

Limited Review Report

**Review Report to
The Board of Directors
Aditya Birla Finance Limited**

1. We have reviewed the accompanying statement of unaudited Ind AS financial results of Aditya Birla Finance Limited (the "Company") for the six months ended September 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/IMD/DF1/9/2015 dated November 27, 2015 and the SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 (collectively, the "Listing Regulations").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



**per Viren H. Mehta
Partner
Membership No.: 047849
Place: Mumbai
Date: October 26, 2018**

ADITYA BIRLA FINANCE LIMITED

Website : www.abfl.adityabirlacapital.com

Regd office: Indian Rayon Compound, Veraval, Gujarat, 362266

Corporate office: One Indiabulls Centre, Tower 1, 18th Floor, Elephinstone Road, Mumbai 400 013

CIN : U65990GJ1991PLC064603

UNAUDITED FINANCIAL RESULTS FOR SIX MONTHS ENDED 30 SEPTEMBER, 2018

(₹ in Crores, except per share data)

FINANCIAL RESULTS	Six months ended September 30		Year ended March 31	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
(1) Interest Earned (a)+(b)+(c)+(d)	2,617.86	2,122.81	4,436.38	3,418.62
(a) Interest/Disc on advances/bills	2,364.93	1,897.02	3,974.47	3,101.35
(b) Income on Investments	69.34	107.31	167.47	130.54
(c) Interest on balances with Reserve Bank of India and other interbank funds	-	-	-	-
(d) Others (Syndication and Other Fee Income)	183.59	118.48	294.44	186.73
(2) Other Income	4.98	1.28	1.85	2.68
(3) Total Income:(1+2)	2,622.84	2,124.09	4,438.23	3,421.30
(4) Interest Expended	1,530.77	1,229.61	2,596.76	2,079.41
(5) Operating Expenses: (i)+(ii)+(iii)+(iv)	361.02	251.60	575.67	392.24
(i) Employees Cost	216.04	155.79	351.64	247.42
(ii) Rent	20.89	13.03	28.06	19.32
(iii) Legal & Professional charges	20.48	8.39	22.50	20.75
(iv) Other operating expenses	103.61	74.39	173.47	104.75
(6) Total Expenditure:(4)+(5) excluding provisions and contingencies	1,891.79	1,481.21	3,172.43	2,471.65
(7) Operating Profit before Provisions and Contingencies (3-6)	731.05	642.88	1,265.80	949.65
(8) Provisions (other than tax) and Contingencies	78.87	137.71	214.91	119.03
(9) Exceptional items	-	-	-	-
(10) Profit from Ordinary Activities before Tax (7-8-9)	652.18	505.17	1,050.89	830.62
(11) Tax Expenses (including Deferred Tax)	221.79	173.08	354.91	250.69
(12) Net Profit from Ordinary Activities after Tax (10-11)	430.39	332.09	695.98	579.93
(13) Extraordinary Items	-	-	-	-
(14) Net Profit for the period/year (12-13)	430.39	332.09	695.98	579.93
(15) Paid Up Equity Share Capital of ₹10/- each.	653.39	635.32	645.68	627.41
(16) Reserve excluding Revaluation Reserve			5,583.30	4,302.13
(17) Analytical Ratio				
(i) Capital Adequacy Ratio (%)	17.20	17.75	17.90	17.33
(ii) Earnings Per Share (Face Value of ₹10/- each) - Basic & Diluted (₹) not annualised	6.66	5.29	11.01	10.05
(18) Non -Performing Assets (NPA) Ratios				
(a) Amount of Gross Non-Performing Assets	442.06	199.37	385.73	157.18
(b) Amount of Net Non-Performing Assets	191.02	53.04	178.40	58.36
(c) Gross NPA (%)	0.93%	0.53%	0.91%	0.47%
(d) Net NPA (%)	0.40%	0.14%	0.42%	0.17%
(19) Return on Assets (not annualised) (%)	0.93	0.89	1.76	1.90

Notes :

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 26 October, 2018.



2 Statement of assets and Liabilities are as under-

Particulars	30 September, 2018	31 March, 2018
ASSETS		
FINANCIAL ASSETS		
(a) Cash and cash equivalents		
(b) Receivables	117.12	70.89
Trade Receivables		
(c) Loans	33.10	28.17
(d) Investments	47,078.46	42,079.62
(e) Other Financial assets	993.50	1,327.52
	39.62	29.69
	48,261.80	43,535.89
NON- FINANCIAL ASSETS		
(a) Current Tax Assets (Net)	16.15	30.31
(b) Deferred tax assets (Net)	157.62	139.71
(c) Property, Plant and Equipments	19.39	19.11
(d) Intangible assets under development	4.98	8.17
(e) Other Intangible assets	31.86	31.25
	230.00	228.55
TOTAL ASSETS	48,491.80	43,764.44
LIABILITIES AND EQUITY		
LIABILITIES		
FINANCIAL LIABILITIES		
(a) Payables		
Trade Payables		
- Micro and small enterprises	-	-
- Other than micro and small enterprises	-	-
(b) Debt Securities	79.60	114.27
(c) Borrowings (Other than Debt Securities)	23,242.67	21,431.78
(d) Subordinated Liabilities	17,060.40	14,605.27
(e) Other financial liabilities	209.55	209.76
	875.38	1,048.67
	41,467.60	37,409.75
NON- FINANCIAL LIABILITIES		
(a) Current tax liabilities (Net)	32.07	48.94
(b) Provisions	60.69	51.53
(c) Other non-financial liabilities	28.30	25.25
	121.06	125.72
Equity		
(a) Equity Share capital	653.39	645.68
(b) Other equity	6,249.74	5,583.30
Total Equity	6,903.13	6,228.98
	48,491.80	43,764.44

3 The Company is primarily engaged in financing activities. It operates in 3 segments namely financing activities, trading & other activities and wealth business and single geographical segment. The segmental reporting is as under :

SEGMENT REPORTING	Six months ended September 30		Year ended March 31	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Segment Revenue				
Financing Activities	2,569.86	2,053.41	4,296.50	3,341.52
Trading and other activities	15.59	32.65	49.65	20.88
Wealth Business	37.39	38.03	92.08	58.90
Total Income	2,622.84	2,124.09	4,438.23	3,421.30
Segment Results (Profit before tax and after interest on finance activities)				
Financing Activities	646.99	489.95	1,008.68	776.02
Trading and other activities	6.80	12.78	23.80	67.71
Wealth Business	(1.61)	2.44	18.41	(13.11)
Total profit before Tax	652.18	505.17	1,050.89	830.62
Capital Employed				
Financing Activities	6,884.07	5,283.55	6,210.66	4,844.25
Trading and other activities	-	220.88	-	85.96
Wealth Business	19.06	2.44	18.32	(0.67)
Total Capital Employed	6,903.13	5,506.87	6,228.98	4,929.54



4 Credit Rating

Instrument	Credit Rating Agency	Rating
Commercial Paper	ICRA Limited India Ratings & Research Private Limited	[ICRA] A1+ IND A1+
Non Convertible Debenture	ICRA Limited India Ratings & Research Private Limited	[ICRA] AAA Stable IND AAA Stable
Subordinate Debt	CARE Limited ICRA Limited India Ratings & Research Private Limited	CARE AAA Stable [ICRA] AAA Stable IND AAA Stable
Unsecured NCD	ICRA Limited	[ICRA] AAA Stable
Perpetual Debt	ICRA Limited India Ratings & Research Private Limited	[ICRA] AA+ (hyb) Stable IND AA+ Stable
Long Term Bank Loans	ICRA Limited	[ICRA] AAA Stable
Short Term Bank Loans	ICRA Limited	[ICRA] A1+

5 Outstanding Redeemable Preference Shares

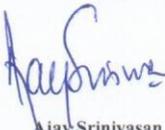
Particulars	Number of shares	₹ in Crores
8% Redeemable Cumulative Preference Shares of Rs 10 each, fully paid up	10,000,000	10.40

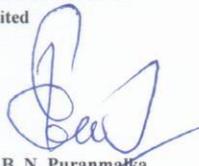
6 Key Ratio

	30 September, 2018	31 March, 2018
Debt Equity Ratio	5.87	5.82
Net worth (₹ In Crores)	6,903.14	6,228.98

- 7 During the year, the Company spent ₹ 0.38 Crores towards Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 and the rules thereon.
- 8 No complaint was received from debenture holders during the half year ended 30 September, 2018 and no complaint was pending at the beginning and end of the half year.
- 9 Previous due date for redemption of Non Convertible Debentures (NCD's) and payment of interest on NCD's was 24 August, 2018 and 29 September, 2018 respectively. Both the payments were made on their respective due dates.
- 10 Interest on NCD's has been paid on the respective due dates and there has been no delay thereof.
- 11 Results are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The results have been restated to comply with Ind AS and are comparable on like to like basis.
- 12 Previous period / year figures have been regrouped / rearranged wherever necessary to conform to the current period / year figures.

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


Ajay Srinivasan
Director
(DIN - 00121181)


B. N. Puranmalka
(Director)
(DIN - 00007432)

Place: Mumbai
Date: 26 October, 2018



October 26, 2018



To,
Mr. Ankur Shah
Company Secretary,
Aditya Birla Finance Limited,
Indian Rayon Compound,
Veraval, Gujarat 362266

Dear Sir,

Sub: Certificate of Debenture Trustee under Regulation 52(5) of SEBI (LODR) Regulations, 2015 for September 30, 2018.

In compliance of the requirements of Chapter V, Regulation 52, Sub – Regulation (4) and (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Non – Convertible Debt Securities we would like to state as under:

We, Vistra ITCL (India) Limited, are acting as a Debenture Trustee for the Secured & Unsecured, Listed, Redeemable, Non-Convertible Debenture issue aggregating to Rs. 13609.6 crore (Rs. 11910.60 crore + Rs. 1499 crore + Rs. 200 crore) of Aditya Birla Finance Limited (Company).

With reference to above, we have received the following documents and have noted its contents without verification:

1. Financial Results for the half year ended September 30, 2018 along with information in accordance with clause 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. ICRA, CARE and India Ratings Research Credit Rating Letters dated August 24, 2018, January 23, 2018 and February 26, 2018 respectively.

This certificate has been signed and issued by us based on documents (mentioned above) submitted by you.

Thanking You.

Yours sincerely,
For Vistra ITCL (India) Limited

A handwritten signature in black ink, appearing to be 'S. M. K.', is written over the text 'For Vistra ITCL (India) Limited'.

Authorized Signatory

Place: Mumbai