NA	Nil
Mr. Rakesh Singh	23.07.2019	Managing Director & CEO	07006067	1	2	0	-	Nil
Mr. Subhash Chandra Bhargava	25.01.2019	Independent	00020021	7	8	0	Aditya Birla Capital Limited; A K Capital Services Ltd.	Nil
Ms. Alka Bharucha	27.03.2015	Independent	00114067	8	10	3	Ultratech Cement Ltd.; Hindalco Industries Ltd.; Orient Electric Ltd.; Honda India Power Products Ltd.; Birlasoft Ltd.; Aditya Birla Sun Life AMC Limited	Nil



Name of the Director	Director Since	Category/Capacity of Directorship held in your Company	DIN	No. of outside Directorship(s) in other Public companies ¹	Outside Committee positions held in Audit Committee and Stakeholders Relationship Committee		Names of other listed entities where Director is an Independent Director (excluding the Company) ⁵	No. of shares held in and convertible instruments held in the NBFC
					Member ²	Chairperson ³		
Mr. Kamlesh Rao	07.07.2021	Non-Executive Non-Independent	07665616	3	1	-	-	Nil
Mr. Rajat Jain ^d	09.03.2023	Independent	00046053	3	1	-	Mahindra Holidays & Resorts India Limited; Fino Payments Bank Limited	Nil
Mr. Nagesh Pinged	09.03.2023	Independent	00062900	9	9	3	Goa Carbon Limited; Automobile Corporation of Goa Limited; Arvind Fashions Limited	Nil

Notes:

- Excluding Directorship in the Company, Foreign Companies, Private Limited Companies and Companies formed under Section 8 of the Act.
- Membership(s) in all Public Limited Companies including ABFL is considered.
- Only equity listed companies are considered.
- Other details like no. of Board meetings held & attended and Directors remuneration are in later part of this report.
- ^a Appointed w.e.f. 21st October 2022
^b Ceased to be a director w.e.f. 3rd August 2022
^c Retired as Directors due to end of tenure w.e.f. 8th March 2023
^d Appointed w.e.f. 9th March 2023

Brief Profile of Directors:

Sr. No.	Name of Director	Qualification	Field of Specialisation
1.	Ms. Vishakha Mulye	Chartered Accountant	Banking & Financial Services
2.	Ms. Alka Bharucha	B.A. (Hons) and LL.B from University of Bombay & LL.M from University of London	Legal
3.	Mr. Subhash Chandra Bhargava	Chartered Accountant	Investment and Financial Services
4.	Mr. Rajat Kumar Jain	Post Graduate from IIM-Ahmedabad BTech from IIT, Delhi	Incubation services to early stage tech startups
5.	Mr. Nagesh Pinge	Chartered Accountant and Law Graduate from India. Completed Executive Education Program from The Stephen M Ross School of Business of the University of Michigan, USA	Ethics, Corporate Governance, Risk Management & Internal Audit
6.	Mr. Rakesh Singh	Post-Graduation in International Relations from University of Lucknow; Advance Management Program from Harvard Business School & Executive Program in Business Management from Indian Institute of Management, Calcutta	Banking & Financial Services
7.	Mr. Kamlesh Rao	MBA, Narsee Monjee Institute of Management Studies; B.E. Instrumentation, Vivekanand Education Society's Institute of Technology	Banking & Financial Services

The Board members collectively display the following qualities:

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

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

Board's Functioning and Procedure

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

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

The Company makes available video conferencing facility or other audio visual means for attending the Meetings of the Board and Committees. The notice of Board/ Committee Meetings is given in advance to all the Directors (other than if held by shorter notice for which consent is obtained). The Company Secretary is responsible for collation, review

and distribution of all papers submitted to the Board and Committees thereof for consideration. The Agenda of the Board/ Committee Meetings is set by the Company Secretary in consultation with the Non-Executive Director and Managing Director & Chief Executive Officer of the Company. Agenda papers are circulated a week prior to the date of the Meeting to enable the Board/ Committee Members take informed decisions at the Meetings. The Agenda for the Board and Committee Meetings covers items set out as per the applicable regulations, directions and guidelines. Prior approval is also obtained from the Board for circulating agenda items with shorter notice for matters that are in the nature of Unpublished Price Sensitive Information ("UPSI").

7 (Seven) Board Meetings were held during the financial year under review.

The details of the Board Meetings held during the financial year under review, dates on which held, Board strength and number of Directors present are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present
11 th May 2022	8	7
27 th June 2022	8	7
2 nd August 2022	8	6
28 th September 2022	7	7
5 th November 2022	8	8
31 st January 2023	8	8
21 st March 2023	7	6

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



The details of attendance of each Director at the Board Meeting(s) held during the financial year under review and at the previous Annual General Meeting (“AGM”) of the Members of the Company held on 25th August 2022, held on MS Teams, are as follows:

Name of the Director	No. of Board Meetings		Attended last AGM
	Held	Attended	
Ms. Vishakha Mulye [#]	3	3	No [#]
Mr. Ajay Srinivasan [*]	3	1	No [*]
Mr. Darius J Kakalia ^{&}	6	6	Yes
Mr. Jitender Balakrishnan ^{&}	6	6	Yes
Mr. Ashwani Puri ^{&}	6	6	Yes
Ms. Alka Bharucha	7	6	Yes
Mr. Subhash Chandra Bhargava	7	7	No
Mr. Rakesh Singh	7	7	Yes
Mr. Kamlesh Rao	7	5	No
Mr. Rajat Jain [§]	1	1	No
Mr. Nagesh Pinge [§]	1	1	No

[#] Appointed with effect from 21st October 2022

^{*} Resigned with effect from 3rd August 2022

[&] Tenure as Independent Director expired with effect from 8th March 2023

[§] Appointed with effect from 9th March 2023

Code of Conduct for Board Members and Senior Management

In compliance with Regulations 17(5) and 26(3) of the SEBI Listing Regulations, the Company has adopted a Code of Conduct for the Board Members and Senior Management of the Company (“the Code”). The Code is applicable to all the Board Members and Senior Management of the Company. The Code is available on your Company’s website at <https://abfl.adityabirlacapital.com>.

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

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

Board Induction, Training and Familiarisation

A letter of appointment together with an induction kit is given to the Independent Directors at the time of their appointment setting out their roles, functions, duties and responsibilities.

The Directors are familiarised with your Company’s businesses and its operations by providing business updates of its products at its periodic Board Meeting. Interactions are held between the Directors and Senior Management of your Company from time to time. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to your Company. The details of the said familiarisation programmes are available on your Company’s website at <https://abfl.adityabirlacapital.com>.

Performance evaluation of the Board

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

Further details are mentioned in the Board’s Report.

Performance Evaluation Criteria for Independent Directors

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

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

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

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

Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25 (3) of the SEBI Listing Regulations and SS 1 - 2.3 of the Secretarial Standard on the Meetings of Board of Directors, a Meeting of the Independent Directors of your Company was held on 21st February 2023 without the presence of the Non-Independent Directors and the Members of the Management. The Meeting was attended by 4 (Four) Independent Directors. They discussed matters, including the performance/ functioning of the Company, reviewed the performance of other Non-Executive Directors and the Managing Director & CEO, assessed the quality, quantity and timeliness of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties, etc.

Prohibition of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, your Company adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons in listed or proposed to be listed securities of the Company ("the Insider Code"). The Insider Code aims at preserving

and preventing misuse of unpublished price sensitive information. All Designated Persons of the Company (as defined under the Insider Code) are covered under the Insider Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in the Non-Convertible Debentures (NCDs) of your Company.

Your Company has in place, a manual tracking mechanism for monitoring trade in the NCDs of the Company by the Designated Persons identified under the Insider Code. Further, a structured digital database is maintained, which contains the names and other particulars as prescribed, of the people covered under the Insider Code. The Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") which also includes details of your Company's policy for determination on 'legitimate purposes' as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations and is available on the website of the Company at <https://abfl.adityabirlacapital.com>.

The Board and Designated Persons covered under the Insider Code have affirmed compliance with the Insider Code. The PIT Regulation Committee was constituted for the purpose of monitoring compliance with the aforesaid Code. Mr. Ankur Shah, Company Secretary is the "Compliance Officer" in terms of the Insider Code.

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

II. COMMITTEES

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

The Board Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities. The Chairpersons of the respective Committees report to the Board on the deliberations



and decisions taken by the Committees and conduct themselves under the supervision of the Board. The minutes of the Meetings of all Committees are placed before the Board for its perusal on a regular basis.

Your Board has presently constituted the following Committees including pursuant to the provisions of the Act, SEBI Listing Regulations and RBI Master Directions:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Risk Management Committee;
5. Corporate Social Responsibility Committee;
6. Asset Liability Management Committee;
7. PIT Regulation Committee; and
8. IT Strategy & Information Security Steering Committee.

The details of the Committees are elaborated hereunder:

1. Audit Committee

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

The Audit Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board. All the Members of the Audit Committee are financially literate. The Chairman and Members of the Audit Committee have accounting or related financial management expertise.

The Statutory and Internal Auditors of your Company are invited to attend the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Audit Committee Meetings from time to time, for providing such information as may be necessary. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee, along with the Statutory Auditor, reviews the quarterly, half yearly and annual financial results at the Audit Committee Meetings, before recommending them to the Board of Directors. All the recommendations

of the Committee have been accepted by the Board, during the year under review.

The erstwhile Chairman of the Audit Committee, Mr. Ashwani Puri, attended the Annual General Meeting of the Company held on 25th August 2022.

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

The terms of reference and powers of the Audit Committee are as specified in Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations to oversee any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as considered necessary. The terms of reference broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval of transactions with related parties, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

Meetings, Composition and attendance during the financial year under review

During the financial year under review, the Audit Committee met 7 (Seven) times to deliberate on various matters and the gap between any two Meetings was not more than 120 (One Hundred Twenty) days. The requisite quorum was present for all the Meetings. During the financial year under review, Audit Committee Meetings were held on 11th May 2022, 2nd August 2022, 5th November 2022, 28th January 2023, 31st January 2023, 20th February 2023 and 21st March 2023.

The composition and attendance during the financial year

under review are as follows:

Name of the Member	Member of Committee since	Category / capacity	No. of Meetings		No. of shares held in the Company
			Held	Attended	
Mr. Ashwani Puri (Chairman) [§]	21-01-2011	Independent	6	6	Nil
Mr. Nagesh Pingé [@] (Chairman)	09-03-2023	Independent	1	1	Nil
Mr. D J Kakalia [§]	09-04-2001	Independent	6	6	Nil
Mr. Ajay Srinivasan [#]	31-07-2007	Non-Executive Non-Independent	2	1	Nil
Ms. Alka Bharucha	04-02-2021	Independent	7	5	Nil
Ms. Vishakha Mulye [*]	21-10-2022	Non-Executive Non-Independent	5	5	Nil
Mr. Subhash Chandra Bhargava [@]	09-03-2023	Independent	1	1	Nil

[#] Resigned w.e.f 3rd August 2022

^{*} Appointed w.e.f 21st October 2022

[§] Tenure as an Independent Director expired w.e.f 8th March 2023

[@] Appointed w.e.f 9th March 2023

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted pursuant to the applicable provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and the RBI Master Directions. The Committee is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors and senior management as well as recommending a policy to the Board relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a Director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual Directors, recommendation of remuneration policy for Directors, Key Managerial Personnel and other employees, formulation of criteria for

evaluation of performance of Independent Directors and the Board, devising a policy on Board diversity, etc. The Committee also reviews the remuneration of the senior management team. The Committee acts as a Nomination Committee, as per the NBFC Regulations, to ensure 'fit and proper' status of the directors to be appointed/re-appointed and recommend their appointment/re-appointment to the Board.

Meetings, Composition and attendance during the financial year under review

During the financial year under review, the Committee met 7 (Seven) times to deliberate on various matters and the Meetings were held on 11th May 2022, 27th June 2022, 2nd August 2022, 28th September 2022, 5th November 2022, 31st January 2023 and 21st March 2023. The requisite quorum was present for all the Meetings.

The erstwhile Chairman of the Nomination and Remuneration Committee, Mr. Jitender Balakrishnan, attended the Annual General Meeting of the Company held on 25th August 2022. The Company Secretary acts as Secretary to the Committee.



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

Name of the Member	Member of Committee since	Category/capacity	No. of Meetings		No. of shares held in the Company
			Held	Attended	
Mr. Jitender Balakrishnan (Chairman) ^{&}	07-01-2015	Independent	6	6	Nil
Mr. Subhash Chandra Bhargava (Chairman) [^]	02-08-2022	Independent	4	4	Nil
Ms. Alka Bharucha ^{&}	09-03-2023	Independent	1	0	Nil
Mr. Ajay Srinivasan [#]	07-01-2015	Non-Executive Non-Independent	3	1	Nil
Mr. Darius J Kakalia ^{&}	07-01-2015	Independent	6	6	Nil
Ms. Vishakha Mulye [*]	21-10-2022	Non-Executive Non-Independent	3	3	Nil

[#]Resigned w.e.f 2nd August 2022

[^]Appointed w.e.f 2nd August 2022

^{*}Appointed w.e.f 21st October 2022

[&] Tenure as an Independent Director expired w.e.f 8th March 2023

[&]Appointed w.e.f 9th March 2023

Remuneration Policy

Your Company has adopted an Executive Remuneration Philosophy/Policy in compliance with the requirements under the Companies Act, 2013, SEBI Listing Regulations and RBI Circular no. RBI/2022-23/36 DOR.GOV.REC. No. 29/18.10.002/2022-23 dated 29th April 2022 for Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs, under Scale Based Regulation ("SBR") framework for NBFCs.

The Policy has been published as **Annexure II** to the Board's Report, which forms part of this Annual Report.

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

3. Stakeholders Relationship Committee

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

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

Name of Member	Member of Committee since	Category/capacity	No. of Meeting(s)		No. of shares held in the Company
			Held	Attended	
Mr. Subhash Chandra Bhargava (Chairman)	02-02-2022	Independent	1	1	Nil
Mr. Darius J Kakalia [*]	25-01-2019	Independent	1	1	Nil
Mr. Rakesh Singh	04-02-2021	MD & CEO	1	1	Nil
Ms. Vishakha Mulye [#]	09-03-2023	Non-Executive Non-Independent	-	-	Nil

^{*} Tenure as an Independent Director expired w.e.f 8th March 2023

[#]Appointed w.e.f 9th March 2023

The terms of reference of the Stakeholders Relationship Committee, inter alia, includes Monitoring and resolving the grievances of the security holders of the Company received from the shareholders, Debenture holders of the Company, other security holders, review of measures taken for effective exercise of voting rights by security holders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

Meetings, Composition and attendance during the financial year under review

During the financial year under review, the Stakeholders Relationship Committee met once, on 11th May 2022. The Chairman of the Stakeholders Relationship Committee, Mr. Subhash Chandra Bhargava is a Non-Executive Independent Director. The requisite quorum was present at the Meeting. The Company Secretary acts as Secretary to the Committee and also responsible for redressal of investor complaints.

Number of Complaint received so far/number not solved to the satisfaction of security holders/number of pending complaints

The Company did not receive any complaint from any security holder(s) during the financial year 2022-23.

4. Risk Management Committee

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

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

The terms of reference of the Risk Management Committee, inter alia, include overall responsibility to monitor and approve the Risk Management Framework, assist the Board in determining the measures that can be adopted to mitigate the risk, to formulate/review a policy which shall include a framework for identification of internal and external risks faced by the entity including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.

Meetings, Composition and attendance during the financial year under review

During the financial year under review, the Risk Management Committee met 4 (Four) times on 13th April 2022, 1st August 2022, 1st November 2022 and 30th January 2023. The requisite quorum was present for all the Meetings. The Chairman of the Audit Committee is also invited at all Risk Management Committee meetings. Mr. Ashwani Puri, the erstwhile Chairman of the Audit Committee attended all 4 (Four) meetings of Risk Management Committee. The Company Secretary acts as the Secretary to the Committee.

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

Name of Member	Member of Committee since	Category/capacity	No. of Meeting(s)		No. of shares held in the Company
			Held	Attended	
Mr. Jitender Balakrishnan (Chairman) [@]	21-01-2011	Independent Director	4	4	Nil
Mr. Subhash Chandra Bhargava	04-02-2021	Independent Director	4	4	Nil
Ms. Vishakha Mulye [#]	21-10-2022	Non-Executive Non-Independent Director	2	2	Nil
Mr. Ajay Srinivasan [*]	27-07-2011	Non-Executive Non-Independent Director	2	1	Nil
Mr. A Dhananjaya [§]	25-07-2008	CRO - ABCL	4	4	Nil
Mr. Rakesh Singh	27-07-2011	Managing Director & CEO	4	4	Nil
Mr. Deep Pal Singh	25-03-2022	CRO	4	4	Nil
Mr. Ajay Singh	18-01-2013	Risk Head - PSFG	4	4	Nil

[#] Appointed as a Member w.e.f 21st October 2022

^{*}Resigned as a Member w.e.f 3rd August 2022

[@] Tenure as an Independent Director expired w.e.f 8th March 2023

[§]Superannuated w.e.f. 31st March 2023



5. Corporate Social Responsibility Committee

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

The terms of reference of the Corporate Social Responsibility Committee, inter alia, include Formulation of CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommend the same to the Board, recommending to the Board the annual action plan and the amount to be spent on CSR activities, review, approve and recommend to the Board of Directors, the CSR projects/programs to be undertaken by the Company.

Meetings, Composition and attendance during the financial year under review

The Corporate Social Responsibility Committee comprises of an Independent Director, a Non-Executive Director and the Managing Director & CEO. Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development and Dr. Pragnya Ram, Group Executive President, CSR, are permanent invitees to the Meetings of Corporate Social Responsibility Committee. The Company Secretary acts as Secretary to the Committee.

During the financial year under review, the Corporate Social Responsibility Committee met 2 (Two) times on 27th June 2022 and 20th March 2023. The requisite quorum was present for the Meetings.

The composition and attendance during the financial year are as follows:

Name of Member	Member of Committee since	Category/capacity	No. of Meeting(s)		No. of shares held in the Company
			Held	Attended	
Mr. Ashwani Puri (Chairman) [^]	30-12-2014	Independent	1	1	Nil
Mr. Ajay Srinivasan [*]	30-12-2014	Non-Executive Non-Independent	1	0	Nil
Ms. Alka Bharucha (Chairperson) ^{&}	02-08-2022	Independent	1	1	Nil
Ms. Vishakha Mulye [#]	21-10-2022	Non-Executive Non-Independent	1	1	Nil
Mr. Rakesh Singh	04-02-2021	MD & CEO	2	2	Nil

^{*}Resigned as a Member w.e.f 3rd August 2022

[#]Appointed as a Member w.e.f. 21st October 2022

[^]Tenure as an Independent Director expired w.e.f 8th March 2023

[&]Re-designated as a Chairperson w.e.f. 9th March 2023

The Committee recommends to the Board the Corporate Social Responsibility activities to be undertaken during the year and amount to be contributed towards such activities.

6. Asset-Liability Management Committee

The Asset-Liability Management Committee has been constituted under RBI Master Directions and in line with regulations/guidelines issued by the Reserve Bank of India.

The terms of reference of the Asset-Liability Management Committee, inter alia, include Governance of Liquidity Risk Management by ensuring adherence to the risk tolerance/limits set by the Board, review the Pricing of Assets and

Liability and monitor the Sensitivity of Interest Rates, monitoring market risk, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time.

Meetings, Composition and attendance during the financial year under review

During the financial year under review, the Asset-Liability Management Committee met 16 (Sixteen) times. The requisite quorum was present for the Meetings.

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

Name of Member	Member of Committee since	Category/capacity	No. of Meeting(s)		No. of shares held in the Company
			Held	Attended	
Mr. Rakesh Singh	27-07-2011	MD & CEO	16	16	Nil
Mr. Tushar Shah	22-10-2014	CEO - PSFG & KMP	16	9	Nil
Mr. Pradeep Agrawal	23-10-2021	CFO	16	16	Nil
Mr. Deep Pal Singh	02-02-2022	CRO	16	13	Nil
Mr. Ajay Singh	30-07-2015	Risk Head - PSFG	16	15	Nil
Mr. Chandramohan Amritkar	18-01-2013	Head - Treasury	16	15	Nil
Ms. Pinky Mehta	04-02-2021	CFO - ABCL	16	13	Nil

7. PIT Regulation Committee

The PIT Regulation Committee has been constituted pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulation"), the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) 2003, the Code of Conduct to Regulate, Monitor and Report trading by designated persons in the listed or proposed to be listed securities of the Company and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of PIT Regulation Committee, inter alia, includes Identification/ reviewing the list of persons

to be included in the list of Designated Persons under the Code of Conduct, at regular intervals, on the basis of their role, function and access to Unpublished Price Sensitive Information ("UPSI"), review the functioning of the mechanism adopted for monitoring trade in the securities of the Company by the Designated persons as identified under the Code of Conduct.

Meetings, Composition and attendance during the financial year under review

During the financial year under review, the PIT Regulation Committee met once on 11th May 2022. The necessary quorum was present in the Meeting. The Company Secretary acts as the Secretary of the Committee.

The composition and attendance during the financial year are as follows:

Name of Member	Member of Committee since	Category/capacity	No. of Meeting(s)		No. of shares held in the Company
			Held	Attended	
Mr. Subhash Chandra Bhargava (Chairman)	10-09-2021	Independent Director	1	1	Nil
Mr. Ajay Srinivasan*	10-09-2021	Non-Executive Non-Independent Director	1	1	Nil
Mr. Jitender Balakrishnan [#]	10-09-2021	Independent Director	1	1	Nil
Mr. Rakesh Singh	10-09-2021	MD & CEO	1	1	Nil
Mr. Pradeep Agrawal	30-10-2021	CFO	1	1	Nil

*Resigned as a Member w.e.f 3rd August 2022

[#] Tenure as an Independent Director expired w.e.f 8th March 2023



8. IT Strategy & Information Security Steering Committee

Pursuant to Reserve Bank of India's Circular on Information Technology Framework for NBFCs and in line with the Company's initiatives to implement information security management system, the Company has constituted IT Strategy & Information Security Steering (ITSISS) Committee to focus on IT Governance, IT policy along with Business Continuity, Information & Cyber Security, IT Operations, IS Audit and IT Services Outsourcing.

The terms of reference of the ITSISS Committee, inter alia, include approval of IT strategy and policy documents, review and amend the IT strategies, cyber

security arrangements and any other matter related to IT Governance, establishment of the Information Security Management System (ISMS) objectives.

Meetings, Composition and attendance during the financial year under review

During the financial year under review, the ITSISS Committee met twice on 18th July 2022 and 19th December 2022. The requisite quorum was present for both the Meetings. The Chief Technology Officer/Head of Information Technology acts as the Secretary of the Committee.

The composition and attendance during the financial year are as follows:

Name of Member	Member of Committee since	Category/ Designation	No. of Meetings		No. of shares held in the Company
			Held	Attended	
Mr. Jitender Balakrishnan (Chairman)*	25-01-2019	Independent	2	2	Nil
Mr. Rajat Jain (Chairman)#	09-03-2023	Independent	-	-	Nil
Mr. Rakesh Singh	26-10-2017	MD & CEO	2	2	Nil
Mr. Gopakumar Panicker	26-10-2017	CISO	2	2	Nil
Mr. Pradeep Agrawal	02-02-2022	CFO	2	2	Nil
Mr. Deep Pal Singh	02-02-2022	CRO	2	2	Nil
Mr. Nikesh Gupta	02-02-2022	COO	2	2	Nil
Mr. Ramesh Mallya#	09-03-2023	Chief Technology Officer	-	-	Nil

*Tenure as an Independent Director expired w.e.f 8th March 2023

#Appointed as a Member w.e.f. 9th March 2023

III. WHISTLE BLOWER POLICY/VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act, Regulation 22 of the SEBI Listing Regulations and other applicable provisions, the Company has framed its Whistle Blower Policy. The Whistle Blower Policy/Vigil Mechanism provides a mechanism for employees and other parties to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail the mechanism and direct access to the Chairman of the Audit Committee is provided to them. During the financial year under review, no personnel was denied access to the Audit Committee. Summary of cases as and when reported, along with status is placed before the Audit Committee

and Board for their review and discussion. The Policy is in line with the Company's Code of Conduct, Vision and Values and is available on your Company's website at <https://abfl.adityabirlacapital.com>

IV. OTHER DISCLOSURES

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or RBI or any other statutory authority, on any matter relating to capital markets, during the last three years.

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

Statutory Authority. Further, there have been no penalties or stricture imposed on the Company by the Reserve Bank and there has been no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards except as stated below:

- (i) SEBI had imposed a penalty of ₹1 crore on your Company under Section 15HA of the SEBI Act, 1992. The Company had then filed an appeal on 21st October 2022, before the Securities Appellate Tribunal (SAT), against the said Order. Subsequently, by an order dated 27th February 2023, passed in the Appeal filed by the Company, the Securities Appellate Tribunal (SAT) granted a stay on the operation and effect of the SEBI Order, subject to deposit of ₹50 Lakh (Rupees Fifty Lakh only) by the Company with SEBI within 3 weeks from the date of the Order. The Company has accordingly deposited the said amount of ₹50 lakhs with SEBI on 6th March 2023 and the matter is pending.

Further, there have been no penalties or stricture imposed on the Company by the Reserve Bank and there has been no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and Secretarial Standards.

Related Party Transactions

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

Particulars of related party transactions are listed out under the notes to the Financial Statements forming part of this Annual Report. The policy on Related Party Transactions is available on your Company's website at <https://abfl.adityabirlacapital.com>

Disclosure of accounting treatment

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

Management Discussion and Analysis

1. The Management Discussion and Analysis forms part of this Annual Report and is in accordance with the requirements laid out in RBI Master Directions.
2. No material transaction has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company.

Remuneration of Directors

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

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

The Company is paying remuneration to Mr. Rakesh Singh, Managing Director and CEO, which is in compliance with the applicable rules and regulations. Other than the above, the Company is not paying any kind of remuneration/ Commission to its Directors.



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

Name of the Director	Board Meeting	Committees								Total
		Audit	Risk	NRC	CSR	Finance	IT Strategy	SRC	PIT	
Mr. D J Kakalia	6,00,000	4,50,000	-	3,00,000	-	1,00,000	-	50,000	-	15,00,000
Mr. Jitender Balakrishnan	6,00,000	-	2,00,000	3,00,000	-	-	1,00,000	-	50,000	12,50,000
Mr. Ashwani Puri	6,00,000	4,50,000	-	-	50,000	-	-	-	-	11,00,000
Ms. Alka Bharucha	6,00,000	3,75,000	-	-	50,000	-	-	-	-	10,25,000
Mr. Subhash Chandra Bhargava	7,00,000	75,000	2,00,000	2,00,000	-	-	-	50,000	50,000	12,75,000
Mr. Nagesh Pinge	1,00,000	75,000	-	-	-	-	-	-	-	1,75,000
Mr. Rajat Jain	1,00,000	-	-	-	-	-	-	-	-	1,00,000

The details of remuneration paid to Managing Director and CEO have been provided in Note 48 (Related party transactions) of the Financial Statements and in form MGT-7, uploaded on the website of the Company at <https://abfl.adityabirlacapital.com>

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

CEO/CFO Certification

Mr. Rakesh Singh, Managing Director & Chief Executive Officer and Mr. Pradeep Agrawal, Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, for financial year 2022-23 which was placed before the Audit Committee and Board at its respective Meetings held on 9th May 2023, and the same forms part of this Annual Report.

Compliance with Corporate Governance requirements

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

Confirmation of Criteria of Independence

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

Processing System (NEAPS) and BSE Portal for Electronic filing

The financial results and other intimations/ disclosures required to be made to the Stock Exchanges are electronically filed

through NSE Electronic Application Processing System (NEAPS) portal i.e. <https://neaps.nseindia.com/NEWLISTINGCORP/> and BSE portal i.e. <https://listing.bseindia.com>

Adoption of Mandatory and Discretionary Requirements

During the financial year under review, the Company has complied with all the mandatory requirements of the SEBI Listing Regulations as applicable to the Company, being a High Value Debt Listed Company.

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

- For the financial year 2022-23, the Company's financial statements are with unmodified audit opinion.
- The Internal Auditors directly report to the Audit Committee.

Other Disclosures:

- Total fees paid by the Company for all services rendered by the joint statutory auditors of the Company viz. M/s Deloitte Haskins & Sells LLP and M/s Singhi & Co during the financial year under review was as under:

Particulars	FY 2022-23	
	DHS	Singhi & Co.
Audit Fees & Limited Review	119.00	70.00
Tax Audit	6.00	-
Other Services	3.09	0.90
Total	128.09	70.90

(₹ in Lakh)

- During the financial year under review, 2 (two) complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, ("POSH Act, 2013") and the same were resolved.

3. As the number of members of your Company are not exceeding 200, the provisions of passing resolution(s) through postal ballot are not applicable.

4. Only the Non-Convertible Debentures of your Company are listed on the following Stock Exchanges:

National Stock Exchange of India Limited	BSE Limited
Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	P J Towers, Dalal Street, Mumbai - 400001

5. Link Intime India Private Limited (Registration Number : INR000004058) is the Registrar & Share Transfer Agent of your Company.

6. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments that can have any impact on equity of your Company.

7. The list of all credit ratings obtained by the entity is provided in the Board's Report.

8. There have been no instances of suspension of securities for trading.

9. The Company is exposed to foreign currency exchange rate fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI guidelines. The Company hedges its entire External Commercial Borrowing ("ECB") foreign currency exposure for the full tenure of the ECB as per the Board approved Policy. The Company is not exposed to commodity price risk.

10. During the year under review, there were no recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

11. During the year under review, no loans and advances were given to any firms/ companies in which any of the Directors are interested.

12. The Company has received a certificate from RS & MP, Associates, Company Secretaries, to the effect that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/Ministry of Corporate Affairs or such other statutory authority. The said certificate forms part of this Annual Report.

SHAREHOLDERS & GENERAL INFORMATION

a) Details of special resolutions at Annual General Meetings (AGMs) and Extra Ordinary General Meetings (EGMs)

The following special resolutions were passed in the General Meetings held in the three previous years:

Type of Meeting	Date and Place	Subject matter of special resolutions passed
2020		
AGM (29 th)	10 th July 2020 (10.00 a.m.) – Indian Rayon Compound, Veraval, Gujarat- 362266	Appointment of Mr. Rakesh Singh as the Managing Director & CEO
2021		
AGM (30 th)	16 th August 2021 (2.00 p.m.) – Audio visual	Revision of remuneration of Mr. Rakesh Singh, Managing Director & CEO
EGM	16 th December 2021 (10.45 a.m.) - One World Centre, Tower 1 C, 18 th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013.	To approve continuation of directorship of Mr. Subhash Chandra Bhargava (DIN:00020021) as the Independent Director of the Company
2022		
AGM (31 st)	25 th August 2022 (10.30 a.m.) - Audio visual	Revision of remuneration of Mr. Rakesh Singh, Managing Director & Chief Executive Officer
EGM	4 th October 2022 (2.00 p.m.) - Audio visual	1. Alteration of Object Clause in Memorandum of Association of the Company 2. Adoption of Aditya Birla Finance Limited Employee Stock Option Scheme 2022 3. Approve extending the Benefit of Aditya Birla Finance Limited Employee Stock Option Scheme 2022 to the Employees of Present or Future Holding and/or Subsidiary Company(ies) of the Company



Type of Meeting	Date and Place	Subject matter of special resolutions passed
EGM	7 th November 2022 (09.30 a.m.) - ABFL Board Room, 18 th Floor, Tower 1, One World Centre, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	<ol style="list-style-type: none"> To Approve Borrowing Limits of the Company. Creation of Charges on the Assets of the Company Private Placement of Non-Convertible Debentures Adoption of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 ("ABCL Scheme 2022") and the extension of the Benefits under the ABCL Scheme 2022 to the Employees of the Company
EGM	3 rd March 2023 (10.30 a.m.) - Audio visual	<ol style="list-style-type: none"> Alteration of Object Clause in Memorandum of Association of the Company Appointment of Mr. Rajat Kumar Jain (DIN – 00046053) as an Independent Director of the Company Appointment of Mr. Nagesh Pinge (DIN – 00062900) as an Independent Director of the Company

b) General Shareholder Information

Date, Time and Venue of the 32 nd Annual General Meeting	To be decided at the Board meeting to be held for approval of Q1FY24 Unaudited Financial Results		
Year	2023		
Corporate Identification Number (CIN)/Registration no. of the Company as per Companies Act with the Registrar of Companies	U65990GJ1991PLC064603		
Dividend Payment Date	Not Applicable		
Annual Listing Fees	Annual Listing fees for the Financial Year 2023-24 has been paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)		
Market Price Data	Not Applicable as the company is a debt listed entity		
Shareholding Pattern and the distribution of shareholding as on 31 st March 2023	Name of the Shareholder	No. of Equity Shares	Shareholding Pattern
	Aditya Birla Capital Ltd. ("ABCL") (Subsidiary of Grasim Industries Limited)	66,21,00,772	100
	Nominees of ABCL	50	-
	Total	66,21,00,822	100
Address for correspondence	One World Centre, Tower 1-C, 18 th Floor, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013		
Registration/licence/ authorisation, obtained from other financial sector regulators	RBI's certificate of Registration no. N.01.00500 dated 9 th August 2011		
Plant Location	The Company being a Non-Banking Finance Company does not have any manufacturing plant.		
Area and country of operation	Various States in India		

MEANS OF COMMUNICATION

Quarterly Results

The Company's quarterly/ half yearly/ annual financial results are submitted to the Stock Exchanges and published in Business Standard (all editions).

Further, the quarterly/ half yearly/ annual financial results approved by the Board at its Meeting held for this purpose, are also simultaneously made available on Company's website at <https://abfl.adityabirlacapital.com>

Website

Your Company's website: <https://abfl.adityabirlacapital.com> contains a separate section where SEBI and other Regulatory disclosures are available. Further, the Annual Report of your Company is available under this section on the website in a downloadable form.

DECLARATION

[Regulation 26(3) and Schedule V (D)]

I, Rakesh Singh, Managing Director & CEO of Aditya Birla Finance Limited, hereby declare that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management.

Dated on this 9th day of May 2023

For **Aditya Birla Finance Limited**

Rakesh Singh

Managing Director & CEO

DIN - 07006067



COMPLIANCE CERTIFICATE

[Regulation 17(8) of SEBI LODR]

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Dated on this 9th day of May 2023

For **Aditya Birla Finance Limited**

Rakesh Singh

Managing Director & CEO

DIN - 07006067

Pradeep Agrawal

Chief Financial Officer

**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS
UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,
The Members of
Aditya Birla Finance Limited
Indian Rayon Compound,
Veraval Gujrat- 362266.

We, BNP & Associates have examined all relevant records of **Aditya Birla Finance Limited** (hereinafter referred as “the Company”) as provided through the virtual data room for the purpose of certifying the compliance ensured by the Company for disclosure requirements and corporate governance norms as specified for the Listed Companies, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR’), for the financial year ended 31st March 2023. We have obtained all the information and explanations, which, to the best of our knowledge and belief, necessary for the purpose of this certification.

We state that completing compliance requirements of Corporate Governance is the responsibility of the management of the Company, and our examination is limited to procedures and implementation thereof as adopted by the Company for ensuring the compliance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company in the LODR for FY 2022-23.

We further state that the above certification is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company during the financial year.

For **BNP & Associates**

Company Secretaries
[Firm Regn. No. P2014MH037400
PR No. 637/2019

Avinash Bagul

Partner
FCS No. 5578
CP No. 19862
UDIN: F005578E000275694

Date: May 09, 2023
Place: Mumbai



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

ADITYA BIRLA FINANCE LIMITED

Indian Rayon Compound, Veraval
Gujarat 362266, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aditya Birla Finance Limited**, having **CIN: U65990GJ1991PLC064603** and having registered office at Indian Rayon Compound, Veraval – 362266, Gujarat, India (hereinafter referred to as the ‘Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Circular No. NSE/CML/2022/01 dated January 07, 2022 and BSE Notice No.20220107-16 dated January 07, 2022 read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers to us physically and electronically, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Directors	Designation	DIN
1.	Ms. Vishakha Vivek Mulye	Non-Executive Director	00203578
2.	Ms. Alka Marezban Bharucha	Independent Director	00114067
3.	Mr. Subhash Chandra Bhargava	Independent Director	00020021
4.	Mr. Nagesh Dinkar Pinge	Independent Director	00062900
5.	Mr. Rajat Kumar Jain	Independent Director	00046053
6.	Mr. Rakesh Singh	Managing Director	07006067
7.	Mr. Kamlesh Dayanand Rao	Non-Executive Director	07665616

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RS & MP Associates, Company Secretaries**

Unique code No.: P2017MH061400

PR: 1773/2022

Rakesh Sanghani, Partner

FCS: 7647 CP No.: 6302

UDIN: F007647E000377203

Date: May 25, 2023

Place: Mumbai

Independent Auditor's Report

To the Members of

Aditya Birla Finance Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Aditya Birla Finance Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity and for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'financial statements').

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 31st March, 2023, 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 Auditors' 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.



Sr. No.	Key audit matter	Auditors' response
1.	<p>Allowances for expected credit losses ("ECL"):</p> <p>As at 31st March, 2023, the carrying value of loan assets measured at amortised cost, aggregated ₹78,84,950.10 lakh (net of allowance of expected credit loss ₹1,60,328.71 lakh) constituting approximately 94% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL allowance on such loan assets measured at amortised cost is a critical estimate involving a greater level of management judgement.</p> <p>As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost. • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. <p>(Refer Note 4.1, 10 and 52 to the Financial Statements)</p>	<p>We performed the following audit procedures:</p> <p>We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost.</p> <p>Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment have been approved by the Audit Committee of the Board of Directors.</p> <p>Our audit procedures related to the allowance for ECL included the following, among others:</p> <ul style="list-style-type: none"> • Testing the design and operating effectiveness of the following: <ul style="list-style-type: none"> – completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. – completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and – accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. • Test of details on a sample in respect of the following: <ul style="list-style-type: none"> – we tested accuracy and completeness of the input data such as ratings and period of default and other related information used in estimating the PD; – completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. – we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and – we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. • We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. • We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.

Independent Auditor's Report

Sr. No.	Key audit matter	Auditors' response
2.	<p>Key information technology and general controls</p> <p>The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems.</p> <p>Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p> <p>On account of the pervasive use of its IT systems, the testing of the general computer controls of the key IT systems used in financial reporting was considered to be a Key Audit Matter</p>	<p>With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations.</p> <p>In particular:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of the Company's general IT controls over the key IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit; • We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

Information other than the financial statements and auditors' report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures thereto, Management Discussion and Analysis ("MD&A") (collectively referred to as "other information") but does not include the financial statements and our auditors' 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.

Responsibilities of management and those charged with governance 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;



Independent Auditor's Report

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.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

Independent Auditor's Report

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 of the financial statements, 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 relevant 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, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g. With respect to the other matters to be included in the Auditors' 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 46 to the financial statements);
 - ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its' knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Independent Auditor's Report

- (b) The Management has represented, that, to the best of its' knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 01st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826
UDIN: 23039826BGXRZL8181

Place: Mumbai
Date: 09th May, 2023

For **SINGHI & CO.**
Chartered Accountants
(Firm's Registration No. 302049E)

Amit Hundia
Partner
Membership No. 120761
UDIN: 23120761BGYVTW2656

Place: Mumbai
Date: 09th May, 2023

Annexure 'A'

To The Independent Auditors' 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 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 Finance Limited (the "Company") as of 31st March, 2023 in conjunction with our audit of the 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 with reference to financial statements 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 issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statement 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 Statement, 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 with reference to financial statements.

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, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023 based on the criteria for internal financial control with reference to financial statement established by the respective 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: 23039826BGXRZL8181

Place: Mumbai

Date: 09th May, 2023

For **SINGHI & CO.**

Chartered Accountants

(Firm's Registration No. 302049E)

Amit Hundia

Partner

Membership No. 120761

UDIN: 23120761BGYVTW2656

Place: Mumbai

Date: 09th May, 2023

Annexure 'B'

To The Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) to the members of Aditya Birla Finance Limited on the Financial Statements as at and for the year ended 31st March, 2023)

To the best of our information and according to the explanations provided to us by the Company and the books of account examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment, and the relevant details of Right-of-Use assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment, were physically verified during the 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. No material discrepancies were noticed on such verification.

(c) Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (Including Right of Use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of the Company's inventories:

(a) The Company is engaged primarily in lending activities and consequently does not hold any

physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, by banks or financial institutions on the basis of security of loans (assets) during the year. As disclosed in Note 72 to the financial statements, the differences between the items reported in the quarterly returns / statements filed by the Company (including subsequent revisions thereto) with such banks or financial institutions and the books of account maintained by the Company, were not material. However, we have not carried out a specific audit of such statements.

(iii) As explained in note 1 to the financial statements, the Company is a non-deposit taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI") and as part of its business activities, is engaged in the business of lending across various types of loans.

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee/ security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees/ security and loans and advances:

(a) The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company as its principal business is to give loans;

(b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions for the grant of all loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the Company's interest;

(c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment



- of interest has been stipulated. Note 4.1(v) to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31st March, 2023, aggregating ₹250,709.88 lakh were categorised as credit impaired ("Stage 3") and ₹218,735.72 lakh were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 10 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹75,75,784.68 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of principal and payment of interest aggregating ₹11,393.19 lakh were also identified, albeit for a period of less than 31 days. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.
- (d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 1,38,898.34 lakh. Reasonable steps are being taken by the Company for recovery of the principal and interest.
- (e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.
- (f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees provided or security given, as applicable and the provisions of Section 186 of the Companies Act 2013 are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company being Non-Banking Finance Company registered with RBI, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013, for business activities carried out by the Company. Hence, reporting under paragraph 3 (vi) of the order is not applicable.
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities. As explained to us, the Company did not have any dues payable on account of sales tax, service tax, duty of customs, duty of excise and value added tax.
- (b) There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax Cess and any other material statutory dues in arrears as at 31st March, 2023, for a period of more than six months from the date they became payable.

Annexure 'B'

- (c) The Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2023, on account of disputes are given below:

(₹ in Lakhs)

Name of the statute	Nature of dues	Amount involved*	Amount unpaid	Period to which the amount elates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	55.83	55.83	AY 2007-08	Income Tax Officer (Assessing Officer)
Income Tax Act, 1961	Income Tax	5,230.44	5,230.44	AY 2011-12	Bombay High Court
Income Tax Act, 1961	Income Tax	189.43	189.43	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.76	0.76	AY 2013-14	Income Tax Officer (Assessing Officer)
Income Tax Act, 1961	Income Tax	0.49	0.49	AY 2014-15	Income Tax Officer (Assessing Officer)
Income Tax Act, 1961	Income Tax	0.36	0.36	AY 2015-16	Income Tax Officer (Assessing Officer)
Income Tax Act, 1961	Income Tax	1,515.52	1,515.52	AY 2017-18	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	69.84	62.86	FY 2014-15 and 2015-16	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	2,256.60	2,256.60	AY 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,019.43	1,019.43	AY 2020-21	Commissioner of Income Tax (Appeals)

*Includes interest and penalty

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) With respect to reporting requirements of paragraph 3(ix) of the Order:
- (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.
- (d) On the basis of the maturity profile of financial assets and financial liabilities provided in Note 44 to the Financial Statements, financial liabilities maturing within the 12 months following the reporting date (i.e. 31st March, 2023) falls short of the expected recoveries from financial assets during that period. Further, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) during the year under review and hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc., as required by the applicable accounting standards.



- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act") and it has obtained the registration.
- (b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration ("CoR") from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not a Core Investment Company ("CIC") and hence reporting under paragraph 3(xvi) (c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 1 CIC which is registered with the Reserve Bank of India and 2 CICs which are in the process of registration with Reserve Bank of India.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The Company did not have any Subsidiary, Associate or Joint Venture and hence, reporting under the clause (xxi) of the Order is not applicable.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826
UDIN: 23039826BGXRZL8181

Place: Mumbai
Date: 09th May, 2023

For **SINGHI & CO.**
Chartered Accountants
(Firm's Registration No. 302049E)

Amit Hundia
Partner
Membership No. 120761
UDIN: 23120761BGYVTW2656

Place: Mumbai
Date: 09th May, 2023

Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
I ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	6	38,763.43	59,571.14
(b) Bank balance other than included in (a) above	7	-	9,681.37
(c) Derivative financial instruments	8	83.64	19.02
(d) Receivable			
(i) Trade receivables	9	4,030.61	1,243.96
(ii) Other receivables		-	-
(e) Loans	10	78,84,950.10	53,60,746.02
(f) Investments	11	3,70,269.62	1,69,403.56
(g) Other financial assets	12	14,751.79	5,361.81
2 Non-financial assets			
(a) Current tax assets (net)	13	15,150.75	34,239.10
(b) Deferred tax assets (net)	41	40,653.14	25,954.92
(c) Property, plant and equipment	14	5,130.16	1,881.37
(d) Right of use Lease Assets	15	18,749.72	12,187.33
(e) Intangible assets under development	16	890.07	1,089.05
(f) Other intangible assets	17	6,244.06	7,008.52
(g) Other non-financial assets	18	12,615.32	8,533.26
Total assets		84,12,282.41	56,96,920.43
II LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a) Derivative financial instruments	8	1,369.24	7,799.24
(b) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	288.81	696.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	69,467.65	23,524.76
(ii) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt securities	20	23,53,485.51	15,78,125.70
(d) Borrowings (other than debt securities)	21	44,78,597.46	27,71,715.04
(e) Subordinated liabilities	22	2,44,990.45	2,48,733.99
(f) Lease liabilities	23	19,648.20	12,910.38
(g) Other financial liabilities	24	68,919.82	47,013.29
2 Non-financial liabilities			
(a) Current tax liabilities (Net)	25	13,664.09	1,513.10
(b) Provisions	26	6,463.72	10,421.69
(c) Other non-financial liabilities	27	12,766.33	8,424.39
Total liabilities		72,69,661.28	47,10,878.45
Equity			
(a) Equity share capital	28	66,210.08	66,210.08
(b) Other equity	29	10,76,411.05	9,19,831.90
Total equity		11,42,621.13	9,86,041.98
Total liabilities and equity		84,12,282.41	56,96,920.43
Summary of significant accounting policies	4		
The accompanying notes are forming part of the financial statements.			

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

ICAI Firm Reg. No: 117366W/W-100018

per **Sanjiv V. Pilgaonkar**

Partner

Membership No: 039826

For **Singhi & Co.**

Chartered Accountants

ICAI Firm Reg. No: 302049E

per **Amit Hundia**

Partner

Membership No: 120761

For and on behalf of the Board of Directors of

Aditya Birla Finance Limited

Vishakha Mulye

Director

DIN - 00203578

Pradeep Agrawal

Chief Financial Officer

Rakesh Singh

Managing Director and Chief Executive Officer

DIN - 07006067

Ankur Shah

Company Secretary

Place: Mumbai

Date: 09th May, 2023

Place: Mumbai

Date: 09th May, 2023

Place: Mumbai

Date: 09th May, 2023



Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Revenue from operations			
(i) Interest income	31	7,80,603.81	5,53,128.87
(ii) Dividend income	32	284.97	285.31
(iii) Fees and commission income	33	41,098.09	24,880.80
(iv) Net gain on fair value changes	34	1,699.96	190.62
(I) Total revenue from operations		8,23,686.83	5,78,485.60
(II) Other income	35	3,080.88	1,201.65
(III) Total income (I + II)		8,26,767.71	5,79,687.25
Expenses			
(i) Finance costs	36	3,85,717.77	2,70,909.59
(ii) Impairment on financial instruments	37	90,347.54	65,346.00
(iii) Employee benefit expenses	38	72,283.39	52,072.80
(iv) Depreciation, amortization and impairment	39	8,613.28	6,835.39
(v) Other expenses	40	60,787.35	35,811.83
(IV) Total expenses		6,17,749.33	4,30,975.61
(V) Profit before exceptional items and tax (III - IV)		2,09,018.38	1,48,711.64
(VI) Exceptional items		-	-
(VII) Profit before tax (V- VI)		2,09,018.38	1,48,711.64
(VIII) Tax expense:			
(1) Current tax	41	68,583.07	38,609.10
(2) Deferred Tax Expenses / (Benefits)- (Net)	41	(14,940.44)	(730.52)
(IX) Profit for the year		1,55,375.75	1,10,833.06
(X) Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plan		428.00	531.55
Income tax impact of above		(107.72)	(133.78)
		320.28	397.77
Changes in fair value of equity instruments carried at FVTOCI		73.47	24.22
Income tax impact of above		(18.49)	(6.10)
		54.98	18.12
Items that will be reclassified to profit or loss			
Fair Value change on derivatives designated as cash flow hedge		460.95	2,578.79
Income tax impact on above		(116.01)	(649.03)
		344.94	1,929.76
Other comprehensive income for the year		720.20	2,345.65
Total comprehensive income for the year		1,56,095.95	1,13,178.71
(XI) Earnings per equity share (Face Value ₹ 10 per equity share)			
Basic (₹)	42	23.47	16.74
Diluted (₹)	42	23.46	16.74
Summary of significant accounting policies	4		
The accompanying notes are forming part of the financial statements.			

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Reg. No: 117366W/W-100018

per **Sanjiv V. Pilgaonkar**
Partner
Membership No: 039826

For **Singhi & Co.**
Chartered Accountants
ICAI Firm Reg. No: 302049E

per **Amit Hundia**
Partner
Membership No: 120761

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

Vishakha Mulye
Director
DIN - 00203578

Pradeep Agrawal
Chief Financial Officer

Rakesh Singh
Managing Director and Chief Executive Officer
DIN - 07006067

Ankur Shah
Company Secretary

Place: Mumbai
Date: 09th May, 2023

Place: Mumbai
Date: 09th May, 2023

Place: Mumbai
Date: 09th May, 2023

Cash Flows Statement

for the year ended 31st March, 2023

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Operating activities		
Profit before tax	2,09,018.38	1,48,711.64
Adjustments for reconcile profit before tax to net cash flow:		
Depreciation/amortisation and impairment	8,613.28	6,835.39
Impairment on financial instruments	90,347.54	65,346.00
Interest on deposit with banks	(274.52)	(1,262.58)
Net loss/(gain) on fair value changes	(1,699.96)	(190.62)
(Gain)/loss on sale of property, plant and equipment	33.10	6.00
Dividend income	(284.97)	(285.31)
Interest income on investment	(12,095.99)	(7,336.05)
Finance cost on lease liability	1,005.54	892.61
Profit on surrender of lease liability/income from rent concession	(124.76)	(392.09)
Share based payment expenses	483.19	-
Operating Profit before working capital changes	2,95,020.83	2,12,324.99
Adjustment for working capital changes		
(Increase) in loans	(26,13,183.94)	(6,69,763.97)
Decrease/(increase) in trade receivables	(2,828.68)	(329.79)
(Increase)/decrease in other financial assets	(9,889.86)	(568.03)
(Increase)/decrease in other non-financial assets	(3,142.52)	(12.69)
Increase in trade payables	45,534.83	13,049.32
Increase/(decrease) in other financial liabilities	21,279.01	(12,420.51)
(Decrease)/increase in provisions	(3,529.97)	2,890.73
(Decrease) in other non-financial liabilities	4,341.94	3,361.16
	(22,66,398.36)	(4,51,468.79)
Income taxes paid (Net)	(37,343.73)	(48,830.08)
Net cash flow from/(used in) operating activities	(23,03,742.09)	(5,00,298.87)
Investing activities		
Purchase of intangible assets including assets under development	(2,975.69)	(3,302.51)
Proceeds from sale of property, plant and equipment	74.00	155.15
Purchase of property, plant and equipment	(6,009.91)	(1,646.48)
Proceeds from sale of long term investments	1,841.72	1,500.91
Purchase of long term investments	(25,736.84)	(3,014.37)
Net (purchase)/sale of short term investments	(1,71,877.62)	(83,985.92)
Dividend received	284.97	285.31
Interest received on deposit with banks	306.16	1,244.03
Deposit placed/Redemption during the year	9,649.73	(7,749.73)
Interest received on investment	7,461.35	6,450.11
Net cash flow from/(used in) investing activities	(1,86,982.13)	(90,063.50)
Financing activities		
Proceeds from long term borrowings	31,67,898.63	12,65,274.81
Repayment of long term borrowings	(11,66,686.01)	(9,44,403.00)
Short-term borrowings (Net)	4,71,869.05	1,91,743.51
Lease payments	(3,165.16)	(2,855.71)



(₹ in Lakhs)

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Dividend paid	-	(10,924.66)
Net cash flow from/(used in) financing activities	24,69,916.51	4,98,834.95
Net increase/(decrease) in cash and cash equivalents	(20,807.71)	(91,527.42)
Cash and cash equivalents at beginning of the year	59,571.14	1,51,098.56
Cash and cash equivalents at the end of the year	38,763.43	59,571.14
Components of cash and cash equivalents		
Balance with banks		
In current accounts	38,763.43	59,571.14
Total cash and cash equivalents	38,763.43	59,571.14
Cash Flow from Operations includes:		
Interest received	7,37,452.44	5,42,780.97
Interest paid	3,78,447.38	2,98,603.08

Additional disclosure pursuant to Ind AS 7

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Opening balance of Debt securities, borrowings (other than debt securities) and subordinated liabilities	45,98,574.73	41,21,518.38
Cash flow	24,73,081.67	5,12,615.32
Fair value adjustment	(847.84)	(6,972.87)
Interest accrued on borrowings	6,264.85	(28,586.10)
Closing balance of Debt securities, borrowings (other than debt securities) and subordinated liabilities	70,77,073.42	45,98,574.73

* The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

* Purchase of investments is after adjustments of proceeds from sale / redemption of mutual fund.

* Borrowings includes proceeds and repayment of debt securities, borrowings (other than debt securities) and subordinate liabilities.

Summary of significant accounting policies: Note 4

The accompanying notes are forming part of the financial statements.

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Reg. No: 117366W/W-100018

per **Sanjiv V. Pilgaonkar**
Partner
Membership No: 039826

Place: Mumbai
Date: 09th May, 2023

For **Singhi & Co.**
Chartered Accountants
ICAI Firm Reg. No: 302049E

per **Amit Hundia**
Partner
Membership No: 120761

Place: Mumbai
Date: 09th May, 2023

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

Vishakha Mulye
Director
DIN - 00203578

Pradeep Agrawal
Chief Financial Officer

Place: Mumbai
Date: 09th May, 2023

Rakesh Singh
Managing Director and Chief Executive Officer
DIN - 07006067

Ankur Shah
Company Secretary

Statement of changes in Equity

for the year ended 31st March, 2023

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Balance as at 01 st April, 2022	Changes in equity share capital due to prior period errors	Restated balance as at 01 st April, 2022	Changes in equity share capital during the year	Balance as at 31 st March, 2023
Equity shares of ₹ 10 each issued, subscribed and fully paid	66,210.08	-	66,210.08	-	66,210.08

For the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Balance as at 01 st April, 2021	Changes in equity share capital due to prior period errors	Restated balance as at 01 st April, 2021	Changes in equity share capital during the year	Balance as at 31 st March, 2022
Equity shares of ₹ 10 each issued, subscribed and fully paid	66,210.08	-	66,210.08	-	66,210.08



Statement of changes in Equity

for the year ended 31st March, 2023

B. OTHER EQUITY

Particulars	Reserves and Surplus						Other comprehensive income		Total other equity (₹ in Lakhs)
	Special reserve	Securities premium account	Capital reserve	General reserve	Capital redemption reserve	Share Options Outstanding Account	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1st April, 2021	97,984.64	3,63,738.29	(10,452.11)	13,660.95	1,000.00	-	3,53,991.63	154.40	8,17,577.86
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2021	97,984.64	3,63,738.29	(10,452.11)	13,660.95	1,000.00	-	3,53,991.63	154.40	8,17,577.86
Profit for the year	-	-	-	-	-	-	1,10,833.06	-	1,10,833.06
Fair Value change on derivatives designated as cash flow hedge	-	-	-	-	-	-	-	1,929.76	1,929.76
Dividend Paid (Interim)	-	-	-	-	-	-	(10,924.66)	-	(10,924.66)
Other comprehensive income	-	-	-	-	-	-	397.77	18.12	415.89
Total comprehensive Income	-	-	-	-	-	-	1,00,306.17	18.12	1,02,254.05
Transfer to/from retained earnings	24,366.61	-	-	-	-	-	(24,366.61)	-	-
Balance as at 31st March, 2022	1,22,351.25	3,63,738.29	(10,452.11)	13,660.95	1,000.00	-	4,29,931.19	172.52	9,19,831.90
Balance as at 01st April, 2022	1,22,351.25	3,63,738.29	(10,452.11)	13,660.95	1,000.00	-	4,29,931.19	172.52	9,19,831.90
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2022	1,22,351.25	3,63,738.29	(10,452.11)	13,660.95	1,000.00	-	4,29,931.19	172.52	9,19,831.90
Profit for the year	-	-	-	-	-	-	1,55,375.75	-	1,55,375.75
Fair Value change on derivatives designated as cash flow hedge	-	-	-	-	-	-	-	344.94	344.94
ESOP Charge for the Year	-	-	-	-	-	483.19	-	-	483.19
Other comprehensive income	-	-	-	-	-	-	320.28	54.98	375.26
Total comprehensive Income	-	-	-	-	-	-	1,55,696.03	54.98	1,56,579.14
Transfer to/from retained earnings	31,075.15	-	-	-	-	-	(31,075.15)	-	-
Balance as at 31st March, 2023	1,53,426.40	3,63,738.29	(10,452.11)	13,660.95	1,000.00	483.19	5,54,552.07	227.50	10,76,411.05
Balance as at 01st April, 2023	1,53,426.40	3,63,738.29	(10,452.11)	13,660.95	1,000.00	483.19	5,54,552.07	227.50	10,76,411.05

Summary of significant accounting policies: Note 4

The accompanying notes are forming part of the financial statements.

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

ICAI Firm Reg. No: 117366W/W-100018

per **Sanjiv V. Pilgaonkar**
Partner
Membership No: 039826

Place: Mumbai
Date: 09th May, 2023

For **Singhi & Co.**

Chartered Accountants

ICAI Firm Reg. No: 302049E

per **Amit Hundia**
Partner
Membership No: 120761

Place: Mumbai
Date: 09th May, 2023

For and on behalf of the Board of Directors of

Aditya Birla Finance Limited

Vishakha Mulye
Director
DIN - 00203578

Pradeep Agrawal
Chief Financial Officer

Place: Mumbai
Date: 09th May, 2023

Rakesh Singh
Managing Director and Chief Executive Officer
DIN - 07006067

Ankur Shah
Company Secretary

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 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 28th 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 Intertek. 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 audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 09th May, 2023 Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

NOTE 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, as amended from time to time and other relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI), to the extent applicable. The financial statements have been prepared and presented on going concern basis. 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 5 - 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.

NOTE 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

Functional and Presentation 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.

NOTE 4: SIGNIFICANT ACCOUNTING POLICIES:

Note 4.1: 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.



Notes to the Financial Statements

For the year ended 31st March, 2023

Note 4.1 (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.

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.

Note 4.1 (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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 amortisation is included in Interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Notes to the Financial Statements

For the year ended 31st March, 2023

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.

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.

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').

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

Note 4.1 (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.

Note 4.1 (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.



Notes to the Financial Statements

For the year ended 31st March, 2023

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.

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.

Note 4.1 (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, Stage 2 and Stage 3, 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

Notes to the Financial Statements

For the year ended 31st March, 2023

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 13th 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 31st March, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

Note 4.1 (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.

Note 4.1 (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.

Note 4.1 (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.



Notes to the Financial Statements

For the year ended 31st March, 2023

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.

Note 4.1 (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 4.1 (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.

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.

Note 4.2: Revenue from operations

Note 4.2 (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.

Notes to the Financial Statements

For the year ended 31st March, 2023

Note 4.2 (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

Note 4.2 (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.

Note 4.2 (iv): Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at transaction price 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.

Note 4.2 (v): Net gain/(loss) 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.

Note 4.3: Expenses

Note 4.3 (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.

Note 4.3 (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.



Notes to the Financial Statements

For the year ended 31st March, 2023

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.

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.

Note 4.3 (iii): Share-based payments

The Parent Company (Aditya Birla Capital Limited) issues stock options to certain employees of the Company. These transactions are recognised as equity-settled share based payment transactions by Parent company. The stock compensation expense is determined based on grant date fair value of options and is recognised on a straight line basis over the vesting period in the statement of profit and loss.

Notes to the Financial Statements

For the year ended 31st March, 2023

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black–Scholes Model.

The fair value, determined at the grant date of the equity settled share-based payments, is charged to profit and loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

Note 4.3 (iv): 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.

Note 4.3 (v): Leases

The Company as a lessee

The Company's lease assets primarily consist of leases for office 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.

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.



Notes to the Financial Statements

For the year ended 31st March, 2023

3. Applied the exemption not to recognize right-of-use assets and liabilities for Space Sharing Agreements with Group Companies.
4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on 01st April, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at 01st April, 2022 is between the range of 4.83% p.a. to 7.05% 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.

Note 4.3 (vi): Other income and expenses

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

Note 4.3 (vii): 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.

Note 4.3 (viii): 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.

Note 4.3 (ix): 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

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For the year ended 31st March, 2023

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.

Note 4.4: 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).

Note 4.5: 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.

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
Office equipment	5 Years	4 Years
Software	6 Years	3 years (However it may vary based on tenure of license)
Leasehold Improvements	Over the primary period of the lease	Lower of 3 Years or primary period



Notes to the Financial Statements

For the year ended 31st March, 2023

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.

Note 4.6: 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.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as Intangible assets under development.

Note 4.7: 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.

Note 4.8: 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.

Note 4.9: 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

Notes to the Financial Statements

For the year ended 31st March, 2023

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.

Note 4.10: Segment Reporting

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Company has its operations within India and all revenue is generated within India.

Note 4.11: Dividend

The Company recognises a liability to make cash to equity holders of the Company when the dividend is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Note 4.12: 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.

NOTE 5: 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:

Note 5.1: Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest 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



Notes to the Financial Statements

For the year ended 31st March, 2023

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.

Note 5.2: Estimation of defined benefit plans (gratuity benefits)

Refer Note 4.3 (ii)

Note 5.3: 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.

Note 5.4: 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.

Note 5.5: 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.

Note 5.6: Effective Interest Rate (EIR) method

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the statement of profit and loss at initial recognition.

Note 5.7: Recognition of deferred tax assets for carried forward losses

Refer Note 4.3 (ix)

Note 5.8: Estimation of useful life of property, plant and equipments and intangible assets

Refer note 4.5 and 4.6

Note 5.9: Accounting policy for Long Term Incentive Plan

The company pays Long Term Incentives to certain employees on fulfilment of prescribed criteria/conditions. The Company's liability towards Long Term Incentive is determined actuarially based on certain assumptions regarding rate of Interest, staff attrition and mortality as per Projected Unit Credit Method. Expenses towards long term incentive are recognised in the Statement of Profit and Loss.

Notes to the Financial Statements

as at 31st March 2023

NOTE 6: CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Balances with bank in		
- Current Accounts	38,763.43	59,571.14
Total	38,763.43	59,571.14

NOTE 7: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Fixed Deposits (with original maturity more than 3 months)	-	9,681.37
Total	-	9,681.37

NOTE 8: DERIVATIVE FINANCIAL INSTRUMENTS

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.

(₹ in Lakhs)

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency derivatives:						
Forward	-	-	-	7.72	-	0.52
(ii) Interest rate derivatives:						
Cross Currency Interest Rate swaps	93,148.62	-	715.02	1,46,367.54	-	7,770.64
INR Interest Rate swaps	1,00,000.00	83.64	654.22	25,000.00	19.02	28.08
Total	1,93,148.62	83.64	1,369.24	1,71,375.26	19.02	7,799.24

(₹ in Lakhs)

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair Value hedging						
- Interest Rate derivatives	90,000.00	50.96	654.22	25,000.00	19.02	28.08
(ii) Cash flow hedging						
- Cross Currency Interest Rate derivatives	93,148.62	-	715.02	1,46,367.54	-	7,770.64
- Currency derivatives	-	-	-	7.72	-	0.52
- Interest Rate derivatives	10,000.00	32.68	-	-	-	-
Total	1,93,148.62	83.64	1,369.24	1,71,375.27	19.02	7,799.24



Notes to the Financial Statements

as at 31st March 2023

Note 8.1 : Hedging activities and derivatives

The Company is exposed to certain risks relating to its external commercial borrowings and Non Convertible Debentures. 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 is explained in Note 52.

Note 8.2 : Derivatives designated as hedging instruments

Cash flow hedges

The Company is exposed to foreign currency risk arising from its External Commercial Borrowings amounting to ₹ 93,148.62 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 ₹ 93,148.62 lakhs at fixed interest rate.

(₹ in Lakhs)

Name of Lender	Foreign Currency Denominated Borrowing Amount		Interest rate type		Notional Amount of swap (₹)		Interest rate swap type	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
JPY Denominated (in JPY lakhs) (Maturity range : Feb 2026 to March, 2026)	83,893.50	189,366.25	Floating rate interest	Floating rate interest	51,983.62	124,089.54	Fixed rate interest	Fixed rate interest
USD Denominated (in USD lakhs) (Maturity in Mar 2026)	500.00	300.00	Floating rate interest	Floating rate interest	41,165.00	22,278.00	Fixed rate interest	Fixed rate interest

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 company has also taken overnight index swap deals to hedge it's cashflows for underlying NCDs. The details are disclosed in the table below:

(₹ in Lakhs)

Name of Lender	Borrowing Amount		Interest rate type		Notional Amount of swap (₹)		Interest rate swap type	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Interest rate swaps	10,000.00	-	Floating rate interest	-	10,000.00	-	Fixed rate interest	-

Notes to the Financial Statements

as at 31st March 2023

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

Hedging Instruments

(₹ in Lakhs)

Particulars	Notional Amounts		Carrying amount of hedging instruments Assets/ (Liabilities)		Line item in the Financial Statement		Change in fair value used for measuring ineffectiveness for the year (net of tax)	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Cross currency interest rate swaps	93,148.62	1,46,367.54	(715.02)	(7,770.64)	Derivative financial instruments		4,474.51	(3,518.78)
Currency forward	-	7.72	-	(0.52)	Derivative financial instruments		0.39	0.55
Interest rate swaps	10,000.00	-	32.68	-	Derivative financial instruments		20.92	-
Total	1,03,148.62	1,46,375.26	(682.34)	(7,771.16)			4,495.82	(3,518.23)

Hedge Items

(₹ in Lakhs)

Particulars	Change in fair value used for measuring ineffectiveness for the year (net of tax)		Cash flow hedge reserve as at	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Foreign currency denominated floating rate borrowing	(4,150.88)	5,447.99	(246.16)	(570.18)
Debt securities (NCDs)	-	-	20.92	-
Total	(4,150.88)	5,447.99	(225.24)	(570.18)

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

(₹ in Lakhs)

Particulars	Total hedging gain / (loss) recognised in OCI (net of tax)		Hedge ineffectiveness recognised in statement of profit and loss (net of tax)	
	Year ended 31 st March, 2023	Year ended 31 st March, 2022	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Debt securities (NCDs)	-	-	3.53	-
Foreign currency denominated floating rate borrowing	344.94	1,929.76	-	-
Total	344.94	1,929.76	3.53	-

Movements in Cash Flow Hedging Reserve

(₹ in Lakhs)

Particulars	As at 01 st April, 2022	Add/Less: Changes in fair value	Add/Less: Deferred Tax	As at 31 st March, 2023	As at 01 st April, 2021	Add/Less: Changes in fair value	Add/Less: Deferred Tax	As at 31 st March, 2022
Cash flow Hedging Reserve	(570.18)	460.95	(116.01)	(225.24)	(2,499.94)	2,578.79	(649.03)	(570.18)
Total	(570.18)	460.95	(116.01)	(225.24)	(2,499.94)	2,578.79	(649.03)	(570.18)



Notes to the Financial Statements

as at 31st March 2023

Fair Value Hedge

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss. For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss under Net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss under Net gain on fair value changes. The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments.

The impact of the hedging instruments and hedged items on the balance sheet is as follows

Hedging Instruments

(₹ in Lakhs)

Particulars	Notional Amounts		Carrying amount of hedging instruments Assets/ (Liabilities)		Line item in the Balance Sheet		Change in fair value used for measuring ineffectiveness for the year	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Interest rate swaps	90,000.00	25,000.00	(603.26)	(9.06)	Derivative financial instruments		(594.20)	(9.06)

Hedge Items

(₹ in Lakhs)

Particulars	Notional Amounts		Accumulated fair value adjustment - Liability		Line item in the Balance Sheet		Change in fair value used for measuring ineffectiveness for the year	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Debt securities (NCDs)	90,000.00	25,000.00	(575.17)	(3.44)	Derivative financial instruments		578.61	(3.44)

The effect of the fair value hedge in the statement of profit or loss is, as follows:

(₹ in Lakhs)

Particulars	Hedge ineffectiveness recognised in statement of profit and loss		Line in the statement of profit and loss that includes hedge ineffectiveness
	31 st March, 2023	31 st March, 2022	
Interest rate swaps	(15.59)	(12.50)	Net gain on fair value changes

Note 8.3 : The following table shows the maturity profile of hedging derivatives based on their notional amounts.

(₹ in Lakhs)

Particulars	As at 31 st March, 2023				As at 31 st March, 2022			
	0 to 12 months	1 to 5 years	Over 5 years	Total	0 to 12 months	1 to 5 years	Over 5 years	Total
(i) Cross Currency Interest Rate swaps	-	93,148.62	-	93,148.62	1,46,367.54	-	-	1,46,367.54
(ii) Currency forward	-	-	-	-	7.72	-	-	7.72
(iii) Interest Rate swaps	40,000.00	60,000.00	-	1,00,000.00	-	25,000.00	-	25,000.00
Total	40,000.00	153,148.62	-	1,93,148.62	1,46,375.27	25,000.00	-	1,71,375.26

Notes to the Financial Statements

as at 31st March 2023

NOTE 9: TRADE RECEIVABLES

As at 31st March, 2023

Particulars	Outstanding for following periods from date of transaction							Loss	
	Unbilled	Less than 6 months		1-2 Years		2-3 years		Total Exposure	Allowance
		6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	3 years		
Unsecured:									
(i) Undisputed Trade receivables – considered good	866.92	3,153.50	-	-	-	-	-	4,020.42	(34.57)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	89.53	-	-	-	-	-	89.53	(44.77)
(iii) Undisputed Trade Receivables – credit impaired	-	88.68	5.10	0.58	-	-	-	94.36	(94.36)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-	-
Total	866.92	3,331.71	5.10	0.58	-	-	-	4,204.31	(173.70)

As at 31st March, 2022

Particulars	Outstanding for following periods from date of transaction							Loss	
	Unbilled	Less than 6 months		1-2 Years		2-3 years		Total Exposure	Allowance
		6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	3 years		
Unsecured:									
(i) Undisputed Trade receivables – considered good	905.23	376.80	-	-	-	-	-	1,282.03	(38.08)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	24.32	26.83	1.60	28.39	12.46	-	93.59	(93.59)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-	-
Total	905.23	401.12	26.83	1.60	28.39	12.46	1,375.62	(131.67)	1,243.96

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.
- Date of transaction considered as due date of payment.



Notes to the Financial Statements

as at 31st March 2023

NOTE 10: LOANS

Particulars	As at 31 st March, 2023					As at 31 st March, 2022				
	At fair value					At fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	Sub-total	Total	Amortised Cost	Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account
Loans	80,45,230.28	-	-	-	-	80,45,230.28	54,68,207.51	-	-	-
Other Advances	48.53	-	-	-	-	48.53	21.04	-	-	-
Total (A) - Gross	80,45,278.81	-	-	-	-	80,45,278.81	54,68,228.55	-	-	-
Less: Impairment loss allowance	1,60,328.71	-	-	-	-	1,60,328.71	1,07,482.53	-	-	-
Total (A) - Net	78,84,950.10	-	-	-	-	78,84,950.10	53,60,746.02	-	-	-
i) Secured by tangible assets	47,15,065.63	-	-	-	-	47,15,065.63	36,91,252.56	-	-	-
ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-
iii) Covered by bank and government guarantee	3,23,304.18	-	-	-	-	3,23,304.18	3,17,075.12	-	-	-
iv) Secured by book debts, inventories, fixed deposit and other working capital items	82,937.72	-	-	-	-	82,937.72	1,05,876.53	-	-	-
v) Unsecured	29,23,971.29	-	-	-	-	29,23,971.29	13,54,024.34	-	-	-
Total (B) - Gross	80,45,278.81	-	-	-	-	80,45,278.81	54,68,228.55	-	-	-
Less: Impairment loss allowance	1,60,328.71	-	-	-	-	1,60,328.71	1,07,482.53	-	-	-
Total (B) - Net	78,84,950.10	-	-	-	-	78,84,950.10	53,60,746.02	-	-	-
Loans in India										
i) Public Sector	41,907.39	-	-	-	-	41,907.39	42,408.79	-	-	-
ii) Others	80,03,371.42	-	-	-	-	80,03,371.42	54,25,819.76	-	-	-
Total - Gross	80,45,278.81	-	-	-	-	80,45,278.81	54,68,228.55	-	-	-
Less: Impairment loss allowance	1,60,328.71	-	-	-	-	1,60,328.71	1,07,482.53	-	-	-
Total - Net	78,84,950.10	-	-	-	-	78,84,950.10	53,60,746.02	-	-	-
Loans outside India										
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-
Total (C)	78,84,950.10	-	-	-	-	78,84,950.10	53,60,746.02	-	-	-

Note :

1. There are no loans or advances, in the nature of loans, which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
2. Impairment loss allowance includes non-fund based exposure's impairment loss allowance of ₹ 29.95 lakhs (refer note: 10.1(d))

Notes to the Financial Statements

as at 31st March 2023

Note 10.1: Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Reconciliation of Gross carrying amount - Loans:

(₹ in Lakhs)

Loans	As at 31 st March, 2023				As at 31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of Gross carrying amount	49,77,028.10	2,95,575.99	1,95,603.41	54,68,207.50	43,53,665.99	3,65,907.30	1,42,247.24	48,61,820.53
New assets originated or purchased	47,29,349.26	35,498.03	31,548.81	47,96,396.10	24,27,295.24	22,914.07	16,115.47	24,66,324.78
Assets derecognised or repaid (excluding write offs)	(20,74,466.07)	(58,620.04)	(39,942.71)	(21,73,028.82)	(17,13,767.84)	(59,110.65)	(23,372.08)	(17,96,250.57)
Transfers to Stage 1	1,21,954.37	(1,16,005.59)	(5,948.78)	-	1,16,820.00	(1,13,411.08)	(3,408.92)	-
Transfers to Stage 2	(1,08,095.41)	1,08,692.31	(596.90)	-	(1,44,932.18)	1,45,473.36	(541.18)	-
Transfers to Stage 3	(47,493.20)	(37,833.71)	85,326.91	-	(44,517.45)	(57,965.63)	1,02,483.08	-
Amounts written-off	(22,492.38)	(8,571.26)	(15,280.87)	(46,344.51)	(17,535.66)	(8,231.37)	(37,920.20)	(63,687.23)
Closing Balance of Gross carrying amount	75,75,784.67	2,18,735.73	2,50,709.87	80,45,230.27	49,77,028.10	2,95,575.99	1,95,603.41	54,68,207.50

(b) Reconciliation of loss allowance provision - Loans:

(₹ in Lakhs)

ECL	As at 31 st March, 2023				As at 31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL allowance	15,999.84	14,194.05	77,288.64	1,07,482.53	23,022.07	20,101.02	58,995.56	1,02,118.65
Increase in new / existing assets originated or purchased	48,250.78	6,218.26	55,349.37	1,09,818.41	17,698.11	11,602.97	54,867.40	84,168.48
Assets derecognised or repaid (excluding write offs)	(7,980.79)	(922.75)	(1,776.72)	(10,680.26)	(8,300.97)	(4,213.60)	(2,602.80)	(15,117.37)
Transfers to Stage 1	4,134.24	(2,708.13)	(1,426.11)	-	1,797.50	(975.67)	(821.82)	-
Transfers to Stage 2	(254.79)	501.19	(246.41)	-	(417.36)	468.97	(51.61)	-
Transfers to Stage 3	(187.78)	(1,645.72)	1,833.50	-	(263.85)	(4,558.27)	4,822.11	-
Amounts written-off	(22,492.84)	(8,571.26)	(15,227.87)	(46,291.97)	(17,535.66)	(8,231.37)	(37,920.20)	(63,687.23)
Closing Balance of ECL allowance	37,468.66	7,065.64	1,15,794.41	1,60,328.71	15,999.84	14,194.05	77,288.64	1,07,482.53

(c) Expected credit loss - Loans:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023				As at 31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	75,75,784.67	2,18,735.73	2,50,709.87	80,45,230.27	49,77,028.10	2,95,575.99	1,95,603.41	54,68,207.50
Less: Impairment loss allowance	37,468.66	7,065.64	1,15,794.41	1,60,328.71	15,999.84	14,194.05	77,288.64	1,07,482.53
Net carrying amount	75,38,316.01	2,11,670.09	1,34,915.46	78,84,901.56	49,61,028.26	2,81,381.94	1,18,314.77	53,60,724.97



Notes to the Financial Statements

as at 31st March 2023

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

(₹ in Lakhs)

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 st March, 2022	11,748.84	200.00	-	11,948.84	36.47	6.87	-	43.34
Net Movement	(3,636.99)	(100.00)	200.00	(3,536.99)	(6.58)	(6.81)	-	(13.39)
Closing Balance as on 31 st March, 2023	8,111.85	100.00	200.00	8,411.85	29.89	0.06	-	29.95

NOTE 11: INVESTMENTS

As at 31st March, 2023

(₹ in Lakhs)

Particulars	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			
i) Investment in Govt Securities	-	-	2,47,031.28	-	2,47,031.28	-	2,47,031.28
ii) Investment in Equity instruments	-	308.73	34.82	-	343.55	-	343.55
iii) Investment in Preference Shares	-	-	3,500.00	-	3,500.00	-	3,500.00
iv) Investment in Alternate Funds	-	-	24,643.33	-	24,643.33	-	24,643.33
v) Investment in Debentures	7,490.86	-	85,430.31	-	85,430.31	-	92,921.17
vi) Investment in Security Receipts	2,635.00	-	-	-	-	-	2,635.00
vii) Investment in Mutual Funds	-	-	520.91	-	520.91	-	520.91
Total Gross (A)	10,125.86	308.73	3,61,160.65	-	3,61,469.38	-	3,71,595.24
(i) Investments in India	10,125.86	308.73	3,61,160.65	-	3,61,469.38	-	3,71,595.24
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	10,125.86	308.73	3,61,160.65	-	3,61,469.38	-	3,71,595.24
Less : Impairment loss allowance (C)	1,325.62	-	-	-	-	-	1,325.62
Total - Net [D= (A)-(C)]	8,800.24	308.73	3,61,160.65	-	3,61,469.38	-	3,70,269.62

As at 31st March, 2022

(₹ in Lakhs)

Particulars	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			
i) Investment in Govt Securities	-	-	47,137.87	-	47,137.87	-	47,137.87
ii) Equity instruments	-	235.26	45.17	-	280.43	-	280.43
iii) Investment in Preference Shares	-	-	3,500.00	-	3,500.00	-	3,500.00
iv) Investment in Alternate Funds	-	-	8,225.19	-	8,225.19	-	8,225.19
v) Investment in Debentures	-	-	1,10,260.07	-	1,10,260.07	-	1,10,260.07
Total Gross (A)	-	235.26	1,69,168.30	-	1,69,403.56	-	1,69,403.56
(i) Investments in India	-	235.26	1,69,168.30	-	1,69,403.56	-	1,69,403.56
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	-	235.26	1,69,168.30	-	1,69,403.56	-	1,69,403.56
Less : Impairment loss allowance (C)	-	-	-	-	-	-	-
Total - Net [D= (A)-(C)]	-	235.26	1,69,168.30	-	1,69,403.56	-	1,69,403.56

Note:

- The Company received dividends of ₹ 284.97 lakhs (31st March, 2022: ₹ 285.31st lakhs) from its FVTPL securities, recorded as dividend income.

Notes to the Financial Statements

as at 31st March 2023

Note 11.1: Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Reconciliation of Gross carrying amount - Investment:

(₹ in Lakhs)

Loans	As at 31 st March, 2023				As at 31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of Gross carrying amount	-	-	-	-	-	-	-	-
New assets originated or purchased	7,490.86	-	2,635.00	10,125.86	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written-off	-	-	-	-	-	-	-	-
Closing Balance of Gross carrying amount	7,490.86	-	2,635.00	10,125.86	-	-	-	-

(b) Reconciliation of loss allowance provision - Investment:

(₹ in Lakhs)

ECL	As at 31 st March, 2023				As at 31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL allowance	-	-	-	-	-	-	-	-
Increase in new / existing assets originated or purchased	8.12	-	1,317.50	1,325.62	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written-off	-	-	-	-	-	-	-	-
Closing Balance of ECL allowance	8.12	-	1,317.50	1,325.62	-	-	-	-

NOTE 12: OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Security Deposits (Carried at amortised cost, unless otherwise stated).	3,774.41	2,772.59
Other Receivables	2,469.50	2,589.22
Collateralized Borrowing and Lending Obligation	8,507.88	-
Total	14,751.79	5,361.81

NOTE 13: CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance Payment of Taxes (Net of provision for taxation ₹ 1,17,279.69 lakhs; 31 st March, 2022 ₹ 1,46,294.86 lakhs)	15,150.75	34,239.10
Total	15,150.75	34,239.10



Notes to the Financial Statements

as at 31st March 2023

NOTE 14: PROPERTY, PLANT AND EQUIPMENTS

(₹ in Lakhs)

Particulars	Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
Gross book value:							
At 1 st April, 2021	20.92	1,124.36	148.69	1,508.54	466.76	690.23	3,959.50
Additions	-	139.72	64.20	485.31	172.56	414.66	1,276.45
Disposals	-	83.93	25.27	435.33	119.21	62.59	726.33
At at 31st March, 2022	20.92	1,180.15	187.62	1,558.52	520.11	1,042.30	4,509.62
Additions	-	2,531.50	371.67	571.60	339.43	1,256.17	5,070.37
Disposals	-	227.32	24.63	312.28	55.06	155.50	774.79
As at 31st March, 2023	20.92	3,484.33	534.66	1,817.84	804.48	2,142.97	8,805.20
Depreciation and impairment:							
At 1 st April, 2021	1.84	913.98	101.40	720.15	295.16	461.17	2,493.70
Depreciation charge for the year	0.46	136.03	46.49	297.05	92.57	127.12	699.72
Disposals	-	83.93	25.27	278.34	116.68	60.95	565.17
At at 31st March, 2022	2.30	966.08	122.62	738.86	271.05	527.34	2,628.25
Depreciation charge for the year	0.46	600.69	199.92	305.66	155.13	452.60	1,714.46
Disposals	-	226.66	24.25	207.76	55.06	153.94	667.67
As at 31st March, 2023	2.76	1,340.11	298.29	836.76	371.12	826.00	3,675.04
Net book value:							
At at 31st March, 2022	18.62	214.07	65.00	819.66	249.06	514.96	1,881.37
As at 31st March, 2023	18.16	2,144.22	236.37	981.08	433.36	1,316.97	5,130.16

Note:

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

NOTE 15: RIGHT OF USE LEASE ASSETS

(₹ in Lakh)

Particulars	Amount
Gross book value:	
As at 01 st April, 2021	13,912.45
Additions	7,065.31
Disposals	4,374.94
As at 31st March, 2022	16,602.82
Additions	10,501.68
Disposals	1,429.49
As at 31st March, 2023	25,675.01
Accumulated amortisation:	
As at 01 st April, 2021	4,507.14
Additions	2,583.08
Disposals	2,674.73
As at 31st March, 2022	4,415.49
Additions	2,959.69
Disposals	449.89
As at 31st March, 2023	6,925.29
Net book value:	
As at 31 st March, 2022	12,187.33
As at 31st March, 2023	18,749.72

Notes to the Financial Statements

as at 31st March 2023

NOTE 16: INTANGIBLE ASSETS UNDER DEVELOPMENT

		(₹ in Lakh)
Particulars		Amount
Gross book value:		
As at 1 st April, 2021		1,197.92
Additions		932.03
Disposals		-
Transfers		1,040.90
As at 31st March, 2022		1,089.05
Additions		866.08
Disposals		-
Transfers		1,065.06
As at 31st March, 2023		890.07

NOTE 16: INTANGIBLE ASSETS UNDER DEVELOPMENT AGING SCHEDULE

As at 31st March, 2023

						(₹ in Lakh)
Particulars	Amount in Intangible assets under development for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	866.07	24.00	-	-	890.07	
Total	866.07	24.00	-	-	890.07	

As at 31st March, 2022

						(₹ in Lakh)
Particulars	Amount in Intangible assets under development for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	932.03	157.02	-	-	1,089.05	
Total	932.03	157.02	-	-	1,089.05	

The Company does not have any project temporarily suspended whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 17: OTHER INTANGIBLE ASSETS

		(₹ in Lakh)
Particulars		Amount
Gross book value:		
At 1 st April, 2021		15,506.54
Additions		3,420.36
Disposals		8.99
At 31st March, 2022		18,917.91
Additions		3,215.55
Disposals		40.88
As at 31st March, 2023		22,092.58



Notes to the Financial Statements

as at 31st March 2023

(₹ in Lakh)	
Particulars	Amount
Accumulated	
At 1 st April, 2021	8,356.80
Additions	3,552.59
Disposals	-
At 31st March, 2022	11,909.39
Additions	3,939.13
Disposals	-
As at 31st March, 2023	15,848.52
Net book value:	
As at 31st March, 2022	7,008.52
As at 31st March, 2023	6,244.06

All intangible assets are other than internally generated.

NOTE 18: OTHER NON-FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Prepaid expenses	2,030.44	4,240.10
Capital advances	1,336.25	396.71
Goods and Service Tax/Service Tax Receivable	3,177.07	1,734.46
Reimbursement Rights of Gratuity Fund	2,735.20	2,161.99
Others	3,336.36	-
Total	12,615.32	8,533.26

NOTE 19: TRADE PAYABLES

(₹ in Lakhs)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
- Micro and small enterprises	288.81	696.87
- Other than Micro and small enterprises	69,467.65	23,524.76
Total	69,756.46	24,221.63

NOTE 19: TRADE PAYABLES

Trade Payables ageing schedule

As at 31st March, 2023

(₹ in Lakhs)						
Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	288.70	0.09	0.02	-	288.81
(ii) Others	57,972.87	11,342.07	100.39	5.75	46.57	69,467.65
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	57,972.87	11,630.77	100.48	5.77	46.57	69,756.46

Notes to the Financial Statements

as at 31st March 2023

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	694.04	0.02	2.81	-	696.87
(ii) Others	18,827.81	4,586.24	22.47	57.73	30.51	23,524.76
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	18,827.81	5,280.27	22.49	60.54	30.51	24,221.63

Notes:

1. Date of transaction considered as due date of payment.
2. The disclosures regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

NOTE 20: DEBT SECURITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2023				As at 31 st March, 2022			
	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)	15,86,126.94	-	89,406.83	16,75,533.77	12,28,682.37	-	24,954.31	12,53,636.68
Redeemable non-convertible debentures (Unsecured)	16,100.36	-	-	16,100.36	10,960.04	-	-	10,960.04
Commercial papers (Unsecured)	6,61,851.38	-	-	6,61,851.38	3,13,528.98	-	-	3,13,528.98
Total	22,64,078.68	-	89,406.83	23,53,485.51	15,53,171.39	-	24,954.31	15,78,125.70
Debt securities in India	22,64,078.68	-	89,406.83	23,53,485.51	15,53,171.39	-	24,954.31	15,78,125.70
Debt securities outside India	-	-	-	-	-	-	-	-
Total	22,64,078.68	-	89,406.83	23,53,485.51	15,53,171.39	-	24,954.31	15,78,125.70

Note:

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



Notes to the Financial Statements

as at 31st March 2023

Note 20(a): Redeemable non-convertible debentures (Secured) as at 31st March, 2023

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
3 Month T-bill Linked, Secured, Rated, Listed, Redeemable Non-Convertible Debentures Series: ABFL NCD 'B1' FY 2021-22-MATURITY DATE – 05/05/2023	10,00,000	07 th May, 2021	26,634.74	5.11% p.a. (Floating Coupon with Quarterly Reset, Payable Annually)	05 th May, 2023	Redeemable at par at end of 728 days from the date of allotment
7.75% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD A1 FY 2020-21. MATURITY DATE – 17/05/2023	10,00,000	17 th April, 2020	22,015.76	7.75% p.a.	17 th May, 2023	Redeemable at par at end of 1125 days from the date of allotment
6.15% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD K2 FY 2020-21. MATURITY DATE – 30/05/2023	10,00,000	25 th February, 2021	77,927.81	6.15% p.a.	30 th May, 2023	Redeemable at par at end of 824 days from the date of allotment
5.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES C1. DATE OF MATURITY 16/06/2023	10,00,000	17 th June, 2021	5,201.20	5.15% p.a.	16 th June, 2023	Redeemable at par at end of 729 days from the date of allotment
7.57% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD A2 FY 2020-21. MATURITY DATE – 28/06/2023	10,00,000	28 th April, 2020	24,022.93	7.75% p.a.	28 th June, 2023	Redeemable at par at end of 1156 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD D2 FY 2018-19. DATE OF MATURITY 27/07/2023	10,00,000	11 th December, 2018	15,325.87	8.90% p.a	27 th July, 2023	Redeemable at par at end of 1689 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD D2 FY 2018-19. DATE OF MATURITY 27/07/2023	10,00,000	27 th July, 2018	1,585.44	8.90% p.a	27 th July, 2023	Redeemable at par at end of 1826 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 1 FY 2018-19. MATURITY DATE – 21/12/2023	10,00,000	7 th January, 2019	1,637.07	9.15% p.a.	21 st December, 2023	Redeemable at par at end of 1809 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 1 FY 2018-19. MATURITY DATE – 21/12/2023	10,00,000	27 th December, 2018	8,287.67	9.15% p.a.	21 st December, 2023	Redeemable at par at end of 1820 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 1 FY 2018-19. MATURITY DATE – 21/12/2023	10,00,000	21 st December, 2018	7,162.18	9.15% p.a.	21 st December, 2023	Redeemable at par at end of 1826 days from the date of allotment

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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
5.90% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD G1 FY 2020-21. MATURITY DATE – 29/12/2023	10,00,000	22 nd October, 2020	33,842.87	5.90% p.a.	29 th December, 2023	Redeemable at par at end of 1163 days from the date of allotment
6.15% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD L3 FY 2020-21. MATURITY DATE – 28/03/2024	10,00,000	31 st March, 2021	41,995.12	6.15% p.a.	28 th March, 2024	Redeemable at par at end of 1093 days from the date of allotment
PRINCIPAL PROTECTED (10 YEAR G-SEC PRICE LINKED) SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES PPMLD B1 FY 2022-23 – MAY 04, 2022. DATE OF MATURITY 03/05/2024	10,00,000	04 th May, 2022	4,753.52	Coupon linked to performance of Underlying / Reference Index Scenario If performance of underlying on final fixing date Coupon 1. Greater than 50% of Digital Level 6.82% p.a. (6.00% XIRR (Annualized yield)) 2. Less than or equal to 50% of Digital Level 0 %	03 rd May, 2024	Redeemable at par at end of 730 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	24 th July, 2019	10,534.45	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1785 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	28 th June, 2019	11,911.29	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1811 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	24 th June, 2019	21,132.94	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1815 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	12 th June, 2019	18,464.64	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1827 days from the date of allotment
Zero Coupon SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES C2.DATE OF MATURITY 14/06/2024	10,00,000	17 th June, 2021	8,286.26	5.75% on XIRR	14 th June, 2024	Redeemable at par at end of 1093 days from the date of allotment



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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
PRINCIPAL PROTECTED (10 YEAR G-SEC PRICE LINKED) SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES PPMLD C4 FY 2022-23 – JUNE 28, 2022. DATE OF MATURITY 27/06/2024	10,00,000	28 th June, 2022	2,636.50	Coupon linked to performance of Underlying / Reference Index Scenario If performance of underlying on final fixing date Coupon 1. Greater than 50% of Digital Level 7.34% p.a. (7.33% XIRR (Annualized yield)) 2. Less than or equal to 50% of Digital Level 0 %	27 th June, 2024	Redeemable at par at end of 730 days from the date of allotment
5.85% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES E1.DATE OF MATURITY 02/08/2024	10,00,000	05 th August, 2021	25,939.78	5.85% p.a.	02 nd August, 2024	Redeemable at par at end of 1093 days from the date of allotment
Zero Coupon SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES E2 FY2022-23.DATE OF MATURITY 23/08/2024	10,00,000	24 th August, 2022	14,181.33	7.26% p.a. on XIRR basis	23 rd August, 2024	Redeemable at par at end of 730 days from the date of allotment
Zero Coupon SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES H1 FY2022-23. DATE OF MATURITY 28/11/2024	10,00,000	18 th November, 2022	5,139.34	7.92% p.a. on XIRR basis	28 th November, 2024	Redeemable at par at end of 741 days from the date of allotment
3M TBILL LINKED SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES 'J1' FY2021-22.DATE OF MATURITY 21/01/2025	10,00,000	21 st January, 2022	50,745.22	5.22% p.a. (Floating Coupon with Quarterly Reset, Payable Annually)	21 st January, 2025	Redeemable at par at end of 1096 days from the date of allotment
PRINCIPAL PROTECTED (10 YEAR G-SEC PRICE LINKED) SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES PPMLD E3 FY 2022-23 – DATE OF MATURITY 09/04/2025	10,00,000	26 th August, 2022	10,653.96	Coupon linked to performance of Underlying / Reference Index Scenario If performance of underlying on final fixing date Coupon 1. Greater than 50% of Digital Level 7.2941% p.a. (7.31% XIRR (Annualized yield)) 2. Less than or equal to 50% of Digital Level 0 %	09 th April, 2025	Redeemable at par at end of 957 days from the date of allotment
7.69% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD A3 FY 2020-21. MATURITY DATE – 25/04/2025	10,00,000	28 th April, 2020	2,675.51	7.69% p.a.	25 th April, 2025	Redeemable at par at end of 1823 days from the date of allotment

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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
7.60% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. FURTHER ISSUANCE II ABFL NCD SERIES C1 FY2022-23.DATE OF MATURITY 06/06/2025	10,00,000	01 st July, 2022	26,478.35	7.60% p.a.	06 th June, 2025	Redeemable at par at end of 1071 days from the date of allotment
7.60% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. FURTHER ISSUANCE I ABFL NCD SERIES C1 FY2022-23.DATE OF MATURITY 06/06/2025	10,00,000	14 th June, 2022	26,478.35	7.60% p.a.	06 th June, 2025	Redeemable at par at end of 1088 days from the date of allotment
7.60% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES C1 FY2022-23.DATE OF MATURITY 06/06/2025	10,00,000	8 th June, 2022	11,650.48	7.60% p.a.	06 th June, 2025	Redeemable at par at end of 1094 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. FURTHER ISSUANCE (IV) SERIES ABFL NCD C4 FY 2018-19. DATE OF MATURITY 26/06/2025	10,00,000	09 th February, 2023	3,257.51	8.90% p.a.	26 th June, 2025	Redeemable at par at end of 868 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. FURTHER ISSUANCE (III) SERIES ABFL NCD C4 FY 2018-19. DATE OF MATURITY 26/06/2025	10,00,000	29 th November, 2022	2,714.59	8.90% p.a.	26 th June, 2025	Redeemable at par at end of 940 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. FURTHER ISSUANCE (II) SERIES ABFL NCD C4 FY 2018-19. DATE OF MATURITY 26/06/2025	10,00,000	28 th September, 2022	2,714.59	8.90% p.a.	26 th June, 2025	Redeemable at par at end of 1002 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. FURTHER ISSUANCE (I) SERIES ABFL NCD C4 FY 2018-19. DATE OF MATURITY 26/06/2025	10,00,000	12 th July, 2022	32,575.08	8.90% p.a.	26 th June, 2025	Redeemable at par at end of 1080 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD C4 FY 2018-19. DATE OF MATURITY 26/06/2025	10,00,000	26 th June, 2018	5,537.76	8.90 % p.a.	26 th June, 2025	Redeemable at par at end of 2557 days from the date of allotment
Zero Coupon SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES D1.DATE OF MATURITY 11/07/2025	10,00,000	12 th July, 2022	34,289.94	7.80% p.a. on XIRR basis	11 th July, 2025	Redeemable at par at end of 1095 days from the date of allotment
6.40% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES J2.DATE OF MATURITY 22/07/2025	10,00,000	21 st January, 2022	35,409.31	6.40% p.a.	22 nd July, 2025	Redeemable at par at end of 1278 days from the date of allotment
7.50% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. Further Issuance (I) ABFL NCD Series E1 FY 2022-23.DATE OF MATURITY 18/08/2025	10,00,000	19 th September, 2022	48,599.59	7.50% p.a.	18 th August, 2025	Redeemable at par at end of 1064 days from the date of allotment
7.50% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES E1 FY2022-23.DATE OF MATURITY 18/08/2025	10,00,000	18 th August, 2022	41,806.10	7.50% p.a.	18 th August, 2025	Redeemable at par at end of 1096 days from the date of allotment



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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
7.90% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES G1 FY2022-23.DATE OF MATURITY 19/09/2025	10,00,000	14 th October, 2022	52,799.61	7.90% p.a.	19 th September, 2025	Redeemable at par at end of 1071 days from the date of allotment
8.77% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD Q1 FY 2015-16. DATE OF MATURITY 17/10/2025	10,00,000	19 th October, 2015	1,556.82	8.77% p.a.	17 th October, 2025	Redeemable at par at end of 3651 days from the date of allotment
8.71% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD S1 FY 2015-16. DATE OF MATURITY 31/10/2025	10,00,000	03 rd November, 2015	50,647.56	8.71% p.a.	50% on 01 st November, 2024 & 50% on 31 st October, 2025	Redeemable in installments at par - 50% at end of 3286 days and 50% at end of 3650 days from the date of allotment
6.25% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD I1 FY 2020-21. MATURITY DATE – 23/12/2025	10,00,000	23 rd December, 2020	7,619.92	6.25% p.a.	23 rd December, 2025	Redeemable at par at end of 1826 days from the date of allotment
7.93% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES H4 FY2022-23.DATE OF MATURITY 15/01/2026	10,00,000	29 th November, 2022	31,278.46	7.93% p.a.	15 th January, 2026	Redeemable at par at end of 1143 days from the date of allotment
7.88% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. Further Issuance (I)ABFL NCD SERIES I3 FY2022-23.DATE OF MATURITY 12/02/2026	10,00,000	02 nd February, 2023	15,259.82	7.88% p.a.	12 th February, 2026	Redeemable at par at end of 1106 days from the date of allotment
7.88% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. Further Issuance (I)ABFL NCD SERIES I3 FY2022-23.DATE OF MATURITY 12/02/2026	10,00,000	02 nd February, 2023	15,432.77	7.88% p.a.	12 th February, 2026	Redeemable at par at end of 1106 days from the date of allotment
7.88% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES I3 FY2022-23.DATE OF MATURITY 12/02/2026	10,00,000	30 th December, 2022	40,692.86	7.88% p.a.	12 th February, 2026	Redeemable at par at end of 1140 days from the date of allotment
8.85% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD W3 FY 2015-16. DATE OF MATURITY 23/02/2026	10,00,000	23 rd February, 2016	1,007.90	8.85% p.a.	23 rd February, 2026	Redeemable at par at end of 3653 days from the date of allotment
8.90% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD X1 FY 2015-16. DATE OF MATURITY 06/03/2026	10,00,000	09 th March, 2016	1,004.63	8.90% p.a.	06 th March, 2026	Redeemable at par at end of 3649 days from the date of allotment
7.95% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES H2 FY2022-23.DATE OF MATURITY 28/03/2026	10,00,000	18 th November, 2022	61,371.00	7.95% p.a.	18 th March, 2026	Redeemable at par at end of 1216 days from the date of allotment
8.90% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD Z3 FY 2015-16. DATE OF MATURITY 20/03/2026	10,00,000	21 st March, 2016	500.92	8.90% p.a.	20 th March, 2026	Redeemable at par at end of 3651 days from the date of allotment

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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
6.55% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES D1.DATE OF MATURITY 24/07/2026	10,00,000	26 th July, 2021	51,790.18	6.55% p.a.	24 th July, 2026	Redeemable at par at end of 1824 days from the date of allotment
8.30% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES L2 FY2022-23.DATE OF MATURITY 16/09/2026	1,00,000	21 st March, 2023	21,036.47	8.30% p.a.	16 th September, 2026	Redeemable at par at end of 1275 days from the date of allotment
6.45% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES G2.DATE OF MATURITY 01/10/2026	10,00,000	04 th October, 2021	11,853.91	6.45% p.a.	01 st October, 2026	Redeemable at par at end of 1823 days from the date of allotment
8% XIRR SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD C1 FY 2017-18. DATE OF MATURITY 11/06/2027	10,00,000	13 th June, 2017	781.44	8.00% p.a. on XIRR	11 st June, 2027	Redeemable at par at end of 3650 days from the date of allotment
7.95% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES I1 FY2022-23.DATE OF MATURITY 03/12/2027	10,00,000	05 th December, 2022	5,121.60	7.95% p.a.	03 rd December, 2027	Redeemable at par at end of 1824 days from the date of allotment
7.92% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES I2 FY2022-23.DATE OF MATURITY 27/12/2027	10,00,000	27 th December, 2022	41,803.88	7.92% p.a.	27 th December, 2027	Redeemable at par at end of 1826 days from the date of allotment
8.12% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. FURTHER ISSUANCE (I)ABFL NCD SERIES L1 FY2022-23.DATE OF MATURITY 06/03/2028	1,00,000	21 st March, 2023	7,568.58	8.12% p.a.	06 th March, 2028	Redeemable at par at end of 1812 days from the date of allotment
8.12% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES L1 FY2022-23.DATE OF MATURITY 06/03/2028	1,00,000	06 th March, 2023	52,428.72	8.12% p.a.	06 th March, 2028	Redeemable at par at end of 1827 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. FURTHER ISSUANCE IV SERIES ABFL NCD I2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	08 th September, 2022	2,602.13	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 2296 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	29 th March, 2019	15,612.81	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3555 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	12 th February, 2019	4,007.29	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3600 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	27 th December, 2018	7,181.89	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3647 days from the date of allotment



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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	21 st December, 2018	1,561.28	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3653 days from the date of allotment
9% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD B2 FY 2019-20. MATURITY DATE - 18/05/2029	10,00,000	20 th May, 2019	161,572.86	9.00% p.a.	50% - 19 th May, 2028 50% - 18 th May, 2029	Redeemable in installments at par - 50% at end of 3287 days and 50% at end of 3651 days from the date of allotment
8.70% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD D1 FY 2019-2020. DATE OF MATURITY 04 th July, 2029	10,00,000	04 th July, 2019	3,103.99	8.70% p.a.	04 th July, 2029	Redeemable at par at end of 3653 days from the date of allotment
8.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD J1 FY 2019-20. MATURITY DATE - 18/01/2030	10,00,000	20 th January, 2020	101,514.96	8.15% p.a.	25% at the end of 7 th Year (Wednesday, 20 th January, 2027), 25% at the end of 8 th Year (Thursday, 20 th January, 2028), 25% at the end of 9 th Year (Friday, 19 th January, 2029) & 25% at the end of 10 th Year (Friday, 18 th January, 2030)	Redeemable in installments at par - 25% at end of 2557 days, 25% at end of 2922 days 25% at end of 3287 days 25% at end of 3651 days from the date of allotment
7.24% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD K1 FY 2020-21. MATURITY DATE - 18/02/2031	10,00,000	18 th February, 2021	2,517.25	7.24% p.a.	18 th February, 2031	Redeemable at par at end of 3652 days from the date of allotment
7.26% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES B2. DATE OF MATURITY 30/05/2031	10,00,000	31 st May, 2021	79,497.64	7.26% p.a.	25% at the end of 7 th Year (Wednesday, 31 st May, 2028) 25% at the end of 8 th Year (Thursday, 31 st May, 2029) 25% at the end of 9 th Year (Friday, 31 st May, 2030) 25% at the end of 10 th Year (Friday, 30 th May, 2031)	Redeemable in installments at par - 25% at end of 2557 days, 25% at end of 2922 days 25% at end of 3287 days 25% at end of 3652 days from the date of allotment
7.10% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES G1. DATE OF MATURITY 03/10/2031	10,00,000	04 th October, 2021	5,163.59	7.10% p.a.	03 rd October, 2031	Redeemable at par at end of 3651 days from the date of allotment

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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
8.12% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. Further Issuance (III) ABFL NCD Series H3 FY 2022-23. DATE OF MATURITY 18/11/2032	10,00,000	15 th March, 2023	10,317.40	8.12% p.a.	18 th November, 2032	Redeemable at par at end of 3536 days from the date of allotment
8.12% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. Further Issuance (II) ABFL NCD Series H3 FY 2022-23. DATE OF MATURITY 18/11/2032	10,00,000	09 th February, 2023	23,214.16	8.12% p.a.	18 th November, 2032	Redeemable at par at end of 3570 days from the date of allotment
8.12% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. Further Issuance (I) ABFL NCD Series H3 FY 2022-23. DATE OF MATURITY 18/11/2032	10,00,000	21 st December, 2022	41,269.62	8.12% p.a.	18 th November, 2032	Redeemable at par at end of 3620 days from the date of allotment
8.12% SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES H3 FY2022-23.DATE OF MATURITY 18/11/2032	10,00,000	18 th November, 2022	20,634.81	8.12% p.a.	18 th November, 2032	Redeemable at par at end of 3653 days from the date of allotment
Total			1,675,533.77			

Note 20(b): Redeemable non-convertible debentures (Unsecured) as on 31st March, 2023

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
7.57% UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE PARTLY PAID DEBENTURES. SERIES ABFL NCD 'EP1' FY 2020-21. DATE OF MATURITY 03/08/2035	4,40,000.00	06-Aug-20	16,100.36	7.57%	03-Aug-35	Redeemable at par at end of 5475 days from the date of allotment

Note 20(a): Redeemable non-convertible debentures (Secured) as at 31st March, 2022

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
7.10% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES G1.DATE OF MATURITY 03/10/2031	10,00,000	04 th October, 2021	5,163.31	7.10% p.a.	03 rd October, 2031	Redeemable at par at end of 3651 days from the date of allotment
7.26% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES B2.DATE OF MATURITY 30/05/2031	10,00,000	31 st May, 2021	79,501.44	7.26% p.a.	25% at the end of 7 th Year (31 st May, 2028) 25% at the end of 8 th Year (31 st May, 2029) 25% at the end of 9 th Year (31 st May, 2030) 25% at the end of 10 th Year (30 th May, 2031)	Redeemable in instalment's at par - 25% at end of 2557 days, 25% at end of 2922 days 25% at end of 3287 days 25% at end of 3652 days from the date of allotment
7.24% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD K1 FY 2020-21. MATURITY DATE – 18/02/2031	10,00,000	18 th February, 2021	2,517.10	7.24% p.a.	18 th February, 2031	Redeemable at par at end of 3652 days from the date of allotment



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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
8.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD J1 FY 2019-20. MATURITY DATE – 18/01/2030	10,00,000	20 th January, 2020	101,521.87	8.15% p.a.	1) 25% at the end of 7 th Year (Wednesday, 20 th January, 2027), 2) 25% at the end of 8 th Year (Thursday, 20 th January, 2028), 3) 25% at the end of 9 th Year (Friday, 19 th January, 2029) & 4) 25% at the end of 10 th Year (Friday, 18 th January, 2030)	Redeemable in instalment's at par - 25% at end of 2557 days, 25% at end of 2922 days 25% at end of 3287 days 25% at end of 3651 days from the date of allotment
8.70% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD D1 FY 2019-2020. DATE OF MATURITY 04 th July, 2029	10,00,000	04 th July, 2019	3,104.01	8.70% p.a.	04 th July, 2029	Redeemable at par at end of 3653 days from the date of allotment
9% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD B2 FY 2019-20. MATURITY DATE – 18/05/2029	10,00,000	20 th May, 2019	161,585.61	9.00% p.a.	50% - 19 th May, 2028 50% - 18 th May, 2029	Redeemable in instalment's at par - 50% at end of 3287 days and 50% at end of 3651 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	21 st December, 2018	1,557.37	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3653 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	27 th December, 2018	7,163.92	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3647 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	12 th February, 2019	3,997.26	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3600 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 2 FY 2018-19. MATURITY DATE - 21/12/2028	10,00,000	29 th March, 2019	15,573.75	9.15% p.a.	21 st December, 2028	Redeemable at par at end of 3555 days from the date of allotment

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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
8% XIRR SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD C1 FY 2017-18. DATE OF MATURITY 11/06/2027	10,00,000	13 th June, 2017	723.19	8.00% p.a.	11 th June, 2027	Redeemable at par at end of 3650 days from the date of allotment
6.45% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES G2.DATE OF MATURITY 01/10/2026	10,00,000	04 th October, 2021	11,854.01	6.45% p.a.	01 st October, 2026	Redeemable at par at end of 1823 days from the date of allotment
6.55% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES D1.DATE OF MATURITY 24/07/2026	10,00,000	26 th July, 2021	52,152.76	6.55% p.a.	24 th July, 2026	Redeemable at par at end of 1824 days from the date of allotment
8.90% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD Z3 FY 2015-16. DATE OF MATURITY 20/03/2026	10,00,000	21 st March, 2016	500.89	8.90% p.a.	20 th March, 2026	Redeemable at par at end of 3651 days from the date of allotment
8.90% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD X1 FY 2015-16. DATE OF MATURITY 06/03/2026	10,00,000	09 th March, 2016	1,004.57	8.90% p.a.	06 th March, 2026	Redeemable at par at end of 3649 days from the date of allotment
8.85% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD W3 FY 2015-16. DATE OF MATURITY 23/02/2026	10,00,000	23 rd February, 2016	1,007.84	8.85% p.a.	23 rd February, 2026	Redeemable at par at end of 3653 days from the date of allotment
6.25% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD I1 FY 2020-21. MATURITY DATE – 23/12/2025	10,00,000	23 rd December, 2020	7,619.44	6.25% p.a.	23 rd December, 2025	Redeemable at par at end of 1826 days from the date of allotment
8.71% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD S1 FY 2015-16. DATE OF MATURITY 31/10/2025	10,00,000	3 rd November, 2015	50,645.32	8.71% p.a.	50% on 01 st November, 2024 & 50% on 31 st October, 2025	Redeemable in instalment's at par - 50% at end of 3285 days and 50% at end of 3650 days from the date of allotment
8.77% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD Q1 FY 2015-16. DATE OF MATURITY 17/10/2025	10,00,000	19 th October, 2015	1,556.76	8.77% p.a.	17 th October, 2025	Redeemable at par at end of 3651 days from the date of allotment
6.40% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES J2.DATE OF MATURITY 22/07/2025	10,00,000	21 st January, 2022	35,403.86	6.40% p.a.	22 nd July, 2025	Redeemable at par at end of 1278 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD C4 FY 2018-19. DATE OF MATURITY 26/06/2025	10,00,000	26 th June, 2018	5,442.04	8.90 % p.a.	26 th June, 2025	Redeemable at par at end of 2557 days from the date of allotment
7.69% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD A3 FY 2020-21. MATURITY DATE – 25/04/2025	10,00,000	28 th April, 2020	2,675.13	7.69% p.a.	25 th April, 2025	Redeemable at par at end of 1823 days from the date of allotment



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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
3M TBILL LINKED SECURED RATED LISTED NON CONVERTIBLE DEBENTURES. ABFL NCD SERIES 'J1' FY2021-22.DATE OF MATURITY 21/01/2025	10,00,000	21 st January, 2022	50,464.85	5.22% p.a. (Floating Coupon with Quarterly Reset, Payable Annually)	21 st January, 2025	Redeemable at par at end of 1096 days from the date of allotment
5.85% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES E1.DATE OF MATURITY 02/08/2024	10,00,000	05 th August, 2021	25,939.67	5.85% p.a.	02 nd August, 2024	Redeemable at par at end of 1093 days from the date of allotment
Zero Coupon SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES C2.DATE OF MATURITY 14/06/2024	10,00,000	17 th June, 2021	7,834.59	Zero Coupon	14 th June, 2024	Redeemable at par at end of 1093 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	12 th June, 2019	18,484.74	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1827 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	24 th June, 2019	21,155.95	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1815 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	28 th June, 2019	11,924.26	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1811 days from the date of allotment
8.65% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2019-2020. DATE OF MATURITY 12/06/2024	10,00,000	24 th July, 2019	10,545.92	8.65% p.a.	12 th June, 2024	Redeemable at par at end of 1785 days from the date of allotment
6.15% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD L3 FY 2020-21. MATURITY DATE – 28/03/2024	10,00,000	March, 31, 2021	41,990.04	6.15% p.a.	28 th March, 2024	Redeemable at par at end of 1093 days from the date of allotment
5.90% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD G1 FY 2020-21. MATURITY DATE – 29/12/2023	10,00,000	22 nd October, 2020	33,835.95	5.90% p.a.	29 th December, 2023	Redeemable at par at end of 1163 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 1 FY 2018-19. MATURITY DATE - 21/12/2023	10,00,000	21 st December, 2018	7,171.61	9.15% p.a.	21 st December, 2023	Redeemable at par at end of 1826 days from the date of allotment
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 1 FY 2018-19. MATURITY DATE - 21/12/2023	10,00,000	27 th December, 2018	8,298.58	9.15% p.a.	21 st December, 2023	Redeemable at par at end of 1820 days from the date of allotment

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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
9.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I 1 FY 2018-19. MATURITY DATE - 21/12/2023	10,00,000	7 th January, 2019	1,639.23	9.15% p.a.	21 st December, 2023	Redeemable at par at end of 1809 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD D2 FY 2018-19. DATE OF MATURITY 27/07/2023	10,00,000	27 th July, 2018	1,580.49	8.90% p.a.	27 th July, 2023	Redeemable at par at end of 1826 days from the date of allotment
8.90% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD D2 FY 2018-19. DATE OF MATURITY 27/07/2023	10,00,000	11 th December, 2018	15,278.09	8.90% p.a.	27 th July, 2023	Redeemable at par at end of 1689 days from the date of allotment
7.57% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD A2 FY 2020-21. MATURITY DATE – 28/06/2023	10,00,000	28 th April, 2020	24,073.08	7.75% p.a.	28 th June, 2023	Redeemable at par at end of 1156 days from the date of allotment
5.15% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES.SERIES C1.DATE OF MATURITY 16/06/2023	10,00,000	17 th June, 2021	5,200.32	5.15% p.a.	16 th June, 2023	Redeemable at par at end of 729 days from the date of allotment
6.15% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD K2 FY 2020-21. MATURITY DATE – 30/05/2023	10,00,000	25 th February, 2021	77,932.47	6.15% p.a.	30 th May, 2023	Redeemable at par at end of 824 days from the date of allotment
7.75% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD A1 FY 2020-21. MATURITY DATE – 17/05/2023	10,00,000	17 th April, 2020	22,009.78	7.75% p.a.	17 th May, 2023	Redeemable at par at end of 1125 days from the date of allotment
3Month T-bill Linked, Secured, Rated, Listed, Redeemable Non-Convertible Debentures Series:ABFL NCD 'B1' FY 2021-22-MATURITY DATE – 05/05/2023	10,00,000	07 th May, 2021	26,170.69	5.11% p.a. (Floating Coupon with Quarterly Reset, Payable Annually)	05 th May, 2023	Redeemable at par at end of 728 days from the date of allotment
3Month T-bill Linked, Secured, Rated, Listed, Redeemable Non-Convertible Debentures Series:ABFL NCD 'L2' FY 2020-21-MATURITY DATE – 19/03/2023	10,00,000	19 th March, 2021	25,050.01	5.75% p.a. (Floating Coupon with Quarterly Reset, Payable Annually)	17 th March, 2023	Redeemable at par at end of 728 days from the date of allotment
3Month T-bill Linked, Secured, Rated, Listed, Redeemable Non-Convertible Debentures Series:ABFL NCD 'L1' FY 2020-21-MATURITY DATE – 16/03/2023	10,00,000	16 th March, 2021	50,124.84	5.75% p.a. (Floating Coupon with Quarterly Reset, Payable Annually)	16 th March, 2023	Redeemable at par at end of 730 days from the date of allotment
7.75% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES ABFL NCD I1. DATE OF MATURITY 09/12/2022	10,00,000	04 th December, 2019	15,361.33	7.75% p.a.	09 th December, 2022	Redeemable at par at end of 1101 days from the date of allotment



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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
8.77% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD 01 FY 2015-16. DATE OF MATURITY 12/10/2022	10,00,000	12 th October, 2015	2,183.72	8.77% p.a.	12 th October, 2022	Redeemable at par at end of 2557 days from the date of allotment
8.77% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD N1 FY 2015-16. DATE OF MATURITY 07/10/2022	10,00,000	07 th October, 2015	6,246.41	8.77% p.a.	07 th October, 2022	Redeemable at par at end of 2557 days from the date of allotment
8.85% SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD L1 FY 2015-16. DATE OF MATURITY 09/09/2022	10,00,000	10 th September, 2015	2,096.02	8.85% p.a.	09 th September, 2022	Redeemable at par at end of 2556 days from the date of allotment
7.60% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD F1 FY 2017-18. DTE OF MATURITY 07/09/2022	10,00,000	07 th September, 2017	33,865.63	7.60% p.a.	07 th September, 2022	Redeemable at par at end of 1826 days from the date of allotment
7.60% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD E3 FY 2017-18. DTE OF MATURITY 18/08/2022	10,00,000	18 th August, 2017	10,462.09	7.60% p.a.	18 th August, 2022	Redeemable at par at end of 1826 days from the date of allotment
7.70% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD E2 FY 2017-18. DTE OF MATURITY 12/08/2022	10,00,000	14 th August, 2017	5,237.92	7.70% p.a.	12 th August, 2022	Redeemable at par at end of 1824 days from the date of allotment
7.60% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD E4 FY 2017-18. DTE OF MATURITY 19/07/2022	10,00,000	23 rd August, 2017	15,680.69	7.60% p.a.	19 th July, 2022	Redeemable at par at end of 1791 days from the date of allotment
7.8% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD C4 FY 2017-18. DATE OF MATURITY 29/06/2022	10,00,000	29 th June, 2017	21,163.43	7.80% p.a.	29 th June, 2022	Redeemable at par at end of 1826 days from the date of allotment
7.80% SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD C3 FY 2017-18. DATE OF MATURITY 17/06/2022	10,00,000	19 th June, 2017	5,301.86	7.80% p.a.	17 th June, 2022	Redeemable at par at end of 1824 days from the date of allotment
10 YEAR G-SEC LINKED PRINCIPAL PROTECTED SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES PPMLD B1 FY 2019-20. MATURITY DATE - 25/05/2022	10,00,000	08 th May, 2019	4,774.73	1 Greater than 50% of Digital Level 8.3026% p.a. (8.30% XIRR (Annualized yield)) 2 Less than or equal to 50% of Digital Level 0 %	25 th May, 2022	Redeemable at par at end of 1113 days from the date of allotment

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Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
6.78% SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURE. SERIES ABFL NCD C1 FY 2020-21. MATURITY DATE – 26/04/2022	10,00,000	26 th June, 2020	26,288.84	6.78% p.a.	26 th April, 2022	Redeemable at par at end of 669 days from the date of allotment
ZERO COUPON SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD G5 FY 2018-19. DATE OF MATURITY 08/04/2022	10,00,000	26 th October, 2018	21,707.87	Zero Coupon	08 th April, 2022	Redeemable at par at end of 1260 days from the date of allotment
ZERO COUPON SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD G5 FY 2018-19. DATE OF MATURITY 08/04/2022	10,00,000	06 th November, 2018	2,443.84	Zero Coupon	08 th April, 2022	Redeemable at par at end of 1249 days from the date of allotment
ZERO COUPON SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD G5 FY 2018-19. DATE OF MATURITY 08/04/2022	10,00,000	11 th December, 2018	16,246.77	Zero Coupon	08 th April, 2022	Redeemable at par at end of 1214 days from the date of allotment
ZERO COUPON SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD G5 FY 2018-19. DATE OF MATURITY 08/04/2022	10,00,000	27 th December, 2018	6,826.37	Zero Coupon	08 th April, 2022	Redeemable at par at end of 1198 days from the date of allotment
ZERO COUPON SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD G5 FY 2018-19. DATE OF MATURITY 08/04/2022	10,00,000	7 th January, 2019	4,368.88	Zero Coupon	08 th April, 2022	Redeemable at par at end of 1187 days from the date of allotment
ZERO COUPON SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD G5 FY 2018-19. DATE OF MATURITY 08/04/2022	10,00,000	25 th January, 2019	4,164.09	Zero Coupon	08 th April, 2022	Redeemable at par at end of 1169 days from the date of allotment
ZERO COUPON SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES ABFL NCD G5 FY 2018-19. DATE OF MATURITY 08/04/2022	10,00,000	25 th April, 2019	10,239.58	Zero Coupon	08 th April, 2022	Redeemable at par at end of 1079 days from the date of allotment
Total			1,253,636.68			

Note 20(b): Redeemable non-convertible debentures (Unsecured) as on 31st March, 2022

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
7.57% UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE PARTLY PAID DEBENTURES. SERIES ABFL NCD 'EP1' FY 2020-21. DATE OF MATURITY 03/08/2035	3,00,000	06 th August, 2020	10,960.04	7.57 % p.a.	3 rd August, 2035	Redeemable at par at end of 5475 days from the date of allotment



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Note 20(c): Commercial papers (Unsecured) as at 31st March, 2023

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
ABFL/2022-23/CP121	5,00,000	30 th January, 2023	49,713	7.55%	28 th April, 2023	Redeemable at par at end of 88 days from the date of allotment
ABFL/2022-23/CP073 - 074	5,00,000	02 nd November, 2022	72,025	7.57%	02 nd May, 2023	Redeemable at par at end of 181 days from the date of allotment
ABFL/2022-23/CP075	5,00,000	07 th November, 2022		7.57%	2 nd May, 2023	Redeemable at par at end of 176 days from the date of allotment
ABFL/2022-23/CP122	5,00,000	31 st January, 2023		7.55%	2 nd May, 2023	Redeemable at par at end of 91 days from the date of allotment
ABFL/2022-23/CP125	5,00,000	17 th February, 2023	2,477	7.63%	15 th May, 2023	Redeemable at par at end of 87 days from the date of allotment
ABFL/2022-23/CP126 - 130	5,00,000	17 th February, 2023	97,501	7.63%	19 th May, 2023	Redeemable at par at end of 91 days from the date of allotment
ABFL/2022-23/CP131	5,00,000	24 th February, 2023	59,289	7.63%	26 th May, 2023	Redeemable at par at end of 91 days from the date of allotment
ABFL/2022-23/CP139	5,00,000	27 th February, 2023		7.84%	26 th May, 2023	Redeemable at par at end of 88 days from the date of allotment
ABFL/2022-23/CP081 - 085	5,00,000	17 th November, 2022	113,520	7.57%	31 st May, 2023	Redeemable at par at end of 195 days from the date of allotment
ABFL/2022-23/CP141 - 144	5,00,000	02 nd March, 2023		7.84%	31 st May, 2023	Redeemable at par at end of 90 days from the date of allotment
ABFL/2022-23/CP145 - 146	5,00,000	03 rd March, 2023	44,390	7.95%	02 th June, 2023	Redeemable at par at end of 91 days from the date of allotment
ABFL/2022-23/CP101	5,00,000	08 th December, 2022	83,815	7.57%	07 th June, 2023	Redeemable at par at end of 181 days from the date of allotment
ABFL/2022-23/CP113	5,00,000	13 th January, 2023		7.62%	07 th June, 2023	Redeemable at par at end of 145 days from the date of allotment
ABFL/2022-23/CP115 - 120	5,00,000	16 th January, 2023		7.62%	07 th June, 2023	Redeemable at par at end of 142 days from the date of allotment
ABFL/2022-23/CP147	5,00,000	13 th March, 2023	9,843	7.95%	12 th June, 2023	Redeemable at par at end of 91 days from the date of allotment
ABFL/2022-23/CP109	5,00,000	04 th January, 2023	2,951	7.47%	20 th June, 2023	Redeemable at par at end of 167 days from the date of allotment
ABFL/2022-23/CP110 - 111	5,00,000	13 th January, 2023	24,954	7.72%	13 th July, 2023	Redeemable at par at end of 181 days from the date of allotment
ABFL/2022-23/CP112	5,00,000	16 th January, 2023		7.72%	13 th July, 2023	Redeemable at par at end of 178 days from the date of allotment
ABFL/2022-23/CP123 - 124	5,00,000	10 th February, 2023	10,699	7.80%	10 th August, 2023	Redeemable at par at end of 181 days from the date of allotment
ABFL/2022-23/CP132 - 133	5,00,000	21 st February, 2023	50,423	7.99%	21 st August, 2023	Redeemable at par at end of 181 days from the date of allotment
ABFL/2022-23/CP134	5,00,000	22 nd February, 2023		7.99%	21 st August, 2023	Redeemable at par at end of 180 days from the date of allotment
ABFL/2022-23/CP135-136	5,00,000	23 rd February, 2023		7.99%	21 st August, 2023	Redeemable at par at end of 179 days from the date of allotment
ABFL/2022-23/CP137-138	5,00,000	24 th February, 2023		7.99%	21 st August, 2023	Redeemable at par at end of 178 days from the date of allotment
ABFL/2022-23/CP140	5,00,000	28 th February, 2023	19,377	7.99%	25 th August, 2023	Redeemable at par at end of 178 days from the date of allotment
ABFL/2022-23/CP148 -149	5,00,000	15 th March, 2023	20,874	8.14%	14 th March, 2024	Redeemable at par at end of 365 days from the date of allotment
Total			6,61,851.38			

Notes to the Financial Statements

as at 31st March 2023

Note 20(c): Commercial papers (Unsecured) as at 31st March, 2022

(₹ in Lakhs)

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
ABFL/2021-22/CP201	5,00,000	14 th February, 2022	19,153.81	5.10%	10 th February, 2023	Redeemable at par at end of 361 days from the date of allotment
ABFL/2021-22/CP196	5,00,000	07 th January, 2022	9,636.28	4.91%	06 th January, 2023	Redeemable at par at end of 364 days from the date of allotment
ABFL/2021-22/CP195	5,00,000	04 th January, 2022	19,280.35	4.91%	03 rd January, 2023	Redeemable at par at end of 364 days from the date of allotment
ABFL/2021-22/CP204	5,00,000	18 th February, 2022	2,410.77	4.97%	27 th December, 2022	Redeemable at par at end of 312 days from the date of allotment
ABFL/2021-22/CP169	5,00,000	16 th December, 2021	14,507.95	4.85%	12 th December, 2022	Redeemable at par at end of 361 days from the date of allotment
ABFL/2021-22/CP204	5,00,000	18 th February, 2022	14,540.01	4.97%	18 th November, 2022	Redeemable at par at end of 273 days from the date of allotment
ABFL/2021-22/CP092	5,00,000	26 th October, 2021	19,511.90	4.50%	21 st October, 2022	Redeemable at par at end of 360 days from the date of allotment
ABFL/2021-22/CP041	5,00,000	12 th July, 2021	4,942.40	4.40%	07 th July, 2022	Redeemable at par at end of 360 days from the date of allotment
ABFL/2021-22/CP208	5,00,000	15 th March, 2022	32,206.78	4.40%	14 th June, 2022	Redeemable at par at end of 91 days from the date of allotment
ABFL/2021-22/CP206	5,00,000	24 th February, 2022	54,678.17	4.27%	20 th May, 2022	Redeemable at par at end of 85 days from the date of allotment
ABFL/2021-22/CP201	5,00,000	14 th February, 2022	59,719.04	4.28%	10 th May, 2022	Redeemable at par at end of 85 days from the date of allotment
ABFL/2021-22/CP168	5,00,000	07 th December, 2021	62,941.52	4.25%	08 th April, 2022	Redeemable at par at end of 122 days from the date of allotment
Total			3,13,528.98			

NOTE 21: BORROWINGS OTHER THAN DEBT SECURITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2023				As at 31 st March, 2022			
	Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	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)	37,34,866.82	-	-	37,34,866.82	21,00,005.16	-	-	21,00,005.16
Cash Credit from Banks (Secured)	40,064.61	-	-	40,064.61	26,262.23	-	-	26,262.23
External Commercial Borrowings from foreign banks (secured)	1,95,022.40	-	-	1,95,022.40	2,41,699.63	-	-	2,41,699.63
Inter Corporate borrowing (Unsecured)	56,966.13	-	-	56,966.13	-	-	-	-
Book Overdraft	1,01,275.70	-	-	1,01,275.70	1,84,848.14	-	-	1,84,848.14
Collateralised borrowing and lending obligation (CBLO) against Government securities (secured)	20,002.99	-	-	20,002.99	-	-	-	-
Working Capital Demand Loan from Bank (Secured)	3,30,398.81	-	-	3,30,398.81	2,18,899.88	-	-	2,18,899.88
Total	44,78,597.46	-	-	44,78,597.46	27,71,715.04	-	-	27,71,715.04
Borrowings in India	42,83,575.06	-	-	42,83,575.06	25,30,015.41	-	-	25,30,015.41
Borrowings outside India	1,95,022.40	-	-	1,95,022.40	2,41,699.63	-	-	2,41,699.63
Total	44,78,597.46	-	-	44,78,597.46	27,71,715.04	-	-	27,71,715.04



Notes to the Financial Statements

as at 31st March 2023

Note 21(a): Term Loan from Banks as at 31st March, 2023 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	Amount
Bullet	Up to 5 years	Up to 7.00%	-
		7.01% - 8.00%	70,283.98
		8.01% - 9.00%	67,033.68
		9.01% - 10.00%	-
Annually	Up to 5 years	Up to 7.00%	-
		7.01% - 8.00%	666,433.89
		8.01% - 9.00%	282,925.21
		9.01% - 10.00%	100,935.46
Half Yearly	Up to 5 years	Up to 7.00%	-
		7.01% - 8.00%	313,608.09
		8.01% - 9.00%	1,081,065.48
		9.01% - 10.00%	-
	Above 5 Years	Up to 7.00%	45,153.92
		7.01% - 8.00%	291,106.10
		8.01% - 9.00%	67,844.12
		9.01% - 10.00%	-
Quarterly	Up to 5 years	Up to 7.00%	-
		7.01% - 8.00%	163,337.36
		8.01% - 9.00%	387,702.09
		9.01% - 10.00%	33,377.55
	Above 5 Years	Up to 7.00%	-
		7.01% - 8.00%	23,050.58
		8.01% - 9.00%	110,128.13
		9.01% - 10.00%	-
Monthly	Up to 5 years	Up to 7.00%	-
		7.01% - 8.00%	-
		8.01% - 9.00%	12,467.18
		9.01% - 10.00%	18,414.00
Total			3,734,866.82

Nature of Security: Term Loan from Bank is secured by hypothecation of receivables.

Note 21(b): External Commercial Borrowings as at 31st March, 2023 : Secured

(₹ in Lakhs)

Repayment Term	Tenure	Interest Range	Amount
Bullet	Up to 5 years	Up to 7.00%	-
		7.01% - 8.00%	27,138.46
		8.01% - 9.00%	65,271.11
	Above 5 Years	Up to 7.00%	-
		7.01% - 8.00%	-
		8.01% - 9.00%	1,02,612.83
Total			1,95,022.40

Nature of Security: External Commercial Borrowings are secured by hypothecation of receivables.

Notes to the Financial Statements

as at 31st March 2023

Note 21(c): Loan repayable on Demand from Banks as at 31st March, 2023: Secured

(₹ in Lakhs)

Nature	Repayment Term	Tenure	Interest Range	Amount
Working Capital Demand Loan	Bullet	Up to 5 years	Upto 7.00%	-
			7.01% - 8.00%	3,30,398.81
Cash Credit	Bullet	Up to 5 years	Upto 7.00%	-
			7.01% - 8.00%	40,064.61
Total				3,70,463.42

Nature of Security: Loan repayable on demand from Bank is secured by hypothecation of receivables.

Note 21(d): Loan repayable on Demand from Banks as at 31st March, 2023: Unsecured

(₹ in Lakhs)

Nature	Repayment Term	Tenure	Interest Range	Amount
Inter Corporate borrowing	Bullet	Up to 1 year	Up to 7.00%	-
			7.01% - 8.00%	44,269.55
			8.01% - 9.00%	12,696.58
Total				56,966.13

Note 21(e): Loan repayable on Demand from Banks as at 31st March, 2023: Secured

Nature	Repayment Term	Tenure	Interest Range	Amount
Collateralised borrowing and lending obligation (CBLO)	Bullet	3 Days	Up to 7.00%	20,002.99
Total				20,002.99

Nature of Security: Loan repayable on demand from Bank is secured by Government Securities.

Note 21(a): Term Loan from Banks as at 31st March, 2022 : Secured

Repayment Term	Tenure	Interest Range	Amount
Bullet	Up to 5 years	Up to 7.00%	148,840.16
		7.01% - 8.00%	167,378.68
Annually	Up to 5 years	Up to 7.00%	281,570.31
		7.01% - 8.00%	123,888.39
Half Yearly	Up to 5 years	Up to 7.00%	301,658.18
		7.01% - 8.00%	342,180.96
	Above 5 Years	Up to 7.00%	122,735.57
Quarterly	Up to 5 years	Up to 7.00%	426,022.84
		7.01% - 8.00%	94,294.29
Monthly	Up to 5 years	7.01% - 8.00%	14,163.32
		Up to 7.00%	77,272.46
Total			2,100,005.16

Nature of Security: Term loan from bank is secured by hypothecation of receivables.



Notes to the Financial Statements

as at 31st March 2023

Note 21(b): External Commercial Borrowings as at 31st March, 2022 : Secured

Repayment Term	Tenure	Interest Range	Amount
Bullet	Up to 5 years	Up to 7.00%	22,741.50
		7.01% - 8.00%	1,17,554.55
	Above 5 Years	Up to 7.00%	1,01,403.58
Total			2,41,699.63

Nature of Security: External Commercial Borrowings are secured by hypothecation of receivables.

Note 21(c): Loan repayable on Demand from Banks as at 31st March, 2022: Secured

Nature	Repayment Term	Tenure	Interest Range	Amount
Working Capital Demand Loan	Bullet	Up to 5 years	Upto 7.00%	2,18,899.88
Cash Credit	Bullet	Up to 5 years	7.01% - 8.00%	26,262.23
Total				2,45,162.11

Nature of Security: Loan repayable on demand from Bank is secured by hypothecation of receivables.

NOTE 22: SUBORDINATED LIABILITIES

Particulars	As at 31 st March, 2023				As at 31 st March, 2022			
	Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	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 (Unsecured)								
(i) from banks	-	-	-	-	-	-	-	-
(ii) from other parties	21,123.13	-	-	21,123.13	21,111.98	-	-	21,111.98
Subordinate debt (Unsecured)	2,23,867.32	-	-	2,23,867.32	2,27,622.01	-	-	2,27,622.01
Total	2,44,990.45	-	-	2,44,990.45	2,48,733.99	-	-	2,48,733.99
Subordinate liabilities in India	2,44,990.45	-	-	2,44,990.45	2,48,733.99	-	-	2,48,733.99
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	2,44,990.45	-	-	2,44,990.45	2,48,733.99	-	-	2,48,733.99

Note 22(a): Perpetual debt instruments as at 31st March, 2023

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
ABFL Perpetual 'PD1' FY2017-18	10,00,000	21 st July, 2017	21,123.13	8.70%	21 st July, 2027	Redeemable at par at end of 3652 days from the date of allotment

Notes to the Financial Statements

as at 31st March 2023

Note 22(b): Subordinate debt (Unsecured) as at 31st March, 2023

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
ABFL Sub Debt Series 'I' FY 2013-14	10,00,000	04 th June, 2013	10,801.83	9.85% p.a.	02 nd June, 2023	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series 'A' FY 2014-15	10,00,000	12 th December, 2014	5,134.16	9.75% p.a.	12 th December, 2024	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series 'B' FY 2014-15	10,00,000	09 th January, 2015	4,584.93	9.45% p.a.	9 th January, 2025	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series 'A1' FY 2015-16	10,00,000	17 th June, 2015	2,680.71	9.25% p.a.	6 th June, 2025	Redeemable at par at end of 3642 days from the date of allotment
ABFL Sub Debt Series 'B1' FY 2015-16	10,00,000	14 th July, 2015	3,190.29	9.25% p.a.	11 th July, 2025	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series 'C1' FY 2015-16	10,00,000	25 th August, 2015	3,474.41	9.25% p.a.	22 nd August, 2025	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series 'D1' FY 2015-16	10,00,000	08 th March, 2016	2,508.55	9.10% p.a.	6 th March, 2026	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series 'E1' FY 2015-16	10,00,000	10 th March, 2016	803.30	9.10% p.a.	10 th March, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'F1' FY 2015-16	10,00,000	18 th March, 2016	2,552.70	9.10% p.a.	10 th March, 2026	Redeemable at par at end of 3644 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2016-17	10,00,000	23 rd June, 2016	5,602.15	9.10% p.a.	23 rd June, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SD1' FY 2016-17	10,00,000	28 th July, 2016	10,578.11	8.97% p.a.	28 th July, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SD2' FY 2016-17	10,00,000	28 th July, 2016	7,924.46	8.95% p.a.	28 th July, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SF1' FY 2016-17	10,00,000	29 th September, 2016	20,815.42	8.90% p.a.	29 th September, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SH1' FY 2016-17	10,00,000	21 st November, 2016	20,557.13	8.90% p.a.	20 th November, 2026	Redeemable at par at end of 3651 days from the date of allotment
ABFL Sub Debt Series 'SL1' FY 2016-17	10,00,000	9 th March, 2017	1,001.00	8.25% p.a.	9 th March, 2027	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SB1' FY 2017-18	10,00,000	18 th May, 2017	17,654.84	8.50% p.a.	18 th May, 2027	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SI1' FY 2018-19	10,00,000	04 th December, 2018	25,688.39	9.76% p.a.	4 th December, 2028	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2019-20	10,00,000	06 th June, 2019	21,516.93	8.95% p.a.	6 th June, 2029	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2019-20	10,00,000	30 th December, 2019	10,758.47	8.95% p.a.	6 th June, 2029	Redeemable at par at end of 3446 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2019-20	10,00,000	13 th February, 2020	5,379.23	8.95% p.a.	6 th June, 2029	Redeemable at par at end of 3401 days from the date of allotment
ABFL SUBDEBT Series 'SI 1' FY 20-21	10,00,000	29 th December, 2020	8,111.26	7.43% p.a.	27 th December, 2030	Redeemable at par at end of 3650 days from the date of allotment
ABFL SUBDEBT Series 'SC 1' FY 20-21	10,00,000	11 th June, 2021	7,902.16	7.34% p.a.	11 th June, 2031	Redeemable at par at end of 3652 days from the date of allotment
ABFL Subdebt NCD Series 'S11' FY2021-22	1,00,00,000	06 th December, 2021	3,520.99	7.43% p.a.	5 th December, 2031	Redeemable at par at end of 3651 days from the date of allotment
ABFL Subdebt NCD Series 'S11' FY2021-22	1,00,00,000	28 th February, 2022	21,125.90	7.43% p.a.	5 th December, 2031	Redeemable at par at end of 3567 days from the date of allotment
Total			2,23,867.32			



Notes to the Financial Statements

as at 31st March 2023

Note 22(a): Perpetual debt instruments as at 31st March, 2022

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
ABFL Perpetual 'PD1' FY2017-18	10,00,000	21 st July, 2017	21,111.98	8.70% p.a.	21 st July, 2027	Redeemable at par at end of 3652 days from the date of allotment

Note 22(b): Subordinate debt (Unsecured) as at 31st March, 2022

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
ABFL Sub debt NCD Series 'S11' FY2021-22	1,00,00,000	06 th December, 2021	3,516.51	7.43% p.a.	05 th December, 2031	Redeemable at par at end of 3651 days from the date of allotment
ABFL Sub debt NCD Series 'S11' FY2021-22	1,00,00,000	28 th February, 2022	21,099.06	7.43% p.a.	05 th December, 2031	Redeemable at par at end of 3567 days from the date of allotment
ABFL Sub Debt Series 'SC 1' FY 20-21	10,00,000	11 th June, 2021	7,899.19	7.34% p.a.	11 th June, 2031	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub debt Series 'SI 1' FY 20-21	10,00,000	29 th December, 2020	8,108.50	7.43% p.a.	27 th December, 2030	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2019-20	10,00,000	06 th June, 2019	21,526.55	8.95% p.a.	06 th June, 2029	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2019-20	10,00,000	30 th December, 2019	10,763.27	8.95% p.a.	06 th June, 2029	Redeemable at par at end of 3446 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2019-20	10,00,000	13 th February, 2020	5,381.64	8.95% p.a.	06 th June, 2029	Redeemable at par at end of 3401 days from the date of allotment
ABFL Sub Debt Series 'SI1' FY 2018-19	10,00,000	04 th December, 2018	25,681.34	9.76% p.a.	04 th December, 2028	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series 'SB1' FY 2017-18	10,00,000	18 th May, 2017	17,645.00	8.50% p.a.	18 th May, 2027	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SL1' FY 2016-17	10,00,000	09 th March, 2017	1,000.30	8.25% p.a.	09 th March, 2027	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SH1' FY 2016-17	10,00,000	21 st November, 2016	20,545.15	8.90% p.a.	20 th November, 2026	Redeemable at par at end of 3651 days from the date of allotment
ABFL Sub Debt Series 'SF1' FY 2016-17	10,00,000	29 th September, 2016	20,803.39	8.90% p.a.	29 th September, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SD1' FY 2016-17	10,00,000	28 th July, 2016	10,574.49	8.97% p.a.	28 th July, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SD2' FY 2016-17	10,00,000	28 th July, 2016	7,919.72	8.95% p.a.	28 th July, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'SC1' FY 2016-17	10,00,000	23 rd June, 2016	5,599.55	9.10% p.a.	23 rd June, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'E1' FY 2015-16	10,00,000	10 th March, 2016	803.17	9.10% p.a.	10 th March, 2026	Redeemable at par at end of 3652 days from the date of allotment
ABFL Sub Debt Series 'F1' FY 2015-16	10,00,000	18 th March, 2016	2,551.40	9.10% p.a.	10 th March, 2026	Redeemable at par at end of 3644 days from the date of allotment
ABFL Sub Debt Series 'D1' FY 2015-16	10,00,000	08 th March, 2016	2,507.29	9.10% p.a.	06 th March, 2026	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series 'C1' FY 2015-16	10,00,000	25 th August, 2015	3,473.06	9.25% p.a.	22 nd August, 2025	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series 'B1' FY 2015-16	10,00,000	14 th July, 2015	3,188.75	9.25% p.a.	11 th July, 2025	Redeemable at par at end of 3650 days from the date of allotment

Notes to the Financial Statements

as at 31st March 2023

Series Details	Face Value Per Debenture	Date of Allotment	Amount	Interest Rate (%)	Date of Redemption	Redeemable Terms
ABFL Sub Debt Series 'A1' FY 2015-16	10,00,000	17 th June, 2015	2,678.76	9.25% p.a.	06 th June, 2025	Redeemable at par at end of 3642 days from the date of allotment
ABFL Sub Debt Series 'B' FY 2014-15	10,00,000	09 th January, 2015	4,584.67	9.45% p.a.	09 th January, 2025	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series 'A' FY 2014-15	10,00,000	12 th December, 2014	5,133.94	9.75% p.a.	12 th December, 2024	Redeemable at par at end of 3653 days from the date of allotment
ABFL Sub Debt Series '1' FY 2013-14	10,00,000	04 th June, 2013	10,795.08	9.85% p.a.	02 nd June, 2023	Redeemable at par at end of 3650 days from the date of allotment
ABFL Sub Debt Series '1' FY 2011-12	10,00,000	22 nd February, 2012	1,117.72	10.60% p.a.	20 th May, 2022	Redeemable at par at end of 3740 days from the date of allotment
ABFL Sub Debt Series '1' FY 2012-13	10,00,000	25 th May, 2012	2,724.51	10.50% p.a.	20 th May, 2022	Redeemable at par at end of 3647 days from the date of allotment
Total			227,622.01			

NOTE 23: LEASE LIABILITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Lease liability for right to use assets	19,648.20	12,910.38
Total	19,648.20	12,910.38

NOTE 24: OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance from customers	37,764.48	17,211.02
Payables for salaries, bonus and other employee benefits	14,737.46	8,708.88
Other payable	16,417.88	21,093.39
Total	68,919.82	47,013.29

NOTE 25: CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Provision for income tax (Net of advance tax ₹ 90,047.08 lakhs; 31 st March, 2022 ₹ 39,672.70 lakhs)	13,664.09	1,513.10
Total	13,664.09	1,513.10

NOTE 26: PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Employee benefit		
Gratuity	3,662.62	3,217.03
Provision for compensated absences	1,138.07	1,659.29
Long term Incentive Plans (LTIP)	1,663.03	5,545.37
Total	6,463.72	10,421.69



Notes to the Financial Statements

as at 31st March 2023

NOTE 27: OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Revenue received in advance	3,817.18	3,640.22
Tax deducted at source payable	2,234.52	2,213.67
Goods and service tax payable	6,253.43	2,270.42
Other statutory dues payable	461.20	300.08
Total	12,766.33	8,424.39

NOTE 28: EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Authorised		
1,270,000,000 (31 st March, 2022: 1,270,000,000) equity shares of ₹ 10/- each	1,27,000.00	1,27,000.00
100,00,00,000 (31 st March, 2022: 100,00,00,000) Preference Shares of ₹ 10/- each	1,00,000.00	1,00,000.00
1,00,00,000 (31 st March, 2022: 1,00,00,000) 8 % Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each	1,000.00	1,000.00
Total	2,28,000.00	2,28,000.00
Issued, Subscribed and fully paid up		
662,100,822 (31 st March, 2022: 662,100,822) equity shares of ₹ 10/- each	66,210.08	66,210.08
Total	66,210.08	66,210.08

Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	Number	Amount
As at 01st April, 2021	66,21,00,822	66,210.08
Issued during the year	-	-
As at 31st March, 2022	66,21,00,822	66,210.08
Issued during the year	-	-
As at 31st March, 2023	66,21,00,822	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.

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

Name of Share holder	As at 31 st March, 2023		As at 31 st March, 2022	
	Number	Amount	Number	Amount
Aditya Birla Capital Limited, holding company*	66,21,00,772	66,210.08	66,21,00,772	66,210.08
	66,21,00,772	66,210.08	66,21,00,772	66,210.08

Notes to the Financial Statements

as at 31st March 2023

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

Name of Share holder	As at 31 st March, 2023		As at 31 st March, 2022	
	Number	% of total paid-up equity capital	Number	% of total paid-up equity capital
Aditya Birla Capital Limited, holding company*	66,21,00,772	100%	66,21,00,772	100%
Total	66,21,00,772	100%	66,21,00,772	100%

Details of Shareholding of Promoters:

Shares held by promoters at the end of the year				
S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Aditya Birla Capital Limited, holding company*	66,21,00,772	100%	-
Total		66,21,00,772	100%	

*Balance shares are held by nominees on behalf of the holding Company.

NBFC's objectives, policies and processes for managing capital:

For above disclosures Refer Note 48.

NOTE 29: OTHER EQUITY

Particulars	(₹ in Lakhs)
	Amount
Securities Premium Account	
As at 01 st April, 2021	3,63,738.29
Add: Additions during the year	-
As at 31 st March, 2022	3,63,738.29
Add: Additions during the year	-
As at 31 st March, 2023	3,63,738.29
Special Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at 01 st April, 2021	97,984.64
Add: Transferred during the year	24,366.61
As at 31 st March, 2022	1,22,351.25
Add: Transferred during the year	31,075.15
As at 31 st March, 2023	1,53,426.40
Capital Reserve	
As at 01 st April, 2021	(10,452.11)
Add: Other Additions/ Deductions during the year	-
As at 31 st March, 2022	(10,452.11)
Add: Other Additions/ Deductions during the year	-
As at 31 st March, 2023	(10,452.11)
Capital Redemption Reserve	
As at 01 st April, 2021	1,000.00
Add: Transferred during the year	-
As at 31 st March, 2022	1,000.00
Add: Transferred during the year	-
As at 31 st March, 2023	1,000.00



Notes to the Financial Statements

as at 31st March 2023

(₹ in Lakhs)

Particulars	Amount
Share Options Outstanding Account	
As at 01st April, 2021	-
Add: Employee Stock Options Amortisation for the Year	-
Less: Transferred to Securities Premium on ESOPs Exercised	-
Less: On Account of Lapse of Unvested Options	-
Less: Transfer to General Reserve on account of Lapse of Vested Options	-
As at 31st March, 2022	-
Add: Employee Stock Options Amortisation for the Year	483.19
Less: Transferred to Securities Premium on ESOPs Exercised	-
Less: On Account of Lapse of Unvested Options	-
Less: Transfer to General Reserve on account of Lapse of Vested Options	-
As at 31st March, 2023	483.19
General Reserve	
As at 1st April, 2021	13,660.95
Add: Transferred during the year	-
As at 31st March, 2022	13,660.95
Add: Transferred during the year	-
As at 31st March, 2023	13,660.95
Retained Earnings	
As at 01st April, 2021	3,53,991.63
Add: Profit for the year	1,10,833.06
Less: Appropriations	
Re-measurement reserves on defined benefit plans	397.77
Transfer to Capital Redemption Reserve	-
Dividend paid (Interim)	(10,924.66)
Transfer to Special Reserve	(24,366.61)
Total appropriations	(34,893.50)
As at 31st March, 2022	4,29,931.19
Add: Profit for the year	1,55,375.75
Less: Appropriations	
Re-measurement reserves on defined benefit plans	320.28
Dividend paid (Interim)	-
Transfer to Special Reserve	(31,075.15)
Total appropriations	(30,754.87)
As at 31st March, 2023	5,54,552.07
Other Comprehensive Income	
As at 01 st April, 2021	(2,345.54)
Add: Changes in fair value of equity instruments carried at FVTOCI	18.12
Add: Fair Value change on derivatives designated as cash flow hedge	1,929.76
As at 31st March, 2022	(397.66)
Add: Changes in fair value of equity instruments carried at FVTOCI	54.98
Add: Fair Value change on derivatives designated as cash flow hedge	344.94
As at 31st March, 2023	2.26
Total other equity	
As at 01st April, 2021	8,17,577.86
As at 31st March, 2022	9,19,831.90
As at 31st March, 2023	10,76,411.05

Notes to the Financial Statements

as at 31st March 2023

NOTE 30: NATURE AND PURPOSE OF RESERVE

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.

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.

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.

Capital Redemption reserve: Preference shares of ₹ 10 Crore were redeemed at the Board meeting held on 30th January, 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.

Share options outstanding account: Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the Company.

General Reserve: This reserve is created on account of merger. As per court order, this reserve can be utilised for distribution of dividends.

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.

Other Comprehensive Income: The Company has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments 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.

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).



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 31: INTEREST INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023				For the year ended 31 st March, 2022			
	On Financial Assets measured at Amortised cost	On Financial Assets classified at FVTPL	On Financial Assets measured at FVTOCI	Total	On Financial Assets measured at Amortised cost	On Financial Assets classified at FVTPL	On Financial Assets measured at FVTOCI	Total
Interest on Loans	7,62,284.20	-	-	7,62,284.20	5,45,792.82	-	-	5,45,792.82
Interest income from investments	39.17	12,056.82	-	12,095.99	-	6,073.47	-	6,073.47
Interest on deposits with Banks	274.52	-	-	274.52	1,262.58	-	-	1,262.58
Other interest income	5,949.10	-	-	5,949.10	-	-	-	-
Total	7,68,546.99	12,056.82	-	7,80,603.81	5,47,055.40	6,073.47	-	5,53,128.87

NOTE 32: DIVIDEND INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Dividend from Long Term Investment	284.97	285.31
Total	284.97	285.31

NOTE 33: FEES AND COMMISSION INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Syndication and Other Fee Income	33,010.05	16,763.20
Brokerage and Commission Income	8,088.04	8,117.60
Total	41,098.09	24,880.80

NOTE 34: NET GAIN ON FAIR VALUE CHANGES

Net gain/ (loss) on financial instruments at fair value through profit or loss

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
On Trading portfolio		
- Investments	1,710.83	203.12
Derivatives	4.72	-
On financial instruments designated at fair value through profit or loss	(15.59)	(12.50)
Total	1,699.96	190.62
Fair Value changes:		
- Realised	765.60	884.10
- Unrealised	934.36	(693.48)
Total	1,699.96	190.62

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 35: OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Miscellaneous Income	3,080.88	1,201.65
Total	3,080.88	1,201.65

NOTE 36: FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023			For the year ended 31 st March, 2022		
	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
Interest on debt securities	5,549.56	1,32,712.26	1,38,261.82	181.22	1,15,731.45	1,15,912.67
Interest on borrowings other than debt securities	-	2,25,301.00	2,25,301.00	-	1,34,119.67	1,34,119.67
Interest on subordinated liabilities	-	20,769.48	20,769.48	-	19,403.09	19,403.09
Finance cost on lease liability	-	1,005.54	1,005.54	-	892.61	892.61
Others	-	379.93	379.93	-	581.55	581.55
Total	5,549.56	3,80,168.21	3,85,717.77	181.22	2,70,728.37	2,70,909.59

NOTE 37: IMPAIRMENT ON FINANCIAL INSTRUMENTS

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

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023			For the year ended 31 st March, 2022		
	On Financial instrument measured at fair value through OCI	On Financial instrument measured at Amortised Cost	Total	On Financial instrument measured at fair value through OCI	On Financial instrument measured at Amortised Cost	Total
Bad debts/Advances Written off (net of recoveries)	-	36,133.71	36,133.71	-	59,897.44	59,897.44
Loans	-	52,846.18	52,846.18	-	5,363.88	5,363.88
Trade Receivable	-	42.03	42.03	-	84.68	84.68
Investments	-	1,325.62	1,325.62	-	-	-
Total	-	90,347.54	90,347.54	-	65,346.00	65,346.00



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 38: EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Salaries and Wages	65,197.04	47,795.93
Contribution to Provident and other Funds	2,376.80	1,670.74
Contribution to Gratuity Funds	705.01	733.07
Share based payments to Employees	1,729.90	200.76
Staff welfare expenses	2,274.64	1,672.30
Total	72,283.39	52,072.80

NOTE 39: DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Depreciation of tangible assets	1,714.46	699.72
Amortization of intangible assets	3,939.13	3,552.59
Depreciation and amortisation on lease assets	2,959.69	2,583.08
Total	8,613.28	6,835.39

NOTE 40: OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Rent	2,249.53	1,166.82
Repairs and maintenance		
- Plant and machinery	82.30	62.91
- Others	1,526.51	1,703.33
Communication costs	690.06	512.15
Printing and stationery	506.97	320.51
Advertisement and publicity	582.71	474.81
Directors' fees, allowances and expenses	89.34	92.41
Auditors' fees and expenses	209.62	187.90
Legal and professional charges	9,864.94	5,820.09
Insurance	3,745.75	2,696.58
Business Support Expenses	10,706.63	8,119.76
Travelling and conveyance	2,356.60	831.67
Water and Electricity expenses	488.21	322.89
Rates and taxes	131.64	105.09
Contract Service Charges	1,243.54	655.58
Information Technology Expenses	6,042.91	3,389.62
Postage Expenses	270.23	224.97
Bank charges	253.43	88.29
Brokerage and Commission	204.66	123.42
Corporate Social Responsibility (CSR) Expenses	2,226.19	2,094.85
Sub-Brokerage and Fees	580.70	450.06

Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Recruitment Expenses	703.60	436.55
Loss on property, plant and equipment's (net)	33.10	6.00
Collection cost	13,818.66	4,468.50
Miscellaneous expenses	2,179.52	1,457.07
Total	60,787.35	35,811.83

Auditors' Fees and Expenses

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
As auditor:		
For Statutory Audit (including Limited Review, Internal Control Financial Reporting (ICFR))	198.73	169.05
For Tax audit	6.54	6.54
In any other capacity		
For Other Services (including certification and other services)	4.35	12.31
Total	209.62	187.89

Details of CSR Expenditure

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
a) Gross amount required to be spent by the Company during the year	2,226.19	2,085.00
b) Amount spent during the year	2,801.89	1,517.79
c) Shortfall/ (Excess spent after adjusting the shortfall of the earlier year)	(8.49)	*567.21
d) Total of previous years shortfall/(Excess)	(8.49)	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	Refer Note 1	Refer Note 1
g) Details of related party transactions	NA	NA
h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

CSR Activities: Note:1

For FY 2022-23: Promoting education including for children of covid impacted families and scholarship to underprivileged girls and children of martyred soldiers, Health care, Employment enhancing vocation skills to youths, Training to promote nationally recognised and olympic sports including athlete mentorship programs and Empowering women.

For FY 2021-22: Promoting education including for children of covid impacted families, health care, Employment enhancing vocation skills to youths, Training to promote nationally recognised and olympic sports, Measures for the benefit of armed forces veterans, war widows and their dependents, Conservation of natural resources and maintaining quality of soil and water.

*There is a change in the Regulation stating that if the CSR contribution of ABFL lying in the bank account of the respective NGO is unspent at the end of a FY, the same is required to be returned to ABFL and has to be maintained in a separate bank account by ABFL. The balance shown here is the same unspent amounts transferred back by NGOs.



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 41: INCOME TAX

The components of income tax expense are as under:

(₹ in Lakhs)		
Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Current tax*	68,583.07	38,609.10
Deferred tax relating to origination and reversal of temporary differences	(14,940.44)	(730.52)
Total tax charge	53,642.63	37,878.58

* Includes tax of earlier years of ₹ 4,893.06 lakhs.

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

(₹ in Lakhs)		
Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net loss/(gain) on remeasurements	242.22	788.91
Income tax expense charged to OCI	242.22	788.91

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 enacted corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by enacted domestic tax rate for the year ended 31st March, 2023 and 31st March, 2022 are as follows:

(₹ in Lakhs)		
Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Accounting profit before tax	2,09,018.38	1,48,711.64
At enacted corporate tax rate of 25.168% (As at 31 st March, 2022 - 25.168%)	52,605.75	37,427.75
The effects of disallowances of earlier years net of adjustments to DTA	583.51	344.60
Tax on non deductible expenses	453.37	106.23
Income tax expense reported in the statement of profit and loss	53,642.63	37,878.58
Effective income tax rate for the year	25.66%	25.47%

Deferred Tax

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

(₹ in Lakhs)					
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Profit and Loss (Income)/Loss	OCI	Transition Reserve
	31 st March, 2023	31 st March, 2023	31 st March, 2023	31 st March, 2023	31 st March, 2023
Expected Credit Loss Allowances	39,057.18	-	(16,540.59)	-	-
Employee benefit provisions and other residual	551.62	-	1,889.79	242.22	-
Depreciation/Amortisation	1,044.34	-	(289.64)	-	-
Total	40,653.14	-	(14,940.44)	242.22	-
Net	40,653.14				

Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Profit and Loss (Income)/Loss	OCI	Transition Reserve
	31 st March, 2022	31 st March, 2022	31 st March, 2022	31 st March, 2022	31 st March, 2022
Expected Credit Loss Allowances	22,516.59	-	(1,159.30)	-	-
Employee benefit provisions and other residual	2,683.63	-	347.11	788.91	-
Depreciation/Amortisation	754.70	-	81.67	-	-
Total	25,954.92	-	(730.52)	788.91	-
Net	25,954.92				

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 profit attributable to equity holders of the Company 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 conversion of all the dilutive potential equity shares into equity shares of the Company.

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net Profit after Tax	1,55,375.75	1,10,833.06
Less: Interest on Financial Liabilities (including taxes)	-	-
Net Profit after Tax available for equity shareholders	1,55,375.75	1,10,833.06
Weighted average number of ordinary shares for basic earnings per share	66,21,00,822	66,21,00,822
Weighted average number of ordinary shares for diluted earnings per share	66,21,89,640	66,21,00,822
Earnings per share		
Basic earnings per share (₹)	23.47	16.74
Diluted earnings per share (₹)	23.46	16.74

NOTE 43(A): 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.

(₹ in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022
(i) Contribution to Employees Provident Fund	1,683.54	1,208.10
(ii) Contribution to Employees Pension Fund	514.26	342.45
(iii) Contribution to Employees State Insurance Corporation	4.89	0.20
(iv) Contribution to Maharashtra Labour Welfare Fund	1.55	0.86
(v) Contribution to National Pension Scheme	172.56	119.13
Total	2,376.80	1,670.74

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 which is fellow subsidiary of the Company.

The following tables summarize 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.



Notes to the Financial Statements

For the year ended 31st March, 2023

Changes in the defined benefit obligation and fair value of Reimbursement Rights as at 31st March, 2023 are as under:

Particulars	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income					31 st March, 2023
	01 st April, 2022	Service cost	Net interest expense	Group Company Allocation	Sub-total included in profit or loss	Benefits paid	Reimbursement Rights (excluding amounts included in net interest expense)	Group Company Allocation	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	
Defined benefit obligation	(3,217.03)	(696.56)	(194.49)	55.33	(835.72)	(95.36)	-	(55.33)	22.70	356.85	(3,662.62)
Fair value of Reimbursement Rights	2,161.98	-	130.71	-	130.71	-	(57.49)	-	-	-	2,735.20
Benefit / (Liability)	(1,055.05)	(696.56)	(63.78)	55.33	(705.01)	(95.36)	(57.49)	(55.33)	22.70	356.85	(927.42)

Changes in the defined benefit obligation and fair value of Reimbursement Rights as at 31st March, 2022 are as under:

Particulars	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income					31 st March, 2022
	1 st April, 2021	Service cost	Net interest expense	Group Company Allocation	Sub-total included in profit or loss	Benefits paid	Reimbursement Rights (excluding amounts included in net interest expense)	Group Company Allocation	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	
Defined benefit obligation	(3,085.29)	(648.03)	(194.24)	(12.42)	(854.68)	232.55	-	12.42	556.32	(101.71)	(3,217.03)
Fair value of Reimbursement Rights	1,931.76	-	121.62	-	121.62	(232.55)	41.15	-	-	-	2,161.98

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

Particulars	31 st March, 2023	31 st March, 2022
Expected return on Reimbursement Rights	7.25%	6.05%
Discount Rate	7.25%	6.05%
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 (2012-14)

Notes to the Financial Statements

For the year ended 31st March, 2023

Attrition / Withdrawal rates, based on age: (per annum)

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
Up to 30 years	34.00%	34.00%
31 - 40 years	25.00%	25.00%
41 - 50 years	13.00%	13.00%
Above 50 years	2.00%	2.00%

Note: The above information is certified by actuary, and this has been relied upon by the auditors.

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 Reimbursement Rights:

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
Unquoted investments:		
Insurer managed funds (Investments with Aditya Birla Sun Life Insurance Company Limited)	2,735.20	2,161.98
Total	2,735.20	2,161.98

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

(₹ in Lakhs)				
Assumptions	Discount rate		Salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation - (31 st March, 2023)	3,531.50	3,802.15	3,802.11	3,530.33
Impact on defined benefit obligation - (31 st March, 2022)	3,097.68	3,344.33	3,342.82	3,097.92

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:

(₹ in Lakhs)		
Expected payment for future years	31 st March, 2023	31 st March, 2022
Within the next 12 months (next annual reporting year)	410.06	425.07
Between 2 and 5 years	1,614.09	1,312.51
Between 6 and 9 years	1,273.08	959.86
10 years and above	3,710.88	2,858.52
Total expected payments	7,008.11	5,555.96

The Company expects to contribute ₹ 1,618.73 lakhs (31st March, 2022 : ₹ 1,588.37 lakhs) to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at 31st March, 2023 is 7 years (31st March, 2022: 8 years)

Other Long Term Incentive Benefits

Liability for long term incentive benefits and for compensated absences are determined based on actuarial valuations.



Notes to the Financial Statements

For the year ended 31st March, 2023

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 (including key management personnel) 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 ₹ 1,244.83 lakhs (31st March, 2022 ₹ 198.86 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 ₹ 6,662.89 lakhs will be recovered in future years.

NOTE 43(B): SHARE BASED PAYMENTS

The Nomination and Remuneration Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants are given as under:

As on 31st March, 2023

Grant date	Exercise price (₹)	Fair value of Options	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
05 th November, 2022	283.20	131.90	21,78,706	-	21,78,706	-	-	21,78,706
31 st January, 2023	283.20	141.10	10,169	-	10,169	-	-	10,169
			21,88,875	-	21,88,875	-	-	21,88,875

Weighted average fair value of stock options granted during the year is as follows:

Particulars	31 st March, 2023	31 st March, 2022
Scheme Name : ABFL Scheme 2022		
No. of options granted	21,88,875.00	-
Weighted average fair value (₹)	131.94	-

(₹ in Lakhs)

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31st March, 2023

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	21,88,875.00	283.20	283.20	2.11
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	21,88,875.00	283.20	283.20	2.11
Exercisable at the end of the year	-	-	-	-

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black-Scholes Model. The key assumptions used in Black-Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Life of Option (in Years)	Risk Free Rate	Dividend Yield	Volatility
05 th November, 2022	4.10	7.50%	0.70	36.3%
31 st January, 2023	3.80	7.40%	0.70	37.3%

Notes to the Financial Statements

For the year ended 31st March, 2023

Characteristics of ESOPs issued

Grant date	05 th November, 2022	31 st January, 2023
Conversion	On exercise, 1 ESOP converts to 1 equity share of ABFL	on exercise, 1 ESOP ,converts to 1 equity share of ABFL
Vesting date*	50% each at the end of 2 nd and 3 rd year from Grant Date	50% each at the end of 2 nd and 3 rd year from grant date
Additional condition	ESOPs can be exercise only once equity share of ABFL are listed on stock exchange	ESOPs can be exercise only once equity share of ABFL are listed on stock exchange
Exercise price (in INR) per ESOP	283.20	283.20
Exercise Period*	5 year from the date of vesting	5 year from the date of 1 st grant i.e. 5 th November, 2022
Settlement	settlement of equity shares of ABFL	Settlement in Equity shares of ABFL

* Exercise period as per management's assessment

Details related to Share based payments for KMPs

(₹ in Lakhs)		
Count of ABFL ESOP's Granted as on	31 st March, 2023	31 st March, 2022
Rakesh Singh	284,742	-
Pradeep Kumar Agrawal	42,650	-
Ankur Deepak Bhai Shah	9,063	-
Tushar Shah	122,032	-

NOTE 44: 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.

(₹ in Lakhs)						
Particulars	31 st March, 2023			31 st March, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	38,763.43	-	38,763.43	59,571.14	-	59,571.14
Bank balance other than cash and cash equivalents	-	-	-	9,681.37	-	9,681.37
Derivative financial instruments	9.81	73.83	83.64	19.02	-	19.02
Trade and Other Receivables	4,030.61	-	4,030.61	1,243.96	-	1,243.96
Loans*	21,49,618.63	57,35,331.47	78,84,950.10	13,18,611.61	40,42,134.41	53,60,746.02
Investments	3,41,516.04	28,753.58	3,70,269.62	1,57,397.94	12,005.62	1,69,403.56
Other financial assets	11,740.15	3,011.64	14,751.79	3,987.16	1,374.65	5,361.81
Non-financial Assets						
Current tax asset (net)	-	15,150.75	15,150.75	-	34,239.10	34,239.10
Deferred tax assets (net)	-	40,653.14	40,653.14	-	25,954.92	25,954.92
Property, plant and equipments	-	5,130.16	5,130.16	-	1,881.37	1,881.37
Intangible assets under development	-	890.07	890.07	-	1,089.05	1,089.05
Other intangible assets	-	6,244.06	6,244.06	-	7,008.52	7,008.52
Right of use Lease Assets	-	18,749.72	18,749.72	-	12,187.33	12,187.33
Other non financial assets	8,345.89	4,269.43	12,615.32	6,837.64	1,695.62	8,533.26
Total assets	25,54,024.56	58,58,257.85	84,12,282.41	15,57,349.84	41,39,570.58	56,96,920.43



Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	31 st March, 2023			31 st March, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Derivative financial instruments	27.74	1,341.50	1,369.24	7,799.24	-	7,799.24
Trade payables	69,756.46	-	69,756.46	24,221.63	-	24,221.63
Debt Securities	9,77,818.72	13,75,666.79	23,53,485.51	6,36,206.50	9,41,919.20	15,78,125.70
Borrowings (other than debt security)	14,89,474.28	29,89,123.18	44,78,597.46	11,74,711.92	15,97,003.12	27,71,715.04
Subordinated Liabilities	20,590.45	2,24,400.00	2,44,990.45	14,333.99	2,34,400.00	2,48,733.99
Lease liabilities	4,359.45	15,288.75	19,648.20	2,911.98	9,998.40	12,910.38
Other Financial liabilities	68,919.82	-	68,919.82	47,013.29	-	47,013.29
Non-financial Liabilities						
Current tax liabilities (net)	13,664.09	-	13,664.09	1,513.10	-	1,513.10
Provisions	734.66	5,729.06	6,463.72	10,421.69	-	10,421.69
Other non-financial liabilities	12,766.33	-	12,766.33	8,424.39	-	8,424.39
Total Liabilities	26,58,112.00	46,11,549.28	72,69,661.28	19,27,557.73	27,83,320.72	47,10,878.47

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

Note: Classification of Loans under the different maturity buckets is based on the due date, which has been relied upon by the auditors.

NOTE 45: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakhs)

Particulars	As at 01 st April, 2022	Cash Flows	Other (Non-Cash)	As at 31 st March, 2023
Debt Securities	15,78,125.70	7,81,720.00	(6,360.19)	23,53,485.51
Borrowings other than debt securities	27,71,715.04	16,94,861.67	12,020.75	44,78,597.46
Subordinate Liabilities	2,48,733.99	(3,500.00)	(243.54)	2,44,990.45
Total liabilities from financing activities	45,98,574.73	24,73,081.67	5,417.02	70,77,073.42

(₹ in Lakhs)

Particulars	As at 01 st April, 2021	Cash Flows	Other (Non-Cash)	As at 31 st March, 2022
Debt Securities	16,57,875.04	(53,850.00)	(25,899.34)	15,78,125.70
Borrowings other than debt securities	22,45,460.08	5,36,465.32	(10,210.36)	27,71,715.04
Subordinate Liabilities	2,18,183.26	30,000.00	550.73	2,48,733.99
Total liabilities from financing activities	41,21,518.38	5,12,615.32	(35,558.97)	45,98,574.73

Note :

- The above amounts are including interest accrued but not due.

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 46: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent Liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Disputed Income Tax Liability*	4,081.05	7,072.17
Disputed Service Tax Liability**	69.84	131.49
Claims against the Company not acknowledged as debts	768.47	638.00
Corporate guarantees, Guarantee on Overdraft, Letter of credit and Letter of comfort given by the Company on behalf of the clients***	8,007.94	11,533.84
Total	12,927.30	19,375.50

* (i) Disputed Income Tax Liability

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Disallowances of Depreciation on Intangibles, Disallowance of Donation forming part of CSR expenditure u/s 80G, Disallowance of certain Expenses, Disallowance under Section 14A, Disallowance of PF/ESIC, Disallowance of CENVAT Credit w/off.	1,049.41	806.41
Disallowances of exceptional losses of Wealth Business	-	3,234.12
Interest on Non Performing Assets (NPA)	3,031.64	3,031.64
Total	4,081.05	7,072.17

Note: Interest and consequential changes, if any arising on settlement of those contingent liabilities are not ascertainable.

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

*** Represents the limit utilized by client of the Guarantee/ Overdraft/Letter of Credit and 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) on account of property, plant and equipment ₹ 1,420.62 lakhs (31st March, 2022: ₹ 814.53 lakhs) and on account of intangible assets ₹ 1,275.20 lakhs (31st March, 2022: ₹ 1,575.92 lakhs).

Undisbursed commitments where the Company does not have an unconditional rights to cancel the undrawn/un-availed/ unused portion of the loan at any time during the subsistence of the loan ₹ Nil.



Notes to the Financial Statements

For the year ended 31st March, 2023

(C) Lease Disclosures

(i) Following are the changes in the carrying value of right of use assets for the year ended 31st March, 2023:

Particulars	Amount
Gross Carrying Value	
Balance as at 1 st April, 2021	13,912.45
Additions	7,065.31
Deletion	4,374.94
Balance as at 31st March, 2022	16,602.82
Additions	10,501.68
Deletion	1,429.49
Balance as at 31st March, 2023	25,675.01
Accumulated Amortisation	
As at 1 st April, 2021	4,507.14
Additions	2,583.08
Deletion	2,674.73
Balance as at 31st March, 2022	4,415.49
Additions	2,959.69
Deletion	449.89
Balance as at 31st March, 2023	6,925.29
Net Carrying Value as at 31st March, 2022	12,187.33
Net Carrying Value as at 31st March, 2023	18,749.72

(ii) Amounts recognised in profit and loss for the year ended 31st March, 2023

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Depreciation expense on right-of-use assets	2,959.69	2,583.08
Interest expense on lease liabilities	1,005.54	892.61
Expense relating to leases of low value assets	2,249.53	1,165.56
Income from subleasing right-of-use assets	(1,067.78)	(373.63)

(iii) The Maturity analysis of lease liabilities as at 31st March, 2023 :

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Within 12 months	4,359.45	2,911.98
After 12 months	15,288.75	9,998.40
Total	19,648.20	12,910.38

Notes to the Financial Statements

For the year ended 31st March, 2023

(iv) The following is the movement in lease liabilities during the year ended March, 31, 2023:

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Balance as at 1 st April, 2022	12,910.38	10,224.64
Additions	9,944.49	6,700.12
Surrender of premises	(1,047.04)	(2,051.28)
Finance Cost accrued during the year	1,005.54	892.61
Payment of Lease Liabilities	(3,165.16)	(2,855.71)
Balance as at 31 st March, 2023	19,648.21	12,910.38

(v) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2023 on an undiscounted basis:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2023	As at 31 st March, 2022
Less than one year	4,502.29	3,009.34
One to Five years	13,968.01	9,770.89
More than Five years	5,614.53	2,942.75
Total	24,084.83	15,722.98

When measuring lease liabilities of the Company, lease payments have been discounted using its incremental borrowing rate at 01st April, 2022. The weighted average rate applied ranges between 4.83% p.a. - 7.05% p.a.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE 47: RELATED PARTY DISCLOSURES

I) List of Related Parties as per IND AS -24 :

(A) Ultimate Holding Company:

Grasim Industries Limited

(B) Holding Company:

Aditya Birla Capital Limited

(C) Subsidiaries / Fellow Subsidiaries:

Fellow Subsidiaries

Aditya Birla Money Limited

Aditya Birla Money Insurance Advisory Services Limited

Aditya Birla Capital Technology Services Limited

Aditya Birla Wellness Private Limited

Aditya Birla Sun Life Insurance Company Limited

Aditya Birla Financial Shared Services Limited

Aditya Birla Housing Finance Limited

Aditya Birla Sunlife AMC Limited

Aditya Birla ARC Limited

Aditya Birla Money Mart Limited

Aditya Birla Sun Life Pension Management Limited

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla PE Advisors Private Limited

Aditya Birla Insurance Brokers Limited

Waacox Energy Private Limited

Ultratech Cement Limited

Essel Mining & Industries Limited

Aditya Birla Special Situations Fund - I

ABREL EPC Limited(ABREPC)

(D) Associates of holding company

Aditya Birla Capital Foundation

Aditya Birla Health Insurance Co. Limited (w.e.f. 21 Oct, 2022)



Notes to the Financial Statements

For the year ended 31st March, 2023

(E) Other related parties in which Directors of Ultimate Holding Company are interested

Aditya Birla Management Corporation Private Limited

(F) Promoter group company

Hindalco Industries Limited

(G) Key managerial personnel/Directors

Mr. Rakesh Singh (Managing Director & Chief Executive Officer)

Mr. Tushar Shah (Appointed as Chief Executive Officer-PFSG with effect from 08 October, 2021)

Mr. Sanjay Kumar Miranka (Ceased as Chief Financial Officer with effect from 22 June, 2021)

Mr. Pradeep Kumar Agrawal (Appointed as Chief Financial Officer with effect from 08 October, 2021)

Mr. Kamlesh Rao (Director)

Mr. Ankur Deepak Shah (Company Secretary)

Mr. D J Kakalia (Ceased to be a Director with effect from 8 March, 2023)

Mr. Jitender Balakrishnan (Ceased to be a Director with effect from 8 March, 2023)

Mr. Ashwani Puri (Ceased to be a Director with effect from 8 March, 2023)

Ms. Alka Bharucha (Director)

Ms. Vishakha Mulye (Director with effect from 21 October 2022)

Mr. Nagesh Pingre (Director with effect from 9 March, 2023)

Mr. Ajay Srinivasan (Ceased to be a Director with effect from 3 August, 2022)

Mr. Baldev Raj Gupta (Ceased to be a Director with effect from 27 July, 2021)

Mr. S C Bhargava (Director)

Mr. Rajat Jain (Director with effect from 9 March 2023)

(H) Relative of key managerial personnel/Directors

Ms. Anahita Singh (Daughter - Mr. Rakesh Singh)

Ms. Anushka Singh (Daughter - Mr. Rakesh Singh)

Ms. Vibha Singh (Spouse - Mr. Rakesh Singh)

Notes:-

- 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.
- The relationships disclosed above are for the entities where control exists and with whom transactions have taken place during the year.
- Transactions shown above are excluding GST, if any.
- Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole and includes director sitting fees.
- The NCD balance shown above includes purchase and sale from secondary market and are held by related party as on reporting dates.

Notes to the Financial Statements

For the year ended 31st March, 2023

II) Disclosure in respect of transactions with related parties during the year & balance outstanding as at reporting date:

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2023 (Audited)	Year Ended 31 st March, 2022 (Audited)
Reimbursement of Legal and Professional expenses		
Aditya Birla Capital Limited	-	66.50
Dividend		
Aditya Birla Capital Limited	-	10,924.66
Reimbursement of Employee cost		
Aditya Birla Capital Limited- ESOP	1,244.83	198.86
Business Support Expenses		
Aditya Birla Capital Limited	3,676.62	2,911.16
Employee Cost Recovered		
Aditya Birla Capital Limited	26.96	-
Paid up Equity Share Capital Outstanding		
Aditya Birla Capital Limited	66,210.08	66,210.08
Equity Share Premium Outstanding		
Aditya Birla Capital Limited	321,096.08	321,096.08
Payable		
Aditya Birla Capital Limited	493.77	362.45
Statutory Dues (GST)		
Aditya Birla Capital Limited	37.26	35.06
Ultimate Holding Company		
Reimbursement of Employee cost		
Grasim Industries Limited	15.43	3.08
MF/FD Commission Received on Behalf of investment done by Related Party		
Hindalco Industries Limited	41.86	49.55
Grasim Industries Limited	35.63	65.35
Subsidiary/Associate of Ultimate Holding Company		
Sale of Assets		
Grasim Industries Limited	20.97	-
Ultratech Cement Limited	-	7.65
MF/FD Commission Received on Behalf of investment done by Related Party		
Ultratech Cement Limited	25.99	90.89
Reimbursement of Employee cost		
Hindalco Industries Limited	0.78	
Ultratech Cement Limited	-	0.85
Remuneration to KMPs*		
Mr. Rakesh Singh (MD & CEO)	1,420.60	870.79
Mr. Tushar Shah (Appointed as CEO-PFSG w.e.f. 08 October, 2021)	929.36	158.10
Mr. Sanjay Kumar Miranka (Ceased as CFO w.e.f. 22 June, 2021)	-	133.25
Mr. Pradeep Kumar Agrawal (Appointed as CFO w.e.f. 08 October, 2021)	209.56	34.51
Mr. Ankur Deepak Shah (CS)	76.23	55.80
Paid to CSR Fund		
Aditya Birla Capital Foundation	2,727.06	1,482.94
Brokerage Expenses/ Service Charges		
Aditya Birla Money Limited	22.29	27.66
Aditya Birla Money Insurance Advisory Services Limited	911.25	782.76



Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023 (Audited)	Year Ended 31 st March, 2022 (Audited)
Reimbursement of Administrative expenses		
Aditya Birla Wellness Private Limited	34.17	0.34
Aditya Birla Money Limited	1.07	0.35
Aditya Birla Capital Technology Services Limited	8.29	5.70
Aditya Birla Sunlife AMC Limited	3.62	-
Aditya Birla Sun Life Insurance Company Limited	0.05	0.36
Aditya Birla Financial Shared Services Limited	475.27	428.28
Aditya Birla Management Corporation Private Limited	-	1.14
Business Support Expenses		
Aditya Birla Management Corporation Private Limited	3,828.25	3,162.17
Aditya Birla Financial Shared Services Limited	2,221.50	1,654.20
Aditya Birla Housing Finance Limited	159.22	199.72
Scholarship Expenses		
Anahita Singh (Director's relative)	23.81	-
IT Support Expenses		
Aditya Birla Capital Technology Services Limited	253.06	303.25
Custodian Charges Expenses		
Aditya Birla Money Limited	3.88	5.90
Director sitting fees		
Mr. D J Kakalia	15.00	18.25
Mr. Jitender Balakrishnan	12.50	14.00
Mr. Ashwani Puri	11.00	14.75
Ms. Alka Bharucha	10.25	11.50
Mr. Baldev Raj Gupta	-	2.50
Mr. Subhash Chandra Bhargava	12.75	10.00
Mr. Nagesh Pinge	1.75	-
Mr. Rajat Kumar Jain	1.00	-
Insurance Premium paid		
Aditya Birla Sun Life Insurance Company Limited	313.86	352.29
Interest expenses		
Aditya Birla Sun Life Insurance Company Limited	1,528.36	2,313.06
Reimbursement of Rent expenses		
Aditya Birla Insurance Brokers Limited	2.62	3.84
Aditya Birla Health Insurance Company Limited	4.70	-
Aditya Birla Sunlife AMC Limited	208.39	41.16
Aditya Birla Sun Life Insurance Company Limited	629.19	43.07
MF/FD/Alternate asset Commission Received on Behalf of investment done by Related Party		
Waacox Energy Private Limited	2.81	3.70
Mr. Rakesh Singh (MD & CEO)	32.36	15.68
Mr. Ajay Srinivasan-Director(Resigned w.e.f 3 rd Aug'2022)	1.47	10.38
Aditya Birla Health Insurance Company Limited	1.78	2.32
Reimbursement of Employee cost		
Aditya Birla Money Limited	331.97	221.16
Aditya Birla Wellness Private Limited	-	-
Aditya Birla Health Insurance Company Limited	2.43	3.03
Aditya Birla Money Insurance Advisory Services Limited	-	4.35
Aditya Birla Financial Shared Services Limited	31.91	10.22

Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)		
Particulars	Year Ended 31 st March, 2023 (Audited)	Year Ended 31 st March, 2022 (Audited)
Aditya Birla Housing Finance Limited	95.62	72.12
Aditya Birla Sun Life Insurance Company Limited	0.39	0.39
Aditya Birla ARC Limited	39.48	-
Aditya Birla Insurance Brokers Limited	-	0.92
Aditya Birla Sunlife AMC Limited	1.73	1.07
Interest Income		
ABREL EPC Limited(ABREPC)	338.81	-
Waacox Energy Private Limited	394.09	388.78
Employee cost recovered		
Aditya Birla Money Limited	24.75	3.77
Aditya Birla Sun Life Insurance Company Limited	68.83	31.09
Aditya Birla Capital Technology Services Limited	2.93	2.30
Aditya Birla Sunlife AMC Limited	17.90	4.76
Aditya Birla Money Mart Limited	3.86	28.35
Aditya Birla Management Corporation Private Limited	-	1.46
Aditya Birla Housing Finance Limited	59.43	123.82
Aditya Birla Money Insurance Advisory Services Limited	9.91	1.38
Aditya Birla Insurance Brokers Limited	2.87	23.99
Aditya Birla Sun Life Pension Management Limited	-	0.19
Grasim Industries Limited	3.51	-
Aditya Birla Wellness Private Limited	3.62	5.59
Aditya Birla Health Insurance Company Limited	0.97	-
Aditya Birla Financial Shared Services Limited	64.71	5.85
Referral Fees Income		
Aditya Birla Money Limited	20.19	20.99
Brokerage / Commission Income		
Aditya Birla Money Limited	383.55	427.88
Ashwani Kumar Puri(Director) (Resigned w.e.f 8 March, 2023)	6.78	10.17
Aditya Birla Sunlife AMC Limited	642.36	115.05
Rent recovered		
Aditya Birla Money Insurance Advisory Services Limited	76.48	18.00
Aditya Birla Insurance Brokers Limited	2.39	2.29
Aditya Birla Sunlife AMC Limited	60.19	7.17
Aditya Birla Money Limited	19.34	-
Aditya Birla Sun Life Insurance Company Limited	189.06	-
Aditya Birla Health Insurance Company Limited	76.13	-
Aditya Birla Housing Finance Limited	644.19	328.88
Administrative Expenses Recovered		
Aditya Birla Money Insurance Advisory Services Limited	50.25	2.20
Aditya Birla Money Limited	0.50	-
Aditya Birla ARC Limited	10.02	0.21
Aditya Birla Insurance Brokers Limited	0.79	0.43
Aditya Birla Financial Shared Services Limited	236.42	126.51
Aditya Birla Sun Life Insurance Company Limited	4.73	-
Aditya Birla Health Insurance Company Limited	1.93	-
Aditya Birla Sunlife AMC Limited	2.51	-
Aditya Birla Stressed Asset AMC Private Limited	1.93	-



Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2023 (Audited)	Year Ended 31 st March, 2022 (Audited)
Business Support Expenses Recovered		
Aditya Birla Housing Finance Limited	616.31	871.91
Sale of assets		
Aditya Birla ARC Limited	0.65	-
Aditya Birla Housing Finance Limited	-	22.37
Purchase of assets		
Aditya Birla Capital Technology Services Limited	-	4.11
Aditya Birla Management Corporation Private Limited	-	0.56
Aditya Birla Housing Finance Limited	0.09	0.45
Aditya Birla Money Mart Limited	-	4.44
Aditya Birla Insurance Brokers Limited	9.71	0.71
Aditya Birla Wellness Private Limited	-	17.41
Aditya Birla Sun Life Insurance Company Limited	24.80	-
Redemption of NCDs		
Aditya Birla Sun Life Insurance Company Limited	-	15,000.00
Investment in fund made		
Aditya Birla Special Situations Fund - I	20.41	15.26
Redemption from Investment		
Aditya Birla Special Situations Fund - I	5.75	2.17
Prepaid Expenses		
Aditya Birla Capital Technology Services Limited	4.68	3.77
Aditya Birla Financial Shared Services Limited	129.58	85.39
Redeemable NCDs		
Aditya Birla Sun Life Insurance Company Limited	25,704.22	15,466.86
Investment in fund outstanding		
Aditya Birla Special Situations Fund - I	22,535.12	33.32
Loans and Advances		
ABREL EPC Limited(ABREPC)	20,507.00	-
Wacox Energy Private Limited	5,602.16	4,356.58
Repayment of Loans and Advances		
Wacox Energy Private Limited	257.84	-
Payable		
Aditya Birla Capital Technology Services Limited	13.20	100.96
Aditya Birla Insurance Brokers Limited	-	11.17
Aditya Birla Sun Life Insurance Company Limited	35.45	2.97
Aditya Birla Financial Shared Services Limited	389.18	241.07
Aditya Birla Management Corporation Private Limited	538.86	751.16
Aditya Birla Sunlife AMC Limited	-	160.60
Hindalco Industries Limited	0.78	-
Aditya Birla Money Insurance Advisory Services Limited	108.77	681.31
Aditya Birla Health Insurance Company Limited	-	3.03
Receivable		
Aditya Birla Money Limited	43.45	182.09
Aditya Birla Housing Finance Limited	250.20	362.92
Aditya Birla Health Insurance Company Limited	66.34	-
Aditya Birla Sunlife AMC Limited	13.68	-
Aditya Birla Wellness Private Limited	0.24	0.04

Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)		
Particulars	Year Ended 31 st March, 2023 (Audited)	Year Ended 31 st March, 2022 (Audited)
Deposit Payable		
Aditya Birla Money Limited	9.93	-
Aditya Birla Sun Life Insurance Company Limited	54.67	-
Aditya Birla Sunlife AMC Limited	14.96	-
Aditya Birla Housing Finance Limited	30.28	-
Aditya Birla Health Insurance Company Limited	21.69	-
Deposit Receivable		
Aditya Birla Management Corporation Private Limited	615.12	615.12
Aditya Birla Sunlife AMC Limited	120.00	-
Aditya Birla Health Insurance Company Limited	3.68	-
Aditya Birla Money Limited	5.24	-
Aditya Birla Sun Life Insurance Company Limited	158.01	94.60
Deposit Placed (Transaction during the period)		
Aditya Birla Sun Life Insurance Company Limited	63.42	94.60
Aditya Birla Health Insurance Company Limited	3.68	-
Aditya Birla Money Limited	5.24	-
Aditya Birla Sunlife AMC Limited	-	120.00
Deposit Received		
Aditya Birla Money Limited	9.93	-
Aditya Birla Sun Life Insurance Company Limited	54.67	-
Aditya Birla Sunlife AMC Limited	14.96	-
Aditya Birla Housing Finance Limited	30.28	-
Aditya Birla Health Insurance Company Limited	21.69	-
Deposit Received back (Transaction during the period)		
Aditya Birla Sun Life Insurance Company Limited	-	88.30
Purchase of Aditya Birla Special Situations Fund I		
Aditya Birla Money Mart Ltd	14,383.01	-
Aditya Birla Capital Technology Services Ltd	7,501.29	-
Insurance Claim Settlement received		
Aditya Birla Sun Life Insurance Company Limited	293.49	155.03
Loans and advances given		
ABREL EPC Limited(ABREPC)	20,507.00	-
Waacox Energy Pvt Ltd	1,503.42	-

Notes:-

- 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.
- The relationships disclosed above are for the entities where control exists and with whom transactions have taken place during the year.
- Transactions shown above are excluding GST, if any.
- Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole and includes director sitting fees.
- The NCD balance shown above includes purchase and sale from secondary market and are held by related party as on reporting dates.

*The above numbers is in the nature of short term employee benefits as per Ind AS 24



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 48: 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:

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
Capital Adequacy Ratio	16.38%	21.77%

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 31st March, 2023 and 31st March, 2022.

NOTE 49: FINANCIAL INSTRUMENTS

Note 49.1: Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

(₹ in Lakhs)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(I) Measured at amortised cost:		
i) Cash and cash equivalents	38,763.43	59,571.14
ii) Bank balance other than Cash and cash equivalents	-	9,681.37
iii) Trade receivables	4,030.61	1,243.96
iv) Loans	78,84,950.10	53,60,746.02
v) Investment in Debentures	7,482.74	-
vi) Investment in Security Receipts	1,317.50	-
vii) Other financial assets	14,751.79	5,361.81
Sub Total	79,51,296.17	54,36,604.30
(II) Measured at fair value through profit or loss (FVTPL)		
i) Investment in Govt Securities	2,47,031.28	47,137.87
ii) Investment in Equity instruments	34.82	45.17
iii) Investment in Preference Shares	3,500.00	3,500.00
iv) Investment in Alternate Funds	24,643.33	8,225.19
v) Investment in Debentures	85,430.31	1,10,260.07
vi) Investment in Mutual Funds	520.91	-
Sub Total	3,61,160.65	1,69,168.30

Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(III) Designated at fair value through profit or loss (FVTPL)		
i) Derivative financial instruments	50.96	19.02
Sub Total	50.96	19.02
(IV) Measured at fair value through other comprehensive income (FVTOCI):		
i) Investment in Equity instruments	308.73	235.26
ii) Derivative financial instruments	32.68	
Sub Total	341.41	235.26
Total (I+II+III+IV)	83,12,849.19	56,06,026.88

(b) Category-wise classification for applicable financial liabilities:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(I) Measured at amortised cost:		
i) Trade Payables	69,756.46	24,221.63
ii) Debt securities	22,64,078.68	15,53,171.39
iii) Borrowings (other than debt securities)	44,78,597.46	27,71,715.04
iv) Subordinated liabilities	2,44,990.45	2,48,733.99
v) Lease Liabilities	19,648.20	12,910.38
vi) Other financial liabilities	68,919.82	47,013.29
Sub Total	71,45,991.07	46,57,765.72
(II) Measured at fair value through profit or loss (FVTPL)	-	-
Sub Total	-	-
(III) Designated at fair value through profit or loss (FVTPL)		
i) Derivative financial Instruments not designated as cash flow hedges	654.22	28.08
ii) Debt securities	89,406.83	24,954.31
Sub Total	90,061.05	24,982.39
(IV) Measured at fair value through other comprehensive income (FVTOCI):		
i) Derivative financial Instruments designated as cash flow hedges	715.02	7,771.16
Sub Total	715.02	7,771.16
Total (I+II+III+IV)	72,36,767.14	46,90,519.27

(c) Fair value of financial assets and financial liabilities measured at amortised cost:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	78,84,950.10	78,84,950.10	53,60,746.02	53,60,746.02
Investment in Debentures	7,482.74	7,482.74	-	-
Investment in Security Receipts	1,317.50	1,317.50	-	-
Total	78,93,750.34	78,93,750.34	53,60,746.02	53,60,746.02



Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Debt securities	22,64,078.68	22,58,590.22	15,53,171.39	16,00,965.62
Borrowings (other than debt securities)	44,78,597.46	44,78,597.46	27,71,715.04	27,71,715.04
Subordinated liabilities	2,44,990.45	2,39,559.35	2,48,733.99	2,55,952.13
Lease Liabilities	19,648.20	19,648.20	12,910.38	12,910.38
Total	70,07,314.79	69,96,395.23	45,86,530.80	46,41,543.17

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: The carrying amounts of cash & cash equivalents, other bank balance, trade receivables, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Borrowings

Floating Rate Borrowings: Floating rate borrowings are valued on the basis of Applicable Benchmark (viz; Tenor Linked T-Bill, Repo Rate, Tenor Linked MCLR, or any external benchmark as the case may be) + Spread, if applicable.

Fixed Rate Borrowings: Fixed rated borrowing are valued on the basis of valuation report shared by ICRA.

Note 49.2: Disclosure pursuant to Ind AS 113 "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: 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 input is not based on observable market data, the instrument is included in level 3.

Notes to the Financial Statements

For the year ended 31st March, 2023

(A) Fair value hierarchy of financial assets and financial liabilities

(a) Measured at amortised cost:

As at 31st March, 2023

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	78,84,950.10	78,84,950.10	Discounted Cash Flow approach
Investment in Debentures	-	7,482.74	-	7,482.74	
Investment in Security Receipts	-	-	1,317.50	1,317.50	Discounted Cash Flow approach
Total financial assets	-	7,482.74	78,86,267.60	78,93,750.34	
Financial liabilities:					
Debt securities	-	15,96,738.84	6,61,851.38	22,58,590.22	Discounted Cash Flow approach
Borrowings (other than debt securities)	-	-	44,78,597.46	44,78,597.46	Discounted Cash Flow approach
Subordinated liabilities	-	2,39,559.35	-	2,39,559.35	
Lease Liabilities	-	-	19,648.20	19,648.20	Discounted Cash Flow approach
Total financial liabilities	-	18,36,298.19	51,60,097.04	69,96,395.23	

As at 31st March, 2022

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	53,60,746.02	53,60,746.02	Discounted Cash Flow approach
Total financial assets	-	-	53,60,746.02	53,60,746.02	
Financial liabilities:					
Debt securities	-	12,87,436.64	3,13,528.98	16,00,965.62	Discounted Cash Flow approach
Borrowings (other than debt securities)	-	-	27,71,715.04	27,71,715.04	Discounted Cash Flow approach
Subordinated liabilities	-	2,55,952.13	-	2,55,952.13	
Lease Liabilities	-	-	12,910.38	12,910.38	Discounted Cash Flow approach
Total financial liabilities	-	15,43,388.77	30,98,154.40	46,41,543.17	

(b) Measured at fair value through profit or loss (FVTPL)

As at 31st March, 2023

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Investment in Govt Securities	-	2,47,031.28	-	2,47,031.28	
Investment in Equity instruments	34.82	-	-	34.82	
Investment in Preference Shares	-	3,500.00	-	3,500.00	
Investment in Alternate Funds	-	24,643.33	-	24,643.33	
Investment in Debentures	-	85,430.31	-	85,430.31	
Investment in Mutual Funds	520.91	-	-	520.91	
Total financial assets	555.73	3,60,604.92	-	3,61,160.65	



Notes to the Financial Statements

For the year ended 31st March, 2023

As at 31st March, 2022

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Investment in Govt Securities	-	47,137.87	-	47,137.87	
Investment in Equity instruments	45.17	-	-	45.17	
Investment in Preference Shares	-	3,500.00	-	3,500.00	
Investment in Alternate Funds	-	8,225.19	-	8,225.19	
Investment in Debentures	-	1,10,260.07	-	1,10,260.07	
Total financial assets	45.17	1,69,123.13	-	1,69,168.30	

(c) Designated at fair value through profit or loss (FVTPL)

As at 31st March, 2023

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Derivative financial instruments	-	50.96	-	50.96	
Total financial assets	-	50.96	-	50.96	
Financial liabilities:					
Derivative financial Instruments not designated as cash flow hedges	-	654.22	-	654.22	
Debt securities	-	89,406.83	-	89,406.83	
Total financial liabilities	-	90,061.05	-	90,061.05	

As at 31 March, 2022

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Derivative financial instruments	-	19.02	-	19.02	
Total financial assets	-	19.02	-	19.02	
Financial liabilities:					
Derivative financial Instruments not designated as cash flow hedges	-	28.08	-	28.08	
Debt securities	-	24,954.31	-	24,954.31	
Total financial liabilities	-	24,982.39	-	24,982.39	

Notes to the Financial Statements

For the year ended 31st March, 2023

(d) Measured at fair value through other comprehensive income (FVTOCI):

As at 31st March, 2023

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Investment in Equity instruments	-	-	308.73	308.73	refer (e)
Derivative financial instruments	-	32.68	-	32.68	
Total financial assets	-	32.68	308.73	341.41	
Financial liabilities:					
Derivative financial Instruments designated as cash flow hedges	-	715.02	-	715.02	
Total financial liabilities	-	715.02	-	715.02	

As at 31st March, 2022

(₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Investment in Equity instruments	-	-	235.26	235.26	refer (e)
Total financial assets	-	-	235.26	235.26	
Financial liabilities:					
Derivative financial Instruments designated as cash flow hedges	-	7,771.16	-	7,771.16	
Total financial liabilities	-	7,771.16	-	7,771.16	

(e) Valuation techniques

Equity instruments: The listed equity instrument are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Unlisted equity securities are classified at Level 3.

Investment in Preference Shares: Investment made in preference share is not actively traded on stock exchange and such instrument are classified as level 2.

Investment in Govt Securities : The fair values of investments made in Government Securities is based on valuation report from ICRA as at the reporting period and the same are classified under Level 2.

Investment in Alternate funds and Mutual funds : Units held in funds of AIF and Mutual funds are measured based on their net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. NAV represents the price at which the issuer will issue further units of AIF and the price at which issuers will redeem such units from the investors.

Investment in Debt Securities: 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 and such instruments are classified as Level 2.



Notes to the Financial Statements

For the year ended 31st March, 2023

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 floating – pay fixed swap can be viewed as a portfolio consisting a short position in fixed bond and long 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 the swap providers 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.

(B) 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:

For the year ended 31st March, 2023

(₹ in Lakh)

Particulars	As at 1 st April, 2022	Purchase / (Sales)	Transfers into / (from) Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 st March, 2023
Investment in Equity Instrument	235.26	-	-	-	73.47	308.73
Total financial investments classified in Level 3	235.26	-	-	-	73.47	308.73
Total financial assets measured at fair value on a recurring basis	235.26	-	-	-	-	308.73

For the year ended 31st March, 2022

(₹ in Lakh)

Particulars	As at 1 st April, 2021	Purchase / (Sales)	Transfers into / (from) Level 3	Net interest income, net trading income and other income	Other comprehensive income	At 31 st March, 2022
Investment in Equity Instrument	211.04	-	-	-	24.22	235.26
Total financial investments classified in Level 3	211.04	-	-	-	24.22	235.26
Total financial assets measured at fair value on a recurring basis	211.04	-	-	-	-	235.26

(C) Sensitivity of fair value measurements to changes in unobservable market data

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

(₹ in Lakh)

Particulars	Fair value as at		Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income statement			
	31 th March, 2023	31 st March, 2022		31 st March, 2023	31 st March, 2023	31 st March, 2022	31 st March, 2022
				Favourable	Unfavourable	Favourable	Unfavourable
Investment in Equity Instrument	308.73	235.26	5.00%	15.44	(15.44)	11.76	(11.76)

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 50: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

Company has complied with the charge creation or satisfaction registration with ROC within the statutory year.

NOTE 51: RELATIONSHIP WITH STRUCK OFF COMPANIES

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company (if any)
		31 st March, 2023	31 st March, 2022	
Maxin Hydro Dynamic India Private Limited	Outstanding balance (Loan given)	-	3.89	-
Emirate Fashions Private Limited	Outstanding balance (Loan given)	10.00	10.28	-
Thanco Natural Foods Private Limited	Outstanding balance (Loan given)	-	19.88	-
Bee Luxe Private Limited	Outstanding balance (Loan given)	-	9.34	-
Alaric Healthcare Private Limited	Outstanding balance (Loan given)	-	8.28	-
Chennai School Of Ship Management Private Limited	Outstanding balance (Loan given)	81.00	-	-
Uttam Consultancy Private Limited	Outstanding balance (Loan given)	659.00	-	-
Total		750.00	51.67	

The above disclosure has been prepared basis the relevant information compiled by the Company on best effort basis which has been relied upon by the auditors.

NOTE 52: RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings (Including Debt Securities & Subordinate Liabilities) 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.



Notes to the Financial Statements

For the year ended 31st March, 2023

Operational & Business Risk

Loss of Risk that is related to activities carried out within an entity, arising from incomplete structure, failure of systems, untrained people, inefficient products or processes. To make the structure more robust a Board approved Operational Risk Management Framework has been put in place which is implemented by a dedicated team within the Risk Management function. A bottom up risk control self-assessment process identifies high risk areas, potential gaps and serves as an early warning system so that remedial measures can be initiated in a timely manner.

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 31st March, 2023 and 31st March, 2022.

Interest rate risk

Interest rate risk is the risk of loss in company's net income out of change in level of interest rates and/or their implied volatility. To mitigate the interest rate risk, ALM policy of the company stipulates interest rate sensitivity gap of all the time buckets. The Interest rate sensitivity statement is prepared every month and placed before ALCO. The statement captures the duration of rate sensitive assets & liabilities of the company. The impact of change in interest rate on the earning of the company is also measured every month and same is presented to ALCO.

Particulars	Change in Interest rate	31 st March, 2023		31 st March, 2022	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	25 Basis Point down	11,196.49	8,323.02	6,929.29	5,164.32
	50 Basis Point down	22,392.99	16,646.03	13,858.58	10,328.64
	25 Basis Point Up	(11,196.49)	(8,323.02)	(6,929.29)	(5,164.32)
	50 Basis Point Up	(22,392.99)	(16,646.03)	(13,858.58)	(10,328.64)

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 fluctuation in foreign exchange rates primarily relates to its External Commercial Borrowings. The Company uses derivative instruments like cross currency swaps to hedge exposure to foreign currency risk.

The Company has taken foreign currency floating rate borrowings, which are linked to USD SOFR or JPY TONA. For managing the foreign currency risk and interest rate risk, arising from changes in applicable benchmark (USD SOFR or JPY TONA) on such borrowings, the Company has entered into Cross Currency Swap (CCS) for the entire loan liability covering the entire tenor of the loan along with the

interest payable. Under the terms of the CCS, the Company pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on the applicable benchmark (USD SOFR or JPY TONA) in foreign currency.

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

Notes to the Financial Statements

For the year ended 31st March, 2023

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 4.

- An explanation of the Company's internal grading system (Note 'Definition of default 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)

Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations generally in most 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 unlikeliness 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 the Company 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.



Notes to the Financial Statements

For the year ended 31st March, 2023

Probability of Default (PD)

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

Exposure at Default

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

Loss Given Default (LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose in case the borrower defaults. It depends, among others, on the type of collateral, its value 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.

Collateral Security:

The Company's net exposure to credit risk, after taking into account credit risk mitigation, have been tabulated below:

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets						
Cash and cash equivalents	38,763.43	-		59,571.14	-	
Bank balance other than cash and cash equivalents	-	-		9,681.37	-	
Derivative financial instruments	83.64			19.02		
Trade Receivables	4,030.61	-		1,243.96	-	
Loans	7,884,950.10	-	Refer footnote below	5,360,746.02	-	Refer footnote below
Investments	370,269.62	-		169,403.56	-	
Other financial assets	14,751.79	-		5,361.81	-	
Total	8,312,849.19	-		5,606,026.88	-	

Notes to the Financial Statements

For the year ended 31st March, 2023

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. The Company 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. The Company has 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.

(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 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.



Notes to the Financial Statements

For the year ended 31st March, 2023

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.

(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	As at 31 st March, 2023
	(%)
Real Estate Activities - Builders and Contractors	17.28%
NBFCs	3.73%
Other Trade (Wholesale/ Retail)	3.17%
Hotels, Motels and Resorts	2.86%
Construction - Infrastructure	2.57%
Finance - Investment / Others	2.41%
Lease Rental Discounting	2.30%
Textiles, Readymade Garments, Apparels - Spinning, Mfg and Trading	2.26%
Energy Renewable	2.24%
Energy Trans & Distr	2.20%
Construction/Maintenance of Roads	2.16%
Food & Beverages	1.65%
Education	1.54%
Transportation, Logistics & Allied Services	1.44%
Hospital & medical business	1.18%
Professional Services (except Medical)	1.03%
Electricals & Electronics equipments	0.97%
Chemical & related products	0.96%
Automobiles & Ancillaries	0.95%
Metals (Mfg of Basic & Structural, casting)	0.81%
Top 20 Industry Exposures	53.71%

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For the year ended 31st March, 2023

Top 20 Industry Sectors	As at 31 st March, 2022
	(%)
Real Estate Activities - Builders and Contractors	15.48%
Lease Rental Discounting	4.53%
Energy Renewable	4.05%
Construction/Maintenance of Roads	3.82%
Hotels, Motels and Resorts	3.36%
Education	3.36%
Textiles, Readymade Garments, Apparels - Spinning, Mfg and Trading	3.23%
NBFCs	3.13%
Transportation, logistics & allied services	2.54%
Food & Beverages	2.50%
Other Trade (Wholesale/ Retail)	2.10%
Domestic Commercial Banks	1.87%
Automobiles & Ancillaries	1.81%
Hospital & medical business	1.46%
Brokers / Traders - Shares, securities	1.32%
Energy Trans & Distr	1.14%
Pharmaceuticals & intermediates	1.14%
Chemical & related products	1.12%
Electricals & Electronics equipments	1.03%
Mining and Quarrying	1.03%
Top 20 Industry Exposures	60.01%

Note:

1. Industry Sectors tagging on loans is done by the Company's management as per internal MIS which have been relied upon by the auditors.

(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:



Notes to the Financial Statements

For the year ended 31st March, 2023

Advances to borrowings ratios

(₹ in Lakhs)		
Particulars	2023	2022
Year-end	111.42%	116.57%
Maximum	114.84%	118.99%
Minimum	111.42%	116.57%
Average	113.08%	118.16%

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.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities:

As at 31st March, 2023

(₹ in Lakhs)			
Particulars	Within 12 months	After 12 months	Total
Financial liabilities			
Derivative Financial Liability	27.74	1,341.50	1,369.24
Trade Payables (refer note 1 below)			
- Micro and small enterprises	288.81	-	288.81
- Other than micro and small enterprises	69,467.65	-	69,467.65
Debt securities (refer note 2 below)	10,48,893.02	17,72,258.94	28,21,151.96
Borrowings (other than debt securities)	17,06,994.67	34,85,831.54	51,92,826.21
Subordinated liabilities	30,606.83	3,11,737.40	3,42,344.23
Lease liabilities	4,502.29	19,582.53	24,084.82
Other financial liabilities	68,919.82	-	68,919.82

As at 31st March, 2022

(₹ in Lakhs)			
Particulars	Within 12 months	After 12 months	Total
Financial liabilities			
Derivative Financial Liability	7,799.24	-	7,799.24
Trade Payables (refer note 1 below)			
- Micro and small enterprises	696.87	-	696.87
- Other than micro and small enterprises	23,524.76	-	23,524.76
Debt securities (refer note 2 below)	6,53,366.24	10,31,194.25	16,84,560.49
Borrowings (other than debt securities)	13,13,012.19	17,61,219.85	30,74,232.04
Subordinated liabilities	24,513.02	3,42,344.23	3,66,857.25
Lease liabilities	3,009.34	12,713.64	15,722.98
Other financial liabilities	47,013.29	-	47,013.29

Notes :

- Trade payables is based on the estimate of payment.
- Commercial papers shown are net of unamortised discounting charges ₹ 10,648.62 lakhs (31st March, 2022 ₹ 4,471.02 lakhs).

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For the year ended 31st March, 2023

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.

As at 31st March, 2023

(₹ in Lakhs)			
Particulars	Within 12 months	After 12 months	Total
Corporate guarantees and Letter of comfort given by the Company on behalf of clients	4,332.94	3,675.00	8,007.94
Total	4,332.94	3,675.00	8,007.94

As at 31st March, 2022

(₹ in Lakhs)			
Particulars	Within 12 months	After 12 months	Total
Corporate guarantees and Letter of comfort given by the Company on behalf of clients	11,501.18	32.66	11,533.84
Total	11,501.18	32.66	11,533.84

NOTE 53: 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.

(₹ in Lakhs)					
Sr No.	Particulars	31 st March, 2023		31 st March, 2022	
	Liabilities side :	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
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 ₹ 61,458.93 lakhs; 31 st March, 2022 : ₹ ₹ 61,303.24 lakhs)	16,75,533.77	-	12,53,636.68	-
	: Unsecured (including interest accrued but not due of ₹ 700.36 lakhs ; 31 st March, 2022 : ₹ 460.04 lakhs) (other than falling within the meaning of public deposits) (see note 1)	16,100.36	-	10,960.04	-
	(b) Term Loans, External commercial borrowings and Working Capital Demand loans (including interest accrued but not due of ₹ 6,267.57 lakhs ; 31 st March, 2022 : ₹ 1,080.15 lakhs)	42,60,288.03	-	25,60,604.67	-
	(c) Inter corporate Loans and borrowing (including interest accrued but not due of ₹ 921.13 lakhs ; 31 st March, 2022 : Nil)	56,966.13	-	-	-
	(d) Commercial Paper (net of unamortised discount of ₹ 10,648.62 lakhs; 31 st March, 2022 : ₹ 4,471.02 lakhs)	6,61,851.38	-	3,13,528.98	-
	(e) Subordinate Debt (including interest accrued but not due of ₹ 9,467.32 lakhs; 31 st March, 2022 : ₹ 9,722.01 lakhs)(see note 2)	2,23,867.32	-	2,27,622.01	-
	(f) Perpetual Debts (including interest accrued but not due of ₹ 1,123.13 lakhs; 31 st March, 2022 : ₹ 1,111.98 lakhs)(see note 2)	21,123.13	-	21,111.98	-
	(g) Other Loans (Cash Credit, Book overdraft & CBLO) (including interest accrued but not due of ₹ 3.84 lakhs; 31 st March, 2022 : ₹ Nil) (see note 2)	1,61,343.30	-	2,11,110.37	-
	Total	70,77,073.42	-	45,98,574.73	

Note :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India) Directions, 1998.
- During the year ended 31st March, 2023 the Company has raised ₹ Nil (31st March, 2022 ₹ Nil) through perpetual debt instrument. Closing balance as on 31st March, 2023 is ₹ 21,123.13 lakhs (31st March, 2022 ₹ 21,111.98 lakhs), the same is 1.90% (31st March, 2022 2.18%) of tier I Capital as on 31st March, 2023.



Notes to the Financial Statements

For the year ended 31st March, 2023

Sr No.	Particulars	31 st March, 2023	31 st March, 2022
Assets side :		Amount outstanding	Amount outstanding
2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
	(a) Secured :	51,21,307.52	41,14,204.21
	(b) Unsecured :	29,23,971.29	13,54,024.34
	(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)		
		80,45,278.81	54,68,228.55
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	-	-
	Total	80,45,278.81	54,68,228.55
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	520.91	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	92,913.05	1,10,260.07
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	2,47,031.28	47,137.87
	(v) Others (Alternate Fund)	1,050.80	-
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	34.82	45.17
	(b) Preference	3,500.00	3,500.00
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-

Notes to the Financial Statements

For the year ended 31st March, 2023

Sr No.	Particulars	31 st March, 2023	31 st March, 2022
Assets side :		Amount outstanding	Amount outstanding
2. Unquoted :			
(i)	Shares : (a) Equity	308.73	235.26
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (Securiy Receipts and Alternate Fund)	24,910.03	8,225.19
Total		3,70,269.62	1,69,403.56

Category	31 st March, 2023			31 st March, 2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
5) Borrower group-wise classification of assets financed as in (2) and (3) above :						
1) Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	26,109.16	-	26,109.16	4,356.58	-	4,356.58
(c) Other related parties	-	-	-	-	-	-
2) Other than related parties						
(a) Companies in the same group	-	-	-	-	-	-
(b) Other	50,95,198.36	29,23,971.29	80,19,169.65	41,09,847.63	13,54,024.34	54,63,871.97
Total	51,21,307.52	29,23,971.29	80,45,278.81	41,14,204.21	13,54,024.34	54,68,228.55

Category	31 st March, 2023		31 st March, 2022	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions) (see note 1)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
1) Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	22,535.12	22,535.12	-	-
(c) Other related parties	-	-	-	-
2) Other than related parties				
(a) Companies in the same group	829.64	829.64	337.30	336.32
(b) Other	3,46,904.86	3,46,904.86	1,69,066.26	1,67,473.92
Total	3,70,269.62	3,70,269.62	1,69,403.56	1,67,810.24

Note:

- Book value represents carrying value of investment.



Notes to the Financial Statements

For the year ended 31st March, 2023

Category	31 st March, 2023	31 st March, 2022
7) Other information :		
(i) Gross Non-Performing Assets (Stage 3) :		
(a) Related parties	-	-
(b) Other than related parties	250,709.87	195,603.41
(ii) Net Non-Performing Assets (Stage 3) :		
(a) Related parties	-	-
(b) Other than related parties	134,915.46	118,314.77
(iii) Assets acquired in satisfaction of debt :	-	-

The above amounts are including Interest Accrued.

NOTE 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.

a) Capital Risk Adequacy Ratio (CRAR)

Sr. No.	Particulars	31 st March, 2023	31 st March, 2022
(i)	CRAR (%)	16.38	21.77
(ii)	CRAR - Tier I capital (%)	13.92	18.07
(iii)	CRAR - Tier II Capital (%)	2.46	3.70
(iv)	Tier I capital	11,13,219.98	9,68,727.75
(v)	Tier II capital	1,96,679.02	1,98,090.07
(vi)	Amount of subordinated debt raised as Tier-II capital	2,23,867.32	2,27,622.01
(vii)	Amount raised by issue of Perpetual Debt Instruments	21,123.13	21,111.98

Notes :

- 1) Amount of Subordinated debt and Perpetual Debt shown above are outstanding balances (including interest accrued thereon) as on 31st March, 2023 and 31st March, 2022.

b) Derivatives

Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

Sr. No.	Particulars	31 st March, 2023	31 st March, 2022
(i)	The notional principal of swap agreements	1,93,148.62	1,71,375.26
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	83.64	19.02
(iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	(1,285.60)	(7,780.22)

Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in Exchange Traded Interest Rate Derivative during the financial year ended 31st March, 2023 (Previous year: NIL).

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 & Non convertible debenture. Detailed description of the policies and risk mitigation strategies are also disclosed in Note 4.1(viii), Note 8 and Note 52 to the financial statements.

Notes to the Financial Statements

For the year ended 31st March, 2023

Quantitative Disclosures -

(₹ in Lakhs)

Sr. No.	Particulars	31 st March, 2023		31 st March, 2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) for Hedging	-	1,93,148.62	7.72	1,71,367.54
(ii)	Marked to Market Positions				
	(a) Asset (+)	-	83.64	-	19.02
	(b) Liability (-)	-	(1,369.24)	(0.52)	(7,798.72)
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

Note: The above disclosure includes non convertible debentures in Indian currency at variable interest rate amounting to ₹ 10,000 lakhs, which is hedged.

c) Unsecured Advances

(₹ in Lakhs)

Sr. No.	Particulars	31 st March, 2023	31 st March, 2022
(i)	Unsecured Advances (Inclusive of doubtful advances)	29,23,971.29	13,54,024.34

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

(₹ in Lakhs)

Category	31 st March, 2023	31 st March, 2022
Direct exposure		
i) Residential Mortgages (see note)	-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented Exposure would also include non-fund based (NFB) limits.		
ii) Commercial Real Estate	21,85,344.20	15,48,981.87
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		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
Indirect exposure		
i) Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	21,85,344.20	15,48,981.87

Note : The above excludes loan against property which are not for the purpose of acquiring residential property that is or will be occupied by the borrower or that is rented.



Notes to the Financial Statements

For the year ended 31st March, 2023

d. ii) Exposure to Capital Market

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (see note)	34.82	45.17
(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;	45,540.16	37,392.88
(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;	2,41,871.36	2,50,602.33
(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;	392.77	1,157.57
(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.	-	58,108.53
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	24,643.33	8,225.19
(iii) Category III	-	-
Total Exposure to Capital Market	3,12,482.44	3,55,531.67

Note : The amount comprises investment in listed securities only.

Notes to the Financial Statements

For the year ended 31st March, 2023

d. iii) Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

As at 31st March, 2023

Particulars	1 to 7 days	8 to 14 days	15 day to 30 days	Over 1 month and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	713.67	-	-	-	-	17.83	31.27	1,948.36	400.20	663.08	3,774.41
Advances**	2,03,564.26	26,629.00	83,161.55	2,18,979.94	2,05,818.85	4,68,292.18	12,10,666.86	21,07,819.22	12,45,536.60	21,14,481.64	78,84,950.10
Investments	2,47,552.19	-	-	-	92,913.05	-	1,050.80	1,057.41	-	27,696.17	3,70,269.62
Borrowings*	1,08,906.97	1,02,666.67	2,15,095.68	6,00,266.34	3,07,713.98	4,54,433.04	6,98,767.46	27,39,435.07	13,19,718.20	5,30,070.01	70,77,073.42
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities (also included in borrowings above)	-	-	-	-	-	95.92	2,259.84	192,666.64	-	-	195,022.40

As at 31st March, 2022

Particulars	1 to 7 days	8 to 14 days	15 day to 30 days	Over 1 month and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	-	1,266.58	17.90	37.75	-	36.49	39.23	190.63	861.98	322.03	2,772.59
Advances**	1,36,006.59	17,338.91	78,363.63	1,89,721.39	1,02,377.40	2,34,242.14	6,22,369.59	14,72,617.02	8,60,946.05	16,46,763.30	53,60,746.02
Investments	-	47,137.87	-	-	1,12,865.41	-	2,862.70	2,084.13	4,070.98	382.47	1,69,403.56
Borrowings*	1,03,399.97	1,96,105.49	3,02,290.61	1,59,004.72	1,41,558.02	3,57,615.08	5,68,510.59	15,55,508.37	6,24,188.68	5,90,393.19	45,98,574.73
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities (also included in borrowings above)	-	-	-	738.91	-	71,298.53	68,258.61	-	-	-	1,40,296.05

Note: Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for Compiling the return submitted to RBI.

* Commercial papers shown net of unamortised discounting charges ₹ 10,648.62 lakhs (31st March, 2022 ₹ 4,471.02 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.



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 55: DISCLOSURE ON LIQUIDITY RISK UNDER RBI CIRCULAR NO. RBI/2019-20/88 DOR.NBFC (PD) CC. NO.102/03.10.001/2019-20 DATED 04TH NOVEMBER, 2019 ON LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES AND CORE INVESTMENT COMPANIES AS ON 31ST MARCH, 2023.

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

As at 31st March, 2023

Sr. No	No of Significant Counterparties	Amount (see note 2)	% of total Deposits	% of Total Liabilities
1	19	53,56,021.13	NA	73.68%

As at 31st March, 2022

Sr. No	No of Significant Counterparties	Amount (see note 2)	% of total Deposits	% of Total Liabilities
1	22	33,68,770.36	NA	71.51%

Notes:

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFCNDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
2. The amount represents the outstanding principals as of the reporting date.

ii) Top 20 large deposits – Not Applicable for 31st March, 2023 & 31st March, 2022

iii) Top 10 Borrowings

As at 31st March, 2023

Amount (see note 1)	% of Total Liabilities
44,72,669.95	61.53%

As at 31st March, 2022

Amount (see note 1)	% of Total Liabilities
24,31,255.26	51.61%

1. The amount represents the outstanding principals as of the reporting date.

Notes to the Financial Statements

For the year ended 31st March, 2023

iv) Funding Concentration based on significant instrument/product

Sr.	Name of the instrument	As at 31 st March, 2023		As at 31 st March, 2022	
		Amount (see note 3)	% of Total Liabilities	Amount (see note 3)	% of Total Liabilities
1	Term Loan	37,34,866.82	51.38%	21,00,005.16	44.58%
2	Non Convertible Debentures (secured)	16,75,533.77	23.05%	12,53,636.68	26.61%
3	Commercial Paper	6,61,851.38	9.10%	3,13,528.98	6.66%
4	Working capital / short term facilities	4,47,432.54	6.15%	2,45,162.11	5.20%
5	External Commercial Borrowings	1,95,022.40	2.68%	2,41,699.63	5.13%
6	Subordinate Debt	2,23,867.32	3.08%	2,27,622.01	4.83%
Total		69,38,574.23	95.45%	43,81,654.57	93.01%

Note:

1. A "Significant instrument/product" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFCNDIS's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
2. Above table does not includes Book overdraft.
3. Amount includes accrued interest.

v) Stock Ratios

Sr No	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1	Commercial Papers to Total Liabilities	9.10%	6.66%
2	Commercial Papers to Total Assets	7.87%	5.50%
3	NCDs (Original Maturity < 1 year) to Total Liabilities	Nil	Nil
4	NCDs (original Maturity < 1 year) to Total Assets	Nil	Nil
5	Other Short Term Liabilities** to Total Liabilities	27.45%	34.03%
6	Other Short Term Liabilities** to Total Assets	23.72%	28.14%

** 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.



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 56: LIQUIDITY COVERAGE RATIO : THE DAILY AVERAGE LCR OF THE COMPANY FOR THE QUARTER ENDED 31ST MARCH, 2023 WAS 153% VIS-À-VIS 71% FOR THE QUARTER ENDED 31ST MARCH, 2022. THE CALCULATION OF THE LAST FOUR QUARTER AS BELOW.

A)

Sr. No.	Particulars	Quarter ended 31 st March, 2023		Quarter ended 31 st December, 2022		Quarter ended 30 st September, 2022		Quarter ended 30 st June, 2022		(₹ in Lakh)
		Total Unweighted (Average)	Total Weighted (Average)	Total Unweighted (Average)	Total Weighted (Average)	Total Unweighted (Average)	Total Weighted (Average)	Total Unweighted (Average)	Total Weighted (Average)	
Total High Quality Liquid Assets (HQLA)										
1	Total High Quality Liquid Assets (HQLA)	4,13,207.80	4,13,207.80	2,26,268.86	2,18,951.17	1,44,603.13	1,24,621.21	1,06,902.57	1,06,902.57	
Cash Outflows										
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	2,14,200.85	2,46,330.98	1,96,253.20	2,25,691.18	1,29,870.14	1,49,350.66	1,51,544.34	1,74,275.99	
4	Secured wholesale funding	1,32,207.36	1,52,038.47	74,802.26	86,022.60	1,01,313.96	1,16,511.05	82,417.90	94,780.59	
5	Additional requirements, of which	-	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	4,28,236.78	4,92,472.30	38,899.43	44,734.35	2,32,968.01	2,67,913.21	1,62,799.35	1,87,219.25	
7	Other contingent funding obligations	32,009.77	36,811.24	3,00,299.18	3,45,344.05	28,139.31	32,360.20	39,475.79	45,397.16	
8	Total Cash Outflows	8,06,654.76	9,27,652.99	6,10,254.07	7,01,792.18	4,92,291.42	5,66,135.12	4,36,237.38	5,01,672.99	
Cash Inflow										
9	Secured lending	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,76,156.39	2,07,117.29	2,31,165.23	1,73,373.93	2,13,769.21	1,60,326.91	1,92,577.78	1,44,433.34	
11	Other cash inflows	6,00,726.65	4,50,544.99	6,01,906.56	4,51,429.92	5,37,748.44	4,03,311.33	5,12,296.48	3,84,222.36	
12	Total Cash Inflows	8,76,883.04	6,57,662.28	8,33,071.79	6,24,803.85	7,51,517.65	5,63,638.24	7,04,874.26	5,28,655.70	
Total Adjusted Value										
13	Total HQLA	4,13,207.80	4,13,207.80	2,26,268.86	2,18,951.17	1,44,603.13	1,24,621.21	1,06,902.57	1,06,902.57	
14	Total Net Cash Outflows	(70,228.28)	2,69,990.71	(2,22,817.72)	1,75,448.04	(2,59,226.24)	1,41,533.78	(2,68,636.88)	1,25,418.25	
15	Liquidity Coverage Ratio (%)	153%		125%		88%		85%		85%

Notes to the Financial Statements

For the year ended 31st March, 2023

Sr. No.	Particulars	Quarter ended 31 st March, 2022		Quarter ended 31 st December, 2021		Quarter ended 30 th September, 2021		Quarter ended 30 th June, 2021	
		Total Unweighted (Average)	Total Weighted (Average)	Total Unweighted (Average)	Total Weighted (Average)	Total Unweighted (Average)	Total Weighted (Average)	Total Unweighted (Average)	Total Weighted (Average)
Total High Quality Liquid Assets (HQLA)									
1	Total High Quality Liquid Assets (HQLA)	1,74,510.91	1,74,510.91	2,19,542.96	2,19,542.96	1,61,177.91	1,61,177.91	1,07,974.74	1,07,974.74
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1,03,177.84	1,18,654.52	1,21,401.11	1,39,611.28	2,53,170.57	2,91,146.15	1,13,901.40	1,30,986.61
4	Secured wholesale funding	1,05,875.79	1,21,757.16	53,645.45	61,692.27	76,193.25	87,622.24	1,11,961.72	1,28,755.98
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	1,40,420.70	1,61,483.81	3,78,963.31	4,35,807.80	1,85,389.56	2,13,198.00	1,33,486.52	1,53,509.50
7	Other contingent funding obligations	1,44,683.95	1,66,386.54	15,809.49	18,180.92	20,072.97	23,083.91	390.65	449.25
8	Total Cash Outflows	4,94,158.27	5,68,282.03	5,69,819.36	6,55,292.27	5,34,826.35	6,15,050.30	3,59,740.29	4,13,701.33
Cash Inflow									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,87,393.40	1,40,545.05	3,16,047.14	2,37,035.36	3,62,216.53	2,71,662.40	2,18,853.67	1,64,140.25
11	Other cash inflows	2,42,426.23	1,81,819.67	1,42,612.90	1,06,959.68	1,67,079.37	1,25,309.52	3,04,666.67	2,16,119.32
12	Total Cash Inflows	4,29,819.63	3,22,364.72	4,58,660.04	3,43,995.04	5,29,295.90	3,96,971.92	5,23,520.34	3,80,259.57
Total Adjusted Value									
13	Total HQLA	1,74,510.91	1,74,510.91	2,19,542.96	2,19,542.96	1,61,177.91	1,61,177.91	1,07,974.74	1,07,974.74
14	Total Net Cash Outflows	64,338.64	2,45,917.29	1,11,159.32	3,11,297.24	5,530.45	2,18,078.38	(1,63,780.05)	1,03,425.33
15	Liquidity Coverage Ratio (%)		71%		71%		74%		104%

Notes:

1. In computing the above information, certain estimates/ assumptions have been made by the Company's management.
2. Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
3. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4. The calculation has been arrived based on average daily computation.



Notes to the Financial Statements

For the year ended 31st March, 2023

B) Qualitative Disclosure

- a) **The main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time :** RBI had introduced the liquidity coverage ratio (LCR) to ensure that NBFC has an adequate stock of unencumbered high-quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. At March 31, 2023, the applicable minimum LCR required to be maintained by NBFC is 70%.

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk. The ALCO meets 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.

- b) **Intra-period changes as well as changes over time:** The details for the four quarter ended 30th June 2022, 30th September 2022, 31st December 2022 and year ended 31st March 2023 are disclosed in 56-A).

- c) **The composition of HQLAs:**

(₹ in Lakh)

High-Quality Liquid Assets (HQLA)	Quarter ended 31 st March, 2023		Quarter ended 31 st December, 2022		Quarter ended 30 th September, 2022		Quarter ended 30 th June, 2022	
	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount
Total	4,13,207.80	4,13,207.80	2,26,268.86	2,18,951.17	1,44,603.13	1,24,621.21	1,06,902.57	1,06,902.57
Cash & callable FDs	54,044.41	54,044.41	38,365.16	38,365.16	31,481.29	31,481.29	32,054.34	32,054.34
G-sec/T-bills	1,55,103.78	1,55,103.78	51,395.41	51,395.41	39,202.31	39,202.31	45,903.07	45,903.07
Others	2,04,059.61	2,04,059.61	1,36,508.29	1,29,190.61	73,919.54	53,937.62	28,945.16	28,945.16

(₹ in Lakh)

High-Quality Liquid Assets (HQLA)	Quarter ended 31 st March, 2022		Quarter ended 31 st December, 2021		Quarter ended 30 th September, 2021		Quarter ended 30 th June, 2021	
	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount
Total	1,74,510.91	1,74,510.91	2,19,542.96	2,19,542.96	1,61,177.91	1,61,177.91	1,07,974.74	1,07,974.74
Cash & callable FDs	1,00,538.80	1,00,538.80	1,75,271.60	1,75,271.60	1,26,357.83	1,26,357.83	88,122.98	88,122.98
G-sec/T-bills	73,972.11	73,972.11	44,271.36	44,271.36	34,820.08	34,820.08	19,851.75	19,851.75
Others	-	-	-	-	-	-	-	-

- d) **Concentration of funding sources**

As at 31st March, 2023

Name of the Source	% of Total Liabilities
Bank	72.67%
Mutual Fund	8.12%
Insurance	6.79%
PF & Others	6.50%
Corporates	4.47%
FII	1.45%
Total	100.00%

Notes to the Financial Statements

For the year ended 31st March, 2023

As at 31st March, 2022

Name of the Source	% of Total Liabilities
Bank	68.23%
Mutual Fund	10.20%
Insurance	10.09%
PF & Others	7.39%
Corporates	1.79%
FII	2.30%
Total	100.00%

- e) **Currency mismatch in the LCR :** The Company has taken foreign currency borrowings. The Company has entered into cross currency swap and forward contracts to hedge the foreign currency risk on such borrowing.
- f) **Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile:** All inflows/ outflows considered relevant has been considered for LCR calculation.

NOTE 57: Disclosure in terms of RBI Circular - RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 dated 01st January, 2019; RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated 11st February, 2020 ; RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated 06th August, 2020; RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 05th May, 2021 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector- Restructuring of Advances' having exposure less than or equal to ₹ 25 crores).

(₹ in Lakhs)

Type of Borrower	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of accounts restructured	Amount	No. of accounts restructured	Amount
MSMEs	449	50,468.86	2,422	82,593.16

NOTE 58: DISCLOSURE IN TERMS OF RBI CIRCULAR - RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 DATED 06TH AUGUST, 2020; RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 DATED 05TH MAY, 2021.

For the half year ended 31st March, 2023

(₹ in Lakhs)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e 30 th September, 2022	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. 31 st March, 2023
Personal Loans	9,736.06	641.23	228.08	1,763.33	7,103.42
Corporate persons*	15,270.27	1,021.95	231.86	1,477.97	12,538.48
Of which MSMEs	15,270.27	1,021.95	231.86	1,477.97	12,538.48
Others	1,712.56	-	-	13.54	1,699.02
Total	26,718.89	1,663.18	459.94	3,254.84	21,340.92

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 59: DISCLOSURES PURSUANT TO MASTER DIRECTION — RESERVE BANK OF INDIA (TRANSFER OF LOAN EXPOSURES) DIRECTIONS, 2021 IN TERMS OF RBI CIRCULAR RBI/DOR/2021-22/86 DOR.STR. REC. 51/21.04.048/2021-22 DATED 24TH SEPTEMBER, 2021.

(a) (i) Details of Loans not in default that are acquired during the year ended 31st March, 2023

Count of Loan Account acquired	1,24,878
Amount of Loan Account acquired (₹ In lakhs)	3,22,220.15
Weighted Average Maturity (Residual maturity) (In Month)	104.00
Weighted Average Holding period (Up to date of acquisition)	12.00
Retention of beneficial economic interest (MRR of assignor)*	7.62%
Coverage of tangible security coverage*	72.72%
Rating wise distribution of loans acquired by value	
A-	10.85%
A	11.79%
A+	0.99%
AA	6.20%
A(SO)	8.26%
A+(SO)	6.82%
BBB-	3.03%
BBB+	2.54%
Unrated	49.52%

* Ratio is computed basis weighted average of loans acquired.

(a) (ii) Details of Loans not in default that are transferred during the year ended 31st March, 2023:

Count of Loan Account transferred	1
Amount of Loan Account transferred (₹in lakhs)	7,444.00
Weighted Average Maturity (Residual maturity)	127.00
Weighted Average Holding period (Up to date of acquisition)	22.00
Retention of beneficial economic interest	0.00%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	
A+	100%

(b) Details of stressed loans transferred during the year ended 31st March, 2023:

Particulars	To ARCs	To permitted transferees	To other transferees
No. of accounts	2.00	-	-
Aggregate principal outstanding of loans transferred (₹ In lakhs)	7,340.32	-	-
Weighted average residual tenor of the loans transferred	-	-	-
Net book value of loans transferred (at the time of transfer)	4,672.71	-	-
Aggregate consideration (₹ In lakhs)	4,400.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

Note : Aggregate consideration includes ₹ 2,635 lakhs received from the transferee in the form of security receipt which has been classified as investments.

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 60: 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.

i) 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 9th August, 2011 having COR number N-01.00500 in lieu of earlier COR number B-13.01163 dated 12th February, 1999.

The Company is registered with AMFI for distribution of Mutual fund products having certificate number ARN-118681 valid from 04th February, 2023 to 03rd February, 2026.

ii) Penalties levied if any during the year: Nil

iii) Investments

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
Value of Investments		
(i) Gross Value of Investments		
(a) In India	3,71,595.24	1,69,403.56
(b) Outside India,	-	-
(ii) Provision for Depreciation		
(a) In India	1,325.62	-
(b) Outside India,	-	-
(iii) Net value of Investment		
(a) In India	3,70,269.62	1,69,403.56
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	1,325.62	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	1,325.62	-

iv) Provisions and Contingencies

(₹ in Lakhs)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of P&L	31 March, 2023	31 March, 2022
Provisions for depreciation on Investment	1,325.62	-
Provision towards NPA*	38,505.77	18,293.08
Provision made towards Income tax	53,642.63	37,878.58
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets**	14,340.42	(12,929.21)

*This does not include provision created and written off during the year.

**Represents impairment loss allowance on stage 1 and stage 2 loan assets.

v) Concentration of Advances

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
Total Advances to twenty largest borrowers (including interest accrued)	5,53,363.93	4,79,174.37
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	6.88%	8.76%



Notes to the Financial Statements

For the year ended 31st March, 2023

vi) Concentration of Exposures

(₹ in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022
Total Exposure to twenty largest borrowers / customers (including interest accrued)	5,58,058.06	4,82,844.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	6.63%	8.56%

vii) Concentration of NPAs

(₹ in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022
Total Exposure to top four NPA (Stage 3) accounts (including interest accrued)	47,189.91	45,614.05

viii) Sector-wise NPAs (Stage 3)

Sr No.	Sector	31 st March, 2023 Percentage of NPAs (Stage 3 loans) to Total Advances in that sector	31 st March, 2022 Percentage of NPAs (Stage 3 loans) to Total Advances in that sector
1	Agriculture & allied activities	1.18%	5.76%
2	MSME	4.29%	4.50%
3	Corporate borrowers	3.40%	3.88%
4	Services	3.60%	3.16%
5	Unsecured working capital loans	1.99%	7.54%
6	Auto loans	0.00%	0.00%
7	Other personal loans	1.61%	1.81%

ix) Movement of NPAs (Stage 3)

(₹ in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022
(i) Net NPAs to Net Advances (%)	1.70%	2.19%
(ii) Movement of NPAs (Gross Stage 3 assets)		
(a) Opening balance	1,95,603.41	1,42,247.24
(b) Additions during the year	1,16,875.72	1,18,598.55
(c) Reductions during the year	(61,769.26)	(65,242.38)
(d) Closing balance	2,50,709.87	1,95,603.41
(iii) Movement of Net NPAs (Net Stage 3 assets)		
(a) Opening balance	1,18,314.77	83,251.68
(b) Additions during the year	59,692.84	58,909.04
(c) Reductions during the year	(43,092.15)	(23,845.95)
(d) Closing balance	1,34,915.46	1,18,314.77
(iv) Movement of provisions for NPAs (Stage 3 Provision)		
(a) Opening balance	77,288.64	58,995.56
(b) Provisions made during the year	57,182.88	59,689.51
(c) Write-off / write-back of excess provisions	(18,677.11)	(41,396.43)
(d) Closing balance	1,15,794.41	77,288.64

Note : 1. The above amounts are including Interest Accrued.

Notes to the Financial Statements

For the year ended 31st March, 2023

x) Credit Rating

Instrument	Credit Rating Agency	31 st March, 2023	31 st March, 2022
Commercial Paper	ICRA Limited	[ICRA] A1+	[ICRA] A1+
	India Ratings & Research Private Limited	IND A1+	IND A1+
Non Convertible Debentures (NCD)	ICRA Limited	[ICRA] AAA Stable	[ICRA] AAA Stable
	India Ratings & Research Private Limited	IND AAA Stable	IND AAA Stable
Sub Debt	CARE Limited	CARE AAA Stable	CARE AAA Stable
	ICRA Limited	[ICRA] AAA Stable	[ICRA] AAA Stable
	India Ratings & Research Private Limited	IND AAA Stable	IND AAA Stable
Unsecured NCD	ICRA Limited	[ICRA] AAA Stable	[ICRA] AAA Stable
Perpetual Debt	ICRA Limited	[ICRA] AA+ Stable	[ICRA] AA+ Stable
	India Ratings & Research Private Limited	IND AA+ Stable	IND AA+ Stable
Principal Protected Market Linked Debenture	India Ratings & Research Private Limited	IND PP-MLD AAA Stable	IND PP-MLD AAA Stable
Public Issue of NCDs	ICRA Limited	[ICRA] AAA Stable	[ICRA] AAA Stable
	India Ratings & Research Private Limited	IND AAA Stable	IND AAA Stable
Long Term Bank Loans	ICRA Limited	[ICRA] A1+ / [ICRA] AAA	[ICRA] A1+ / [ICRA] AAA
	India Ratings & Research Private Limited	IND AAA Stable	IND AAA Stable
Short Term Bank Loans	ICRA Limited	[ICRA] A1+ / [ICRA] AAA	[ICRA] A1+ / [ICRA] AAA
	India Ratings & Research Private Limited	IND AAA Stable	IND AAA Stable

xi) Customer Complaints

Sr. No.	Particulars	31 st March, 2023	31 st March, 2022
(a)	No. of complaints pending at the beginning of the year	105	73
(b)	No. of complaints received during the year	4,456	2,666
(c)	No. of complaints redressed during the year	4,351	2,634
(d)	No. of complaints pending at the end of the year	210	105

Note: The above information has been extracted from complaint management system (CMS).

xii) During FY 2023, there were no draw down from Reserves (Previous year: Nil)

xiii) Overseas assets (for those with joint ventures and subsidiaries abroad): Nil (Previous year: Nil)

xiv) Off Balance Sheet SPVs sponsored: Nil (Previous year: Nil)

xv) **Frauds committed against the Company:**

(₹ in Lakhs)			
Particulars	31 st March, 2023	31 st March, 2022	
No. of cases of fraud which occurred during the year	25	13	
Amount involved (₹)	192.21	66.09	
Amount recovered (₹)	6.00	12.45	
Amount provided/loss (₹)	126.67	55.53	

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



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 61: DISCLOSURE PURSUANT TO RBI NOTIFICATION NO. DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 DATED MARCH, 13TH, 2020.

As on 31st March, 2023

(₹ in Lakhs)

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	75,67,191.38	37,273.37	75,29,918.01	34,520.92	2,752.45
	Stage 2	2,08,390.31	7,018.93	2,01,371.38	4,689.25	2,329.68
Subtotal		77,75,581.69	44,292.30	77,31,289.38	39,210.17	5,082.13
Non-Performing Assets (NPA)						
Substandard	Stage 1	16,132.82	173.51	15,959.31	1,652.10	(1,478.59)
	Stage 2	10,345.41	46.67	10,298.74	1,024.48	(977.81)
	Stage 3	84,482.09	34,049.95	50,432.14	4,207.06	29,842.89
Doubtful - up to 1 year	Stage 3	1,00,102.38	49,918.71	50,183.67	44,876.76	5,041.95
1 to 3 years	Stage 3	42,778.44	22,374.01	20,404.43	14,421.98	7,952.03
More than 3 years	Stage 3	25,981.84	10,769.24	15,212.60	13,059.05	(2,289.80)
Subtotal for doubtful		1,68,862.66	83,061.96	85,800.70	72,357.79	10,704.18
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		2,79,822.98	1,17,332.09	1,62,490.89	79,241.43	38,090.67
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	8,111.85	29.89	8,081.96	3.44	26.45
	Stage 2	100.00	0.06	99.94	0.40	(0.34)
	Stage 3	200.00	-	200.00	20.00	(20.00)
Subtotal		8,411.85	29.95	8,381.90	23.84	6.11
Total	Stage 1	75,91,436.05	37,476.77	75,53,959.28	36,176.46	1,300.31
	Stage 2	2,18,835.72	7,065.66	2,11,770.06	5,714.13	1,351.53
	Stage 3	2,53,544.75	1,17,111.91	1,36,432.84	76,584.85	40,527.06
	Total	80,63,816.52	1,61,654.34	79,02,162.18	1,18,475.44	43,178.90

Notes:

- 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 March, 13, 2020 on Implementation of Indian Accounting Standards, Non Banking Finance 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 corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at March, 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.
- Amounts in NPA that have been classified otherwise than as stage-3 represent loan assets that were restructured but have not completed one year of satisfactory performance as at the reporting date.

Notes to the Financial Statements

For the year ended 31st March, 2023

As on 31st March, 2022

(₹ in Lakhs)						
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	49,76,890.04	15,959.53	49,60,930.51	22,925.46	(6,965.93)
	Stage 2	2,64,739.13	12,650.36	2,52,088.77	8,527.12	4,123.24
Subtotal		52,41,629.17	28,609.89	52,13,019.28	31,452.58	(2,842.69)
Non-Performing Assets (NPA)						
Substandard	Stage 1	159.10	0.91	158.19	16.55	(15.64)
	Stage 2	30,836.87	1,532.29	29,304.58	3,207.03	(1,674.74)
	Stage 3	1,15,316.99	44,474.08	70,842.91	9,637.86	34,836.22
Doubtful - up to 1 year	Stage 3	28,171.93	11,614.73	16,557.20	12,216.03	(601.30)
1 to 3 years	Stage 3	41,594.88	17,333.64	24,261.24	14,301.00	3,032.64
More than 3 years	Stage 3	10,519.61	3,866.19	6,653.42	5,313.94	(1,447.75)
Subtotal for doubtful		80,286.42	32,814.56	47,471.86	31,830.97	983.59
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		2,26,599.38	78,821.84	1,47,777.54	44,692.41	34,129.43
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	11,748.84	39.40	11,709.44	4.00	35.40
	Stage 2	200.00	11.40	188.60	0.80	10.60
	Stage 3	-	-	-	-	-
Subtotal		11,948.84	50.80	11,898.04	4.80	46.00
Total	Stage 1	49,88,797.98	15,999.84	49,72,798.14	22,946.01	(6,946.17)
	Stage 2	2,95,776.00	14,194.05	2,81,581.95	11,734.95	2,459.10
	Stage 3	1,95,603.41	77,288.64	1,18,314.77	41,468.83	35,819.81
	Total	54,80,177.39	1,07,482.53	53,72,694.86	76,149.79	31,332.74



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 62: 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 year indicated, details of loan assets subjected to restructuring:-

(₹ in Lakhs)

Sr. no.	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism					
		Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts at 01 st April, 2022										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
2	Movement in balance for account appearing in opening balance										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
3	Fresh restructuring during the year ended 31 st March, 2023										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4	Upgradations to restructured standard category during the year ended 31 st March, 2023										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Restructured standard advances at 01 st April, 2022, which cease to attract higher provisioning and/or additional risk weight at 31 st March, 2023 and hence need not be shown as restructured standard advances at 01 st April, 2023										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the year ended 31 st March, 2023										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
7	Write-offs of restructured accounts during the year ended 31 st March, 2023										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts at 31 st March, 2023										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended 31st March, 2023

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

(₹ in Lakhs)										
Sr. no.	Type of Restructuring	Others				Total				
	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts at 01st April, 2022									
	No. of borrowers	9,899	3,715	191	-	13,805	9,899	3,715	191	-
	Amount outstanding	1,15,769.53	61,505.71	1,962.01	-	1,79,237.25	1,15,769.53	61,505.71	1,962.01	-
	Provision thereon	4,420.66	9,580.17	752.45	-	14,753.28	4,420.66	9,580.17	752.45	-
2	Movement in balance for account appearing in opening balance									
	No. of borrowers	(7,070)	(2,003)	(170)	-	(9,243)	(7,070)	(2,003)	(170)	-
	Amount outstanding	(41,165.85)	(15,336.07)	(1,920.18)	-	(58,422.10)	(41,165.85)	(15,336.07)	(1,920.18)	-
	Provision thereon	236.53	(959.40)	(730.13)	-	(1,453.00)	236.53	(959.40)	(730.13)	-
3	Fresh restructuring during the year ended 31st March, 2023									
	No. of borrowers	1	11	-	-	12	1	11	-	-
	Amount outstanding	206.21	1,247.33	-	-	1,453.54	206.21	1,247.33	-	-
	Provision thereon	7.24	3.09	-	-	10.33	7.24	3.09	-	-
4	Upgradations to restructured standard category during the year ended 31st March, 2023									
	No. of borrowers	17	(17)	-	-	-	17	(17)	-	-
	Amount outstanding	1,006.47	(1,006.47)	-	-	-	1,006.47	(1,006.47)	-	-
	Provision thereon	16.49	(16.49)	-	-	-	16.49	(16.49)	-	-
5	Restructured standard advances at 01st April, 2022, which cease to attract higher provisioning and/or additional risk weight at 31st March, 2023 and hence need not be shown as restructured standard advances at 01st April, 2023									
	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the year ended 31st March, 2023									
	No. of borrowers	(289)	107	182	-	-	(289)	107	182	-
	Amount outstanding	(11,752.62)	(2,678.04)	14,430.66	-	-	(11,752.62)	(2,678.04)	14,430.66	-
	Provision thereon	(3,224.38)	(1,846.83)	5,071.21	-	-	(3,224.38)	(1,846.83)	5,071.21	-
7	Write-offs of restructured accounts during the year ended 31st March, 2023									
	No. of borrowers	(1,851)	(1,492)	(21)	-	(3,364)	(1,851)	(1,492)	(21)	-
	Amount outstanding	(4,305.85)	(3,162.26)	(41.83)	-	(7,509.94)	(4,305.85)	(3,162.26)	(41.83)	-
	Provision thereon	(694.36)	(1,453.49)	(22.32)	-	(2,170.17)	(694.36)	(1,453.49)	(22.32)	-
8	Restructured Accounts at 31st March, 2023									
	No. of borrowers	707	321	182	-	1,210	707	321	182	-
	Amount outstanding	59,757.88	40,570.21	14,430.66	-	1,14,758.75	59,757.88	40,570.21	14,430.66	-
	Provision thereon	762.17	5,307.05	5,071.21	-	11,140.43	762.17	5,307.05	5,071.21	-



Notes to the Financial Statements

For the year ended 31st March, 2023

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

(₹ in Lakhs)

Sr. no.	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts at 01 st April, 2021										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
2	Movement in balance for account appearing in opening balance										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
3	Fresh restructuring during the year ended 31 st March, 2022										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4	Upgradations to restructured standard category during the year ended 31 st March, 2022										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Restructured standard advances at 01 st April, 2021, which cease to attract higher provisioning and/or additional risk weight at 31 st March, 2022 and hence need not be shown as restructured standard advances at 01 st April, 2022										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the year ended 31 st March, 2022										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
7	Write-offs of restructured accounts during the year ended 31 st March, 2022										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts at 31 st March, 2022										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended 31st March, 2023

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

(₹ in Lakhs)										
Sr. no.	Type of Restructuring	Others				Total				
	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts at 01st April, 2021									
	No. of borrowers	19,451.00	1,627.00	1.00	-	21,079.00	19,451.00	1,627.00	1.00	-
	Amount outstanding	1,07,375.58	12,081.64	11.16	-	1,19,468.38	1,07,375.58	12,081.64	11.16	-
	Provision thereon	4,536.96	2,092.20	5.58	-	6,634.74	4,536.96	2,092.20	5.58	-
2	Movement in balance for account appearing in opening balance									
	No. of borrowers	(1,084.00)	(129.00)	-	-	(1,213.00)	(1,084.00)	(129.00)	-	-
	Amount outstanding	(33,277.00)	(1,775.04)	-	-	(35,052.04)	(33,277.00)	(1,775.04)	-	-
	Provision thereon	(1,357.85)	(452.61)	-	-	(1,810.46)	(1,357.85)	(452.61)	-	-
3	Fresh restructuring during the year ended 31st March, 2022									
	No. of borrowers	4,232.00	974.00	4.00	-	5,210.00	4,232.00	974.00	4.00	-
	Amount outstanding	76,866.84	32,929.83	312.69	-	1,10,109.36	76,866.84	32,929.83	312.69	-
	Provision thereon	3,228.12	8,418.45	291.97	-	11,938.54	3,228.12	8,418.45	291.97	-
4	Upgradations to restructured standard category during the year ended 31st March, 2022									
	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
5	Restructured standard advances at 1st April, 2022, which cease to attract higher provisioning and/or additional risk weight at 31st March, 2022 and hence need not be shown as restructured standard advances at 1st April, 2022									
	No. of borrowers	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the year ended 31st March, 2022									
	No. of borrowers	(2,487.00)	2,300.00	187.00	-	-	(2,487.00)	2,300.00	187.00	-
	Amount outstanding	(21,562.73)	19,913.41	1,649.32	-	-	(21,562.73)	19,913.41	1,649.32	-
	Provision thereon	(743.89)	283.41	460.48	-	-	(743.89)	283.41	460.48	-
7	Write-offs of restructured accounts during the year ended 31st March, 2022									
	No. of borrowers	(10,213.00)	(1,057.00)	(1.00)	-	(11,271.00)	(10,213.00)	(1,057.00)	(1.00)	-
	Amount outstanding	(13,633.16)	(1,644.13)	(11.16)	-	(15,288.45)	(13,633.16)	(1,644.13)	(11.16)	-
	Provision thereon	(1,242.68)	(761.28)	(5.58)	-	(2,009.54)	(1,242.68)	(761.28)	(5.58)	-
8	Restructured Accounts at 31st March, 2022									
	No. of borrowers	9,899.00	3,715.00	191.00	-	13,805.00	9,899.00	3,715.00	191.00	-
	Amount outstanding	1,15,769.53	61,505.71	1,962.01	-	1,79,237.25	1,15,769.53	61,505.71	1,962.01	-
	Provision thereon	4,420.66	9,580.17	752.45	-	14,753.28	4,420.66	9,580.17	752.45	-

Note: Amount outstanding includes interest receivable.



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 63: RELATED PARTY DISCLOSURE

Related party transactions

Related Party	Holding/ultimate holding company		Fellow Subsidiaries		Associates of holding company**		Key Management Personnel		Relatives of Director		Directors		Others		Total
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	
Items	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	
Borrowings#	-	-	25,704.22	15,466.86	-	-	-	-	-	-	-	-	-	25,704.22	15,466.86
Deposits#	-	-	109.85	-	21.69	-	-	-	-	-	-	-	-	131.54	-
Placement of deposits#	-	-	283.26	94.60	3.68	-	-	-	-	-	-	-	615.12	902.06	709.72
Advances#	-	-	26,109.16	4,356.58	-	-	-	-	-	-	-	-	-	26,109.16	4,356.58
Investments#	-	-	22,535.12	33.32	-	-	-	-	-	-	-	-	-	22,535.12	33.32
Purchase of Aditya Birla Special Situations Fund I *	-	-	21,884.31	-	-	-	-	-	-	-	-	-	-	21,884.31	-
Purchase of fixed/other assets	-	-	34.60	27.11	-	-	-	-	-	-	-	-	0.56	34.60	27.67
Sale of fixed/other assets	20.97	-	0.65	30.02	-	-	-	-	-	-	-	-	-	21.62	30.02
Interest paid	-	-	1,528.36	2,313.06	-	-	-	-	-	-	-	-	-	1,528.36	2,313.06
Interest received	-	-	732.90	388.78	-	-	-	-	-	-	-	-	-	732.90	388.78
Business support expenses*	3,676.62	2,911.16	2,380.72	1,853.92	-	-	-	-	-	-	-	-	3,828.25	9,885.59	7,927.25
Other transactions	1,360.11	11,293.51	29,383.32	20,028.63	2,840.37	1,488.29	1,215.15	381.66	23.81	-	1,525.46	978.02	42.64	52.15	34,222.26

Maximum balance outstanding during the year

Related Party	Holding/ultimate holding company		Fellow Subsidiaries		Associates of holding company**		Key Management Personnel		Relatives of Director		Directors		Others		Total
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	
Items	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	
Borrowings	-	-	25,704.22	30,898.99	-	-	-	-	-	-	-	-	-	25,704.22	30,898.99
Deposits	-	-	109.85	-	21.69	-	-	-	-	-	-	-	-	131.54	-
Placement of deposits	-	-	283.26	94.60	3.68	-	-	-	-	-	-	-	615.12	902.06	709.72
Advances	-	-	26,221.05	4,356.58	-	-	-	-	-	-	-	-	-	26,221.05	4,356.58
Investments	-	-	-	-	22,535.12	33.32	-	-	-	-	-	-	-	22,535.12	33.32

* Item shown separately as its total aggregate value exceeds 5% of total related party transactions during the period

** The above number includes transactions with Aditya Birla Health Insurance Company Limited which has become associate w.e.f. 21st Oct 2022. Earlier, it was a fellow subsidiary company. All the figures shown here pertain to respective financial year

items represents balances outstanding at the end of the reporting period

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 64: BREACH OF COVENANT

There are no instances of breach of covenant of loan availed or debt securities issued.

NOTE 65: DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

(₹ in Lakhs)

Sr. No.	Particulars	31 st March, 2022
1	Gross NPAs as reported by the Company	1,95,603.41
2	Gross NPAs as assessed by the Reserve Bank of India	1,95,603.41
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as reported by the Company	1,18,314.77
5	Net NPAs as assessed by Reserve Bank of India	1,18,314.77
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as reported by the Company	77,288.64
8	Provisions for NPAs as assessed by Reserve Bank of India	77,288.64
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year	2,14,057.64
11	Reported Net Profit after Tax (PAT) for the year ended	1,10,833.06
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended after considering the divergence in provisioning	1,10,833.06

NOTE 66: SECTORAL EXPOSURE

(₹ in Lakhs)

Sectors	31 st March, 2023			31 st March, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	26,728.93	315.22	1.18%	20,541.38	1,183.70	5.76%
2. Industry (2.1 to 2.4)						
2.1 Micro and Small	5,49,382.02	16,422.84	2.99%	4,25,613.93	23,226.29	5.46%
2.2 Medium	27,539.68	770.20	2.80%	34,645.78	750.00	2.16%
2.3 Large	9,77,873.12	35,437.93	3.62%	7,52,923.19	43,373.71	5.76%
2.4 Others, if any, Please specify	0.00	0.00	0.00%	0.00	0.00	0.00%
Total of Industry	15,54,794.82	52,630.97	3.39%	12,13,182.91	67,349.99	5.55%
3. Services (3.1 to 3.10)						
3.1 Transport Operators	26,555.08	710.73	2.68%	22,834.97	541.95	2.37%
3.2 Computer Software	54,240.27	11,682.91	21.54%	40,386.05	10,759.94	26.64%
3.3 Tourism, Hotel and Restaurants	1,76,179.94	921.88	0.52%	1,71,155.51	1,514.64	0.88%
3.4 Shipping	0.00	0.00	0.00%	0.00	0.00	0.00%
3.5 Professional Services	4,29,707.55	33,148.21	7.71%	3,25,788.38	31,167.96	9.57%
3.6 Trade	4,02,341.31	25,597.68	6.36%	3,55,785.83	21,578.66	6.07%
3.7 Commercial Real Estate	11,32,546.06	26,214.54	2.31%	7,35,650.19	5,962.98	0.81%
3.8 NBFCs	1,96,862.26	9,650.10	4.90%	1,43,817.16	10,739.05	7.47%
3.9 Aviation	0.00	0.00	0.00%	21,504.22	0.00	0.00%
3.10 Other Services	9,17,434.44	19,146.25	2.09%	8,06,391.45	5,053.08	0.63%



Notes to the Financial Statements

For the year ended 31st March, 2023

(₹ in Lakhs)

Sectors	31 st March, 2023			31 st March, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Total of Services	33,35,866.91	1,27,072.30	3.81%	26,23,313.75	87,318.26	3.33%
4. Retail Loans (4.1 to 4.10)						
4.1 Housing Loans (incl. priority sector Housing)	0.00	0.00	0.00%	0.00	0.00	0.00%
4.2 Consumer Durables	0.00	0.00	0.00%	0.00	0.00	0.00%
4.3 Credit Card Receivables	0.00	0.00	0.00%	0.00	0.00	0.00%
4.4 Vehicle/Auto Loans	0.00	0.00	0.00%	0.00	0.00	0.00%
4.5 Education Loans	0.00	0.00	0.00%	0.00	0.00	0.00%
4.6 Advances against Fixed Deposits (incl. FCNR(B), etc.)	0.00	0.00	0.00%	0.00	0.00	0.00%
4.7 Advances to Individuals against Shares, Bonds	3,009.41	-	0.00%	2,920.67	0.96	0.03%
4.8 Advances to Individuals against Gold	0.00	0.00	0.00%	0.00	0.00	0.00%
4.9 Micro finance loan/SHG Loan	0.00	0.00	0.00%	0.00	0.00	0.00%
4.10 Other Retail loans , if any, Please specify	24,52,502.62	65,037.83	2.65%	11,11,255.85	37,194.96	3.35%
Total of Personal Loans	24,55,512.03	65,037.83	2.65%	11,14,176.52	37,195.91	3.34%
5. Other Non-food Credit, if any	6,72,327.59	5,653.56	0.84%	4,96,992.96	2,555.54	0.51%
Total Loans & advances	80,45,230.28	2,50,709.88	3.12%	54,68,207.51	1,95,603.41	3.58%

NOTE 67: INTRA-GROUP EXPOSURES

(₹ in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022
Total amount of intra-group exposures	48,644.28	4,389.90
Total amount of top twenty intra-group exposures	48,644.28	4,389.90
Percentage of intra-group exposures to total exposure of the Company on borrowers/customers	0.58%	0.08%

NOTE 68: UNHEDGED FOREIGN CURRENCY EXPOSURE

Company does not have any unhedged foreign currency exposures. Please refer Note 52: Risk management.

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 69: DISCLOSURE OF COMPLAINTS

(A) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

(₹ in Lakhs)

Sr. No.	Particulars	31 st March, 2023	31 st March, 2022
Complaints received by the Company from its customers			
1	Number of complaints pending at beginning of the year	105	73
2	Number of complaints received during the year	4,456	2,666
3	Number of complaints disposed during the year	4,351	2,634
3.1	Of which, number of complaints rejected by the Company	-	-
4	Number of complaints pending at the end of the year	210	105
Maintainable complaints received by the Company from Office of Ombudsman			
5	Number of maintainable complaints received by the Company from Office of Ombudsman	1,644	766
5.1	Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	1,582	747
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	62	19
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

(B) Top five grounds of complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
31st March, 2023					
Bureau Related	31	1764	142%	57	6
Pre-Closure/Closure	37	1117	38%	49	10
Payment Related	14	780	86%	58	12
Alleged Fraud	6	273	194%	15	1
Customer Experience	0	292	1%	18	3
Other	17	230	(30%)	13	5
Total	105	4456	67%	210	37
31st March, 2022					
Bureau Related	1	728	215%	31	8
Pre-Closure/Closure	40	808	122%	37	11
Payment Related	7	420	(23%)	14	6
Alleged Fraud	2	93	11%	6	3
Customer Experience	7	290	(62%)	0	0
Other	16	327	17%	17	9
Total	73	2666	18%	105	37

Note : The above disclosure in Note 69 (A) and (B) has been extracted by the Company from complaint management system (CMS).



Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 70: DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES:

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	288.81	696.87
2. 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;	-	-
3. Amounts of the payment made to the suppliers beyond the appointed day during the year; 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;	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5. 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.	-	-

The disclosure regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

NOTE 71: EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)		
Particulars	31 st March, 2023	31 st March, 2022
Finance Cost	8,009.78	11,554.27
Employee Benefit Expenses	48.39	20.59
Intangible Assets under Development	40.28	36.37
Legal and Professional Charges	20.43	198.99
Miscellaneous Expenses	12.87	7.98
Total	8,131.75	11,818.20

Unhedged foreign currency payable & receivable as at 31st March, 2023 & 31st March, 2022 are Nil.

NOTE 72: DISCLOSURE PERTAINING TO STOCK STATEMENT FILED WITH BANKS OR FINANCIAL INSTITUTIONS

The Company has availed of the facility (Secured borrowing) from the lenders inter alia on the condition that, the company shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans.

Details reported in the quarterly stock statement and as per book of accounts in financial year 2022-2023

Quarter ended	As per Statement filed with Bank	As per Book of accounts
June 2022	50,64,848.25	50,64,848.34
September 2022	57,39,729.70	57,39,730.07
December 2022	64,31,269.35	64,31,268.98
March 2023	73,11,607.37	73,11,607.37

Details reported in the quarterly stock statement and as per book of accounts in financial year 2021-2022

Quarter ended	As per Statement filed with Bank	As per Book of accounts
June 2021	43,42,495.00	43,48,960.87
September 2021	46,10,894.00	46,26,444.78
December 2021	48,44,432.00	48,16,907.06
March 2022	53,34,821.00	53,35,301.88

Notes to the Financial Statements

For the year ended 31st March, 2023

NOTE 73: EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require adjustments or disclosure in these financial statements.

NOTE 74: Money raised by way of borrowing from bank and financial institution have been applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

NOTE 75: ULTIMATE BENEFICIARY

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE 76: The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

NOTE 77: No proceedings have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

NOTE 78: The Reserve Bank of India vide its press release dated 30th September, 2022 has categorised the Company in the Upper layer under Scale Based Regulation (SBR) for NBFCs. The Company is taking necessary steps in complying with the requirements of SBR as applicable.

NOTE 79: The company has not defaulted in repayment of principal and interest during the year end and as at Balance sheet date March, 31, 2023

NOTE 80: AMENDMENTS IN PREVAILING STANDARDS BUT NOT EFFECTIVE

On March, 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015. The effective date for adoption of these amendments is annual period beginning on or after 1st April, 2023. The significant amendments are as below.

(i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.



Notes to the Financial Statements

For the year ended 31st March, 2023

(ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

(iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and the impact of the amendment is insignificant on its financial statements.

NOTE 81: The figures for previous year have been regrouped/rearranged/recasted wherever necessary to conform to current period presentation.

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Reg. No: 117366W/W-100018

per **Sanjiv V. Pilgaonkar**
Partner

Membership No: 039826

Place: Mumbai
Date: 09th May, 2023

For **Singhi & Co.**
Chartered Accountants
ICAI Firm Reg. No: 302049E

per **Amit Hundia**
Partner

Membership No: 120761

Place: Mumbai
Date: 09th May, 2023

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

Vishakha Mulye
Director

DIN - 00203578

Pradeep Agrawal
Chief Financial Officer

Place: Mumbai
Date: 09th May, 2023

Rakesh Singh
Managing Director and
Chief Executive Officer
DIN - 07006067

Ankur Shah
Company Secretary

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Aditya Birla Finance Limited

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**ADITYA BIRLA
CAPITAL**