



Ref. No.: ABSLAMCL/PS/46/2023-24

July 17, 2023

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street Mumbai - 400 001

**Scrip Code: 543374**

**National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Symbol: ABSLAMC**

Dear Sir/ Ma'am,

**Sub: Notice of the 29<sup>th</sup> Annual General Meeting (AGM) and Annual Report for FY 2022-23**

This is in furtherance to our letter dated July 13, 2023 wherein the Company had informed that the 29<sup>th</sup> AGM of the Company will be held on Friday, August 11, 2023 at 11.30 a.m. (IST) through Video Conference / Other Audio-Visual Means. Pursuant to Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company along with the Notice of AGM for the financial year 2022-23.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and SEBI, the Notice of the AGM along with the Annual Report for FY 2022-23 is being sent only through email to those Members whose email addresses are registered with the Company / Depository Participant(s).

Additionally, the Notice of the AGM and the Annual Report are also uploaded on the website of the Company at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>.

The Company has fixed Friday, August 4, 2023 as the "Cut-off Date" for the purpose of determining the Members eligible to cast their vote through remote e-voting or through e-voting during the AGM, on the resolutions set out in the Notice of the AGM and to attend the AGM.

The details such as (i) manner of registering / updating - email address / bank account details, (ii) casting vote through e-voting and (iii) attending the AGM through VC / OAVM has been set out in the Notice of the AGM.

This is for your information and records.

Thanking you.

Yours faithfully,

For **Aditya Birla Sun Life AMC Limited**

**Hemanti Wadhwa**

**Company Secretary & Compliance Officer**

**FCS - 6477**

**Aditya Birla Sun Life AMC Limited**

(A part of Aditya Birla Capital Ltd.)

+91 22 4356 8000 | (F) +91 22 4356 8110/ 8111

<https://mutualfund.adityabirlacapital.com>

**Correspondence & Registered Office:**

One World Centre, Tower 1, 17<sup>th</sup> Floor,

Jupiter Mills, Senapati Bapat Marg,

Elphinstone Road, Mumbai – 400 013

CIN: L65991MH1994PLC080811

**Registered Office:** One World Center, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013;  
**Telephone No.:** +91 22 4356 8000; **Website:** <https://mutualfund.adityabirlacapital.com>; **Email id:** [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com)  
**CIN:** L65991MH1994PLC080811

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 29<sup>th</sup> (Twenty-Ninth) Annual General Meeting of the Members of Aditya Birla Sun Life AMC Limited (the “Company”) will be held on Friday, 11<sup>th</sup> August, 2023, at 11:30 a.m. (IST) through Video Conference (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following businesses:

### ORDINARY BUSINESS:

- To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the Reports of the Board of Directors’ and Auditors thereon.
- To declare a final dividend of ₹ 5.25 per equity share of ₹ 5 each for the financial year ended 31<sup>st</sup> March, 2023, and to confirm Interim dividend of ₹ 5 per equity share of ₹ 5 each paid for the financial year ended 31<sup>st</sup> March, 2023.
- To appoint a director in place of Mr. Sandeep Asthana (DIN: 00401858), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sandeep Asthana (DIN: 00401858), who retires by rotation at this Annual General Meeting being eligible for re-appointment, be and is hereby appointed as a Director of the Company.”

### SPECIAL BUSINESS:

- To appoint Mr. Supratim Bandyopadhyay (DIN:03558215) as an Independent Director of the Company:

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Companies (Appointment and Qualification of Directors) Rules, 2014, applicable provisions of the SEBI (LODR) Regulations, 2015, SEBI (Mutual Funds) Regulations, 1996 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Supratim Bandyopadhyay (DIN:03558215), who was appointed as an Additional Director (Independent) by the Board of Directors with effect from 1<sup>st</sup> June, 2023 and in respect of whom the Company has received a notice from a Member, in writing, under Section 160 of the Act, proposing his candidature for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years, up to 31<sup>st</sup> May, 2028, not subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company including any committee thereof be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors  
For **Aditya Birla Sun Life AMC Limited**

Dated: 23<sup>rd</sup> May, 2023  
Place: Mumbai

**Hemanti Wadhwa**  
**Company Secretary**  
**Membership No. F6477**



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice:

### ITEM NO. 4

The Board of Directors of the Company, based on the recommendations of the Nomination, Remuneration and Compensation Committee ("NRCC"), and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, had approved the appointment of Mr. Supratim Bandyopadhyay (DIN: 03558215) as an Additional Director (Independent) for a term of 5 years with effect from 1<sup>st</sup> June, 2023, subject to the approval of the Members of the Company. Further, pursuant to Regulation 22 (c) of the SEBI (Mutual Fund) Regulations, 1996, the Board of Directors of Aditya Birla Sun Life Trustee Private Limited had also approved the appointment of Mr. Bandyopadhyay.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of the members of the Company. Further, in terms of Regulation 25(2A) of SEBI (LODR) Regulations, 2015 ("SEBI Listing Regulations"), appointment of Mr. Bandyopadhyay as an Independent Director requires approval of Members of the Company by passing a special resolution. Accordingly, the appointment of Mr. Bandyopadhyay is proposed for approval of the Members of the Company.

The Company has received from Mr. Bandyopadhyay, consent to act as a Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has not been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI, Ministry of Corporate Affairs or any such other Statutory Authority. The Company has also received declarations from Mr. Bandyopadhyay that he meets the criteria of independence as prescribed under Section 149(6) of the Act, Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI Listing Regulations.

The Company has, in terms of Section 160(1) of the Act received in writing, a notice from a Member proposing the candidature of Mr. Bandyopadhyay for the office of Director of the Company.

In the opinion of the Board, Mr. Bandyopadhyay fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. Mr. Bandyopadhyay is a person of integrity and independent of the Management and possesses appropriate skills, experience and knowledge. Considering the extensive knowledge and experience of Mr. Bandyopadhyay in the field of Insurance, Finance, Investments and regulatory governance as well as his educational background, appointment of Mr. Bandyopadhyay as an Independent Director is in the interest of the Company. He will be eligible for payment of Sitting fees as approved by the Board from time to time.

The terms and conditions of appointment of Independent Director is available on the Company's website.

A brief profile of Mr. Bandyopadhyay, in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, has been provided as an Annexure to this Notice.

The Board of Directors of the Company recommend the passing of the Special Resolution at Item No.4 of the accompanying Notice.

Except for Mr. Bandyopadhyay and his relatives, none of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or deemed to be interested, financially or otherwise, in the Special Resolution at Item No. 4.

### Notes for Members' Attention:

1. The Ministry of Corporate Affairs ("MCA") has, vide its circular dated 28<sup>th</sup> December, 2022, read together with circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020, 13<sup>th</sup> January, 2021, 8<sup>th</sup> December, 2021, 14<sup>th</sup> December, 2021 and 5<sup>th</sup> May, 2022 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("the Act") read with Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 29<sup>th</sup>

AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company i.e. One World Center, Tower 1, 17<sup>th</sup> floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013.

2. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Route Map of the venue of the AGM and the Attendance Slip are not annexed to this Notice.
3. In this Notice, the term Member(s) or Shareholder(s) are used interchangeably.
4. The Company has appointed KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (“KFinTech”), Registrar and Transfer Agents (“RTA”) of the Company, to provide facility for voting through remote e-voting, for participating in the AGM through VC/OAVM and e-voting during the AGM.
5. Additional information pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and SS-2, with respect of the Director(s) seeking appointment/ re-appointment at this AGM is also furnished as an Annexure to this Notice.
6. The details relating to item no. 4 (special business) forms part of the explanatory statement pursuant to Section 102 (1) of the Act which is annexed hereto and forms part of this Notice.
7. The Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send legible scanned certified true copy (PDF / JPG Format) of the relevant Board Resolution/ Power of Attorney/ Authority Letter etc. authorizing its representative(s) to attend the AGM through VC/OAVM on its behalf and to cast the vote through e-voting. The said Resolution/ Authorisation shall be sent to the Scrutinizer through e-mail at [vijay@vkmng.in](mailto:vijay@vkmng.in) with a copy marked to [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com) and [evoting@kfinotech.com](mailto:evoting@kfinotech.com). Institutional shareholders are encouraged to attend and vote at the AGM.

## **Dispatch of Notice and Annual Report through Electronic Mode:**

1. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2022-23 is being sent only through electronic mode to those Members whose email address are registered with the Company/ KFinTech/ National Securities Depository Limited (“NSDL”) and / or Central Depository Services (India) Limited (“CDSL”). Members may note that the Notice and Annual Report for the Financial Year 2022-23 will also be available on the Company’s website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>, website of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website KFinTech at <https://evoting.kfintech.com>.
2. Any Member desiring to receive a copy of the Annual Report for the Financial Year 2022-23 may write to Company’s RTA, KFinTech.
3. Members holding shares in dematerialized mode are requested to register/update their email ID with the relevant Depository Participants.

## **A. Procedure for Joining the AGM through VC / OAVM:**

1. Members will be able to attend the AGM through VC/OAVM at <https://emeetings.kfintech.com> by using their e-voting login credentials. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting.
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this AGM Notice.
3. Members may join the AGM through VC/OAVM facility by following the procedure as mentioned in this notice which shall be kept open for the Members from 11:00 a.m. (IST) i.e. 30 minutes before the time scheduled to start the AGM and shall be kept open throughout the proceedings of the AGM.



4. Members may note that the VC/OAVM Facility, provided by KFinTech, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
5. Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox. Please note that participants connecting from Mobile devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
6. Attendance of the Members participating in the AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members will be required to grant access to the web-cam to enable two-way video conferencing.
9. Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will close at 5:00 p.m. (IST) on Tuesday, 8<sup>th</sup> August, 2023.
10. Members who need assistance before or during the AGM, can view the instructions at <https://emeetings.kfintech.com/video/howitworks.aspx> or contact KFinTech on [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or call on toll free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST)). Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
11. Members seeking any information with regard to the accounts of the Company or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, 8<sup>th</sup> August, 2023 through an email at [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com). The same will be replied by the Company suitably.
12. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
13. Any person holding shares in physical form and non-individual shareholders holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). In case they are already registered with KFinTech for remote e-voting, they can use their existing User ID and password for voting.

#### **Speaker Registration:**

8. Members holding shares as on the cut-off date i.e. Friday, 4<sup>th</sup> August, 2023 and who would like to express their views or ask questions during the AGM may register themselves as speakers by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from 9:00 a.m. (IST) on Tuesday, 8<sup>th</sup> August, 2023 to 5:00 p.m. (IST) on Thursday, 10<sup>th</sup> August, 2023. Only those members who are registered as Speakers will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
14. Individual Members having demat account(s) would be able to cast their vote without having to register again with the e-voting service provider ("ESP") i.e. KFinTech, thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access the e-voting facility.

#### **B. Procedure and instructions for remote E-Voting and E-Voting during the AGM:**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act, read with the

Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations read with circular of SEBI on e-voting Facility provided by Listed Entities dated December 9, 2020, the Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means (“e-voting”). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below (“remote e-voting”).

Further, the facility for voting through electronic voting system will also be made available at the Meeting (“Insta Poll”) and Members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

**The manner of voting remotely by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email address is provided in the instructions given below:**

1. Voting rights of a Member / Beneficial Owner shall be in proportion to his/her share in the paid-up equity share capital of the Company as on the cut-off date, i.e. Friday, 4<sup>th</sup> August, 2023.

2. The remote e-voting facility will be available during the following voting period:

|                                  |   |
|----------------------------------|---|
| Commencement of remote e-voting: | 9.00 a.m. (IST) on Tuesday, 8 <sup>th</sup> August, 2023    |
| End of remote e-voting:          | 5.00 p.m. (IST) on Thursday, 10 <sup>th</sup> August, 2023. |

3. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, Friday, 4<sup>th</sup> August, 2023, only shall be entitled to avail the facility of remote e-voting or for participation at the AGM. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

5. The Board of Directors have appointed Shri Vijay Babaji Kondalkar (ACS No.: 15697) or failing him Shri Manish Gupta, (ACS No.: 43802), Partners of VKMG & Associates LLP, Company Secretaries as Scrutinizer, to scrutinize the entire e-voting process at the AGM and remote e-voting in a fair and transparent manner.

6. The Members who have cast their vote(s) by remote e-voting may also attend the AGM but shall not be entitled to cast their vote(s) again during the AGM. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.

7. Information and instructions for voting during the AGM: Facility to cast vote during the AGM will be made available on the Video Conferencing screen and will be activated once the voting is announced during the AGM.

8. A Member can opt for only single mode of voting per EVENT, i.e., through remote e-voting or voting during the AGM (Insta Poll). If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast during the AGM shall be treated as “INVALID”.

9. As per circular of SEBI on E-Voting Facility provided by Listed Entities, dated 9<sup>th</sup> December, 2020, all “individual shareholders holding shares of the Company in demat mode” can cast their vote, by way of a single login credential, through their demat accounts / websites of Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories, is given below:

**Step 1:** Access to Depositories e-voting system in case of individual Members holding shares in demat mode.





**Step 2:** Access to KFinTech e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

**Step 3:** Access to join the AGM on KFinTech system and to participate and vote.



## Details on Step 1 are Mentioned Below:

### I) Login for remote e-voting for Individual shareholders holding equity shares in demat mode.

| Type of Member   | Login Method  |
|--|---|
| Individual Members holding equity shares in demat mode with NSDL | <p><b>A) Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</b></p> <ol style="list-style-type: none"> <li>Visit the e-services website of NSDL <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile.</li> <li>On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. Thereafter enter the existing user id and password.</li> <li>After successful authentication, Members will be able to see e-voting services under ‘Value Added Services’. Please click on “Access to e-voting” under e-voting services, after which the e-voting page will be displayed.</li> <li>Click on Company name i.e. ‘Aditya Birla Sun Life AMC Limited’ or e-voting service provider i.e. KFinTech.</li> <li>Members will be re-directed to KFinTech’s website for casting their vote during the remote e-voting period.</li> </ol> <p><b>B) Users not registered under IDeAS e-Services:</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> for registering.</li> <li>Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Proceed with completing the required fields.</li> <li>Follow steps given in point A.</li> </ol> <p><b>C) By visiting the e-voting website of NSDL:</b></p> <ol style="list-style-type: none"> <li>Visit the e-voting website of NSDL <a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a>.</li> <li>Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open.</li> <li>Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</li> <li>Click on company name i.e. Aditya Birla Sun Life AMC Limited or e-voting service provider name i.e. KFinTech after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period.</li> <li>Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <br/>  </div> <div style="text-align: center;">  <br/>  </div> </div> |
| Individual Members holding equity shares in demat mode with CDSL | <p><b>A) Existing user who have opted for Electronic Access to Securities Information (“Easi / Easiest”) facility:</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://web.cdslindia.com/myeasinew/Home/Login">https://web.cdslindia.com/myeasinew/Home/Login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on New System Myeasi.</li> <li>Login to MyEasi option under quick login.</li> <li>Login with the registered user ID and password.</li> <li>Members will be able to view the e-voting Menu.</li> <li>The Menu will have links of KFinTech e-voting portal and will be redirected to the e-voting page of KFinTech to cast their vote without any further authentication.</li> </ol> <p><b>B) Users who have not opted for Easi/Easiest:</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a> for registering.</li> <li>Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</li> <li>After successful registration, please follow the steps given in point no. A above to cast your vote.</li> </ol> <p><b>C) By visiting the e-voting website of CDSL:</b></p> <ol style="list-style-type: none"> <li>Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Provide demat Account Number and PAN</li> <li>System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.</li> <li>After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘Aditya Birla Sun Life AMC Limited’ or select KFinTech.</li> <li>Members will be re-directed to the e-voting page of KFinTech to cast their vote without any further authentication.</li> </ol>  |

| Type of Member  | Login Method  |
|---|---|
| <b>Individual Members (holding equity shares in demat mode) logging through their depository participants</b> | i) Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.<br>ii) Once logged-in, Members will be able to view e-voting option.<br>iii) Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.<br>iv) Click on options available against Aditya Birla Sun Life AMC Limited or KFinTech.<br>v) Members will be redirected to e-voting website of KFinTech for casting their vote during the remote e-voting period without any further authentication |

*Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.*

### **Helpdesk for Individual Members holding equity shares in demat mode for any technical issues related to login through NSDL / CDSL:**

| Members facing any technical issue - NSDL  | Members facing any technical issue - CDSL   |
|--|---|
| Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call on toll free number: 1800 1020 990 and 1800 224 430 | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact on 022- 23058738 or 022-23058542-43 |

### **Details on Step 2 are mentioned below:**

#### **II) Login method for remote e-voting for Members other than Individual's holding shares in demat mode and Members holding equity shares in physical mode.**

**(A) Members whose email IDs are registered with the Company / Depository Participants, will receive an email from KFinTech which will include details of e-voting Event Number (EVEN), USER ID and Password.**

They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFinTech for e-voting, they can use their existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
- v. Members would need to login again with the new credentials.
- vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., 'Aditya Birla Sun Life AMC Limited – AGM' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding of the shareholder as on the cut-off date. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.





- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
  - ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
  - x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- v. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

### Details on Step 3 are mentioned below:

#### III) Instructions for Members for attending the AGM of the Company through VC / OAVM and e-Voting during the meeting:

- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFinTech.
- ii. After logging in, click on the Video Conference tab and select the EVEN of the Company
- iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

#### (B) Members whose email IDs are not registered with the Company/ Depository Participants and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members holding shares in physical mode and who have not registered/updated their email ID with the Company are requested to register/update their email ID with KFinTech by submitting the requisite ISR 1 Form along with the supporting documents. ISR 1 Form can be downloaded from the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>. Detailed Frequently Asked Questions (FAQs) on the same are available on KFinTech's website: <https://ris.kfintech.com/faq.html>.
- ii. Members holding shares in dematerialized mode are requested to register/update their email ID with the relevant Depository Participants.
- iii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- iv. Alternatively, Members may send an e-mail request at the email id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

#### E-Voting during the Annual General Meeting:

- i. The 'Vote Now Thumb sign' on the left-hand corner of the video screen shall be activated upon instructions of the Chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- ii. Those Members who are present in the Meeting through VC and have not cast their vote on resolutions through remote e-voting, can vote through Insta-poll at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.

In case of any queries/grievances, you may refer the FAQs available on KFinTech's website: <https://ris.kfintech.com/faq.html> or call KFinTech on 1800 309 4001 (toll free).

**Contact details for addressing e-voting grievances:**

Mr. Ganesh Patro, Assistant Vice President, KFin Technologies Limited, Address: Selenium, Tower B, Plot Nos. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 Email: [einward@kfintech.com](mailto:einward@kfintech.com). Toll Free No. 1800 309 4001.

**OTHER INSTRUCTIONS RELATED TO THE EVOTING:**

1. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 04<sup>th</sup> August, 2023.
2. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Friday, 4<sup>th</sup> August, 2023 may obtain the User ID and Password in the manner as mentioned below:
  - a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399  
  
Example for NSDL: MYEPWD<SPACE>IN12345612345678  
  
Example for CDSL: MYEPWD<SPACE>1402345612345678  
  
Example for Physical: MYEPWD<SPACE>XXX1234567890
  - b. If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c. Members may call KFinTech toll free number 1800 309 4001.
  - d. Members may send an email request to: [evoting@kfintech.com](mailto:evoting@kfintech.com). If the Member is already registered with the KFinTech e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.

3. KPRISM- Mobile service application by KFinTech:

Members are requested to note that KFinTech has launched a mobile application - KPRISM and a website <https://kprism.kfintech.com/> for our investors. Now you can download the mobile app and see your portfolios serviced by KFinTech. Check Dividend status, request for annual reports, change of address, change / update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRISM".

**DIVIDEND RELATED INFORMATION**

1. The Board of Directors at their Meeting held on 27<sup>th</sup> April, 2023, had recommended a final dividend of ₹ 5.25 per equity share of ₹ 5 each for the financial year ended 31<sup>st</sup> March, 2023 subject to approval of the shareholders at the ensuing Annual General Meeting. The Final dividend, if approved by the Members at the ensuing Annual General Meeting will be paid to those shareholders whose names stand as Beneficial Owners as at the end of business on Friday, 4<sup>th</sup> August, 2023 ("Record Date") as per list to be furnished by NSDL and CDSL in respect of shares held in electronic and physical form.
2. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to KFinTech at by visiting at <https://karisma.kfintech.com> and clicking on 'Investor Relations' section for query registration through free identity registration process. Members may also write at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) clearly mentioning their DP ID/ Client ID.
3. In case, the Company is unable to pay dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such Member by post.
4. Pursuant to the Income-tax Act, 1961, as amended, dividend income is taxable in the hands of the shareholders with effect from 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates. For detailed information on the same, please refer the Company's website



<https://mutualfund.adityabirlacapital.com/shareholders/investor-information>.

5. Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed/ unpaid for a period of 7 (seven) years and/or unclaimed equity shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).
6. Members are requested to contact KFinTech for encashing the unclaimed dividend. The detailed dividend history is available on 'Shareholders' page on the website of the Company <https://mutualfund.adityabirlacapital.com/shareholders/investor-information>.
7. The SEBI Listing Regulations provides for companies to use any of the approved electronic payment facility such as ECS, NECS or RTGS etc. for making payments to Members. The Company or KFinTech is required to maintain bank details of their members as follows:
  - for Members holding securities in dematerialised form, the Company shall seek relevant bank details from the Depositories.
  - for Members holding securities in physical mode, the Company shall maintain updated bank details from their end.

#### PROCEDURE FOR INSPECTION OF DOCUMENTS:

The following documents will be available for inspection by the Members electronically during the AGM:

- a) Certificate from the Secretarial Auditor relating to the Company's Employee Stock Option Scheme as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- b) Register of Directors and Key Managerial Personnel and their Shareholding maintained under section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested, maintained under the Act;
- c) Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees;

- d) Such other document referred to in the Notice and the Explanatory Statement.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com).

#### GENERAL INFORMATION

1. Members are requested to notify immediately any change of address:
  - a. to their Depository Participants ("DPs") in respect of the shares held in electronic form;
  - b. to the Company; and
  - c. Registrar and Transfer Agents viz. KFinTech in respect of the shares held in physical form together with a proof of address viz. electricity bill, telephone bill, aadhar card, voter ID card, passport, etc
2. Non-resident Indian Members are requested to inform the Company or KFinTech or to the concerned DPs, as the case may be, immediately:
  - (a) the change in the residential status on return to India for permanent settlement;
  - (b) the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
3. Members are requested to make all correspondence in connection with shares held by them by sending an email to KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) quoting their Folio number or their Client ID with DP ID, as the case may be.
4. Nomination facility as per the provisions of Section 72 of the Act is available to INDIVIDUALS holding shares in the Company. Members can nominate a person in respect of all the shares held by him singly or jointly. Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/ she may

submit the same in Form No. SH-14. Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.

5. SEBI vide Circular dated 20<sup>th</sup> April, 2018, has mandated the submission of Permanent Account Number (PAN) by every participant transacting in the securities market, irrespective of the amount of such transactions. Members holding shares in electronic form are requested to submit their PAN to their DPs, and those holding shares in physical form are requested to submit their PAN to KFinTech. Members may further note that SEBI has also made it mandatory for submission of PAN in the following cases, viz., deletion of name, transmission of shares and transposition of shares.
6. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.

## **RESULTS OF REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

7. The Scrutiniser shall, after the conclusion of e-voting during the AGM, scrutinise the votes cast during the AGM (InstaPoll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report. The result of e-voting will be declared within two working days of the conclusion of the AGM and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company at: <https://mutualfund.adityabirlacapital.com> and on the website of KFinTech at: <https://evoting.kfintech.com> and shall be communicated to BSE Limited and National Stock Exchange of India Limited. The Scrutinizer's decision on the validity of the vote shall be final and binding.
8. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e., Friday, 11<sup>th</sup> August, 2023.

By Order of the Board  
For **Aditya Birla Sun Life AMC Limited**

**Hemanti Wadhwa**  
**Company Secretary**  
**Membership No. F6477**

Dated: 23<sup>rd</sup> May, 2023  
Place: Mumbai



## FOR EASE OF PARTICIPATION BY MEMBERS, PROVIDED BELOW ARE KEY DETAILS REGARDING THE AGM FOR REFERENCE:

| Sr. No | Particulars  | Details of access   |
|--------|--|---|
| 1      | Link for participation through Video Conferencing (VC) at the AGM                | <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> by using e-voting credentials and clicking on video conference  |
| 2      | Link for posting AGM queries and speaker registration and period of registration | <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> by using e-voting credentials and clicking on “post your queries”/ “Speaker registration” as the case may be.<br><b>Period for speaker registration:</b><br>9:00 a.m. (IST) on Tuesday, 8 <sup>th</sup> August, 2023<br>5:00 p.m. (IST) on Thursday, 10 <sup>th</sup> August, 2023  |
| 3      | Link for remote e-voting   | Members may refer to the instructions provided under “Procedure and Instructions” for E-Voting” section in the subsequent pages of this Notice  |
| 4      | Username and password for VC   | Members may attend the AGM through VC by accessing the link <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> by using the remote e-voting credentials. Please refer the instructions provided in the Notice  |
| 5      | Helpline number for VC participation and e-voting                                | Contact KFin Technologies Limited at 1800 309 4001 or write to them at <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>   |
| 6      | Cut-off date for e-voting  | Friday, 4 <sup>th</sup> August, 2023  |
| 7      | Time period for remote e-voting  | Commencement of remote e-voting: 9:00 a.m. (IST) on Tuesday, 8 <sup>th</sup> August, 2023<br>End of remote e-voting: 5:00 p.m. (IST) on Thursday, 10 <sup>th</sup> August, 2023   |
| 8      | Registrar and Transfer Agent – Contact details                                   | <b>KFin Technologies Limited</b><br>Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.<br>Phone No.: +91 40 67161627, Toll-free No.: 1800-309-4001;<br>E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> ,<br>Website: <a href="http://www.kfintech.com">www.kfintech.com</a>  |
| 9      | Aditya Birla Sun Life AMC Limited – Contact details                              | <b>Registered Office</b><br>One World Center, Tower 1, 17 <sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013;<br>Telephone No.: +91 22 4356 8000;<br>Email id: <a href="mailto:abslamc.cs@adityabirlacapital.com">abslamc.cs@adityabirlacapital.com</a><br>Website: <a href="https://mutualfund.adityabirlacapital.com">https://mutualfund.adityabirlacapital.com</a> |

## DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY

| Name   | Mr. Sandeep Asthana  | Mr. Supratim Bandyopadhyay   |
|--|--|--|
| DIN  | 00401858   | 03558215   |
| Date of Birth/ Age   | 16 <sup>th</sup> April, 1968/ 55 years   | 17 <sup>th</sup> January, 1958/ 65 years   |
| Nationality  | Indian   | Indian   |
| Qualification(s)   | Mr. Asthana holds a Bachelor's degree in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and a Post-Graduate Diploma in Management from Indian Institute of Management, Lucknow.  | Mr. Bandyopadhyay is an Associate Member of the Institute of Chartered Accountant of India.  |
| Experience and nature of expertise in specific functional areas                    | Mr. Sandeep Asthana has over 28 years of experience across insurance and asset management. He is the Country-Head, India, for Sun Life Financial since 2011. His experience covers leadership roles in Reinsurance Group of America (RGA Re), Unit Trust of India (UTI) and Zurich Risk Management Services (India) Private Limited. | Mr. Supratim Bandyopadhyay served as Chairman of Pension Fund Regulatory and Development Authority (PFRDA) from a period of three years from January, 2020 to January, 2023 and prior to this he was the Whole Time Member (Finance) of PFRDA for two years. During his tenure with PFRDA, the AUM of PFRDA increased almost 4 folds to ₹ 9 Trillion. Mr. Bandyopadhyay has vast experience in the field of Insurance, Finance, Investments and Debt operations. Prior to PFRDA, Mr. Bandyopadhyay served around three and half decades at Life Insurance Corporation of India (LIC), the largest Life Insurance Company of India. During his tenure at LIC, Mr. Bandyopadhyay served in various capacities heading two large divisions as Chief (Investment) and Executive Director (Investment). |
| Number of Board meetings attended during the FY 22-23                              | Seven (7)  | Not Applicable as appointment is with effect from 1 <sup>st</sup> June, 2023   |
| Terms and conditions of appointment/re-appointment                                 | Mr. Asthana is Non-Executive Director, representative of Sun Life (India) AMC Investments Inc, liable to retire by rotation.   | Mr. Bandyopadhyay is an Independent Director, not liable to retire by rotation. The terms and conditions of appointment of an Independent Director is available on the Company's website at <a href="https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/corporate-governance/terms-and-conditions-of-appointment-of-independent-directors-281221.pdf">https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/corporate-governance/terms-and-conditions-of-appointment-of-independent-directors-281221.pdf</a> .  |
| Remuneration last drawn  | Not Applicable   | -  |
| Remuneration sought to be paid (including sitting fees, if any)                    | Not Applicable   | Mr. Bandyopadhyay shall be paid remuneration by way of sitting fees for attending Meetings of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other Meetings.   |
| Date of first appointment on the Board   | 27 <sup>th</sup> April, 2011   | 1 <sup>st</sup> June, 2023   |
| Directorships in other Public Companies <sup>1</sup>                               | <ul style="list-style-type: none"> <li>• Aditya Birla Sun Life Pension Management Limited</li> <li>• Aditya Birla Sun Life Insurance Company Limited</li> </ul>  | -  |
| Listed entities from which the Director resigned in the past three years           | -  | -  |
| Membership / Chairmanship of Committees of other Boards <sup>2</sup>               | Aditya Birla Sun Life Insurance Company Limited - Audit Committee (Member)   | -  |
| Shareholding in the Company  | -  | -  |
| Relationship between Director inter se and Key Managerial Personnel of the Company | Not related to any Director or Key Managerial Personnel of the Company.  |  |

Note: 1. Excludes directorships held in foreign companies.

2. Pursuant to Regulation 26 of the SEBI Listing Regulations, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered.

# ENRICHING LIVES, WINNING AS



PROTECTING **INVESTING** FINANCING ADVISING

Aditya Birla Sun Life  
AMC Ltd.

(A part of Aditya Birla Capital Ltd.)



ADITYA BIRLA  
CAPITAL



**MR. ADITYA VIKRAM BIRLA**

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.



## Group Chairman's Message to Shareholders

# Making our mark in the new age

Dear shareholders,

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

In FY22-23, we formally put to words our Group's purpose statement. At its heart is the commitment to enriching lives by building dynamic and responsible businesses and institutions that inspire trust. Every day, we strive to honour this commitment through our brands, products, services, solutions, actions, relationships, and institutions.

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

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

### **GLOBAL ECONOMY: FINDING A NEW NORMAL**

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

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



## Group Chairman's Message to Shareholders

Meanwhile, global supply chain pressures have largely normalised, helping ease commodity prices and peak inflation levels in most economies. Central banks, led by the US Federal Reserve, appear to be nearing the end of their rate-hiking phase, signalling cautious optimism for the global economy and financial markets. However, vigilance remains crucial in the face of potential risk events in this fragile environment.

### INDIA: THE SHINING STAR

India's economic narrative paints a much brighter picture. With a government-led push to infrastructure investments and pragmatic policies such as the Production Linked Incentive scheme, private capex has seen a surge. This rise triggers a multi-year boom, providing valuable support to economic growth in the face of softening global demand.

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

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

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

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

### ADITYA BIRLA GROUP IN PERSPECTIVE

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

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

Driven by purpose, the fiscal year 2022-23 stands as a testament to the breadth and scope of entrepreneurial ventures we have embarked upon. We are exploring uncharted territories, backing our conviction with capital and talent. Our robust platform serves as a launch pad for new initiatives, allowing us to tap into opportunities across traditional and sunrise sectors.

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

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

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

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

Our commitment to the identification and cultivation of talent has remained resolute. We have recognized over 900 pivotal roles within our Group for which a robust succession pipeline is firmly in place. An avant-garde journey of learning is presently being undertaken to equip our future C-suite leaders, encompassing roles such as CFOs, CMOs, CIOs, and CHROs, with the skills and insights required for leadership in a rapidly evolving business landscape. This focus has significantly enhanced our internal versus external hiring ratio for leadership positions.

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

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

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

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

**Kumar Mangalam Birla**  
Chairman, Aditya Birla Group

## Managing Director and CEO's Message

# Building a Purpose-driven business



“ Our purpose lies rooted in our customer-first philosophy of helping people achieve financial well-being with the right investment solutions. As one of the key industry players, we have been proactive with our initiatives to make mutual funds a household name and encourage people to harness the utility of SIP – a simple tool that enables a disciplined approach to wealth creation.

### Dear shareholders,

The bygone financial year was a year of consolidation for both businesses and policymakers. Central Banks around the globe, led by the Federal Reserve, reversed their accommodative monetary policies and increased interest rates to tame inflation. Advanced economies also experienced turmoil in the banking system with the collapse of a couple of banks, but effective measures by policymakers have largely contained its impact. Closer to home, the Reserve Bank of India has been prudent in its approach to control inflation, at the same time ensuring that growth impulses don't get curbed.

### GLOBAL FOCUS: BALANCING GROWTH AND INFLATION

The prospects of the global economy continue to be uncertain, with the fight against inflation turning out to be a prolonged affair. In the last 6 months, while

global nominal economic activity has slowed down, real growth has remained positive. Although expected to grow, the global economy faces issues such as elevated though moderating inflation, supply chain disruptions and constraints, tighter financial conditions, high commodity prices and lingering geopolitical conflicts.

The Fed has indicated that further rate hikes are still likely in the future after taking a pause in June 2023. In Europe, wage growth has been picking up as unemployment rates remain low. Europe's lending standards are also tightening significantly, which is being reflected in net lending data. Economic recovery in China is also coming with a lag, with China's central bank cutting some key interest rates. Globally, from a growth perspective, developed economies will continue to be on a tightrope walk, balancing inflationary pressures on one hand, and economic recovery on the other.

## **INDIA'S RESILIENT ECONOMY IS BETTER PLACED**

India's economic recovery from COVID has been resilient, surpassing global uncertainties and the growth impulses are broadening. Most global and domestic forecasters expect India to be the fastest-growing major economy with growth forecasts ranging at a healthy 6-6.5% despite a weakening global backdrop. Our economy is intrinsically better placed, mainly because of its reliance on domestic demand, supportive demographics, political stability with a progressive reform agenda by the government and domestic manufacturing getting a boost from the China+1 strategy. Going ahead, the key growth triggers are likely to bring in a continuous uptick in consumer sentiments, green shoots in rural recovery and commodity prices coming off their previous highs. PMIs continue to be near all-time highs, GST collections have been robust, capacity utilisation levels inching upwards, credit growth is robust, the housing cycle picking up and indicators of the services sector particularly travel and tourism looking strong. Pick-up in construction and informal activity in urban areas also has had a positive effect on the rural economy, as is visible in the declining job demand in MNREGA. Capex intentions of private companies have also shot up and the latest round of consumer confidence survey results point to continued recovery in consumer sentiment.

## **FOCUS ON PERFORMANCE**

Aditya Birla Sun Life AMC is one of India's leading Asset Management Companies (AMCs) with an illustrious track record spanning nearly three decades. We are currently managing a total AuM of ₹ 2,86,180 Crore with varied product offerings covering Mutual funds, Portfolio Management Services, Alternative Investment Funds, Offshore and Real Estate offerings. Our continued focus remains on expanding our customer base while deepening our market penetration and increasing the overall assets under management.

Our total mutual fund QAAuM grew from ₹ 247,522 Crore as of 31<sup>st</sup> March, 2020 to ₹ 2,75,204 Crore as of 31<sup>st</sup> March, 2023. We currently cater to more than 8 million investor folios with our monthly SIP contributions including STP having reached ₹ 1,003 Crore as of March 2023.

Our leadership position, product mix, lean cost model and scale have resulted in our strong financial performance. In FY 2022-23, we clocked a total revenue of ₹ 1,354 Crore with a profitability of ₹ 596 Crore. Our net worth stands at ₹ 2517 Crore with a return on equity of 25.31%. We have brought a sharper focus to our alternative segment and strengthened the leadership to enhance our product offering in passives, AIF, real estate and PMS.

Our current passive product offering has yielded good results wherein our assets have gone up by 3 times from last year to around ₹ 28,000 Crore as on 31<sup>st</sup> March, 2023. On the real estate side, the Company has successfully completed the first close of Aditya Birla Real Estate Credit Opportunities Fund (Category II AIF) and has also deployed the first investment. We have always been committed to delivering value for our shareholders. In line with this, we declared, subject to shareholder's approval, a total dividend of ₹ 10.25 per share in FY 2022-23, reinforcing our commitment towards providing strong returns to our shareholders.

### **STRENGTHENING OUR CORE CAPABILITIES**

In FY 2022-23, the performance of our equity funds was broadly muted, with the exception of certain funds which continued to post healthy returns. Most of our equity funds were positioned for the growth style of investing, whereas value as a strategy worked well in the last two years due to the market dynamics post-COVID. We continue to lead in Fixed Income with our robust performance and consistently strong market presence.

We have further strengthened the investment team with sector specialists, and process enhancements and realigned the Fund Management responsibilities, which has started to witness green shoots.

### **TAKING MUTUAL FUNDS TO THE LAST MILE**

Our purpose lies rooted in our customer-first philosophy of helping people achieve financial well-being with the right investment solutions. As one of the key industry players, we have been proactive with our initiatives to make mutual funds a household name and encourage people to harness the utility of SIP – a simple tool that enables a disciplined approach to wealth creation. Through the SIP model, we are helping investors by cultivating a habit of disciplined investing and not being swayed away by the market cycles. We have launched several initiatives that can help our investors and those new to the category benefit from the power of compounding. Value added Products such as Turbo Systematic Transfer Plan (STP), Pro Portfolio, Sampoorna SIP and Perquisite SIP targeting mid-size corporate employees.

Our multi-channel market initiatives designed to deepen our presence have yielded positive results. We have strengthened our sales ecosystem and distribution network by bringing together the key levers like Virtual Relationship Manager (VRM), Sampark, Service to Sales, Direct Channel and Digital Distribution.

We have penetrated and deepened our reach across locations through various modes of presence such as ABSLMF and One ABC branches, Hub and Spoke model and building our Emerging Markets channel. This is part of a broader objective of financial inclusion of the country and going the last mile.

### **ALWAYS CUSTOMER FIRST**

ABSLAMC places utmost importance on delivering effective service and prioritising customer care, which has been instrumental in creating value and earning the trust of our investors. With a forward-looking approach, we consistently strive to incorporate cutting-edge technologies and infrastructure, enabling us to provide innovative and relevant investment solutions. Our belief in empowering customers is reflected in our wide range of Value-added Products and Value-added Services, enhancing their investing experience.

We actively engage with our investors through various platforms and channels, demonstrating empathy and providing guidance throughout the investment process across different market cycles. This showcases our commitment towards building a robust customer-centric model, ultimately improving sentiment, driving sustainable wallet share and fostering revenue growth. With our cost-effective emerging market, VRM and Sales to Service models, we will enter newer markets and penetrate deeper into existing markets to further our reach and financial inclusion in the country.

**Service to Sales** - Customer loyalty, deeper engagement and service differentiation remain the cornerstones of our Service to Sales model. Currently, around 230 trained personnel have been deployed as a single point of contact for guiding and servicing investor needs.

**Virtual Relationship Manager (VRM)** - We have adopted the Virtual Relationship Manager (VRM) model, which revolutionises the way we interact with our distributors. Through this innovative approach, a dedicated virtual manager serves as a single point of contact for all investment and servicing requirements. This personalised touch and customer advocacy are central to our organisation.

By leveraging the power of technology and combining it with human empathy, we strive to deliver a best-in-class customer experience. The VRM model allows us to seamlessly guide and support investors across their diverse service needs. Whether it is addressing queries, providing investment advice, or assisting with account management, our VRMs ensure a smooth and tailored experience throughout the customer journey.

**Digital Capabilities** - Our customer-centric digital capabilities are designed to provide convenient solutions at the fingertip of our investors. With a focus on scalability, superior customer servicing and the use of data analytics, we have built an ecosystem of digital assets including mobile apps, investor and partner portals.

In the financial year 2022-23, our digital transactions accounted for an impressive 84% of the overall transaction volume. Additionally, 92% of our distributor onboarding process was conducted digitally, showcasing our dedication to digital transformation. The continuous growth in digital enrollment and engagement has not only allowed us to deepen our client relationships but also resulted in cost reduction and improved operational efficiencies across our businesses.

To further augment our digital offerings and expand our reach, we actively engage, collaborate, and partner with leading fintech and digital platforms. This strategic alliance with external entities complements our customer-first digital assets and enables us to provide contextual investment solutions that cater to the unique needs of our investors.



**We actively engage with our investors through various platforms and channels, demonstrating empathy and providing guidance throughout the investment process across different market cycles. This showcases our commitment towards building a robust customer-centric model, ultimately improving sentiment, driving sustainable wallet share and fostering revenue growth.**

## **SCALING OUR ALTERNATIVES BUSINESS**

Evolving with the trends in the market, we have introduced a dedicated alternative assets team to focus on serving the needs of investors in this segment. In our alternative investments business, we have fortified the Portfolio Management Services (PMS) investment team with experienced professionals and domain experts, who we believe can bring the next level of growth.

The realm of AIF funds presents an extraordinary opportunity, and our primary aim is to introduce groundbreaking and inventive products that will facilitate our expansion and advancement. Additionally, we have placed paramount focus on fostering the growth of our passives segment, demonstrated by our diverse range of over 40 product offerings. Supported by a substantial customer base of approximately 496,000 folios, we remain steadfast in our dedication to ceaseless product innovation, propelling us to broaden our reach and solidify our position in the market.



**Looking ahead to FY 2023-24, we hold a strong belief in the robustness of our business and the clarity of our vision. As an Asset Management Company, our topmost priority will consistently remain to provide superior experience and service to each and every one of our investors.**

To cater to the needs of the large pool of NRI and Global Investors, we have built our presence in GIFT City. This, we believe, will act as a gateway to have access to investors outside India, and we are in the process of building a robust solution range. This further complements our existing presence in offshore markets.

## **BEYOND BUSINESS**

Along with our commitment to delivering innovative strategies and serving our clients in a way that meets their needs, we also support and are actively involved in delivering value to society at large. We believe in the power of investing and that it is one of the most crucial ways to generate wealth in the long run. Hence, spreading its reach to convey its importance is a must. We have introduced SAHYOG – an initiative to further the cause of financial inclusion to the last mile person. We extend support to people, especially from low-income groups by making them financially aware and setting them on the path of creating value through investments.

Our investor education and distributor development initiatives have educated and empowered millions of people across India and brought them closer to financial independence. To bring in deeper financial inclusion within the country, we launched an industry-first initiative 'For Her', in association with The Women's Collection plc, Canada, to educate and empower women across all corners of the country and to help them lead a prosperous and financially independent life. This initiative, now in its second year, has been well received, and we continue to further deepen our engagement.

## **THE WAY FORWARD**

In the time to come, as a business Aditya Birla Sunlife AMC will continue to remain highly committed to growing a strong customer base by focusing on the requirements of the investors and providing them with a fulfilling investment experience.

Looking ahead to FY 2023-24, we hold a strong belief in the robustness of our business and the clarity of our vision. As an Asset Management Company, our topmost priority will consistently remain to provide superior experience and service to each and every one of our investors. Reflecting on our journey of 29 years, ABSLAMC has consistently demonstrated an unwavering commitment to developing the asset management business in India. Our continued focus towards expanding our geographical footprint and catering to a diverse customer base will also contribute towards the overall growth of the Asset Management industry. In addition to the contributions made by traditional channels for growth such as Mutual Fund Distributors and Banks, our Digital Platform will also be a major contributor towards industry growth owing to its wider reach and potential for innovation.



Drawing upon our extensive experience in offering diverse investment products to our valued investors, we will persist in expanding our range of offerings, with a particular emphasis on Alternative Investment Funds (AIFs), Portfolio Management Services and our Offshore business. Throughout this process, we will maintain a steadfast commitment to fulfilling our investors' interests while concurrently driving the profitability of our AMC. Our primary objective is to deliver consistent investment performance and achieve exceptional risk-adjusted returns by adhering to disciplined and structured investment processes. In order to cater to the diverse needs of different investor segments, we will persist in expanding our product portfolio. This will involve identifying areas of product differentiation and offering customers a cost-effective selection of products, including a combination of both active and passive offerings, at opportune moments. As an Asset Management Company, we will remain focused on building scale and maintaining a leadership position in the Mutual Fund industry, both in terms of AuM and customer base, while acting as a beacon of nation-building.

The invaluable guidance provided by our Chairman, Board of Directors and Trustees has been instrumental in successfully navigating through different business cycles and maintaining unwavering determination in the face of challenges. I express my gratitude to them for their unwavering support and counsel. Our robust governance structure, driven by our core values, unwavering commitment to innovation and tireless efforts to deliver optimal value to our investors and shareholders have played a pivotal role in our remarkable achievements.

We would like to express our sincere gratitude to our invaluable assets: our Investors, Distributors, Esteemed partners and Shareholders, for their unwavering support and ongoing trust in us. Furthermore, we deeply appreciate the dedication and resilience of our Employees, who are undeniably our greatest strength. Even in times of uncertainty, their unwavering commitment to meeting the needs of our investors and delivering value to our shareholders remains unwavering. This spirit of solidarity and determination exemplifies the culture of ABSLAMC. Every individual associated with ABSLAMC shares a common conviction to achieve greater milestones and consistently deliver value to our esteemed investors and shareholders.

We sincerely appreciate your ongoing patronage and the trust you place in us. Thank you for your continued support.

**A. Balasubramanian**

Managing Director and CEO

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<https://mutualfund.adityabirlacapital.com>

## Enriching Lives, Winning as ONE

At ABSLAMC, we believe that a strong and unified culture is the foundation of our success. As part of Aditya Birla Capital, we are committed to fostering a cohesive culture across our organisation, dedicated to enriching the lives of our stakeholders. From our valued customers to our dedicated employees, trusted partners, and the wider community, we strive to touch lives and make a meaningful difference.

For our valued investors, we offer a comprehensive range of investment solutions that empower them to achieve their financial goals and help them build a secure and prosperous future. Our employees are the driving force behind our unified culture and shared commitment to Enriching Lives. We foster an environment of collaboration, inclusivity, and continuous growth in a workforce that embodies the spirit of Winning as ONE. Together with our partners and distributors, we forge strong relationships based on trust and mutual growth. Working as ONE, we expand our reach and unlock new opportunities to drive positive outcomes for everyone involved. As responsible corporate citizens, we are committed to making a positive impact on society at large through initiatives that uplift communities, preserve the environment, and create a more inclusive world.

Enriching Lives, Winning as ONE is the foundation of our organisational philosophy at ABSLAMC Limited. We are dedicated to forging a path of shared success where every stakeholder can thrive and prosper. Together, we move forward as ONE, embracing our collective strength and striving for excellence in all that we do.

### KEY HIGHLIGHTS FY 2022-23

**₹ 2.86 Lakh Cr**

Overall QAAUM\*

**₹ 2.75 Lakh Cr**

MF QAAUM\*

**8.05 Mn**

Investor folios

**10,976 Cr**

Alternate Assets\*\* QAAUM\*

**₹ 1,227 Cr**

Revenue from operations

**₹ 596 Cr**

Profit After Tax

\*Quarterly Average Assets under Management as of 31<sup>st</sup> March, 2023.

\*\*Alternate assets include portfolio management services/alternate investments funds, offshore funds and real estate offering.

## ABSLAMC at a glance

# Empowering investors with expertise and innovation

With a track record spanning over two decades, Aditya Birla Sun Life AMC Limited (ABSLAMC) has consistently delivered value to its clients, offering a comprehensive suite of investment products and services. ABSLAMC's unparalleled distribution network, commitment to excellence and focus on innovation positioned the Company as an industry leader and a trusted partner in meeting the diverse investment needs of its clients.



MUTUAL FUNDS  
Santam Mutual

INVEST IN ONE.  
GET THE BENEFITS OF THREE.

**MULTI ASSET ALLOCATION FUND**  
EQUITY | DEBT | GOLD

#3in1ToInvestmentDone

Aditya Birla Sun Life  
Mutual Fund

ADITYA BIRLA  
CAPITAL

### Key Numbers

₹ 2.75 Lakh Cr  
MF QAAUM

₹ 1.16 Lakh Cr  
Equity QAAUM

₹ 1.59 Lakh Cr  
Non-equity QAAUM

42.1%  
MF Equity Mix

₹ 1.40 Lakh Cr  
Individual MAAUM\*

₹ 44,846 Cr  
B-30 MAAUM

\*Monthly Average Assets under management for March 2023.



## Passives and Alternate assets

₹ 28,223 Cr

Passives Closing AUM

₹ 1,742 Cr

PMS/AIF QAAUM

₹ 8,658 Cr

Offshore QAAUM

₹ 576 Cr

Real Estate QAAUM

## STRONG PARENTAGE

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

## ABOUT ADITYA BIRLA CAPITAL LIMITED

Aditya Birla Capital Limited (ABCL) serves as the holding Company for the financial services of the esteemed Aditya Birla Group, a Fortune 500 global conglomerate. With subsidiaries and joint ventures that offer a wide range of Protecting, Investing, and Financing solutions, ABCL caters to the diverse needs of its customers throughout their life cycle.

As of 31<sup>st</sup> March, 2023, Aditya Birla Capital Limited manages aggregate assets under management of approximately ₹ 3,600 billion. With a consolidated lending book of around ₹ 943 billion and an active customer base of approximately 38 million individuals, ABCL's subsidiaries and joint ventures contribute to its success in providing comprehensive financial solutions.

## ABOUT SUN LIFE (INDIA) AMC INVESTMENTS INC

Sun Life (India) AMC Investments Inc is a wholly-owned subsidiary of Sun Life Assurance Company of Canada, and Sun Life Financial Inc. is its ultimate holding Company. As a renowned global financial services Company, it offers a comprehensive range of asset management, wealth, insurance, and health solutions to individual and institutional clients. With a strong presence in multiple markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia, and Bermuda, Sun Life caters to the diverse financial needs of its customers.

As of 31<sup>st</sup> March, 2023, the total Assets Under Management stood at \$ 1.36 trillion.

## Geographic Presence

### Unparalleled distribution reach

With a robust pan-India distribution network, ABSLAMC extends its services to investors across 19,000+ pin codes in India. Embracing a lean and multi-channel distribution network strategy, the Company strategically focuses on reaching potential rural markets, fostering early growth and expanding its investor base. The Company has also global presence through its international subsidiaries in Singapore, Dubai, and Mauritius.



**290+**

**Locations**



**85+**

**Emerging market  
locations**



**80+**

**Banks**



**270+**

**National distributors**



**75+**

**Digital partners**



**72,000+**

**MF distributors**



## Offerings

### Catering to diverse customer needs

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

**38**

Equity funds

**40**

Debt funds

**2**

Liquid funds

**11**

ETFs

**8**

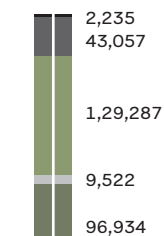
FOF (Domestic) funds



### Average Assets under Management

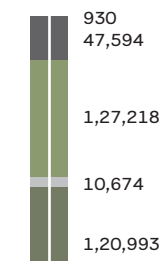
(All figures in ₹ Crore)

↓ 7%  
Overall  
QAAUM

**2,81,035**

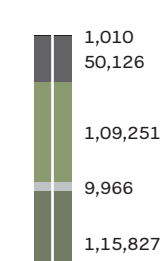
Q4 FY 21

↓ 4%  
Mutual Fund  
Equity

**3,07,409**

Q4 FY 22

↑ 42.1%  
(PY: 40.9%)  
Equity mix

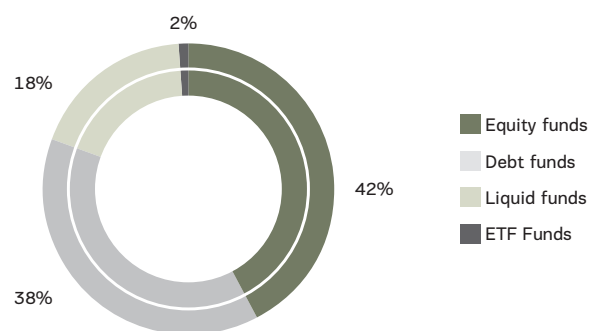
**2,86,180**

Q4 FY 23

- Mutual Fund - Equity
- Mutual Fund - Debt\*
- Mutual Fund - Liquid
- Alternate Assets - Equity
- Alternate Assets - Others

↑ Y-o-Y | \*Mutual fund debt includes ETF

### Total MF AUM Breakup



# ₹ 2,75,204 Cr

## Mutual Fund QAAUM

## Building a scalable business

# Unleashing growth opportunities

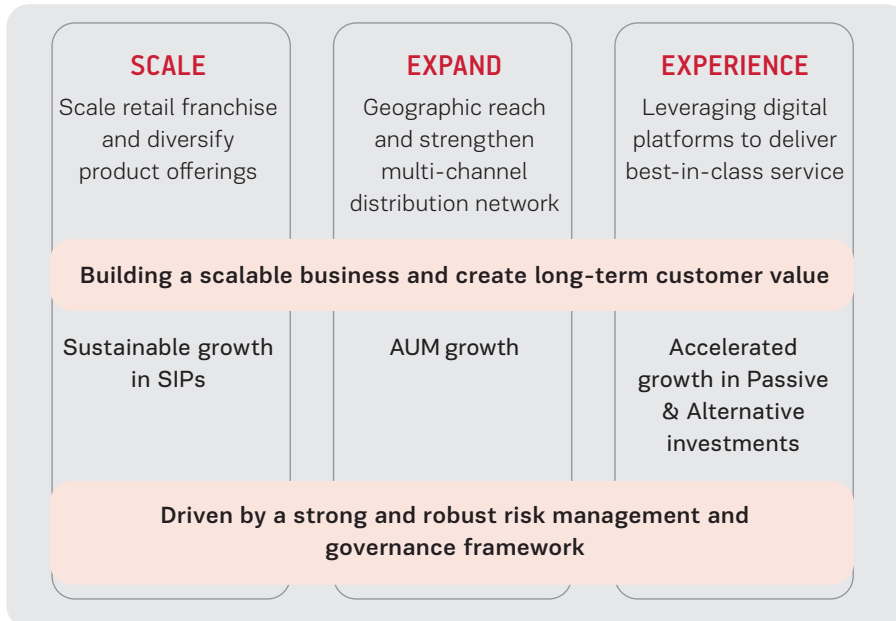
With a strong commitment to excellence, a robust distribution network, and a portfolio of unique products, seamless integration of cutting-edge digital solutions, we have built a strong foundation for growth. As the largest non-bank affiliated AMC in India, we are well-positioned to leverage the growing opportunities ahead.



## The Growing MF Industry

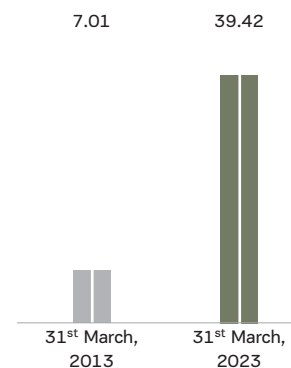
The industry's Assets Under Management (AUM) have increased more than five-fold over the past decade. This exceptional growth highlights the tremendous opportunities that lie ahead, and we are poised to capitalise on them by leveraging our strong foundation and strong focus on scaling our business.

### ABSLAMC'S APPROACH TO LEVERAGING THE GROWING MF INDUSTRY



### MF INDUSTRY AUM

(₹ in Lakh Crore)







## ABSLAMC's Competitive Edge

### OPERATING IN A FAST GROWING, UNDERPENETRATED MARKET

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

5<sup>th</sup>

Largest economy in the world

~35%

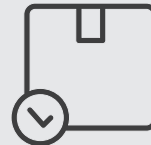
Urban population

### OPERATING WITH A LEADING POSITION AND SCALE

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

#2

Non-bank affiliated AMC in India



### GROWING A VALUE ACCRETIVE PRODUCT MIX

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



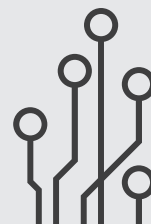
### STRONG RETAIL FRANCHISE

8.05 million folios serviced by the Company as of 31<sup>st</sup> March, 2023.



### MULTI CHANNEL & TECHNOLOGY-ENABLED DISTRIBUTION NETWORK

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



### BUILDING ALTERNATIVE BUSINESS

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



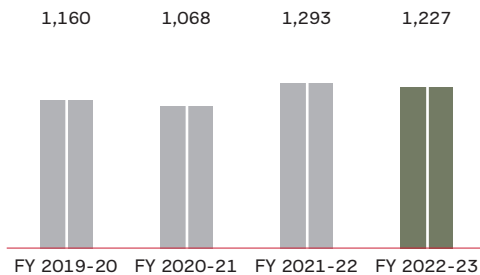
## Key Performance Indicators

# Embracing resilience for sustainable growth

Building on our strong foundation, leveraging innovative solutions, and nurturing strong relationships, we are focusing on driving growth and creating value in the ever-evolving financial landscape.

### REVENUE FROM OPERATIONS

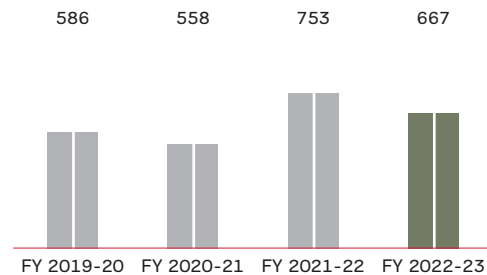
(₹ in Crore)



↑ 2%

### OPERATING PROFIT

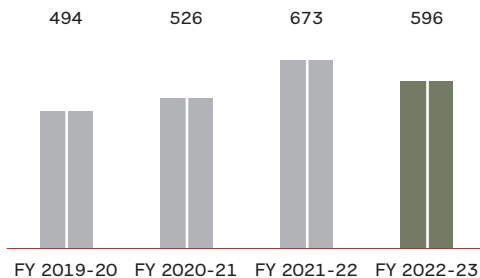
(₹ in Crore)



↑ 4%

### PROFIT AFTER TAX

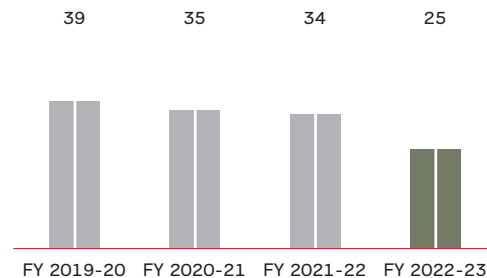
(₹ in Crore)



↑ 6%

### RETURN ON EQUITY

(%)



↑ 3-year CAGR

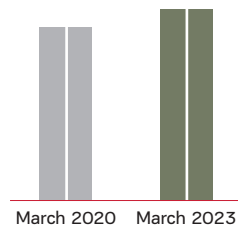


## Mutual Fund Performance Metrics

### MF QAAUM

(₹ in Crore)

247,522      275,204

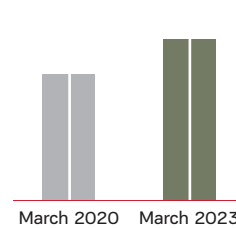


↑ 4%

### EQUITY QAAUM

(₹ in Crore)

87,559      115,827

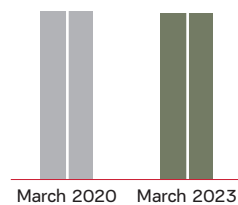


↑ 10%

### NON-EQUITY

QAAUM (₹ in Crore)

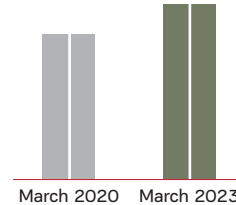
159,963      159,377



### FOLIOS AT THE

YEAR END (in millions)

7.19      8.05

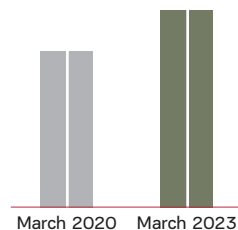


↑ 4%

### INDIVIDUAL

MAAUM (₹ in Crore)

106,496      140,303



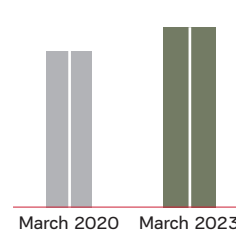
↑ 10%

↑ 3-year CAGR

### B-30 MAAUM

(₹ in Crore)

33,550      44,846



↑ 10%

## Risk Management

# Resilience through proactive risk management

In a dynamic business landscape, effective risk management is a critical component for business growth and sustainability. At ABSLAMC, we prioritise prudent risk management to mitigate potential threats and capitalise on opportunities.

### RISK MANAGEMENT FRAMEWORK

Our robust risk management framework forms the cornerstone of our commitment to Governance, Risk, and Compliance. Built on industry-best practices and guided by our extensive expertise, this framework empowers us to proactively navigate risks, protect stakeholders' interests, and drive sustainable growth. Through meticulous risk identification, assessment, strategic response, and continuous monitoring, we ensure that risk profiles align with established policy parameters. Our proactive approach helps us to address challenges, seize opportunities, build business resilience and fortify our competitive advantage.







## Our Risk Profile

### Risk Profile





## Risks and Mitigation Measures

|   | Key Risks  | Mitigation Measures  |
|---|--|--|
|  <p><b>Strategic Risk</b></p>                                | Risk to future profits or capital posed by the Company's inability to execute long-term or strategic business goals.                                     | The Enterprise Risk Management framework uses the risk identification and assessment process to manage strategic risks. The Risk Management Committee keeps track of these threats and the measures in place to address them.  |
|  <p><b>Investment Risk</b></p>                               | Risks associated with various asset classes' investment portfolios (Equity, Debt, Real Estate) across market risk, credit risk, interest rate risk, etc. | The Investment Committee and well-defined investment rules and procedures are in place to ensure that the risks associated with investments are recognised, and acceptable levels are determined. The investment system covers regulatory and internal standards and enforces investment restrictions and exposure levels in real time.  |
|  <p><b>Operational Risk</b></p>                            | Uncertainty arising from higher-than-expected losses or reputational harm due to internal procedures, controls, systems, or external events.             | The Risk Management Policy, Operational Risk Management Policy and Fraud Risk Management Policy govern the operational risk. There is also an effective Business Continuity & Disaster Recovery Plan in place. Regular reviews and updates of operating and reporting procedures are conducted to manage operational risk.   |
|  <p><b>Information Security and Cybersecurity Risk</b></p> | Risk of financial or reputational loss caused by IT systems, human error, and other factors.   | Information Security risks are regulated by an Information Security Management System that is certified in accordance with ISO 27001, a worldwide standard. The Company's Information Security and Cyber Security policies are designed to comply with ISO 27001, privacy and/or data protection legislation. This also serves as guidance to information security staff, management, and employees regarding their roles and responsibilities towards information security. |

## Digital Initiatives

# Leveraging technology for competitive edge

We recognise the transformative power of digital technology and its potential to enhance the experiences of our valued stakeholders. Through our comprehensive digital initiatives, we have built a robust ecosystem that empowers investors and strengthens our partnerships with distributors.

### Key Highlights FY 2022-23

**75%**

Customer Onboarding

**92%**

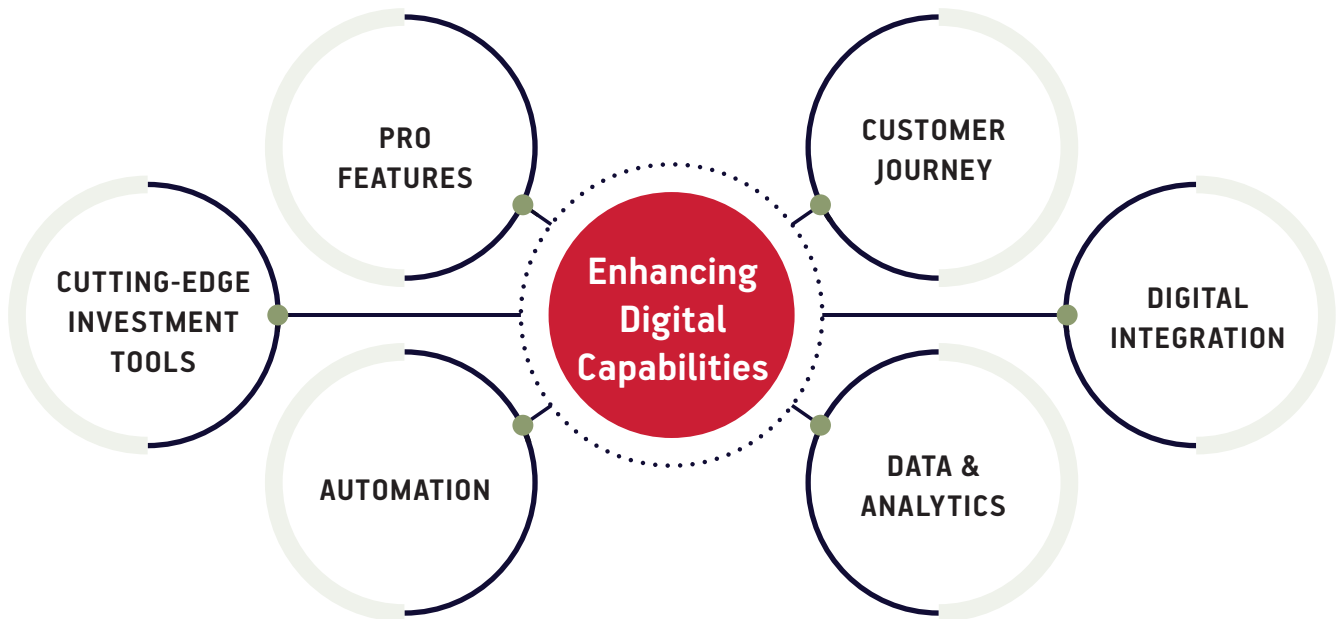
Distributor Onboarding

**87%**

Customer Servicing

**84%**

Digital Transaction





### Customer Journey

We have introduced instant redemption in our Overnight Fund, allowing investors to access their funds quickly and conveniently. Additionally, we have launched Digital NRI KYC, enabling non-resident Indians to invest in mutual funds in India seamlessly. To enhance the retail investor experience, we have revamped the KYC process by integrating Digi locker and Aadhaar OTP, making it more secure and efficient.

### Digital Integration

To facilitate seamless collaboration with our partners and fintech companies, we have developed an API platform for rapid integration. This allows for smooth data exchange and quick interactions, enhancing the overall user experience. Furthermore, we have provided APIs for KYC and folio creation to our fintech partners and banks, enabling them to integrate our services seamlessly into their platforms.

### Data & Analytics

Harnessing the power of data, we have adopted predictive and prescriptive analysis to gauge customer product inclinations. By leveraging advanced analytics techniques, we can better understand investor preferences and provide tailored investment recommendations, enhancing the overall investment journey.

### Automation

To improve operational efficiency, we have implemented automated internal processes using a low-code business platform. This automation streamlines various internal workflows, reducing manual effort and enabling faster and more accurate processing of investor requests.

### Cutting-Edge Investment Tools

We have developed a platform for asset-class investment risk and performance attributions, empowering investors to make informed decisions. Additionally, we have introduced a new Partner Portal with a seamless user experience, allowing our partners to access relevant information and services effortlessly. Investors can now pre-book and switch funds conveniently using the smart switch feature.

### ProFeatures

To enhance the investing experience, we offer Pro Investing capabilities for SIP and lump sum purchases on both customer and partner assets. This empowers investors to optimise their investment strategies and achieve their financial goals efficiently.

## Social-People

# Fostering a thriving work environment

At ABSLAMC, we firmly believe that our people are the driving force behind our success. We are committed to creating a nurturing environment where our employees can thrive both personally and professionally.

## Talent Management

ABSLAMC is dedicated to nurturing a culture of excellence and empowering its employees to reach their full potential. With a focus on talent development and organisational effectiveness, the Company continues to enhance its practices and strategies. The Company put a strong emphasis on identifying and fostering high-potential talent through its comprehensive development interventions and tailored programmes.

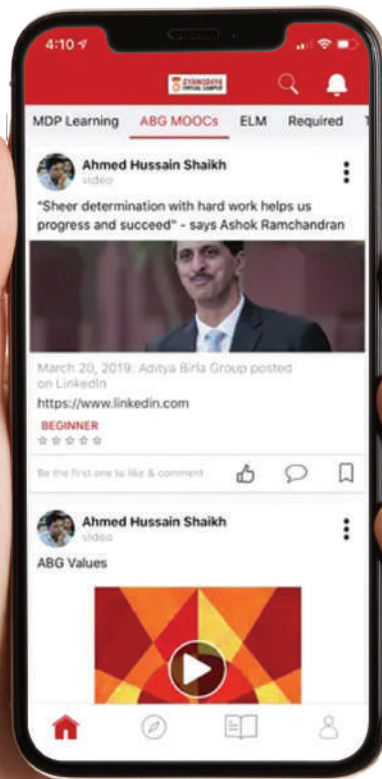






## Employee Engagement and Well-being

ABSLAMC prioritises the overall well-being of its employees, fostering a work environment that promotes flexibility, work-life balance, and holistic support. The Company is committed to nurturing the mental and physical health of its workforce, offering comprehensive wellness programmes and resources to ensure their overall well-being. In addition, ABSLAMC recognises and celebrates the contributions and achievements of its employees through robust recognition initiatives.



### TRAINING AND DEVELOPMENT

We recognise that the growth and success of our organisation are directly linked to the growth and excellence of our people. With a focus on both functional expertise and behavioural competencies, we have developed a comprehensive training and development architecture known as "The Birla Way of Learning," to foster continuous learning and improvement.

#### Varied Learning Modalities

We leverage diverse platforms and methodologies to ensure maximum impact and engagement in our training initiatives. This includes a combination of leadership/expert sessions, classroom training, learning journals (VYMO), app-based modules, and virtual training platforms.

#### Personalised Learning Experience

We understand the importance of catering to individual learning needs. Through an AI-enabled learning app, we provide personalised and tailored information, enabling employees to access relevant content at their convenience and enhance their skills and knowledge.

#### Gyanodaya Virtual Campus (GVC)

Our employees have access to Gyanodaya Virtual Campus, an extensive repository of knowledge and resources. GVC offers more than 31,000 relevant courses, videos, and webinars, providing opportunities for continuous learning and growth.

#### Continual Improvement

We are committed to staying ahead of industry trends and evolving our training initiatives to meet the changing needs of our employees. We regularly review and update our programmes to ensure they remain relevant and effective in fostering growth and excellence.

## Social-Communities

# Driving positive change, impacting lives

As a responsible corporate citizen, we are deeply committed to making a positive impact on society through our Corporate Social Responsibility (CSR) initiatives. Guided by a strong vision, our CSR efforts aim to uplift and empower communities, creating a better and more sustainable future for them.

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

### Key Highlights FY 2022-23

**2,49,906**

Lives impacted

**6**

States

**20**

Projects implemented



### Our vision

"To actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

**Mrs. Rajashree Birla,**

Chairperson

Aditya Birla Centre for Community Initiatives and Rural Development



## Healthcare

In our commitment to healthcare, we actively support projects that focus on crucial areas such as mental health, cancer care, paediatric care, mother & child health etc.

### MENTAL HEALTH

A focused programme was undertaken in Maharashtra's Jalna district, benefitting 86,600 individuals. This initiative aimed to destigmatise mental health and provided counselling and psychiatric services. Additionally, we offered mental health services and support to the Central Industrial Security Force stationed at airports in Mumbai and Delhi.

### MATERNAL AND CHILDCARE

A healthcare initiative was undertaken that benefitted 11,818 individuals in the tribal region of Melghat, Maharashtra. The programme involved training ASHAs and Village Health Workers, conducting nutrition screenings for children under five, and implementing effective behavioural change communication within the community.

### MENSTRUAL HYGIENE SUPPORT

Through our efforts, 5,687 women and girls attended comprehensive awareness sessions on menstrual hygiene, which were followed up with the distribution of reusable sanitary pads, accompanied by comprehensive awareness sessions on menstrual hygiene. Subsequently, an encouraging 86% adoption rate for reusable pads was observed during the three-month follow-up.

### PAEDIATRIC CANCER CARE

Our initiative focused on providing holistic support and treatment to 1,805 cancer-affected children. The initiative also raised awareness among the public and strengthen referral pathways for timely diagnosis and continued treatment.

### CONGENITAL HEART SURGERIES

19 patients with congenital heart issues received life-saving surgeries, enhancing their quality of life.



# 119,505

Benefitted from health initiatives

# 1,376

Community awareness sessions

# 4,477

Frontline health workers trained

## Education

Education plays a pivotal role in shaping the future of individuals and communities. Our initiatives focus on improving academic and infrastructural facilities in low-income and government schools. Here's an overview of our impact:

### SCHOOL INFRASTRUCTURE

Recognising the significance of a conducive learning environment, we refurbished classrooms and libraries in 173 schools in Uttar Pradesh and Rajasthan. Our efforts also encompassed the construction and renovation of essential facilities such as toilets, safe drinking water systems, hand wash stations, and solar panels. These enhancements were widely appreciated by the communities.

### DIGITAL LEARNING

To foster curiosity and a love for learning, we upgraded 71 schools in Uttar Pradesh with digital classrooms and smart content. This transformation was warmly embraced by both students and teachers, revolutionising the learning experience.

### STUDENT ENROLMENT AND TEACHER TRAINING

Our comprehensive student enrolment drives and teacher training programmes, motivated students to attend schools and gain better learning outcomes respectively.

We collaborated with district and block-level education departments and strengthened 173 School Management Committees, ensuring effective governance and support.

### MOBILE SCIENCE LABS

Bringing science education to life, we introduced four mobile science labs, serving 71 schools in Mumbai and Thane. These labs facilitated hands-on learning experiences and demonstrations, enhancing the understanding of scientific concepts for over 22,029 students. As part of this initiative, we also upgraded ten schools with dedicated science labs.



**245**

Schools

**57,175**

Students benefitted

**776**

Teachers trained



## Women Empowerment and Sustainable Livelihood

Our initiatives in women empowerment and sustainable livelihood are centred around the core principles of collective action, environmental conservation, and economic prosperity.

### COLLECTIVE EMPOWERMENT IN AGRICULTURE

In four districts of Madhya Pradesh, women farmers were collectivised into Self-Help Groups (SHGs) and Farmer Groups. These initiatives have enabled 61,703 women farmers to come together and benefit from soil & water conservation efforts and training in improved agricultural practices, resulting in enhanced crop productivity and a doubling of household income.

### ENVIRONMENTAL CONSERVATION

Our focus on natural resource conservation has yielded significant outcomes. Structural barriers and afforestation techniques have been employed to preserve soil and water resources, positively influencing agricultural yields and water security. 142 watershed structures and 93 farm ponds have created a water harvesting capacity of 1.6 billion litres, facilitated afforestation with 42,784 trees, restored 1,243 hectares of farmland, and encouraged organic and water-efficient agricultural practices.

### MICRO ENTERPRISE DEVELOPMENT

In rural Bengaluru, 1,143 women have received training in setting up micro-enterprises. These endeavours encompass various activities such as small-scale shops, product manufacturing, and animal husbandry. A Mobile Training academy reached out to 10,395 economically disadvantaged women at their doorstep to impart financial literacy training on personal finance.

**73,226**

Women beneficiaries for improved livelihood and empowerment

**5,185**

Women collectives strengthened



## Board of Directors

# Excellence through effective leadership

With a focus on integrity, accountability, and transparency, we adhere to the highest standards of corporate governance. Our commitment to fairness, strategic guidance, and responsible decision-making ensures that we protect the interests of our stakeholders. Through effective governance, we foster trust, empower our teams, and strive for excellence in all aspects of our organisation.



**Mrs. Vishakha Mulye**  
Non-Executive Director

Mrs. Vishakha Mulye (DIN: 00203578) is a Non-Executive Director of the Company with over 3 decades of rich experience in banking and financial services and has been on the Board of the Company since 27<sup>th</sup> 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 the '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, in charge of 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.



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

Mr. Sandeep Asthana (DIN: 00401858) is the Non-Executive Director of the Company since 27<sup>th</sup> April, 2011. He brings over 28 years of experience in insurance and asset management. He is the Country-Head, India, for Sun Life Financial since 2011. His experience covers leadership roles in Reinsurance Group of America (RGA Re), Unit Trust of India (UTI) and Zurich Risk Management Services (India) Private Limited. Mr. Asthana is also a Director on

the Board of Aditya Birla Sun Life Insurance Company Limited and Aditya Birla Sun Life Pension Management Limited.

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



**Mr. Amrit Kanwal**  
Non-Executive Director

Mr. Amrit Kanwal (DIN: 09545814) is the Non-Executive Director of the Company since 26<sup>th</sup> April, 2022. He is the Executive Vice-president and Chief Financial Officer of MFS Investment Management (MFS).

He is in charge of corporate finance, strategy, fund treasury, corporate services, and the firm's transfer agency in this capacity. He is a member of MFS Investment Management's Corporate Board and MFS Meridian Fund's Board of Directors.

Before joining MFS, Mr. Kanwal was Senior Managing Director and Chief Financial Officer of Putnam Investments. He also served as Vice-president of Corporate Development and Strategy for Sequa Corporation and held top Strategy and Corporate Development positions at PepsiCo and Miller Brewing Company.

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



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

Mr. A. Balasubramanian (DIN: 02928193) is the Managing Director & CEO of Aditya Birla Sun Life AMC Limited. A stalwart of the mutual fund industry, he brings with him over three decades of rich experience.

He has been associated with the organisation since 1994. Prior to assuming the role of CEO in 2009, Mr. Balasubramanian served as Chief Investment Officer from 2006 to 2009. As Managing Director & CEO, Mr. Balasubramanian oversees over ₹ 3 lakh crore in Assets Under Management at Aditya Birla Sun Life AMC Limited ("ABSLAMC"). Before joining ABSLAMC in the year 1994, he worked with GIC Mutual Fund, Can Bank Financial Services and Pandit & Co. between 1989 and 1994.

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

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

He has completed Advanced Management Programs at Indian Institute of Management (IIM), Bangalore and Harvard Business School. He also holds a Bachelor's degree in Science (Mathematics) and a Master's degree in Business Administration from GlobalNxt University.

## Board of Directors



**Ms. Alka Marezban Bharucha**  
Independent Director

Ms. Alka Bharucha (DIN: 00114067) is the Independent Director of the Company since 31<sup>st</sup> March, 2015 and was re-appointed for a second term with effect from 31<sup>st</sup> July, 2020. She chairs the transactions practice at Bharucha & Partners, which is a full-service law firm established in 2008. She is an Advocate on the Record of the Supreme Court of India. Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance. Ms. Bharucha's general corporate work includes the establishment of mutual funds and providing regulatory advice to foreign institutional investors, foreign venture capital investors, merchant bankers and other financial intermediaries.

Ms. Bharucha is also a Director on the Board of Birlasoft Limited, Hindalco Industries Limited, Aditya Birla Finance Limited, Ultratech Cement Limited, Orient Electric Limited, Honda India Power Products Limited, Ultratech Nathdwara Cement Limited and Honda Cars India Limited.

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



**Mr. Navin Puri**  
Independent Director

Mr. Navin Puri (DIN: 08493643) is the Independent Director of the Company since 4<sup>th</sup> September, 2019. He brings with him over three decades of expertise in banking and financial services. He has in-depth knowledge and understanding of the Indian Financial Retail Market and has been a catalyst in driving digitalisation and improving customer experience.

Mr. Puri has previously worked as part of the senior management team at HDFC Bank Limited. He is also a Director on the Board of Equitas Small Finance Bank. Mr. Puri is a Chartered Accountant by qualification.



**Mr. Sunder Rajan Raman**  
Independent Director

Mr. Sunder Rajan Raman (DIN: 02511138) is the Independent Director of the Company since 1<sup>st</sup> January, 2022. He served as a Whole-Time Member of SEBI from 2012 to 2017. His significant achievement with SEBI includes the transition to a new Foreign Portfolio Regime in 2014, curbing the menace of fraudulent fundraisings and introducing a regulatory framework for several new products viz. REITS/INVITS/ Municipal Bonds.

Mr. Raman was also the Chairman and Managing Director of Canara Bank and the Executive Director of Union Bank of India.

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





**Mr. Ramesh Abhishek**  
Independent Director

Mr. Ramesh Abhishek (DIN: 07452293) is the Independent Director of the Company since 1<sup>st</sup> January, 2022. He is an Indian Administrative Service (IAS) officer, 1982 batch (retired July 2019). He has served as Secretary to the Government of India in the Department for Promotion of Industry and Internal Trade (DPIIT), the key department spearheading key government initiatives such as Make in India, Start-up India, Ease of Doing Business and Industrial Corridors in the Country. He has also served as Chairman of the Commodity Derivative Markets Regulator and Forward Markets Commission.

Mr. Abhishek is also a Director on the Board of Ravindra Energy Limited, Indus Towers Limited, Cyient Limited, PAYTM Payments Bank Limited, Nuvama Wealth Management Limited, Nuvama Wealth Finance Limited and Nuvama Custodial Services Limited.

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



**Mr. Supratim Bandyopadhyay**  
Additional Director (Independent)

Mr. Supratim Bandyopadhyay (DIN: 03558215) has been appointed as an Additional Director (Independent) of the Company w.e.f. 1<sup>st</sup> June, 2023. He has served as Chairman of the Pension Fund Regulatory and Development Authority (PFRDA) for a period of three years from January 2020 to January 2023 and prior to this, he was the Whole-Time Member (Finance) of PFRDA for two years. During his tenure with PFRDA, the AUM of PFRDA increased almost four-fold to ₹ 9 trillion.

Mr. Bandyopadhyay has vast experience in the field of Insurance, Finance, Investments and Debt operations. Prior to PFRDA, Mr. Bandyopadhyay served for around three

and half decades at the Life Insurance Corporation of India (LIC), the largest Life Insurance Company in India. During his tenure at LIC, Mr. Bandyopadhyay served in various capacities heading two large divisions as Chief (Investment) and Executive Director (Investment). He also held the position of Managing Director & Chief Executive Officer at LIC Pension Fund managing the entire operations of LIC Pension Fund. Mr. Bandyopadhyay is a Chartered Accountant by qualification.

## Leadership team

Excellence through  
effective leadership



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



**Mr. Mahesh Patil**  
Chief Investment Officer



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



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



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



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



**Mr. Parag Joglekar**  
Chief Financial Officer



**Ms. Keerti Gupta**  
Chief Operations Officer



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



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



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



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



**Mr. Hari Babu**  
Chief Risk Officer



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

## Awards and Recognitions

# Celebrating Excellence and Achievements

During the year under review, our efforts were recognised with multiple prestigious awards and accolades. These honours are a testament to our unwavering commitment to excellence, innovation, and customer-centricity. We remain committed to surpassing these milestones, further reinforcing our position as a leader in the market and ensuring the utmost satisfaction of our valued customers.



## Investor Education Excellence

Best of the Best Award from Asia Asset Management - Best Fund House for Investor Education - India

OutLook Money - Innovative Approach in Investor Education

AWOKE India Foundation - Best Investor Education for Best Efforts in Outreaching Various Segments of Investors

Leadership Award Council - Investor Education in Mutual Funds Category

Nivesh Manthan - Awarded ABSLAMC in four categories includes Content, Reach, Creativity, and Consistency

## Digital Customer Experience Excellence

Best of the Best Award from Asia Asset Management - Fintech Innovation in Asset Management (India)

Digital Strategy of the Year - In Digital Customer Experience Confex & Awards

Best Digital Innovation of the Year - In Digital Customer Experience Confex & Awards

Customer Experience Strategy of the Year - In Digital Customer Experience Confex & Awards

## Trust and Security

IDC - Best in Future of Trust award at the IDC Future Enterprise Awards 2022

Quantic - Best Technology Initiative of the Year - (Financial Services)

Synnex - Best Cyber Security Innovator of the Year

Krypton - Security Innovation of the Year



## Corporate Information

### BOARD OF DIRECTORS

**Mrs. Vishakha Mulye**  
Non-Executive Director  
(w.e.f. 27<sup>th</sup> October, 2022)

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

**Mr. Amrit Kanwal**  
Additional Director (Non-Executive)  
(w.e.f. 26<sup>th</sup> April, 2022)

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

**Ms. Alka Bharucha**  
Independent Director

**Mr. Navin Puri**  
Independent Director

**Mr. Sunder Rajan Raman**  
Independent Director

**Mr. Ramesh Abhishek**  
Independent Director

**Mr. Supratim Bandyopadhyay**  
Additional Director (Independent)  
(w.e.f. 1<sup>st</sup> June, 2023)

### COMMITTEES OF THE BOARD

#### Audit Committee

Mr. Sunder Rajan Raman - Chairman  
Mr. Navin Puri  
Mr. Ramesh Abhishek  
Mr. Supratim Bandyopadhyay  
Mrs. Vishakha Mulye  
Mr. Sandeep Asthana

#### Risk Management Committee

Mr. Supratim Bandyopadhyay - Chairman  
Mr. Sunder Rajan Raman  
Mrs. Vishakha Mulye  
Mr. Sandeep Asthana

#### Stakeholders Relationship Committee

Ms. Alka Bharucha - Chairperson  
Mr. Ramesh Abhishek  
Mr. A Balasubramanian

#### Nomination, Remuneration and Compensation Committee

Ms. Alka Bharucha - Chairperson  
Mr. Navin Puri  
Mr. Ramesh Abhishek  
Mr. Supratim Bandyopadhyay  
Mrs. Vishakha Mulye  
Mr. Sandeep Asthana

#### Product Committee

Mr. Navin Puri - Chairman  
Mr. Supratim Bandyopadhyay  
Mrs. Vishakha Mulye  
Mr. Sandeep Asthana

#### Corporate Social Responsibility (CSR) Committee

Ms. Alka Bharucha - Chairperson  
Mrs. Vishakha Mulye  
Mr. Sandeep Asthana

### KEY MANAGERIAL PERSONNEL

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

**Mr. Parag Joglekar**  
Chief Financial Officer

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

### STATUTORY AUDITORS

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

### SECRETARIAL AUDITORS

**M/s. N. L. Bhatia & Associates**  
Practising Company Secretaries  
(For FY 2023-24)

### INTERNAL AUDITORS

**M/s. Aneja Associates**  
Chartered Accountants  
(For FY 2023-24)

### REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited  
(formerly known as KFin Technologies Private Limited)  
Unit: Aditya Birla Sun Life AMC Limited.  
Selenium Building, Tower B,  
Plot No. 31-32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032  
Tel: +91 40 6716 1611  
Toll Free no: 1800 572 4001  
E-mail Id: einward.ris@kfintech.com  
Website: <https://www.kfintech.com>

### REGISTERED OFFICE

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

\*As on 1<sup>st</sup> June, 2023

# Management Discussion and Analysis

## ECONOMIC OVERVIEW: FY 2022-23

### Global Economy: The inflation, rate, growth juggernaut

Reflecting on the global economy, 2022 was characterised by the accelerated rate hikes by central banks across the world to clamp down on multi-decade high inflation and resilient-albeit-slowing GDP growth. The world economy grew at a pace of 3.4% in 2022.

Among the major economies, the US recorded a growth rate of 2.1%, China grew at a below trend of 3%, and India is projected to grow at 7% (FY23). The past year has seen the most coordinated and accelerated pace of rate hikes in the last four decades as central banks were faced with persistent inflationary pressures as well as strong labour markets. Over the past quarter, most developed market central banks seem close to hitting a pause on rate changes going forward, with the important exception of Europe.

Banking stress emerged on both sides of the Atlantic, and central banks infused large amounts of liquidity while acting as the lender of last resort. Credit conditions are expected to tighten and add to the restrictive stance of monetary policy. China abandoned its Zero COVID policy abruptly at the end of 2022, resulting in a sharp services-led rebound in activity in Q1 2023.

Overall, growth stayed relatively resilient despite sharp rate hikes, banking stress and tighter financial conditions. Certain forward-looking indicators and survey-based measures are pointing towards an impending recession, but central banks are hopeful of slowing growth to a below-trend level to cool inflation without triggering a recession.

### Indian economy: Resilient in the face of global headwinds

India's real GDP growth in FY23 is estimated to be 7.0% y-o-y on a real basis, and 15.9% y-o-y on a nominal basis. On a cross-country basis, domestic growth has been the highest among major economies. While the pandemic took a toll on the economy in FY21 and FY22, its impact diminished in FY23, resulting in the normalisation of economic activity. While the headline growth is strong, it is partially due to the base effects of the COVID drag of the previous years. On a cumulative basis, the economy has grown by only 3.2% CAGR since FY20, suggesting that significant catch-up is still needed to fully recover from the pandemic-inflicted losses. However, despite the general slowdown across the world, India stands out with its positive growth impulses and strong outlook on its long-

term prospects, substantiated further by the commentary from various global institutions.

The economy's recovery was supported once again by private consumption growing by 7.35%, even as government consumption remained wear. Moreover, both gross fixed capital formation and exports witnessed healthy growth, and services exports are seeing a strong pick-up. However, imports growth was also very strong on the back of higher commodity prices that has a dampening impact on GDP. On a sectoral basis, growth in agriculture remained healthy, while industrial was dragged down by low growth in the manufacturing sector. The services sector posted strong growth as it recovered from the pandemic. The construction sector and housing demand also displayed healthy growth.

As seen around the world, inflation also remained elevated in India, averaging above the RBI tolerance band at 6.7%, driven both by high food inflation and sticky and high core inflation. Rising global commodity prices also contributed to inflation. RBI responded forcefully to elevated inflation with rapid monetary tightening, increasing the policy Repo rate by 250 bps and effective policy rate by 315 bps. The rapid pace of monetary tightening resulted in a broad-based increase in interest rates in the economy. However, bank credit growth remained strong in the year, up by 15.4%. This was driven by personal loans, service loans, and agricultural loans. However, bank credit to the industrial sector remained weak.

The Union Budget for FY24 was once again focused on capex-led revival, budgeting for an aggressive capex outlay of 33.7% y-o-y. The fiscal deficit target for FY24 was kept at an elevated 5.9% of GDP but is a decline from the 6.4% in FY23. The decline in fiscal deficit was achieved by a reduction in revenue expenditure owing to lower levels of subsidies and savings on Covid-related expenditures like enhanced free food provision for the underprivileged, vaccinations, and rural employment schemes.

Merchandise exports and imports growth moderated in the year, even as services exports posted strong growth. After a sharp rise in the year, the merchandise trade deficit trend saw a decline towards the end of the fiscal. However, the cumulative merchandise trade deficit stayed elevated, rising to \$266 Billion from \$191 Billion in FY22. There was a sharp rise in the current account deficit in the first half of the year, resulting in pressure in external accounts and depletion of forex reserves. However, the external account stabilised in the fourth quarter of the fiscal year with a reduction in global commodity prices.



## MUTUAL FUND INDUSTRY OVERVIEW

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

- The Industry Average Assets under Management (AAUM) for the quarter ended on 31<sup>st</sup> March 2023 reached ₹40.49 Lakh Crore recording a growth of 6% over the same period last year. The corresponding AAUM for the quarter ended 31<sup>st</sup> March 2022 was ₹38.36 Lakh Crore.
- Industry Equity AAUM stood at ₹20.75 Lakh Crore for the quarter ended 31<sup>st</sup> March 2023, up by 11% from the same period last year. Corresponding Equity AAUM for the quarter ended 31<sup>st</sup> March 2022 was ₹18.64 Lakh Crore.
- As on 31<sup>st</sup> March 2023, the total number of mutual fund investors stood at 14.76 Crore versus 13.12 Crore on 31<sup>st</sup> March 2022, an increase of 12% Y-o-Y.
- The retail investor surge is also reflected in higher individual Monthly Average AUM (MAAUM) at ₹23.27 Lakh Crore in March 2023, which grew 12% Y-o-Y and contributed to around 58% of the total Monthly Average AUM.
- The mutual fund monthly average AUM for March 2023 from B30 cities was at ₹6.84 Lakh Crore, which was 17% of the overall AUM.

## OUR COMPANY STRATEGY

ABSLAMC has been a leading investment manager that has committedly worked towards financial inclusion, deepening of financial markets and development of the mutual funds industry. Our strategy remains rooted in our customer-first ethos and commitment to serve our investors over the long term by providing holistic investment solutions and consistent investment performance. We keep the investor's interest at heart with a consistent focus on customer experience. This commitment is supported by a robust risk management and governance framework, research-driven fund management, and the integration of technology to enhance service delivery. This commitment has helped us to build our AUM size over the years, and establish a strong customer base. These fundamental principles have enabled us to establish ourselves in the mutual fund space and will continue to guide us towards accelerated growth in the alternative asset space.

To build up our scalable business and deliver long-term value to our customers and shareholders, we focus on:

- Scaling retail franchises and diversifying product offerings
  - Creating an ecosystem to support retail sales growth that combines the strength of multiple channels such as Service to Sales, Virtual Relationship Manager (VRM), Emerging Market, Cross Sell and Up Sell, Direct Channel and Digital Sales.
  - Grow and diversify our product offering using market research and innovation
  - Continue to build product portfolio by identifying pockets of product differentiation
  - Provide financial literacy to the existing and next generation of investors and distributors, and contribute to overall financial inclusion in the country
- Expanding geographic reach and strengthening multi-channel distribution network
  - Continue to widen our geographic reach and investor folios by increasing our customer base in high potential and under-penetrated markets
  - Along with a focus on Mutual Fund Distributors (MFDs), build scale in national distributors and banking channel, with a special focus on cooperative and PSU banks to tap their vast network.
  - Build deeper engagement and loyalty with distributors and customers, resulting in higher wallet share and longevity
- Leveraging digital platforms to deliver better service
  - Leverage digital platforms to increase customer acquisition and enhance customer experience
  - Strategic tie-ups and exclusive partnerships with fintech and new-age tech distributors. Leverage API-based Plug-n-Play onboarding solutions for fintech partners/cooperative banks
  - Focus on leveraging the digital capability to provide seamless accessibility and the right experience to our customers
  - Using digital platforms to identify cross-sell and up-sell opportunities as well as focus on providing better customer service

## Management Discussion and Analysis (Contd.)

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

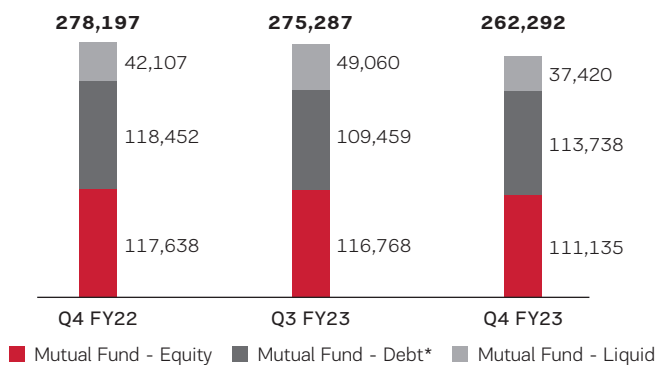
## PERFORMANCE OVERVIEW

For the quarter ended 31<sup>st</sup> March 2023, our Company's Mutual Fund Quarterly Average Assets under Management (QAAUM) was at ₹ 2,75,204 Crore with market share (excluding ETF) at 7.7% and Mutual Fund Equity QAAUM was at ₹ 1,15,827 Crore with market share at 5.6%. Equity mix was at 42.1%. We enjoyed a dominant position in the fixed income space with QAAUM of ₹ 1,59,377 Crore with market share at 10.6%. The closing mutual fund AUM as on 31<sup>st</sup> March, 2023 was ₹ 2,62,292 Crore. For the quarter ended 31<sup>st</sup> March, 2023 our Alternate assets AUM which include AIF/PMS, offshore and real estate was at ₹ 10,976 Crore. The Profit Before Tax for FY23 was ₹ 794 Crore and Profit After Tax (PAT) stood at ₹ 596 Crore in FY23.

### Closing Mutual Fund Assets under Management

(in ₹ Cr)

| Mutual Fund | Equity Mutual Fund | Equity Mutual Fund Mix |
|-------------|--------------------|------------------------|
| ↓ 5% Q-o-Q  | ↓ 5% Q-o-Q         | 42.4% (PQ:42.4%)       |
| ↓ 6% Y-o-Y  | ↓ 6% Y-o-Y         | 42.4% (PY:42.3%)       |

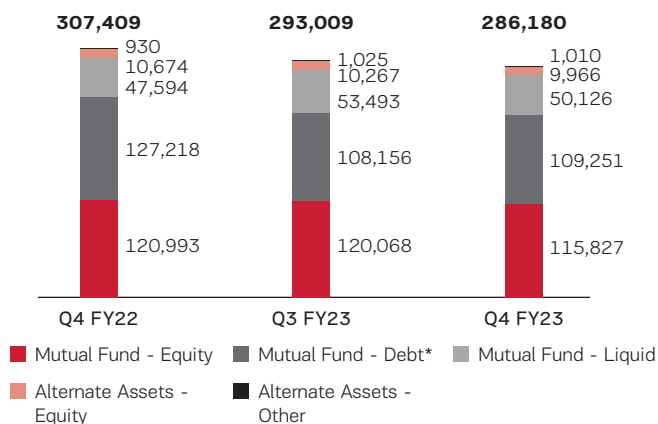


\* Mutual Fund Debt Include ETF

### Overall Average Assets under Management

(in ₹ Cr)

| Overall    | Equity Mutual Fund | Equity Mutual Fund Mix |
|------------|--------------------|------------------------|
| ↓ 2% Q-o-Q | ↓ 4% Q-o-Q         | 42.1% (PQ:42.6%)       |
| ↓ 7% Y-o-Y | ↓ 4% Y-o-Y         | 42.1% (PY:40.9%)       |

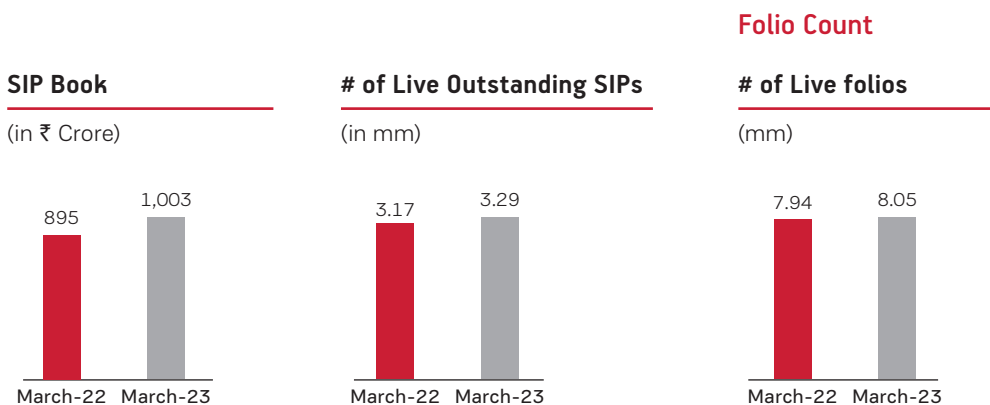






## Growing our SIP Book

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

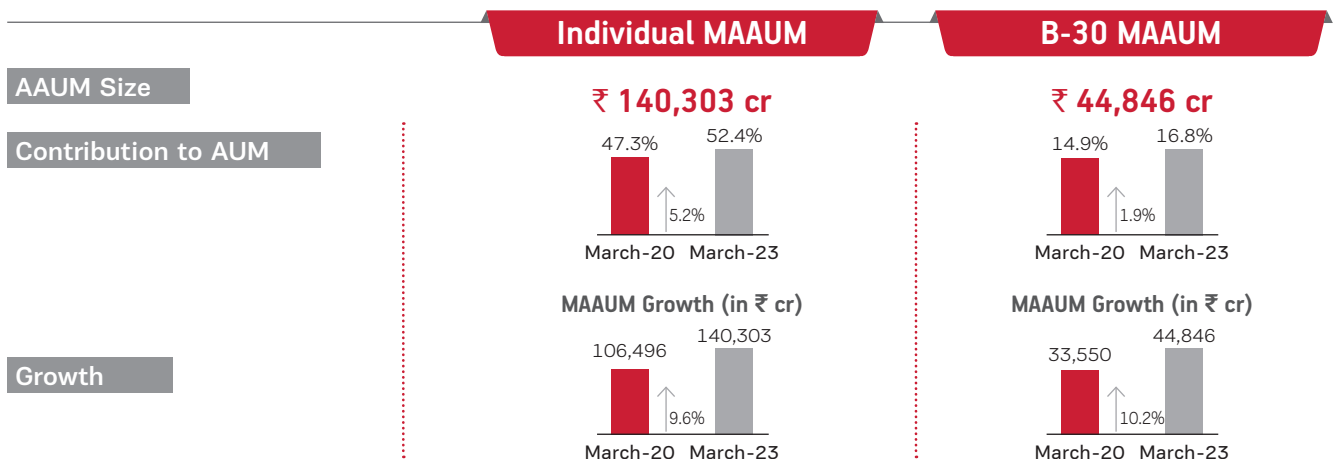


## Customer Acquisition

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

## Increasing Retail Franchise with a Focus on B30 Markets

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



### Multi-Channel Distribution Network Strategy

#### Emerging Markets

**85+**  
EM locations



#### Virtual Relationship Manager

**2,900+**  
Distributors  
Activated



#### Customer Service

**230**  
Trained  
Personnel



#### Sampark

**9,000+**  
Distributor  
Empaneled



As part of our overall strategy, our Company is focused on building the retail sales segment across T30 and B30 markets. We have been strengthening our multi-channel sales ecosystem and distribution network by bringing together the key levers of Emerging Markets, Virtual Relationship Manager, Sampark, Service to Sales, Cross Sell and Up Sell, Direct Channel and Digital Sales. Our multi-channel market initiatives designed to deepen our presence have yielded positive results.

- Emerging Markets aims to tap into potential rural markets at an early stage, to build early growth. It also aims at increasing traction through various initiatives like investor education programmes and distributor engagement and training. Currently, 70+ EM locations have been converted into branches since initiation.
- The Virtual Relationship Manager (VRM) provides virtual assistance and guidance to MFDs, with the primary focus on

increasing activations, SIPs and gross sales. Under the VRM model, our Company activated around 2,900+ distributors in FY23. Currently, it operates across 16 touchpoints in India.

- Our Company's distribution expansion initiative, 'Sampark', empanels and onboards new distributors. It follows a One-click end-to-end digitally enabled distributor empanelment journey to make the process seamless. Through this initiative, our Company has empanelled 9,000+ distributors in FY23.
- Customer Service remains a key focus and it helps us achieve a deeper engagement with investors. Service Relationship Managers engage effectively with the investors and support them in their investment decisions. They identify opportunities for winning back, retention and upselling. Currently, our Company has deployed around 230 trained personnel as a single point of contact for guiding and servicing investor needs.

### Distribution Strength

In FY23, our Company expanded its pan-India network of empanelled distributors with 72,000+ KYD-compliant MFDs, 270+ national distributors, and 80+ banks and financial intermediaries. Our Company continues to expand its distributor base and has empanelled 9,000+ new MFDs during the reporting period.



**290+**  
Locations



**80+**  
Banks



**85+**  
Emerging Market  
Locations



**270+**  
National  
Distributors



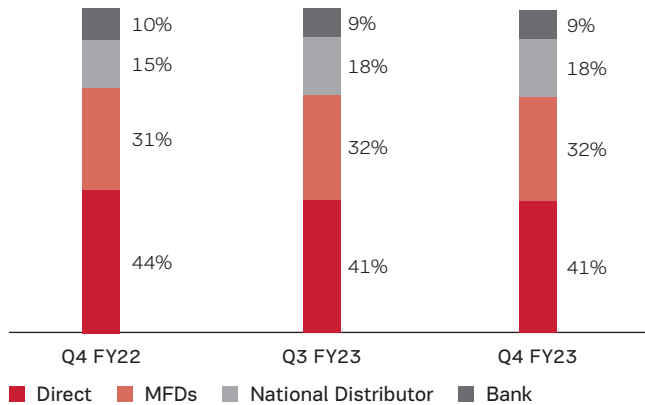
**72,000+**  
MFDs



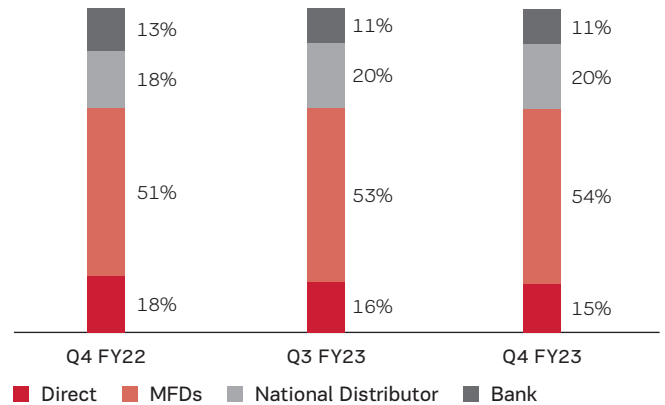
**75+**  
Digital Partners



## Overall Asset sourcing mix



## Broad based sourcing of Equity Assets



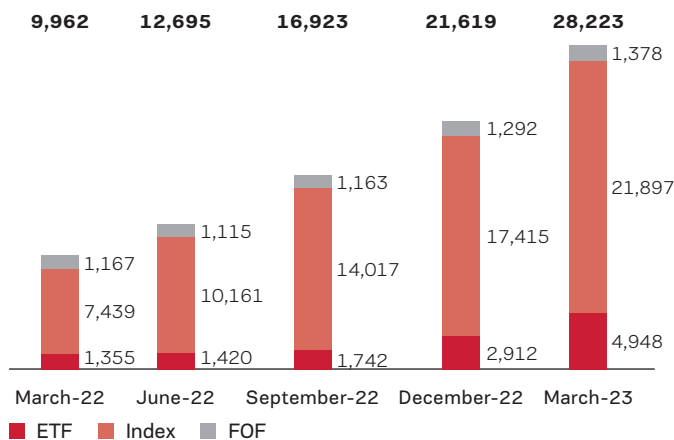
## Scaling up the Passive and Alternate Assets Business

### Passives

During the year, the passive product offering yielded positive results wherein our Company's assets grew over 3x from ₹9,962 Crore in March 2022 to ₹28,223 Crore in March 2023. We strengthened our existing product suite to 40+ products and have 7 new passive products in the pipeline. The customer base in this category has now grown to 4,96,000 folios.

### Passive AUM

(in ₹ Cr)



### Alternate Asset Business

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

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

To cater to the needs of the large pool of NRI and Global Investors, we received an in-principal approval from the International Financial Services Centres Authority (IFSCA) for launching the 'India ESG Engagement Fund' domiciled in Gift City in April 2023. This will help our Company serve the growing needs of our NRI and Global Investors who are keen to invest in India through dollar-based India funds.

### Focus on Investment Performance with a Robust Risk Management Framework

Our Company is dedicated to delivering consistent investment performance. This commitment is reinforced by our stable and highly experienced investment team, possessing vast industry knowledge and expertise.

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

### Compliance

Our compliance team ensures that our Company and the funds managed by us comply with applicable regulations including the SEBI (Mutual Funds) Regulations, 1996, the SEBI (Portfolio Management Services) Regulations, 1993, the SEBI (Alternative Investment Funds) Regulations, 2012 and various circulars and notifications issued by SEBI from time to time.

To comply with applicable statutory requirements, we have established robust systems, policies and processes. We review and update our policies periodically.

### IT and Digital

In a highly dynamic and competitive marketplace, we believe that IT plays a pivotal role in providing a seamless experience to our investors. It is central to our operations, including in relation to customer onboarding, online payments and other transactions, fund management, dealing, accounting, customer service, data analytics and other functions.

Using the latest technologies available in the market, we endeavour to build our digital properties for our partners and customers, with the promise of scale, fault tolerance, and security. We are continuously innovating to enhance our value proposition and accelerate our time to market by setting up a strong application development centre of excellence. Many of our technology assets are built in-house through the application development unit using latest technologies.

Our Company has established an omnichannel experience by integrating API platforms in collaboration with digital partners. We continue to work with 75+ fintech partners to increase overall digital engagement.

Of our new customers, 75% have been onboarded digitally, and currently 84% of our overall transactions are conducted digitally, while 87% of customers are serviced via digital platforms. Additionally, 92% of our new MFDs were empanelled via digital means.

### Marketing

In order to maximise customer engagement, we run a number of marketing initiatives that leverage content marketing, hi-tech delivery platforms for hyper-personalization, PR, digital, and social media platforms.

### #Blockbuster

A marketing campaign to promote our NFO-ABSL Multi Asset Allocation Fund, which comprises a portfolio composition that is akin to a blockbuster with the Action of Equity, Dance of Debt and Romance of Gold (Commodities).

### #AapkeSapnoKeSarathi

A digital film that celebrates the untiring service offered by mutual fund partners to investors, enabling them to realise their dreams, over the last three decades.

### #ProInvesting

ProInvesting was a campaign aimed at bringing together Aditya Birla Sun Life's three legacy mutual fund schemes: Aditya Birla Sun Life Flexi Cap Fund (An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks), Aditya Birla Sun Life Frontline Equity Fund (an open-ended equity scheme predominantly investing in large cap stocks), and Aditya Birla Sun Life Balanced Advantage Fund (an open-ended Dynamic Asset Allocation fund). The aim of this combination was to enhance returns in a bull market while managing risks in a bear market. This was executed across digital and BTL activations.

### #WinWithSIP

This campaign focused on the value of SIPs and communicated to our audience that investing in multiple SIPs was the way to achieving your dreams.



## Training and Investor Education

We have a dedicated team for investor education to increase awareness and understanding of our mutual funds. We believe in creating a community of well-informed, financially literate investors capable of making decisions with a comprehensive understanding of the potential investment risks and rewards. Our training modules appeal to a wide range of investors across various demographics of age, profession, gender, geographic location, and language, and have been designed to be sustainable, scalable, and successful in their objectives to reach, teach and actively engage with common investors. As of 31<sup>st</sup> March, 2023, we reached more than 9,55,000 people through 13,500+ training sessions.

## Operations

The primary focus of our operations team is to execute all stages of a transaction process with minimal errors. The team aims to ensure prompt and efficient delivery of services to our clients, and we intend to manage our front-office and back-office operations efficiently to provide a high level of customer satisfaction. We have established process controls to ensure accuracy and speed in transaction processing, such as time stamping and bar-coding transactions, as well as the automated process of credit confirmation. The processes are documented and audited periodically. End-to-end processing of transactions, maintenance of data records and servicing are managed by our registrar and transfer agent, Computer Age Management Services Limited (CAMS).

## Customer Service

Customers are central to our business and they are the driving force of our organisation. We strive to empower our customers with real-time information, and offer them a seamless investing experience through a host of value-added services and digital solutions.

Our customer service team manages the servicing needs of our customers and distribution partners, overseeing both ground-level requirements as well as remote support. Our inbound contact centre is open all days of the week to assist customers. Our outbound contact centre proactively engages with our customers to ensure that their transactions and servicing needs are satisfied.

Through various initiatives like Senior Citizen Servicing, Social Media Engagement, NRI Servicing through dedicated email

desk and phone lines, we aim to strengthen efficiency and accessibility for our customers.

## Human Resources

As of 31<sup>st</sup> March, 2023, we had 1205 permanent employees. We have always aspired to be an organization which attracts, retains, and provides a canvas for talent to operate, learn and grow.

The Company continues to be focussed on providing our people a work environment that welcomes diversity, nurtures a culture where values are the cornerstone and provides opportunities based on meritocracy for people to grow and build their careers with us in line with their aspirations.

The Company constantly strives to provide a happy, vibrant, and engaging work environment and continues to reinforce the importance of health and wellbeing through wellness programmes and initiatives like regular Health Assessments, Health Management Programmes. With wider offerings and health management initiatives, the Company aims to ensure that every employee is focussed on improving their health and wellness. This initiative helps the company to enhance the efficiency & productivity while keeping the employees healthy.

Building a strong future ready talent pool and robust leadership succession pipeline are a priority for us. We continued to give prominence to identifying and developing our high potential employees and have steered towards more holistic, comprehensive, and future oriented development interventions for them. The Company has continuously recognised high talent, strengthened its structures, and provided higher responsibilities to internal talent.

The Company's learning interventions are focused to enable employees to do better at work. The Company has introduced various initiatives to enhance functional & behavioural capabilities of the employees. While executing the initiative, the Company leverages a blend of People, Classroom, Digital Learning Journals, App based and Virtual training platforms to gain maximum impact.

An AI enabled learning app provides employees easy access to personalized content that meets their unique individual requirements with the flexibility to learn anytime from anywhere. A plethora of relevant courses, videos & webinars are hosted on our e-Learning platform, and these are leveraged by our employees to enhance their skills and knowledge.

## FINANCIAL PERFORMANCE

### Consolidated Statement of Profit & Loss Account

| (in ₹ Crore)  |              |              |              |
|---|--------------|--------------|--------------|
| Particulars   | FY 2022-23   | FY 2021-22   | Y-o-Y Change |
| <b>Revenue from Operations</b>                      | <b>1,227</b> | <b>1,293</b> | <b>-5%</b>   |
| Employee Benefits Expenses                          | 277          | 285          | -3%          |
| Fees and Commission Expenses                        | 23           | 20           | 16%          |
| Depreciation and Amortization Expenses              | 34           | 36           | -4%          |
| Other Expenses <sup>(1)</sup>                       | 225          | 200          | 13%          |
| <b>Total Expenses</b>                               | <b>560</b>   | <b>540</b>   | <b>4%</b>    |
| <b>Operating Profit Before tax</b>                  | <b>667</b>   | <b>753</b>   | <b>-11%</b>  |
| Other Income  | 127          | 116          | 10%          |
| <b>Profit Before Tax (excl. extraordinary item)</b> | <b>794</b>   | <b>869</b>   | <b>-9%</b>   |
| Extra-Ordinary Item <sup>(2)</sup>                  | -            | 26           | NA           |
| <b>Profit Before Tax (Incl. extraordinary item)</b> | <b>794</b>   | <b>895</b>   | <b>-11%</b>  |
| Tax Expense   | 197          | 222          | -11%         |
| <b>Net Income</b>                                   | <b>596</b>   | <b>673</b>   | <b>-11%</b>  |

<sup>(1)</sup> Includes Finance Cost; <sup>(2)</sup> FY 2021-22 Includes a reversal of a provision for an earlier Long Term Incentive plan amounting to ₹32 Cr and provision for a new incentive plan of ₹6 Cr.

### Consolidated Balance Sheet

| (in ₹ Crore)                          |                         |                         |  |
|---------------------------------------|-------------------------|-------------------------|--|
| Particulars                           | As at<br>March 31, 2023 | As at<br>March 31, 2022 |  |
| Share Capital                         | 144                     | 144                     |  |
| Other Equity                          | 2,373                   | 2,052                   |  |
| <b>Total Equity</b>                   | <b>2,517</b>            | <b>2,196</b>            |  |
| Financial Liabilities                 | 147                     | 151                     |  |
| Non-financial Liabilities             | 124                     | 88                      |  |
| <b>Total Equity &amp; Liabilities</b> | <b>2,788</b>            | <b>2,435</b>            |  |
| Investments                           | 2,359                   | 2,121                   |  |
| Other Financial Assets                | 211                     | 142                     |  |
| Non-financial Assets                  | 218                     | 171                     |  |
| <b>Total Assets</b>                   | <b>2,788</b>            | <b>2,435</b>            |  |

## CAUTIONARY STATEMENT

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



# Board's Report

Dear Member(s),

The Board of Directors of Aditya Birla Sun Life AMC Limited (the "Company" or "ABSLAMC") are pleased to present the 29<sup>th</sup> (Twenty Ninth) Annual Report and the Audited Financial Statements (Consolidated and Standalone) of the Company for the financial year ended 31<sup>st</sup> March, 2023 ("financial year under review").

## FINANCIAL SUMMARY AND HIGHLIGHTS

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

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

| Particulars  | (₹ in Crore)    |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | Consolidated    |                 | Standalone      |                 |
|  | 2022-23         | 2021-22         | 2022-23         | 2021-22         |
| <b>Revenue from Operations (Fees and Commission)</b>         | <b>1,226.61</b> | <b>1,292.96</b> | <b>1,205.23</b> | <b>1,263.47</b> |
| Profit Before Share of Exceptional Items and Tax             | 793.86          | 894.7           | 788.41          | 882.28          |
| Exceptional Items  | -               | -               | -               | -               |
| Profit / (Loss) Before Tax                                   | 793.86          | 894.7           | 788.41          | 882.28          |
| Tax Expense  | 197.48          | 221.93          | 197.48          | 221.92          |
| <b>Profit / (Loss) after Tax Attributable to:</b>            | <b>596.38</b>   | <b>672.77</b>   | <b>590.93</b>   | <b>660.36</b>   |
| Owners of the Company  | 596.38          | 672.77          | 590.93          | 660.36          |
| Non-Controlling Interest                                     | -               | -               | -               | -               |
| Other Comprehensive Income Attributable                      | 5.49            | 2.63            | (1.25)          | 0.63            |
| <b>Total Comprehensive Income Attributable to:</b>           | <b>601.87</b>   | <b>675.4</b>    | <b>589.68</b>   | <b>660.99</b>   |
| Owners of the Company  | 601.87          | 675.4           | 589.68          | 660.99          |
| Non-Controlling Interest                                     | -               | -               | -               | -               |
| <b>Profit / (Loss) Attributable to Owners of the Company</b> | <b>601.87</b>   | <b>675.4</b>    | <b>589.68</b>   | <b>660.99</b>   |

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

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

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

For the financial year ended 31<sup>st</sup> March, 2023, on a Standalone basis, the total revenue of the Company was ₹ 1,331.59 Crore and net profit was ₹ 590.93 Crore.

### Key Highlights of the Company's performance for the financial year ended 31<sup>st</sup> March, 2023 are as under:

- Overall Mutual Fund Quarterly Average Assets Under Management (QAAUM) in Q4 FY23 was ₹ 275,204 Crore with a market share (excluding ETF) of 7.7%. Overall Mutual Fund Closing Assets Under Management was ₹ 262,292 Crore.
- Mutual Fund Equity QAAUM in Q4 FY23 was ₹ 115,827 Crore with market share of 5.6%. Equity Closing Assets Under Management was ₹ 111,135 Crore.

## Board's Report (Contd.)

- Mutual Fund Fixed Income QAAUM of the Company in Q4 FY23 was ₹ 159,377 Crore with market share of 10.6%.
- Consolidated Revenue of the Company for FY 2022-23 was ₹ 1,353.71 Crore as against ₹ 1,408.52 Crore in FY 2021-22.
- Consolidated Profit Before Tax for FY 2022-23 was ₹ 793.86 Crore as against ₹ 894.70 Crore in FY 2021-22.
- Consolidated Profit After Tax for FY 2022-23 was ₹ 596.38 Crore as against ₹ 672.77 Crore in FY 2021-22.
- Return on Equity for FY 2022-23 was 25.31% with a consistent dividend paying track record.

### ACCOUNTING METHOD

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

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

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

### MATERIAL EVENTS DURING THE YEAR

**Approval received from International Financial Services Centres Authority (IFSCA) to act as Registered Fund Management Entity (Non-Retail) and carry out Alternative Investment Fund (AIF) and Portfolio Management Services (PMS) from Gujarat International Finance Tec-City (GIFT CITY), Gandhinagar**

The Company has been granted approval by IFSCA on 28<sup>th</sup> November, 2022 to act as "Registered Fund Management Entity (Non-Retail)" and carry out AIF and PMS through a branch office in International Financial Services Centre (IFSC) in India. The Company's move of setting up a branch office at GIFT

CITY, Gandhinagar is a strategic step towards growth of its international business, to expand its reach and service global clients, including NRIs for investing in India.

### HOLDING / SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES

#### Holding Company

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

#### Subsidiaries

The Company had 5 (five) foreign subsidiaries including a step down subsidiary (subsidiary by virtue of holding management shares) as on 31<sup>st</sup> March, 2023. As required under Regulations 16(1)(c) and 46 of the SEBI Listing Regulations, the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-on-materiality-of-subsidiary.pdf>. During the financial year under review, the Company did not have any material subsidiaries.

#### Joint Ventures/Associates

The Company does not have any Joint Venture/Associate Company.

### TRANSFER TO RESERVES

The Company had transferred ₹ 1.18 cores to the General Reserves for the financial year ended 31<sup>st</sup> March, 2023.

### DIVIDEND

During the financial year under review, the Company had declared an interim dividend of ₹ 5 per equity share of face value of ₹ 5 each amounting to an aggregate of ₹ 144 Crore which was paid to the Shareholders of the Company whose name appeared in the Company's Register of Members as on record date 24<sup>th</sup> March, 2023. Further, the Board of Directors have recommended payment of final dividend of ₹ 5.25 per equity share of face value of ₹ 5 each for the financial





year ended 31<sup>st</sup> March, 2023, subject to the approval of the Shareholders at the 29<sup>th</sup> Annual General Meeting. Accordingly, the total dividend pay-out pertaining to financial year 2022-23 i.e. interim dividend along with the final dividend (if declared) would amount to around ₹ 295 Crore.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Shareholders at prescribed rates as per the Income-tax Act, 1961.

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

## SHARE CAPITAL

As on 31<sup>st</sup> March, 2023, the authorized share capital of the Company was ₹ 160 Crore comprising of 320,000,000 equity shares of ₹ 5 each and the paid-up equity share capital of the Company was ₹ 144 Crore comprising of 288,000,000 equity shares of ₹ 5 each. There was no change in paid-up equity share capital of the Company, during the financial year under review.

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

## DEPOSITORY

As on 31<sup>st</sup> March, 2023, the Company's entire paid-up equity share capital was held in dematerialised mode. The Company's equity shares are compulsorily tradable in electronic form.

## INVESTMENT IN SUBSIDIARIES

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

## PUBLIC DEPOSITS

The Company, being an Asset Management Company, primarily governed by SEBI (Mutual Funds) Regulations, 1996 has not accepted any deposits from the public during the financial year

under review, in accordance with Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

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

Details of loans, guarantees and investments, if any, covered under the provisions of Section 186 of the Act are provided in the Notes to the Financial Statements.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company is in financial services industry and does not consume high levels of energy. However, regular efforts are made to adopt appropriate energy conservation measures and technology absorption methods. The particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to the Company's activities.

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

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

The foreign exchange earnings during the financial year under

## Board's Report (Contd.)

review was ₹ 4.33 Crore as compared to ₹ 0.65 Crore during the previous year. The foreign exchange expenditure during the financial year under review was ₹ 16.51 Crore as compared to ₹ 14.40 Crore during the previous financial year.

### PARTICULARS OF EMPLOYEES

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

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

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Company forms part of the top 1000 listed entities on National Stock Exchange of India Limited and BSE Limited as on 31<sup>st</sup> March, 2023. Accordingly, pursuant to Regulation 34(2) of SEBI Listing Regulations, Business Responsibility and Sustainability Report forms part of this Annual Report, describing the initiatives taken by the Company from environmental, social and governance perspective. The said report is also available on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>.

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

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

### CHANGE IN NATURE OF BUSINESS

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

### EMPLOYEE STOCK OPTION PLAN

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

In view of above, the Company has adopted "Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021" ("ESOP Scheme 2021") for the benefit of the employees of the Company and its Subsidiaries. During the financial year under review, the Company granted 658,529 Stock Options in aggregate, comprising of 645,337 Options and 13,192 Restricted Stock Units, to the eligible employee(s) under ESOP Scheme 2021.

There were no material changes made to the ESOP Scheme 2021 during the financial year under review. The details/disclosure(s) on the aforesaid ESOP Scheme 2021 as required to be disclosed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>. The certificate from the Secretarial Auditor of the Company on the implementation of the ESOP Scheme 2021 will be made available at the ensuing Annual General Meeting of the Company for inspection by the Shareholders.

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



## Employee Stock Appreciation Rights Scheme

During the financial year under review, the Company had adopted a long-term incentive plan namely, "Aditya Birla Sun Life AMC Limited Stock Appreciation Rights Scheme 2022" ('SAR 2022') for the welfare of its employees and those of its subsidiaries. Under SAR 2022, cash incentive benefits are provided to the eligible employees through grant of Stock Appreciation Rights. The Company has not granted any Stock Appreciation Rights as on 31<sup>st</sup> March, 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## CORPORATE GOVERNANCE REPORT

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

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

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

## RISK MANAGEMENT

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

- First is the Line Management (Functional Heads) to ensure that accountability and ownership is as close as possible to the activity that creates the risks;
- Second is Risk Oversight including its Risk & Compliance Function and the Risk Management Committees (RMCs); and

- Third is Independent Assurance by Internal Audit, conducted by Independent Internal Auditors whose work is reviewed by the Audit Committee.

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

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

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

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.

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

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

The Company's Investment function operates under the Investment Governance Framework approved by the Investment Committee and the Board. The framework helps in not only ensuring regulatory compliance but also provides the framework

## Board's Report (Contd.)

for management and mitigation of the risks associated with investments.

The Company has implemented an Operational Risk Management Framework to manage specific risks that may arise from inadequate or failed internal processes, people, systems, or external events. To manage and control such risks, the Company uses various tools including self-assessments, operational risk event management and key risk indicator monitoring. The Company recognises that information is a critical business asset and accordingly, the Company has an Information Security and Cyber Security Framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organization.

The risk management systems and procedures that are in place demonstrate the commitment of the Company towards working ethically and functioning profitably while maintaining compliance with best practices, applicable laws, rules and regulations. They are intended to provide reasonable but not absolute assurance against material misstatements or loss, as well as to ensure the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information and the identification and management of business risks.

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

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

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

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

There were no material transactions entered into with related parties during the period under review, which may have had any potential conflict with the interests of the Company at large. The details of transactions with related parties of the Company for the financial year under review, are given in Notes to the Financial Statements, which forms part of this Annual Report.

The policy on Related Party Transactions is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-on-related-party-transaction-060422.pdf>.

### **INTERNAL FINANCIAL CONTROLS**

The Company has well-established internal control systems in place which commensurate with the nature of its business and size and scale and complexity of its operations. Standard operating procedures (SOP) and Risk Control Matrices designed to provide a reasonable assurance are in place and are being continuously monitored and updated. Internal audits are undertaken on periodic basis to independently validate the existing controls as per scope assigned to Internal Audit Function. The Internal Audit Plan is approved by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Internal Audit Reports are regularly reviewed by the Management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems.

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

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



## INTERNAL AUDIT

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed and there were no material departures from the same;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit of the Company for financial year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2023 on a 'going concern basis';

- v) the Directors had laid down Internal Financial Controls and that such Internal Financial Controls were adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31<sup>st</sup> March, 2023, the Board of Directors of the Company comprised of 10 (ten) Directors including 1 (one) Woman Independent Director.

### Appointment

During the financial year under review, Mr. Amrit Kanwal was appointed as an Additional Director (Non-Executive), representative of Sun Life (India) AMC Investments Inc with effect from 26<sup>th</sup> April, 2022. The said appointment of Mr. Amrit Kanwal as Non-Executive Director was approved by the Shareholders at the 28<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> July, 2022, in accordance with the provisions of the Act and the SEBI Listing Regulations.

Mrs. Vishakha Mulye was appointed as an Additional Director (Non-Executive) representative of Aditya Birla Capital Limited with effect from 27<sup>th</sup> October, 2022. The said appointment of Mrs. Vishakha Mulye as Non-Executive Director was approved by Shareholders vide resolution passed through postal ballot on 29<sup>th</sup> December, 2022, in accordance with the provisions of the Act and the SEBI Listing Regulations. Further, Mr. Supratim Bandyopadhyay has been appointed as an Additional Director (Non-Executive Independent) with effect from 1<sup>st</sup> June, 2023. Approval of the Shareholders is being sought at the ensuing Annual General Meeting for regularisation of appointment of Mr. Supratim Bandyopadhyay as Non-Executive Independent Director of the Company.

### Resignation /Retirement

Mr. Harish Engineer resigned as an Independent Director with effect from 30<sup>th</sup> April, 2023. Mr. Kumar Mangalam Birla, Chairman, (Non-Executive Director) of the Company resigned with effect from close of business hours of 19<sup>th</sup> April, 2023. Mr. Ajay Srinivasan, Non-Executive Director representative of Aditya Birla Capital Limited resigned with effect from 4<sup>th</sup> October 2022. Mr. Colm Freyne, Non-Executive Director, representative of Sun Life (India) AMC Investments Inc resigned with effect from 25<sup>th</sup> April, 2022. There were no other material

## Board's Report (Contd.)

reasons for resignation of the aforesaid Directors. Further, Mr. Bharat Patel retired as an Independent Director with effect from close of business hours of 26<sup>th</sup> June, 2022, upon completion of his second term as an Independent Director.

The Board placed on record its sincere appreciation for the valuable contributions made by Mr. Harish Engineer, Mr. Kumar Mangalam Birla, Mr. Ajay Srinivasan, Mr. Colm Freyne and Mr. Bharat Patel 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, Mr. Sandeep Asthana, Non-Executive Director retires from the Board by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company.

The Nomination, Remuneration and Compensation Committee of the Company and the Board of Directors have recommended the re-appointment of Mr. Sandeep Asthana. The information as required to be disclosed under Regulation 36(3) of the SEBI Listing Regulations in case of re-appointment of Mr. Sandeep Asthana is provided in the Notice of the ensuing Annual General Meeting.

### DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the 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 (KMP)

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

### FIT AND PROPER CRITERIA

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

### ANNUAL PERFORMANCE EVALUATION

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

Pursuant to the provisions of the Act and SEBI Listing Regulations and in terms of the Framework of the Board Performance Evaluation, the Board of Directors have carried out an annual performance evaluation of the Board as-a-whole, performance of various Committees of the Board, Individual Directors, the Chairman and the Managing Director & CEO. A separate meeting of the Independent Directors was also held during the year under review for the evaluation of the performance of Non-Independent Directors, performance of the Board as-a-whole and that of the Chairman. The manner in which the evaluation has been carried out has been set out in the Corporate Governance Report, which forms part of this Annual Report.

### Outcome of the evaluation

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



## MEETINGS OF THE BOARD AND ITS COMMITTEES

### Board

The Board meets at regular intervals, inter-alia, to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 7 (Seven) times on 26<sup>th</sup> April, 2022, 11<sup>th</sup> May, 2022, 26<sup>th</sup> July, 2022, 2<sup>nd</sup> August, 2022, 27<sup>th</sup> October, 2022, 27<sup>th</sup> January, 2023 and 16<sup>th</sup> March, 2023.

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

### Audit Committee

The Board of Directors have constituted an Audit Committee with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act, SEBI Listing Regulations and SEBI (Mutual Funds) Regulations, 1996.

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

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

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

### Nomination, Remuneration and Compensation Committee

The Board of Directors have constituted a Nomination, Remuneration and Compensation Committee ("NRCC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations.

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

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

### Other Board Committees

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

- Risk Management Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Product Committee

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

## ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return for the financial year 2022-23 is available on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>

## AUDITORS

### Statutory Auditors

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

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

### Secretarial Auditors

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had re-appointed M/s. Makarand M Joshi & Co, Practicing Company Secretaries, to conduct the Secretarial Audit for the financial

## Board's Report (Contd.)

year under review. The Secretarial Audit Report in Form MR-3 for the financial year under review, as received from M/s. Makarand M Joshi & Co, Practicing Company Secretaries, is enclosed as **Annexure VI** to the Board's Report. The observation made in the Secretarial Audit Report is self-explanatory and therefore, do not call for any further comments.

The Annual Secretarial Compliance Report received from M/s. Makarand M Joshi & Co, Practicing Company Secretaries for the financial year under review, pursuant to the Regulation 24A of the SEBI Listing Regulations is available on the website of the Company and can be accessed at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/shareholder-intimation/secretarial-compliance-report-for-the-year-ended-march-31-2023.pdf>.

### **COST AUDIT**

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

### **REPORTING OF FRAUDS BY AUDITORS**

During the financial year under review, neither the Statutory Auditor nor the Secretarial Auditor have reported to the Audit Committee, under Section 143 (12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with Section 135 of the Act, the Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the CSR activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/csr/abslamc-revised-csr-policy.pdf>

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

During the financial year 2022-23, the Company had spent ₹ 114,800,000 on various CSR projects including overhead costs and Impact Assessment cost. The unspent CSR amount of ₹ 13,900,000 is towards ongoing CSR projects and the same has been transferred to the unspent CSR account and shall be spent as per the Annual CSR Plan for financial year 2022-23.

The Annual Report on CSR activities for financial year 2022-23 as per the Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended is enclosed as **Annexure VII** to the Board's Report.

### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

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

The said policy is available on the Company's website at [https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower\\_policy\\_amc\\_200622.pdf](https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower_policy_amc_200622.pdf).

### **POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

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





## HUMAN RESOURCES

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

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

As on 31<sup>st</sup> March, 2023, the employee strength of the Company was 1205.

### Talent Management

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

During the financial year under review, Structural changes were undertaken to strengthen the Retail Sales function by aligning people's aspiration to their career goals thereby building organizational capabilities and providing larger roles to talent pool members.

### Employee Wellness and Engagement

The Company constantly strives to provide a happy, vibrant and engaging work environment. The Company welcomed back its employees to work and significant attention was given to help them restart and settle comfortably through support mechanisms and flexibility. Revitalising a culture of connect and camaraderie has been yet another area of significant attention of the Company.

The Company continues to reinforce the importance of health and wellbeing through wellness programs and initiatives like regular Health Assessments, Health Management Programs.

The Company's comprehensive wellness program for employees launched last year gained impetus and saw greater uptake. With wider offerings and health management initiatives, the Company

aims to ensure that every employee invests in improving their health and wellness.

### Learning

The Company's learning interventions are focused to enable employees to do better in their roles. The Company has introduced various initiatives to enhance functional & behavioural capabilities of the employees. The Company's Sales Learning Architecture is a sharper & stronger blend of Domain & Product knowledge, Selling skills & awareness of the sales process & tools like VYMO. Interventions are customised to suit requirements of new & existing employees of both sales & non-sales. While executing the initiatives, the Company leverages a blend of People, Classroom, Learning Journals, App based and Virtual training platforms to gain maximum impact.

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

## SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India 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 on Prohibition of Insider Trading for Securities of Aditya Birla Sun Life AMC Limited and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Further details on the same form part of the Corporate Governance Report.

## AWARDS AND CERTIFICATIONS

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

## Board's Report (Contd.)

- **Best of the Best awards from Asia Asset Management** - Best Fund House for Investor Education - India
- **OutLook Money** - Innovative Approach in Investor Education
- **AWOKE India Foundation** - Best Investor Education for best efforts in outreaching various segment of investors
- **Leadership Award Council** - Investor Education in Mutual Funds Category
- **Nivesh Manthan** - Awarded ABSLAMC in four categories includes content, reach, creativity and consistency
- **Best of the Best awards from Asia Asset Management- Fintech Innovation in Asset Management (India)**
- **Digital Strategy of the Year** - In Digital Customer Experience Confex & Awards
- **Best Digital Innovation of the Year** - In Digital Customer Experience Confex & Awards
- **Customer Experience Strategy of the Year** - In Digital Customer Experience Confex & Awards
- **IDC** - Best in Future of Trust award at the IDC Future Enterprise Awards 2022
- **Quantic** - Best Technology Initiative of the Year - (Financial Services)
- **Synnex** - Best Cyber Security Innovator of the Year
- **Krypton** - Security Innovation of the Year

## OTHER DISCLOSURES

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

- i. There was no issue of shares to employees of the Company under Employee Stock Option Scheme of the Company.
  - ii. There was no Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
  - iii. There was no rights issue or preferential issue, etc. during the year under review.
  - iv. There was no issue of shares with differential rights.
  - v. There was no transfer of un-paid or unclaimed dividend amount to Investor Education and Protection Fund (IEPF).
  - vi. There were no significant or material orders passed by the Regulators or Hon'ble Courts or Tribunals impacting the going concern status of the Company and its operations in future.
- vii. There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, as amended.
  - viii. There were no failures to implement any Corporate Action.
  - ix. There were no borrowings from Banks or Financial Institutions.

## ACKNOWLEDGEMENTS

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

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

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

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

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

**Vishakha Mulye**  
Non-Executive Director  
(DIN: 00203578)

**A. Balasubramanian**  
Managing Director & CEO  
(DIN:02928193)

Date: 23<sup>rd</sup> May, 2023  
Place: Mumbai



# Annexure I

## Disclosure on Managerial Remuneration

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

**i. The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23:**

| Name of Director       | Designation             | Ratio of remuneration for the financial year |
|------------------------|-------------------------|--|
| Mr. A. Balasubramanian | Managing Director & CEO | 112:1  |

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

**ii. The Percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company during the financial year 2022-23 was as under:**

| Sr. No | Name of Director       | Designation                            | % increase in remuneration in the financial year |
|--------|------------------------|--|--|
| 1      | Mr. A. Balasubramanian | Managing Director & CEO                | 6%   |
| 2      | Mr. Parag Joglekar     | Chief Financial Officer                | 14.6%  |
| 3      | Ms. Hemanti Wadhwa     | Company Secretary & Compliance Officer | 14.6%  |

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

There was no increase in the median remuneration of employees.

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

The Company had 1205 permanent employees as on 31<sup>st</sup> March, 2023.

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

The average percentile increases in the salary of all employees for FY 2022-23 was 11.9%. The average increase in managerial remuneration was 11.7%. The criteria for remuneration evaluation is based on appraisal process. The increase in remuneration is also dependent on the overall performance of the Company and not only on individual's performance.

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

# Annexure II

## Corporate Governance Compliance Certificate

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

We have examined the compliance of conditions of Corporate Governance by **Aditya Birla Sun Life AMC Limited** (“the Company”) for the year ended on 31<sup>st</sup> March, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Kumudini Bhalerao**  
**Partner**  
**FCS: 6667**  
**CP: 6690**  
**PR: 640/2019**  
**UDIN: F006667E000211608**

**Date:** 27<sup>th</sup> April, 2023  
**Place:** Mumbai



# Annexure III

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of Subsidiaries:

| Name of Subsidiaries  | (in ₹)                                     |   |  |
|---|--|---|--|
|   | 1  | 2   | 3  |
|   | Aditya Birla Sun Life AMC (Mauritius) Ltd  | Aditya Birla Sun Life Asset Management Company Ltd, DIFC, Dubai | Aditya Birla Sun Life Asset Management Company Pte Ltd., Singapore |
| Date since Subsidiary was acquired  | 20 <sup>th</sup> May, 1996                 | 9 <sup>th</sup> November, 2010                                  | 25 <sup>th</sup> January, 2010                                     |
| Reporting period for the subsidiary concerned, if different from the holding Company's reporting period                     | 31 <sup>st</sup> March, 2023               | 31 <sup>st</sup> March, 2023                                    | 31 <sup>st</sup> March, 2023                                       |
| Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | USD and the exchange rate is ₹ 82.1825/USD |   | SGD and the exchange rate is ₹ 61.8022 / SGD                       |
| Share Capital   | 3,698,213                                  | 256,820,313   | 840,509,921  |
| Reserves & Surplus  | 93,161,260                                 | (171,816,583)   | (251,828,074)  |
| Total Assets  | 98,683,349                                 | 116,090,437   | 625,594,778  |
| Total Liabilities   | 1,823,876                                  | 31,086,707  | 36,912,931   |
| Investments   | -  | -   | -  |
| Turnover /Total Income  | 8,310,648                                  | 134,671,399   | 262,307,250  |
| Profit before Taxation  | (4,869,492)                                | 5,179,490   | 53,282,441   |
| Provision for Taxation  | (19,295)                                   | -   | -  |
| Tax adjustment for earlier year   | -  | -   | -  |
| Profit after Taxation   | (4,850,197)                                | 5,179,490   | 53,282,441   |
| Proposed Dividend   | -  | -   | -  |
| % of Shareholding   | 100%                                       | 100%  | 100%   |

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

**Vishakha Mulye**  
Non-Executive Director  
(DIN: 00203578)

**A. Balasubramanian**  
Managing Director & CEO  
(DIN:02928193)

**Parag Joglekar**  
Chief Financial Officer  
Place: Mumbai  
Date: 23<sup>rd</sup> May, 2023

**Hemanti Wadhwa**  
Company Secretary

# Annexure IV

## Risk Management Framework

### A. RISK MANAGEMENT COMMITTEE:

The Company follows the below levels of Risk Mitigation Structure:



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

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

### B. RISK MITIGATION STRATEGIES:

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

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**Strategic Risk** Risk to future earnings or capital in terms of failure to achieve the Company's strategic or long-term business plans.

**Mitigation Strategy:** Strategic risks are managed through the Enterprise Risk Management framework using the risk identification and review process. The Risk Management Committee monitors these risks and the action plans for mitigating these risks.

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**Investment Risk** Risks pertaining to the investments portfolios across asset classes such as Equity, Debt, Real estate and Commodities and encompasses various risks such as market risk, credit risk, interest rate risk, liquidity risk and concentration risk.

**Mitigation Strategy:** A governance structure, in form of the Investment Committee, and well-defined investment policies & processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. All Regulatory and Internal norms are built in the Investment system, which enforces the Investment limits and exposure norms on real-time basis.

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**Operational Risk** The uncertainty arising from more than expected losses or damage to finances or reputation resulting from inadequate or failed internal processes, controls, people, systems or external events.

**Mitigation Strategy:** Operational risks are governed through Risk Management policy and Operational Risk Management Policy, The Company maintains an operational loss database to track and mitigate risks resulting in financial losses. To control operational risk, operating and reporting processes are reviewed and updated regularly.

The Company has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business / technology interruption risk. It also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimizing the potential business impact to the Company.

Fraud management is handled through an internal committee and is governed by the Fraud Risk Management Policy.

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**Information  
Security and  
Cyber Security  
Risk**

The risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc. which can cause damage to finances or reputation.

**Mitigation Strategy:** Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001 which is a global benchmark. The Company has a comprehensive Information Security and Cyber security policy designed to comply with ISO 27001, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008 and Notification dated 11<sup>th</sup> April, 2011 on protection of sensitive personal information, and it provides direction to Information Security staff, Management and Employees regarding their roles and responsibilities towards Information Security.

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### C. RISK POLICIES:

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

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

# Annexure V

## Executive Remuneration Philosophy/Policy

Aditya Birla Sun Life AMC Limited, (“the Company”), adopts/shall adopt this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

### Executive Remuneration Philosophy/Policy

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

### Our business and organizational model

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

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

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

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

#### II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

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

#### III. Appointment Criteria and Qualifications

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

#### IV. Business and Talent Competitors

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

#### V. Executive Pay Positioning

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

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





## VI. Executive Pay-Mix

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

### Annual Incentive Plan:

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

### Long-Term Incentive:

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

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

## VII. Performance Goal Setting

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

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

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

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

## VIII. Executive Benefits and Perquisites

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

### Other Remuneration Elements

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

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

### Risk and Compliance

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

### Claw back Clause:

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

### Implementation

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

# Annexure VI

Form No. MR.3

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March, 2023

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

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

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

### AUDITOR'S RESPONSIBILITY:

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provision of:

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



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

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

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under *except for a delay in receipt of dues from overseas subsidiaries as per the Fema Regulations.*

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The

changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except few meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period the Company has:

1. Declared final dividend of ₹ 5.85 per equity share of face value ₹ 5/- each for the financial year ended 31<sup>st</sup> March, 2022.
2. Declared interim dividend of ₹ 5 per equity share of face value ₹ 5/- each.
3. Adopted 'Aditya Birla Sun Life AMC Limited Stock Appreciation Right Scheme 2022' ("SAR Scheme 2022").

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

**Kumudini Bhalerao  
Partner**

**FCS: 6667**

**CP: 6690**

**PR: 640/2019**

**UDIN: F006667E000211542**

**Date:** 27<sup>th</sup> April, 2023

**Place:** Mumbai

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

## Annexure A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Kumudini Bhalerao**  
**Partner**

**FCS: 6667**

**CP: 6690**

**PR: 640/2019**

**UDIN: F006667E000211542**

**Date:** 27<sup>th</sup> April, 2023

**Place:** Mumbai



# Annexure VII

## Annual Report on Corporate Social Responsibility Activities for Financial Year 2022-23

(Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended)

### 1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company.

The CSR Policy of the Company is enunciated in accordance with Section 135 of Companies act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended 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 doing so build a better, sustainable way of life for the weaker sections of society and raise the country’s human development index” – Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives @Rural Development.

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

### 2. Composition of CSR Committee:

| Sr. No. | Name of Director    | Designation / Nature of Directorship                | No. of Meetings    |          |
|---------|---------------------|---|--------------------|----------|
|         |                     |   | Held during tenure | Attended |
| 1       | Ms. Alka Bharucha   | Chairperson (Non-Executive Independent Director)    | 2                  | 2        |
| 2       | Mrs. Vishakha Mulye | Member (Non - Executive Non - Independent Director) | 1                  | 1        |
| 3       | Mr. Sandeep Asthana | Member (Non - Executive Non - Independent Director) | 2                  | 1        |

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Details of CSR Committee composition, CSR policy and projects/ programmes undertaken by the Company are available on the Company’s website at <https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance>

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company in line with sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended (‘CSR Rules’), during the financial year 2022-23 has carried out impact assessment for 5 CSR Projects through CRISIL Limited, an independent implementing agency, of which 2 impact assessment were mandated in compliance with the requirements of CSR Rules, additionally 3 impact assessment were conducted voluntarily. The Impact Assessment Report is available on the Company’s website at <https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance>.

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 6,432,788,667  
 (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 128,655,773  
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. NIL  
 (d) Amount required to be set-off for the financial year, if any: NIL  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 128,655,773\*
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 111,100,000  
 (b) Amount spent in Administrative overheads: ₹ 1,000,000  
 (c) Amount spent on Impact Assessment, if applicable: ₹ 2,700,000  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 114,800,000#  
 (e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (in ₹) | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. |                              | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. |        |                  |
|---|--|------------------------------|--|--------|------------------|
|   | Amount   | Date of Transfer             | Name of Fund   | Amount | Date of Transfer |
| 114,800,000                                       | 13,900,000   | 30 <sup>th</sup> March, 2023 | NA   | NA     | NA               |

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

| Sl. No. (1) | Particular (2)  | Amount (in ₹) (3) |
|-------------|---|-------------------|
| (i)         | Two percent of average net profit of the Company as per sub-section (5) of section 135                      | ₹ 128,655,773 *   |
| (ii)        | Total amount spent for the Financial Year   | ₹ 114,800,000#    |
| (iii)       | Excess amount spent for the Financial Year [(ii)-(i)]   | -                 |
| (iv)        | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | -                 |
| (v)         | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     | -                 |

\* Total CSR contribution of ₹ 128,700,000. Contributed ₹ 128,655,773 (2% of average net profit) towards mandatory CSR obligation and additionally ₹ 44,227 as voluntary CSR activities.

# Excludes CSR amount of ₹ 13,900,000 which remained unspent and transferred to separate bank account on 30<sup>th</sup> March, 2023 and classified as ongoing projects by the Board.

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

| (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 (in ₹) | Amount remaining to be spent in succeeding Financial Years Amount (in ₹) | Deficiency, if any |
| 1       | FY 2021-22                  | 47,812,650  | -   | 47,812,650                                | -  | -  | -                  |
| 2       | FY 2020-21                  | -   | -   | -   | -  | -  | -                  |
| 3       | FY 2019-20                  | -   | -   | -   | -  | -  | -                  |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No****9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

During the financial year 2022-23 the Company had spent ₹ 114,800,000 on various CSR projects as per the annual CSR plan for FY 2022-23. The unspent CSR amount of ₹ 13,900,000 is towards an ongoing CSR project which has been transferred to the unspent CSR account and shall be spent as per the Annual CSR Plan in accordance with Section 135 of the Companies Act, 2013 read with CSR Rules.

**Alka Bharucha**  
Chairperson-CSR Committee  
(DIN: 00114067)

**A. Balasubramanian**  
Managing Director and CEO  
(DIN: 02928193)

**Date:** 23<sup>rd</sup> May, 2023

**Place:** Mumbai

# Corporate Governance Report

## OUR VALUES

### Integrity



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

### Commitment



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

### Passion



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

### Seamlessness



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

### Speed



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

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

**Mr. Kumar Mangalam Birla,**  
Chairman, Aditya Birla Group





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

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

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

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

### Compliance with Corporate Governance Guidelines

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

The details of compliance with Corporate Governance requirements during the financial year ended 31<sup>st</sup> March, 2023 ("financial year under review") are as follows:

## I. BOARD OF DIRECTORS

### Composition

As on 31<sup>st</sup> March, 2023, the Board of Directors of the Company ("the Board") comprised of 10 (ten) Directors including 1(one) Managing Director & CEO, 4 (four) Non-Executive Directors and

5 (five) Independent Directors of whom 1(one) is an Independent Woman Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the "Act") and Regulation 17 of the SEBI Listing Regulations. In terms of the provisions of the Act and SEBI Listing Regulations, the Directors submit necessary disclosures regarding the positions held by them on the Board and/ or Committees of other Companies, from time to time.

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

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

All Independent Directors on the Board are Non-Executive Directors as defined under the Act and SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act and SEBI Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended, and provided the required declaration under section 149(7) of the Act. Based on the disclosures received from the Independent Directors, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

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

## Corporate Governance Report (Contd.)

The details of the Directors of the Company with regard to their other Directorships, Committee positions, including that in listed entities as on 31<sup>st</sup> March, 2023 were as follows:

| Name of the Director                  | Category of Directorship held in the Company      | No. of outside Directorship(s) held <sup>1</sup> | Committee Positions held in other Companies <sup>2</sup> |             | Names of other listed entities where Director holds Directorship (excluding the Company and the category of directorship held in such other listed entity) <sup>3</sup>   |
|---------------------------------------|---|--|--|-------------|---|
|                                       |   |  | Member   | Chairperson |   |
| Mr. Kumar Mangalam Birla <sup>4</sup> | Chairman (Non-Executive Non-Independent Director) | 7  | -  | -           | 1. Century Textile and Industries Limited*<br>2. Grasim Industries Limited*<br>3. UltraTech Cement Limited*<br>4. Hindalco Industries Limited*<br>5. Aditya Birla Capital Limited*<br>6. Aditya Birla Fashion and Retail Limited* |
| Mr. Harish Engineer <sup>5</sup>      | Non – Executive Independent Director              | 3  | 1  | -           | Navin Fluorine International Limited#   |
| Ms. Alka Bharucha                     | Non – Executive Independent Director              | 8  | 6  | 3           | 1. Ultratech Cement Limited#<br>2. Orient Electric Limited#<br>3. Birlasoft Limited#<br>4. Hindalco Industries Limited#<br>5. Honda India Power Products Limited#   |
| Mr. Navin Puri                        | Non – Executive Independent Director              | 1  | -  | 1           | Equitas Small Finance Bank Limited#   |
| Mr. Sunder Rajan Raman                | Non – Executive Independent Director              | -  | -  | -           | -   |
| Mr. Ramesh Abhishek                   | Non – Executive Independent Director              | 7  | 3  | 1           | 1. Ravindra Energy Limited#<br>2. Cyient Limited#<br>3. Indus Towers Limited#   |
| Mr. Sandeep Asthana                   | Non-Executive Non-Independent Director            | 2  | 1  | -           | -   |
| Mrs. Vishakha Mulye <sup>6</sup>      | Non-Executive Non-Independent Director            | 6  | 5  | -           | -   |
| Mr. Amrit Kanwal <sup>7</sup>         | Non-Executive Non-Independent Director            | -  | -  | -           | -   |
| Mr. A. Balasubramanian                | Managing Director & CEO                           | 1  | -  | -           | -   |

Category of Directorship held:

\* Non-Independent and Non-Executive, # Category of Directorship is Independent

### Notes:

- Excluding Directorship in the Company, Foreign Companies, Private Limited Companies and Companies under Section 8 of the Act.
- Only two Committees viz. Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies are considered.
- Only Equity Listed companies are considered.
- Mr. Kumar Mangalam Birla resigned as Non-Executive Chairman with effect from close of business hours of 19<sup>th</sup> April, 2023.
- Mr. Harish Engineer resigned as an Independent Director with effect from 30<sup>th</sup> April, 2023.
- Mrs. Vishakha Mulye was appointed as Non-Executive Director with effect from 27<sup>th</sup> October, 2022.
- Mr. Amrit Kanwal was appointed as Non-Executive Director with effect from 26<sup>th</sup> April, 2022.
- Mr. Colm Freyne resigned as Non-Executive Director with effect from 25<sup>th</sup> April, 2022.
- Mr. Bharat Patel retired as an Independent Director with effect from close of business hours of 26<sup>th</sup> June, 2022.
- Mr. Ajay Srinivasan resigned as Non-Executive Director with effect from 4<sup>th</sup> October, 2022.
- Mr. Supratim Bandyopadhyay has been appointed as an Additional Director (Independent) with effect from 1<sup>st</sup> June, 2023.



## Details of Skills/ Expertise/ Competencies of the Board:

The Directors on Board of the Company are adequately skilled, have relevant expertise as per Industry norms and have rich experience. The Company's Board has identified the following skills/ expertise/ competencies to function and discharge its responsibilities effectively:

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

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

## Director wise skills/expertise/competencies:

| Name of the Director                    | Skills identified and area of core expertise |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|
| Mr. Kumar Mangalam Birla <sup>1</sup>   |  |  |  |  |  |  |  |  |  |  |  |
| Mr. Harish Engineer <sup>2</sup>        |  |  |  |  |  |  |  |  |  |  |  |
| Ms. Alka Bharucha                       |  |  |  |  |  |  |  |  |  |  |  |
| Mr. Navin Puri                          |  |  |  |  |  |  |  |  |  |  |  |
| Mr. Sunder Rajan Raman                  |  |  |  |  |  |  |  |  |  |  |  |
| Mr. Ramesh Abhishek                     |  |  |  |  |  |  |  |  |  |  |  |
| Mr. Sandeep Asthana                     |  |  |  |  |  |  |  |  |  |  |  |
| Mrs. Vishakha Mulye <sup>3</sup>        |  |  |  |  |  |  |  |  |  |  |  |
| Mr. Amrit Kanwal <sup>4</sup>           |  |  |  |  |  |  |  |  |  |  |  |
| Mr. Supratim Bandyopadhyay <sup>5</sup> |  |  |  |  |  |  |  |  |  |  |  |
| Mr. A. Balasubramanian                  |  |  |  |  |  |  |  |  |  |  |  |

### Notes:

1. Mr. Kumar Mangalam Birla resigned as Non-Executive Chairman with effect from close of business hours of 19<sup>th</sup> April, 2023.
2. Mr. Harish Engineer resigned as an Independent Director with effect from 30<sup>th</sup> April, 2023.
3. Mrs. Vishakha Mulye was appointed as Non-Executive Director with effect from 27<sup>th</sup> October, 2022.
4. Mr. Amrit Kanwal was appointed as Non-Executive Director with effect from 26<sup>th</sup> April, 2022.
5. Mr. Supratim Bandyopadhyay has been appointed as an Additional Director (Independent) with effect from 1<sup>st</sup> June, 2023

**The Board collectively displays the following qualities:**

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

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

**Non-Executive Directors’ Compensation and Disclosures**

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

**Board’s Functioning and Procedure**

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

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

The Company makes available video conferencing or other audio-visual facility to enable larger participation of Directors in Meetings.

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 prepared by the Company Secretary in consultation with the Managing Director & CEO and the Chief Financial 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 guidelines in the SEBI Listing Regulations to the extent it is relevant and applicable. 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.

**Meetings and attendance during the financial year under review:**

| Date of Board Meeting          | Board Strength | No. of Directors Present |
|--------------------------------|----------------|--------------------------|
| 26 <sup>th</sup> April, 2022   | 11             | 10                       |
| 11 <sup>th</sup> May, 2022     | 11             | 10                       |
| 26 <sup>th</sup> July, 2022    | 10             | 9                        |
| 2 <sup>nd</sup> August, 2022   | 10             | 7                        |
| 27 <sup>th</sup> October, 2022 | 10             | 9                        |
| 27 <sup>th</sup> January, 2023 | 10             | 8                        |
| 16 <sup>th</sup> March, 2023   | 10             | 7                        |

The Board has unfettered and complete access to all information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the 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 business plans, annual budgets and capital expenditure. The Board provides strategic direction and oversight to ensure that the Company is managed in a manner that fulfils stakeholders’ aspirations and societal expectations.



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 21<sup>st</sup> July, 2022 via audio visual mode, are as under:

| Name of the Director                  | No. of Board Meetings  |          | Attended last AGM |
|---------------------------------------|------------------------|----------|-------------------|
|                                       | Held during the tenure | Attended |                   |
| Mr. Kumar Mangalam Birla <sup>1</sup> | 7                      | 2        | Yes               |
| Mr. Bharat Patel <sup>2</sup>         | 2                      | 2        | NA                |
| Mr. Harish Engineer <sup>3</sup>      | 7                      | 5        | Yes               |
| Ms. Alka Bharucha                     | 7                      | 6        | Yes               |
| Mr. Navin Puri                        | 7                      | 7        | Yes               |
| Mr. Sunder Rajan Raman                | 7                      | 7        | Yes               |
| Mr. Ramesh Abhishek                   | 7                      | 7        | No                |
| Mr. Sandeep Asthana                   | 7                      | 7        | Yes               |
| Mr. Ajay Srinivasan <sup>4</sup>      | 4                      | 2        | No                |
| Mr. Colm Freyne <sup>5</sup>          | -                      | -        | NA                |
| Mrs. Vishakha Mulye <sup>6</sup>      | 3                      | 3        | NA                |
| Mr. Amrit Kanwal <sup>7</sup>         | 7                      | 6        | No                |
| Mr. A. Balasubramanian                | 7                      | 6        | Yes               |

#### Notes:

1. Mr. Kumar Mangalam Birla resigned as Non-Executive Chairman with effect from close of business hours on 19<sup>th</sup> April, 2023
2. Mr. Bharat Patel retired as an Independent Director upon completion of his tenure with effect from close of business hours of 26<sup>th</sup> June, 2022
3. Mr. Harish Engineer resigned as an Independent Director with effect from 30<sup>th</sup> April, 2023
4. Mr. Ajay Srinivasan resigned as Non-Executive Director with effect from 4<sup>th</sup> October, 2022
5. Mr. Colm Freyne resigned as Non-Executive Director with effect from 25<sup>th</sup> April, 2022
6. Mrs. Vishakha Mulye was appointed as Non-Executive Director with effect from 27<sup>th</sup> October, 2022
7. Mr. Amrit Kanwal was appointed as Non-Executive Director with effect from 26<sup>th</sup> April, 2022

#### Code of Conduct for Board Members and Senior Management

In compliance with Regulations 17(5) and 26(3) of the SEBI Listing Regulations, the Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company (“the Code”). The Code is applicable to all the Board Members and Senior Management of the Company. The Code is available on the Company’s website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/code-of-conduct-for-board-of-directors-and-senior-management.pdf>

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

#### Board Induction, Training and Familiarisation

A letter of appointment together with an induction kit is given to the Independent Directors at the time of their appointment setting out their roles, obligations, functions, duties and responsibilities. As per Regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment of Independent Directors are available on the Company’s website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/corporate-governance/terms-and-conditions-of-appointment-of-independent-directors-281221.pdf>.

As part of the familiarisation programme, the Directors of the Company are updated on regular basis with changes in the Mutual Fund industry, regulatory developments and different business practices adopted in the industry. An orientation programme is conducted for the newly inducted Independent

Directors to introduce them to the business practices, code and policies, compliance practices, corporate culture of the Company including the mutual fund business, regulatory developments affecting the Company. Directors are also familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. The details of the said familiarization programmes are available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/familiarisation-programme-for-independent-directors-fy-22-23.pdf>.

### Performance Evaluation of the Board

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

Further details are mentioned in the Board's Report.

### Performance evaluation criteria for Independent Directors

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

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

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

- Invests time in understanding the Company and its unique requirements;
- Brings in external knowledge and perspective to the table for discussions at the Meetings;

- Expresses his/her views on the issues discussed at the Board; and
- Keeps himself/herself current on areas and issues that are likely to be discussed at the Board level.

### Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act, Regulation 25 (3) of the SEBI Listing Regulations and SS 2.3 of the Secretarial Standard on the Meetings of Board of Directors, a Meeting of the Independent Directors of the Company was held on 16<sup>th</sup> March, 2023, without the presence of the Non-Independent Directors and the Members of the Management. They discussed matters including the performance/ functioning of the Company, reviewing the performance of the Chairman, taking into account the views of Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

### Prohibition of Insider Trading

In terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct on Prohibition of Insider Trading for Securities of Aditya Birla Sun Life AMC Limited ("the Code of Conduct"). The Code of Conduct aims at preserving and prohibiting misuse of unpublished price sensitive information. All Designated Persons of the Company (as defined under the Code of Conduct) are covered under the Code of Conduct, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in the securities of the Company.

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



The Company Secretary is the Compliance Officer in terms of the Code of Conduct.

## II. COMMITTEES OF THE BOARD

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

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

The Mandatory Committees of the Board as per the Act and SEBI Listing Regulations are elaborated hereunder:

### 1. Audit Committee

A qualified and independent Audit Committee has been constituted pursuant to the provisions of Section 177 of the Act, Regulation 18 of the SEBI Listing Regulations and SEBI (Mutual Funds) Regulations, 1996.

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

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

The Chairman of the Audit Committee, Mr. Sunder Rajan Raman, attended the last Annual General Meeting of the Company held on 21<sup>st</sup> July, 2022.

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

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

The terms of reference of the Audit Committee broadly include:

1. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
2. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the Auditors' Report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investments, if any;
6. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
7. Valuation of undertakings or assets of the Company, wherever it is necessary;
8. Evaluation of internal financial controls and risk management system;

## Corporate Governance Report (Contd.)

9. Monitoring the end use of funds raised through public offers and related matters.
10. Oversight of the Company's and Mutual Fund Scheme's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
11. Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualification or modified opinion(s) in the draft audit report, if any;
12. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
13. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
14. Management Discussion and Analysis of financial condition and results of operations;
15. Reviewing statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
16. Reviewing Statement of Deviations:
  - a) quarterly statement of deviation(s) including report of Monitoring Agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of SEBI Listing Regulations.
17. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company;
18. Evaluation of internal financial controls and risk management systems;
19. Discussion with internal auditors of any significant findings and follow up there on;
20. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
21. Reviewing Internal Audit Reports relating to internal control weaknesses; and
22. Management letters / letters of internal control weaknesses issued by the Statutory Auditors
23. Appointment of Statutory Auditor, Internal Auditor & CFO and review of performance of Statutory & Internal Auditor:





- a. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company and Mutual Fund;
  - b. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
  - c. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
  - d. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - e. Reviewing the adequacy and structure of the internal audit function, including the credentials of a third party firm appointed if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - f. The Audit Committee of the Company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;
  - g. The appointment, removal and terms of remuneration of the Internal Auditor of the Company and Mutual Fund shall be subject to review by the Audit Committee;
  - h. Reviewing with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems; and
  - i. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
24. Review the effectiveness of the system for monitoring compliance with laws and regulations;
25. Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;
26. Review:
- a) Any Show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with Regulators or Government Agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
  - b) Any material default in financial obligations by the Company;
  - c) Any significant or important matters affecting the business of the Company; and
  - d) Regulatory Inspection Reports
27. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
28. To review the functioning of the Whistle Blower Mechanism;
29. To review, consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
30. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such

reviews, the Committee found no material discrepancy or weakness in the internal control system of the Company. The Committee has also reviewed the procedures laid down by the Company for assessing and managing risks applicable to the Company.

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

During the financial year under review, the Audit Committee met 6 (six) times to deliberate on various matters and the meetings were held on 26<sup>th</sup> April, 2022, 10<sup>th</sup> May, 2022, 28<sup>th</sup> June, 2022, 26<sup>th</sup> July, 2022, 27<sup>th</sup> October, 2022 and 27<sup>th</sup> January, 2023.

The composition and attendance of the Members at the Audit Committee Meetings held in FY 2022-23 was as under:

| Name of the Director              | Category/ Designation                   | No. of Meetings    |          |
|-----------------------------------|---|--------------------|----------|
|                                   |   | Held during tenure | Attended |
| Mr. Sunder Rajan Raman (Chairman) | Non-Executive Independent Director      | 6                  | 6        |
| Mr. Ramesh Abhishek <sup>1</sup>  | Non-Executive Independent Director      | 5                  | 5        |
| Mr. Harish Engineer <sup>2</sup>  | Non-Executive Independent Director      | 6                  | 3        |
| Mr. Navin Puri                    | Non-Executive Independent Director      | 6                  | 5        |
| Mr. Bharat Patel <sup>3</sup>     | Non-Executive Independent Director      | 2                  | 2        |
| Mr. Ajay Srinivasan <sup>4</sup>  | Non-Executive-Non-Independent Director  | 4                  | 1        |
| Mrs. Vishakha Mulye <sup>5</sup>  | Non-Executive- Non-Independent Director | 1                  | 1        |
| Mr. Sandeep Asthana               | Non-Executive-Non-Independent Director  | 6                  | 5        |

#### Notes:

1. Mr. Ramesh Abhishek was appointed as a Member with effect from 27<sup>th</sup> April, 2022.
  2. Mr. Harish Engineer ceased as a Member with effect from 30<sup>th</sup> April, 2023.
  3. Mr. Bharat Patel ceased as a Member with effect from close of business hours of 26<sup>th</sup> June, 2022.
  4. Mr. Ajay Srinivasan ceased as a Member with effect from 4<sup>th</sup> October, 2022.
  5. Mrs. Vishakha Mulye was appointed as a Member with effect from 27<sup>th</sup> October, 2022.
- Mr. Supratim Bandyopadhyay has been appointed as a Member with effect from 1<sup>st</sup> June, 2023.

## 2. Nomination, Remuneration and Compensation Committee

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

The terms of reference of the NRCC broadly include:

1. Set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Managers of the quality required to run the Company successfully;
2. For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:



- use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
3. Set the relationship of remuneration to performance;
  4. Check whether the remuneration provided to Directors, Key Managerial Personnel and Senior Management includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
  5. Review performance of such other executives as may be prescribed by SEBI;
  6. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
  7. Formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal from time to time;
  8. Review and Implement succession and development plans for Managing Director / Chief Executive Officer, Executive Directors and Senior Managers;
  9. Devise a policy on Board Diversity;
  10. Formulate, supervise and monitor the process of issuance/ grant/ vesting/ cancellation of Employee Stock Options and such other instruments as may be decided to be granted to the eligible grantees under the respective Employee Stock Options Scheme(s), from time to time, as per the provisions of the applicable laws, more particularly in terms of [Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]
11. Formulate the criteria for determining qualifications, positive attributes and independence of Directors;
  12. Formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
  13. Decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
  14. Establish evaluation criteria and conduct the process of performance evaluation of each Director in a structured manner;
  15. Establish evaluation criteria of Board and Board Committees;
  16. Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or shareholder approval (including broad-based plans);
  17. The Committee shall review and discuss with management the disclosures required to be included in the Directors report, as specified in the Companies Act, 2013 and the Rules thereunder.

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

During the financial year under review, the Committee met 2 (two) times to deliberate on various matters and the Meetings were held on 2<sup>nd</sup> August, 2022 and 20<sup>th</sup> October, 2022.

## Corporate Governance Report (Contd.)

The composition and attendance of the Members at the Nomination, Remuneration and Compensation Committee Meetings held in FY 2022-23 was as under:

| Name of the Director                         | Category/ Designation                   | No. of Meetings    |          |
|--|---|--------------------|----------|
|  |   | Held during tenure | Attended |
| Ms. Alka Bharucha (Chairperson) <sup>1</sup> | Non-Executive Independent Director      | 2                  | 1        |
| Mr. Harish Engineer <sup>2</sup>             | Non-Executive Independent Director      | 2                  | 1        |
| Mr. Ramesh Abhishek <sup>3</sup>             | Non-Executive Independent Director      | 2                  | 2        |
| Mr. Navin Puri                               | Non-Executive Independent Director      | 2                  | 2        |
| Mr. Bharat Patel <sup>4</sup>                | Non-Executive Independent Director      | -                  | -        |
| Mr. Ajay Srinivasan <sup>5</sup>             | Non-Executive, Non-Independent Director | 1                  | -        |
| Mrs. Vishakha Mulye <sup>6</sup>             | Non-Executive, Non-Independent Director | -                  | -        |
| Mr. Sandeep Asthana                          | Non-Executive, Non-Independent Director | 2                  | 2        |

The Company Secretary acts as the Secretary to the Committee.

### Notes:

1. Ms. Alka Bharucha existing Member was appointed as Chairperson of the Committee with effect from 27<sup>th</sup> June, 2022.
2. Mr. Harish Engineer ceased as a Member with effect from 30<sup>th</sup> April, 2023.
3. Mr. Ramesh Abhishek was appointed as a Member with effect from 27<sup>th</sup> April, 2022.
4. Mr. Bharat Patel ceased as Chairman of the Committee with effect from close of business hours of 26<sup>th</sup> June, 2022.
5. Mr. Ajay Srinivasan ceased as a Member with effect from 4<sup>th</sup> October, 2022.
6. Mrs. Vishakha Mulye was appointed as a Member with effect from 27<sup>th</sup> October, 2022.
- Mr. Supratim Bandyopadhyay has been appointed as a Member with effect from 1<sup>st</sup> June, 2023.

### Employee Stock Option Plan

The details with respect to Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021 ("ESOP Scheme 2021") and Aditya Birla Sun Life AMC Limited Stock Appreciation Rights Scheme 2022 has been provided in the Board's Report.

The details/disclosure(s) on the ESOP Scheme 2021 as required to be disclosed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/annual-reports>.

### Remuneration Policy

The Company has adopted an Executive Remuneration Philosophy/Policy. The same forms part of this Annual Report and is also available on the website of the Company at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/executive-remuneration-policy-amc.pdf>

The Company has in place a Directors and Officers Liability Insurance Policy covering all Directors including Independent Directors of the Company.

### 3. Risk Management Committee

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

The terms of reference of the Risk Management Committee broadly include:

1. To periodically review the risk management policy / framework at least once in two years, including by considering the changing industry dynamics and evolving complexity;



2. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems at AMC and scheme level;
3. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
4. To review the risk appetite, risk matrices of the Company and schemes;
5. To review and approve the roles and responsibilities of the CXOs and CRO and Delegation of Power;
6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
8. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
9. Require Management to identify and review with the Committee the major areas of risk faced through business activities of the Company i.e. Mutual Funds, Portfolio Management Service, Alternative Investment Funds (Real Estate and Alternate Assets) and strategies to manage those risks;
10. Review of Risk Control & Self-Assessment done by functions as per timelines;
11. Review the status of compliance, regulatory reviews and business practice reviews;
12. Review market conduct practices, fraud risk reports, incidents, and losses and subsequent corrective actions received from respective stakeholders / CEO / CRO;
13. Review the results of the stress testing on schemes, Early Warning Signals;
14. Review procedures for dealing with customer complaints, and monitor & review the effectiveness of and compliance with those procedures for the Company and all the business lines managed by the Company;
15. Assist the Board in determining the measures that can be adopted to mitigate the risk;
16. Review the findings and action plan on the annual RMF compliance review prior to submission to SEBI;
17. Approve terms of reference for the Operational Risk Management Committee (ORMC);
18. Delegate matters to CEO, CRO and other CXOs on ORMC, as may be required;
19. Ensure that appropriate measures are being taken to achieve prudent balance between risk and reward in both ongoing and new business activities and continuously aim to add value to the Company's stakeholders by growing business that supports inclusive growth;
20. To attend to such other matters and functions as may be prescribed by the Board from time to time; and
21. Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations, and applicable laws of SEBI for the nature of business conducted by the Company.

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

During the financial year under review, the Risk Management Committee met 4 (four) times to deliberate on various matters and the Meetings were held on 22<sup>nd</sup> April, 2022, 22<sup>nd</sup> July, 2022, 27<sup>th</sup> October, 2022 and 24<sup>th</sup> January, 2023.

The composition and attendance of the Members at the Risk Management Committee Meetings held in FY 2022-23 was as under:

| Name of the Director                        | Category/ Designation                   | No. of Meetings    |          |
|---|---|--------------------|----------|
|   |   | Held during tenure | Attended |
| Mr. Harish Engineer (Chairman) <sup>1</sup> | Non-Executive - Independent Director    | 4                  | 3        |
| Mr. Sunder Rajan Raman                      | Non-Executive - Independent Director    | 4                  | 4        |
| Mr. Ajay Srinivasan <sup>2</sup>            | Non-Executive, Non-Independent Director | 2                  | 1        |
| Mrs. Vishakha Mulye <sup>3</sup>            | Non-Executive, Non-Independent Director | 1                  | 1        |
| Mr. Sandeep Asthana                         | Non-Executive, Non-Independent Director | 4                  | 3        |

**Notes:**

1. Mr. Harish Engineer ceased as Chairman of the Committee with effect from 30<sup>th</sup> April, 2023.
2. Mr. Ajay Srinivasan ceased as a Member with effect from 4<sup>th</sup> October, 2022.
3. Mrs. Vishakha Mulye was appointed as a Member with effect from 27<sup>th</sup> October, 2022.
- Mr. Supratim Bandyopadhyay has been appointed as Chairman of the Committee with effect from 1<sup>st</sup> June, 2023.

**4. Stakeholders Relationship Committee**

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

The terms of reference of the Stakeholders Relationship Committee broadly include:

1. To resolve grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
2. To review measures taken for effective exercise of voting rights by shareholders;
3. To monitor the complaints received by the Company from the Shareholders, Debenture holders of the Company, other security holders, Securities and Exchange Board of India (SEBI), Stock Exchanges, Department of Company Affairs, Registrar of Companies etc. and the action taken by the Company for redressal of the same;
4. To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
5. To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
6. To authorize the officers of the Company to approve the requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
7. To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
8. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
9. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company, as applicable; and
10. To perform such other acts, deeds, and things as may be delegated to the Committee by the Board from time to time.

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

During the financial year under review, the Stakeholders Relationship Committee met 2 (two) times to deliberate on various matters and the Meetings were held on 12<sup>th</sup> April, 2022 and 27<sup>th</sup> October, 2022.

The composition and attendance of the Members at the Stakeholders Relationship Committee Meetings held in FY 2022-23 was as under:

| Name of the Director             | Category/ Designation              | No. of Meetings    |          |
|----------------------------------|------------------------------------|--------------------|----------|
|                                  |                                    | Held during tenure | Attended |
| Ms. Alka Bharucha (Chairperson)  | Non-Executive Independent Director | 2                  | 2        |
| Mr. A. Balasubramanian           | Managing Director & CEO            | 2                  | 2        |
| Mr. Ramesh Abhishek <sup>1</sup> | Non-Executive Independent Director | 1                  | 1        |
| Mr. Bharat Patel <sup>2</sup>    | Non-Executive Independent Director | 1                  | 1        |

**Notes:**

1. Mr. Ramesh Abhishek was appointed as a Member with effect from 27<sup>th</sup> April, 2022.
2. Mr. Bharat Patel ceased as a Member with effect from close of business hours of 26<sup>th</sup> June, 2022.

**Shareholders' Complaints**

The number of Shareholders' complaints received and resolved as on 31<sup>st</sup> March, 2023 is given under 'Shareholders Information' section of this Report.

**5. Corporate Social Responsibility Committee**

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

The terms of reference of the CSR Committee broadly include:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**Meetings, Composition and Attendance during the financial year under review:**

During the financial year under review, the CSR Committee met 2 (two) times to deliberate on various matters and the Meetings were held on 27<sup>th</sup> June, 2022 and 20<sup>th</sup> March, 2023.

The composition and attendance of the Members at the Corporate Social Responsibility Committee Meetings held in FY 2022-23 was as under:

| Name of the Director             | Category/ Designation                  | No. of Meetings    |          |
|----------------------------------|--|--------------------|----------|
|                                  |  | Held during tenure | Attended |
| Ms. Alka Bharucha (Chairperson)  | Non-Executive - Independent Director   | 2                  | 2        |
| Mr. Ajay Srinivasan <sup>1</sup> | Non-Executive-Non-Independent Director | 1                  | -        |
| Mr. Sandeep Asthana              | Non-Executive-Non-Independent Director | 2                  | 1        |
| Mrs. Vishakha Mulye <sup>2</sup> | Non-Executive-Non-Independent Director | 1                  | 1        |

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

### Notes:

1. Mr. Ajay Srinivasan ceased as a Member with effect from 4<sup>th</sup> October, 2022.
2. Mrs. Vishakha Mulye was appointed as a Member with effect from 27<sup>th</sup> October, 2022.

### III. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations and other applicable provisions, the Company has framed the Whistle Blower Policy. The Whistle Blower Policy/Vigil mechanism provides a mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail the mechanism and direct access to the 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 for their review and discussion. The Policy is in line with the Company's Code of Conduct, Vision and Values and is available on the Company's website at [https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower\\_policy\\_amc\\_200622.pdf](https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/whistleblower_policy_amc_200622.pdf).

### IV. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated financial statements/results of the Company and investments made by foreign Subsidiary Companies. The Minutes of the Board Meetings along with a report on significant developments of all the Subsidiary Companies are periodically placed before the Board. The Management of all the Subsidiaries periodically brings to the notice of the Board, a statement of all significant transactions and arrangements entered into by the Subsidiaries, as applicable. As per the definition of "Material Subsidiary" under Regulation 16 of SEBI Listing Regulations, the Company does not have any Material Subsidiary.

The Company has formulated a "Policy for determining Material Subsidiary Companies" of the Company and has complied with all the obligations relating to Material Subsidiaries of the Company under SEBI Listing Regulations. The policy for

determining Material Subsidiary Companies of the Company is available on the Company's website at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-on-materiality-of-subsiadiary.pdf>

### V. OTHER DISCLOSURES

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

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

#### Related Party Transactions

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

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

#### Disclosure of Accounting Treatment

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





## Management Discussion and Analysis

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

### Remuneration of Directors

#### A. Non-Executive Directors:

Sitting fees of ₹ 100,000/- for each Meeting of the Board and ₹ 75,000/- for each Meeting of the Audit Committee and ₹ 50,000/- for each Meeting of other Committees is paid to the Independent Directors of the Company. The Company does not pay commission to the Directors of the Company. Further, the Company reimburses the out-of-pocket expenses, if any incurred by the Directors for attending the Meetings of the Company.

Details of shareholding and the sitting fees paid to the Directors during the financial year under review:

| (Amount in ₹)                         |                    |                   |
|---------------------------------------|--------------------|-------------------|
| Name of the Director                  | No. of Shares held | Sitting Fees Paid |
| Mr. Kumar Mangalam Birla <sup>1</sup> | 160                | NA                |
| Mr. Bharat Patel <sup>2</sup>         | -                  | 4,00,000          |
| Mr. Harish Engineer <sup>3</sup>      | -                  | 1,025,000         |
| Ms. Alka Bharucha                     | -                  | 900,000           |
| Mr. Navin Puri                        | -                  | 1,425,000         |
| Mr. Sunder Rajan Raman                | -                  | 1,400,000         |
| Mr. Ramesh Abhishek                   | -                  | 1,275,000         |
| Mr. Sandeep Asthana                   | -                  | NA                |
| Mr. Ajay Srinivasan <sup>4</sup>      | 11086              | NA                |
| Mrs. Vishakha Mulye <sup>5</sup>      | -                  | NA                |
| Mr Amrit Kanwal <sup>6</sup>          | -                  | NA                |

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

#### Notes:

- Mr. Kumar Mangalam Birla resigned as Non-Executive Chairman with effect from close of business hours on 19<sup>th</sup> April, 2023
- Mr. Bharat Patel retired as an Independent Director upon completion of his tenure with effect from close of business hours of 26<sup>th</sup> June, 2022
- Mr. Harish Engineer resigned as an Independent Director with effect from 30<sup>th</sup> April, 2023
- Mr. Ajay Srinivasan resigned as a Non-Executive Director with effect from 4<sup>th</sup> October, 2022
- Mrs. Vishakha Mulye was appointed as a Non-Executive Director with effect from 27<sup>th</sup> October, 2022
- Mr. Amrit Kanwal was appointed as a Non- Executive Director with effect from 26<sup>th</sup> April, 2022

#### B. Executive Director:

Details of shareholding and remuneration paid to Managing Director & CEO during the financial year under review:

| (Amount in ₹)          |                    |                     |                        |            |
|------------------------|--------------------|---------------------|------------------------|------------|
| Name                   | No. of shares held | Salary & Allowances | Perquisites & Benefits | Total      |
| Mr. A. Balasubramanian | 18701*             | 61,842,582          | 1,532,558              | 63,375,140 |

\*Includes 416 equity shares held as a nominee of Aditya Birla Capital Limited

## CEO - CFO CERTIFICATION

Mr. A. Balasubramanian, Managing Director & CEO and Mr. Parag Joglekar, Chief Financial Officer of the Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, which was placed before the Board at its Meeting held on 27<sup>th</sup> April, 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 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

## ARCHIVAL POLICY FOR WEBSITE CONTENT

In terms of Regulation 30 of the SEBI Listing Regulations, the Company has formulated a policy on maintaining and

preserving timely and accurate records. The Policy is available on the website of the Company at <https://mutualfund.adityabirlacapital.com/-/media/bsl/files/resources/policies-and-codes/policy-for-archival-of-documents.pdf>

## COMPLIANCE CERTIFICATE

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

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

The Company has provided the details of the Directors seeking appointment/re-appointment in the Notice of the 29<sup>th</sup> Annual General Meeting.

## GENERAL BODY MEETINGS

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

| Year    | Date                        | Time       | Venue                                  | Particulars of Special Resolutions passed   |
|---------|-----------------------------|------------|--|---|
| 2019-20 | 20 <sup>th</sup> July, 2020 | 10.00 A.M. | Registered Office of the Company       | <ol style="list-style-type: none"> <li>Revision in terms &amp; conditions of appointment and remuneration of Mr. A. Balasubramanian – Managing Director and CEO.</li> <li>Adoption of new set of Articles of Association of the Company.</li> <li>Re-appointment of Ms. Alka Bharucha as an Independent Director of the Company.</li> </ol> |
| 2020-21 | 28 <sup>th</sup> June, 2021 | 11.00 A.M. | Through Video Conferencing             | No Special business   |
| 2021-22 | 21 <sup>st</sup> July, 2022 | 10.30 A.M. | (VC) / Other Audio-Visual Means (OAVM) |   |

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

| Date                             | Time       | Venue                            | Particulars of Special Resolutions passed   |
|----------------------------------|------------|----------------------------------|---|
| 5 <sup>th</sup> August, 2019     | 11.30 A.M. | Registered Office of the Company | 1. Appointment of Mr. A Balasubramanian as a Managing Director of the Company.  |
| 23 <sup>rd</sup> September, 2019 | 11.30 A.M. | Registered Office of the Company | <ol style="list-style-type: none"> <li>Re-appointment of Mr. Bharat Patel as a Non-Executive Independent Director of the Company.</li> <li>Re-appointment of Mr. Bobby Parikh as a Non-Executive Independent Director of the Company.</li> </ol>  |
| 6 <sup>th</sup> April, 2021      | 5:15 P.M.  | Through VC/OAVM                  | <ol style="list-style-type: none"> <li>Increase in Authorised Capital of the Company.</li> <li>Approval for the adoption of the Aditya Birla Sun Life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent Employees and Directors of the Company).</li> <li>Approval for the adoption of the Aditya Birla Sun Life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent Employees and Directors of the Holding and/or Subsidiaries of the Company).</li> </ol> |



| Date                            | Time      | Venue           | Particulars of Special Resolutions passed   |
|---------------------------------|-----------|-----------------|---|
| 15 <sup>th</sup> April, 2021    | 4:00 P.M. | Through VC/OAVM | <ol style="list-style-type: none"> <li>Continuation of Directorship of Mr. Bharat Patel as an Independent Director of the Company till expiry of his existing term notwithstanding he had attained age of 75 years.</li> <li>Adoption of new set of Article of Association.</li> <li>Approval for the adoption of amended Aditya Birla Sun Life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent Employees and Directors of the Company).</li> <li>Approval for the adoption of amended Aditya Birla Sun Life AMC Limited Employee Stock Option (ESOP) Scheme, 2021 (for the benefits of present and future permanent Employees and Directors of the Holding and/or subsidiaries of the Company).</li> </ol> |
| 8 <sup>th</sup> September, 2021 | 4:45 P.M. | Through VC/OAVM | <ol style="list-style-type: none"> <li>Adoption of new set Articles of Association.</li> <li>Approval of amendment to Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme, 2021.</li> </ol>  |

### Postal Ballot

During the financial year under review, no special resolution was passed through Postal Ballot. There is no special business proposed to be passed through Postal Ballot.

## MEANS OF COMMUNICATION

### Quarterly Results

The Company's quarterly/ half yearly/ annual financial results are submitted to the Stock Exchanges and published in newspapers, Business Standard or Financial Express and Navshakti. After announcement of results, the Company holds conference calls with investors/ analysts. The transcript of the said conference calls is uploaded on the Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/financials>.

### Press Releases and Presentations:

Press releases are first sent to the Stock Exchanges before their release to media for wider dissemination. Presentation made to Investors/ Analysts, Media, Institutional Investors, etc. are available on the website of stock exchanges where the shares of the Company are listed (BSE and NSE) as well as on the Company's website.

### Website Disclosure

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

|   |  |
|---|--|
| Whether it also displays official news releases | Yes  |
| Presentations made to investors/analysts        | Yes  |
| Shareholders' Information                       | Published as a separate section in this report |

### NSE Electronic Application Processing System (NEAPS) and BSE Listing Center for Electronic filing

Apart from the financial results, shareholding pattern and quarterly report on Corporate Governance, other intimations/ disclosures required to be made to the Stock Exchanges are electronically filed.

### SEBI Complaints Redress System (SCORES)

Shareholders complaints are also processed through a centralised web-based complaint redressal system, SCORES. This system enables the Company to have a centralised database of the complaints and upload online action taken reports. Investors can also view the current status of and actions taken on their complaints.

### Adoption of Mandatory and Discretionary Requirements

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

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

## Corporate Governance Report (Contd.)

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

### Other Disclosures:

1. Total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor of the Company viz. S.R. Batliboi & Co. LLP, and all entities in the network firm/network entity of which the Statutory Auditor was a part during the financial year under review was ₹ 0.91 Crore.
2. During the financial year under review, there were no complaints filed, disposed or pending as at the end of financial year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
3. A certificate from VKMG & Associates LLP., Practising Company Secretaries has been received stating / confirming that none of the Directors on the Board has been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority and is enclosed as a part of this report.

## General Shareholder Information

### 1. Annual General Meeting

|                                  |   |
|----------------------------------|---|
| Date and Time                    | Friday, 11 <sup>th</sup> August, 2023 at 11:30 A.M. (IST)         |
| Venue                            | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) |
| Financial Year                   | 2022-23   |
| Commencement of remote e-voting: | 9:00 A.M. (IST) on Tuesday, 8 <sup>th</sup> August, 2023          |
| End of remote e-voting:          | 5:00 P.M. (IST) on Thursday, 10 <sup>th</sup> August, 2023.       |

The details of process of e-voting is provided in the notice of the 29<sup>th</sup> Annual General Meeting.

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

|  |   |
|--|---|
| Financial Year of the Company  | 1 <sup>st</sup> April to 31 <sup>st</sup> March |
| For the quarter ending 30 <sup>th</sup> June, 2023                                       | On or before 14 <sup>th</sup> August, 2023      |
| For the quarter/half year ending 30 <sup>th</sup> September, 2023                        | On or before 14 <sup>th</sup> November, 2023    |
| For the quarter ending 31 <sup>st</sup> December, 2023                                   | On or before 14 <sup>th</sup> February, 2024    |
| For the quarter/year ending 31 <sup>st</sup> March, 2024                                 | On or before 30 <sup>th</sup> May, 2024         |
| 30 <sup>th</sup> Annual General Meeting for the year ending 31 <sup>st</sup> March, 2024 | On or before 31 <sup>st</sup> August, 2024      |

### 3. Dividend

Final Dividend for FY 2022-23:

|                       |                                      |
|-----------------------|--------------------------------------|
| Record date           | Friday, 4 <sup>th</sup> August, 2023 |
| Dividend payment date | Within 30 days from the date of AGM  |

### Unclaimed Dividend:

Dividend that is not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124(5) of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the government. In respect of the transfers made after coming into effect of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from the IEPF in accordance with such procedure and on submission of such documents as may be prescribed. The details of unclaimed dividend as on 31<sup>st</sup> March, 2023 and the dates when the dividend will be transferred to the IEPF are as follows:



| Sr. No. | Particulars of Dividend         | Dividend per share (₹) | Date of declaration            | Due date for transfer to IEPF   |
|---------|---------------------------------|------------------------|--------------------------------|---------------------------------|
| 1       | Interim Dividend for FY 2021-22 | ₹ 5.60                 | 25 <sup>th</sup> October, 2021 | 30 <sup>th</sup> November, 2028 |
| 2       | Final Dividend for FY 2021-22   | ₹ 5.85                 | 21 <sup>st</sup> July, 2022    | 26 <sup>th</sup> August, 2029   |
| 3       | Interim Dividend for FY 2022-23 | ₹ 5.00                 | 16 <sup>th</sup> March, 2023   | 21 <sup>st</sup> April, 2030    |

#### 4. Investor Correspondence

##### (i) Registered Office

Ms. Hemanti Wadhwa  
 Company Secretary & Compliance Officer  
 One World Center, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills,  
 Senapati Bapat Marg, Elphinstone Road Mumbai - 400013  
 Tel.: +91 22 4356 8000  
 CIN: L65991MH1994PLC080811  
 Website: <https://mutualfund.adityabirlacapital.com>  
 Email: [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com)

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

KFin Technologies Limited  
 Unit: Aditya Birla Sun Life AMC Limited  
 Selenium Tower B, Plot Nos. 31 & 32, Nanakramguda,  
 Serilingampally Mandal, Hyderabad – 500 032, Telangana, India  
 Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
 Tel: +91 40 6716 1611, Toll Free no: 1800-572-4001  
 Website: <https://www.kfintech.com>

#### 5. Listing Details

|               |   |
|---------------|---|
| Equity Shares | National Stock Exchange of India Limited (NSE)<br>Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 |
|               | BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001   |

**Note:** Annual Listing Fees for financial year 2023-24 has been paid to NSE and BSE.

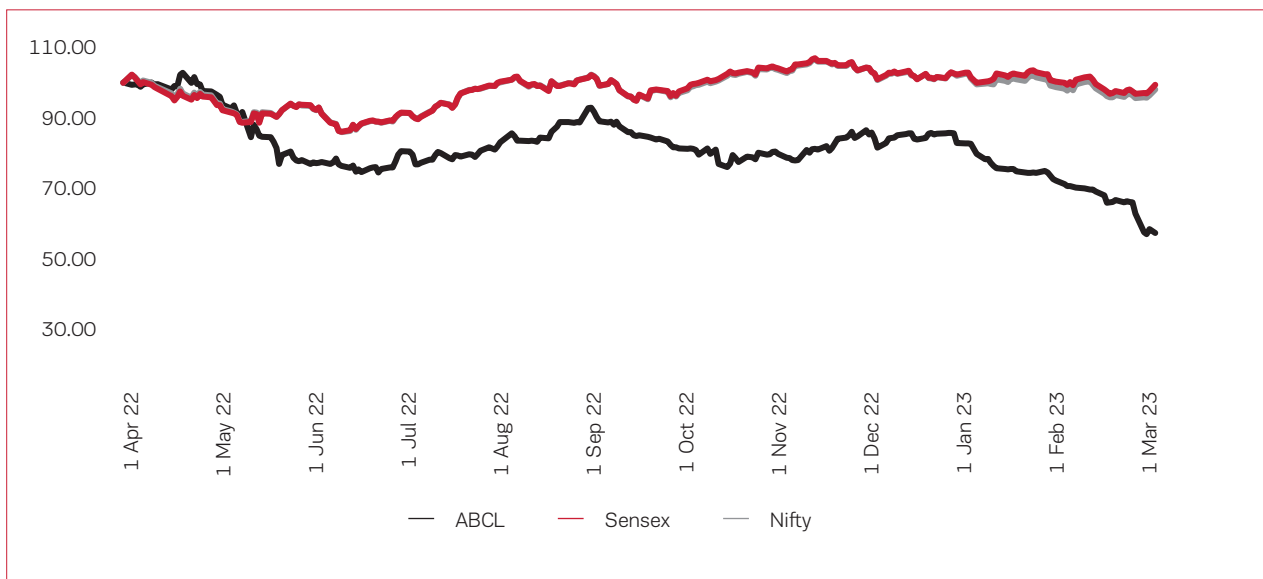
#### 6. Stock Code

| Particulars                              | Stock Code/ Symbol |
|--|--------------------|
| BSE Limited                              | 543374             |
| National Stock Exchange of India Limited | ABSLAMC            |
| ISIN of Equity Shares                    | INE404A01024       |

**7. Stock Price Data:**

| Year/ Month | BSE Limited |        |             |                      | National Stock Exchange of India Limited |        |             |                      |
|-------------|-------------|--------|-------------|----------------------|--|--------|-------------|----------------------|
|             | High        | Low    | Close Price | No. of shares traded | High                                     | Low    | Close Price | No. of shares traded |
|             | (In ₹)      | (In ₹) | (In ₹)      | (In Nos.)            | (In ₹)                                   | (In ₹) | (In ₹)      | (In Nos.)            |
| Apr-22      | 559.95      | 516.10 | 521.45      | 245,936              | 560.00                                   | 515.30 | 520.00      | 3,501,946            |
| May-22      | 520.25      | 411.75 | 421.65      | 510,248              | 520.95                                   | 411.45 | 421.50      | 5,080,488            |
| Jun-22      | 425.35      | 399.35 | 400.20      | 131,662              | 425.25                                   | 375.00 | 400.05      | 1,870,470            |
| Jul-22      | 435.30      | 400.05 | 422.65      | 111,691              | 435.25                                   | 400.00 | 423.35      | 1,231,691            |
| Aug-22      | 477.80      | 420.00 | 459.75      | 135,917              | 477.75                                   | 419.90 | 460.00      | 1,833,531            |
| Sep-22      | 503.15      | 450.05 | 454.15      | 117,097              | 503.00                                   | 450.05 | 455.00      | 3,044,249            |
| Oct-22      | 469.95      | 400.60 | 409.10      | 104,639              | 456.60                                   | 406.00 | 407.80      | 671,676              |
| Nov-22      | 440.00      | 408.10 | 434.15      | 145,597              | 440.50                                   | 408.00 | 434.20      | 2,299,291            |
| Dec-22      | 469.90      | 428.70 | 454.75      | 152,457              | 471.90                                   | 429.25 | 455.00      | 2,346,978            |
| Jan-23      | 461.95      | 413.00 | 419.80      | 76,790               | 462.90                                   | 412.00 | 419.90      | 1,313,888            |
| Feb-23      | 440.00      | 379.05 | 380.00      | 139,736              | 425.05                                   | 379.25 | 380.00      | 893,322              |
| Mar-23      | 382.70      | 307.90 | 311.35      | 398,239              | 384.00                                   | 307.00 | 311.20      | 3,449,783            |

**8. Indexed Stock Performance**





## 9. Share Transfer System:

The Company's share transfer and related operations is operated through its Registrar and Share Transfer Agent – KFin Technologies Limited. The equity shares of the Company are traded in dematerialised form. In compliance with SEBI guidelines, no physical transfer of shares is allowed.

## 10. Investor Services:

Complaints received during the year ended 31<sup>st</sup> March, 2023:

| Complaints  | 2022-23  |           |
|---|----------|-----------|
|   | Received | Redressed |
| Relating to refund of IPO application, Change of address, Receipt of Annual Report, Dividend, Share Certificate, etc. | 16       | 16        |

## 11. Distribution of Shareholding as on 31<sup>st</sup> March, 2023:

| Category<br>(No. of shares) | No. of<br>shareholders | % of shareholders | No. of shares held | % Shareholding |
|-----------------------------|------------------------|-------------------|--------------------|----------------|
| 1-5000                      | 431,632                | 99.95             | 16,852,038         | 5.85           |
| 5001- 10000                 | 130                    | 0.03              | 910,554            | 0.32           |
| 10001- 20000                | 49                     | 0.01              | 673,230            | 0.23           |
| 20001- 30000                | 20                     | 0.01              | 500,128            | 0.17           |
| 30001- 40000                | 11                     | 0.00              | 384,859            | 0.13           |
| 40001- 50000                | 3                      | 0.00              | 137,123            | 0.05           |
| 50001- 100000               | 9                      | 0.00              | 675,658            | 0.23           |
| 100001& Above               | 17                     | 0.00              | 267,866,410        | 93.01          |
| <b>Total</b>                | <b>431,871</b>         | <b>100.00</b>     | <b>288,000,000</b> | <b>100.00</b>  |

## 12. Categories of Shareholding as on 31<sup>st</sup> March, 2023:

| Category of Shareholders            | No. of<br>shareholders | % of Shareholder | No. of Shares held | % Shareholding     |
|-------------------------------------|------------------------|------------------|--------------------|--------------------|
| Promoters and Promoter Group*       | 7                      | 0.00             | 249,120,000        | 86.50              |
| Resident Individuals                | 417,999                | 96.79            | 17,328,043         | 6.02               |
| Qualified Institutional Buyer       | 6                      | 0.00             | 10,731,872         | 3.73               |
| Foreign Portfolio - Corp            | 13                     | 0.00             | 4,633,029          | 1.61               |
| Mutual Funds                        | 5                      | 0.00             | 3,173,060          | 1.10               |
| Bodies Corporates                   | 325                    | 0.08             | 1,654,258          | 0.57               |
| H U F                               | 10,779                 | 2.50             | 659,460            | 0.23               |
| Non-Resident Indians                | 1,689                  | 0.39             | 321,392            | 0.11               |
| Non-Resident Indian Non Repatriable | 995                    | 0.23             | 238,233            | 0.08               |
| Directors and Relatives             | 1                      | 0.00             | 18,285             | 0.01               |
| Banks                               | 2                      | 0.00             | 29,795             | 0.01               |
| Alternative Investment Fund         | 2                      | 0.00             | 7,116              | 0.00               |
| Clearing Members                    | 44                     | 0.01             | 83,271             | 0.03               |
| NBFC                                | 1                      | 0.00             | 1,115              | 0.00               |
| Trusts                              | 3                      | 0.00             | 1,071              | 0.00               |
| <b>Total</b>                        | <b>431,871</b>         | <b>100.00</b>    | <b>288,000,000</b> | <b>288,000,000</b> |

\* Includes 3 Nominees of Aditya Birla Capital Limited

### 13. Dematerialization of Shares:

The Equity Shares of the Company are available for trading in the dematerialised form under both the Depositories viz. National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”). All Equity Shares of the Company are held in dematerialised form.

| Particulars of Equity Holding     | %             |
|-----------------------------------|---------------|
| Shares held in Demat mode in NSDL | 96.54         |
| Shares held in Demat mode in CDSL | 3.46          |
| <b>Total</b>                      | <b>100.00</b> |

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

### 14. Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs/Warrants or any convertible Instruments as on 31<sup>st</sup> March, 2023.

### 15. Details on use of public funds obtained in the last three years:

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

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

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

### 17. Plant Location

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

#### Other useful Information for Shareholders:

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

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

### Unclaimed Shares

Pursuant to the Regulation 39(4) of the SEBI Listing Regulations, the Company had opened Unclaimed Suspense Demat Account for credit of shares which were unclaimed as per these provisions.

At the beginning of the financial year, 20 (twenty) equity shares belonging to 1 (one) shareholder were lying in the account. During the financial year, 1 (one) shareholder claimed 20 (twenty) equity shares from the said account, which were transferred to such shareholder after adequate verification. As on 31<sup>st</sup> March, 2023, there were no equity shares lying in Unclaimed Suspense Demat Account.

### Correspondence with the Company

Shareholders/Beneficial Owners are requested to quote their Folio No. /DP ID and Client ID, as the case may be, in all correspondence with the KFin Technologies Limited. All correspondences regarding shares of the Company should be addressed to KFin Technologies Limited e-mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). KFin Technologies Limited has also designated toll-free no. i.e. 1800-309-4001 for investor services where they can register their complaints/queries to facilitate speedy and prompt redressal.

### Service of Documents in Electronic Form (Green Initiative in Corporate Governance)

In order to conserve paper and the environment, the Ministry of Corporate Affairs (“MCA”), Government of India and SEBI, has allowed companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board’s Reports, Auditors’ Reports, etc., henceforth to their members electronically as a part of its Green Initiative in Corporate Governance.

Shareholders can avail e-communication facility by registering their e-mail address with the Company by sending the request on e-mail to [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com) / [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

Benefits of registering your e-mail address for availing e-communication:

- it will enable you to receive communication promptly;
- it will avoid loss of documents in postal transit; and
- it will help in eliminating wastage of paper, reduce paper consumption and, in turn, save trees.





**Feedback:** Members are requested to give us their valuable suggestions for improvement of the investor services to the Registered Office or via email at [abslamc.cs@adityabirlacapital.com](mailto:abslamc.cs@adityabirlacapital.com).

### **Registering of E-mail Address**

Members who have not yet registered their e-mail address for availing the facility of e-communication, are requested to register the same with the Company/ KFin Technologies Limited or their DPs for easier and

faster correspondence. The Company has also published a newspaper advertisement in Business Standard and Navshakti informing members the process for registration of their e-mail ids.

Members can register their email id by sending duly filed Form ISR-1 to KFin Technologies Limited, which can be downloaded from the weblink <https://ris.kfintech.com/clientservices/isc/default.aspx>.

# Certificate of Non-Disqualification of Directors

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March, 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               | DIN      | Date of Appointment in Company |
|---------|---------------------------------|----------|--------------------------------|
| 1       | *Mr. Kumar Mangalam Birla       | 00012813 | 28/10/1995                     |
| 2       | Ms. Alka Marezban Bharucha      | 00114067 | 31/03/2015                     |
| 3       | Mr. Sandeep Asthana             | 00401858 | 27/04/2011                     |
| 4       | Mr. Harish Hansubhai Engineer   | 01843009 | 21/06/2019                     |
| 5       | Mr. Sunder Rajan Raman          | 02511138 | 01/01/2022                     |
| 6       | Mr. Balasubramanian Athmanathan | 02928193 | 25/07/2019                     |
| 7       | Mr. Ramesh Abhishek             | 07452293 | 01/01/2022                     |
| 8       | Mr. Navin Puri                  | 08493643 | 04/09/2019                     |
| 9       | Ms. Vishakha Vivek Mulye        | 00203578 | 27/10/2022                     |
| 10      | Mr. Amrit Bir Singh Kanwal      | 09545814 | 26/04/2022                     |

\*Resigned from Directorship of the Company w.e.f close of business hours of 19<sup>th</sup> April, 2023

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

For VKMG & Associates LLP  
Company Secretaries  
FRN: L2019MH005300

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

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023  
UDIN: A043802E000235631



# Code of Conduct Declaration

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Members of the Board and Senior Management personnel of the Company have affirmed Compliance with the Code of Conduct for Board of Directors and Senior Management of the Company during the financial year ended 31<sup>st</sup> March, 2023.

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director & CEO  
(DIN: 02928193)

## CEO - CFO Certification

To  
The Members,  
**Aditya Birla Sun Life AMC Limited**

We certify that:

1. We have reviewed the Audited Financial Statements and the cash flow statement of Aditya Birla Sun Life AMC Limited ("the Company") for the financial year ended 31<sup>st</sup> March, 2023 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions have been entered into by the Company during the financial year ended 31<sup>st</sup> March, 2023, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal

controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.

4. We have indicated to the Auditors and the Audit Committee:-
  - i. significant changes in the Company's internal control over financial reporting, if any, during the financial year ended 31<sup>st</sup> March, 2023;
  - ii. significant changes in accounting policies, if any, during the financial year ended 31<sup>st</sup> March, 2023 have been disclosed in the notes to the Financial Statements; and
  - iii. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

**A. Balasubramanian**  
Managing Director & CEO

**Parag Joglekar**  
Chief Financial Office

Date: 27<sup>th</sup> April, 2023  
Place: Mumbai

# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURE

### I. Details of the Listed Entity

|    |  |  |
|----|--|--|
| 1  | Corporate Identity Number (CIN) of the Listed Entity   | L65991MH1994PLC080811  |
| 2  | Name of the Listed Entity  | Aditya Birla Sun Life AMC Limited  |
| 3  | Year of incorporation  | 1994   |
| 4  | Registered office address  | One World Center, Tower 1, 17 <sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013   |
| 5  | Corporate address  |  |
| 6  | E-mail   | <a href="mailto:abslamc.cs@adityabirlacapital.com">abslamc.cs@adityabirlacapital.com</a>   |
| 7  | Telephone  | 022-43568008   |
| 8  | Website  | <a href="https://mutualfund.adityabirlacapital.com">https://mutualfund.adityabirlacapital.com</a>  |
| 9  | Financial year for which reporting is being done   | Financial Year 2022-23 (1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023)   |
| 10 | Name of the Stock Exchange(s) where shares are listed  | BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")   |
| 11 | Paid-up Capital  | ₹144 Crore   |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Ms. Hemanti Wadhwa, Head - Compliance, Legal and Secretarial and Company Secretary<br>022-43568008<br><a href="mailto:abslamc.cs@adityabirlacapital.com">abslamc.cs@adityabirlacapital.com</a> |
| 13 | Reporting Boundary   | The disclosures under this report are made on standalone basis for Aditya Birla Sun Life AMC Limited.  |

### II. Product/Services

| 14 | Details of business activities       | Description of Main Activity   | Description of Business Activity | % Turnover of the Entity        |
|----|--------------------------------------|--|----------------------------------|---------------------------------|
|    |                                      | Financial & Insurance Service  | Fund Management Services         | 100%                            |
| 15 | Products/Services sold by the entity | Product/Service  | NIC Code                         | % of Total Turnover contributed |
|    |                                      | The Company offers comprehensive investment solution platform across asset classes – including active, passive and alternative asset classes in equity and fixed income. The Company also provides portfolio management and segregated account services. | 65991                            | 100%                            |



### III. Operations

| 16 | Number of locations where plants and/or operations/offices of the entity are situated: | Location      | Number of plants | No. of Offices   | Total |
|----|--|---------------|------------------|--|-------|
|    |  | National      | Not applicable*  | 290+ investor service centres                              |       |
|    |  | International |                  | Through its subsidiaries in Dubai, Mauritius and Singapore |       |

\* The Company is into financial services and does not undertake any manufacturing-related activities

| Market served by the entity |   | Locations  |
|-----------------------------|---|--|
| a. No. of Locations         | National (No. of States)  | Pan -India   |
|                             | International (No. of Countries)  | Various international markets through its subsidiaries in Dubai, Mauritius and Singapore   |
| 17                          | b. What is the contribution of exports as a percentage of the total turnover of the entity? | Not applicable   |
|                             | c. A brief on types of customers  | Aditya Birla Sun Life AMC Limited (ABSLAMC) is one of the leading Asset Management Companies (AMCs) in India and the sixth largest AMC in the country. ABSLAMC currently caters to more than 8.05 million investor folios. The Company has consistently focused on providing services to diverse customer segments, including first-time investors, middle-income groups, NRIs, and global investors. To cater to these investor (customer) segments and their needs, the Company continuously attempts to widen its product portfolio, outreach efforts, and geographic presence pan-India. |

### IV. Employees

#### 18. Details as at the end of Financial Year:

| S. No.  | Particulars                        | Total (A)   | Male        |            | Female     |               |
|---|------------------------------------|-------------|-------------|------------|------------|---------------|
|   |                                    |             | No. (B)     | % (B/A)    | No. (C)    | % (C/A)       |
| <b>a. Employees and workers (including differently abled)</b> |                                    |             |             |            |            |               |
| <b>Employees</b>  |                                    |             |             |            |            |               |
| 1   | Permanent Employees (A)            | 1205        | 879         | 73%        | 326        | 27.05%        |
| 2   | Other than Permanent Employees (B) | 457         | 390         | 85%        | 67         | 14.66%        |
| <b>3</b>  | <b>Total Employees (A+B)</b>       | <b>1662</b> | <b>1269</b> | <b>76%</b> | <b>393</b> | <b>23.65%</b> |
| <b>b. Differently abled employees and workers</b>             |                                    |             |             |            |            |               |
| <b>Employees</b>  |                                    |             |             |            |            |               |
| 1   | Permanent Employees (E)            | -           | -           | -          | -          | -             |
| 2   | Other than Permanent Employees (F) | -           | -           | -          | -          | -             |
| <b>3</b>  | <b>Total Employees (E+F)</b>       | <b>-</b>    | <b>-</b>    | <b>-</b>   | <b>-</b>   | <b>-</b>      |

#### 19. Participation/Inclusion/Representation of women

| S. No. | Category                  | Total (A) | No. and % of females |         |
|--------|---------------------------|-----------|----------------------|---------|
|        |                           |           | No. (B)              | % (B/A) |
| 1      | Board of Directors*       | 10        | 2                    | 20%     |
| 2      | Key Management Personnel* | 3         | 1                    | 33%     |

\* The details of Board of Directors and Key management personnel is as on 31<sup>st</sup> March, 2023.

## 20. Turnover rate for permanent employees and workers

| Category            | FY 2022-2023<br>(Turnover rate in current FY) |        |       | FY 2021-2022<br>(Turnover rate in previous FY) |        |       | FY 2020-2021<br>(Turnover rate in the year prior to previous FY) |        |       |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
|                     | Male  | Female | Total | Male   | Female | Total | Male   | Female | Total |
| Permanent Employees | 28%   | 22%    | 26%   | 29%  | 31%    | 30%   | 15%  | 15%    | 15%   |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. Names of Holding, Subsidiary, and Associate Companies (including joint ventures) as on 31<sup>st</sup> March, 2023

| S. No | Name of the holding / subsidiary / associate companies                                 | Indicate whether it is a holding / Subsidiary / Associate | % of shares held by the listed entity | Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)* |
|-------|--|---|---------------------------------------|---|
| 1.    | Grasim Industries Limited  | Ultimate Holding Company                                  | -                                     | Yes*  |
| 2.    | Aditya Birla Capital Limited   | Holding Company   | 50.01%                                |   |
| 3.    | Aditya Birla Sun Life AMC (Mauritius) Limited  | Subsidiary  | 100%                                  |   |
| 4.    | Aditya Birla Sun Life Asset Management Company Ltd, DIFC, Dubai                        | Subsidiary  | 100%                                  |   |
| 5.    | Aditya Birla Sun Life Asset Management Company. Pte Ltd, Singapore (ABSLAMC Singapore) | Subsidiary  | 100%                                  |   |
| 6.    | India Advantage Fund Limited <sup>1</sup> (IAFL)                                       | Subsidiary  | 100%                                  |   |
| 7.    | International Opportunities Fund – SPC <sup>1</sup>                                    | Subsidiary of ABSLAMC Singapore                           |                                       |   |

\*The Holding Company(s) have their own Business Responsibility (BR) Initiatives whereas the subsidiaries of the Company participate in the BR initiatives to the extent applicable to them.

- The Company holds 100% management shares of India Advantage Fund Limited (IAFL), having no beneficial interest or ownership on IAFL's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IAFL. Similarly, ABSLAMC Singapore holds 100% management shares of International Opportunities Fund – SPC and by virtue of that it is a subsidiary of the Company.

## VI. CSR Details

| Whether CSR is applicable as per section 135 of Companies Act, 2013: |                           | Yes              |
|--|---------------------------|------------------|
| 22   | Turnover (in FY 2022-23)  | ₹ 1,205.23 Crore |
|  | Net worth (in FY 2022-23) | ₹ 2,508.95 Crore |



## VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

| Stakeholder group from whom the complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | If Yes, then provide web-link for the grievance redress policy | FY 2022-2023<br>Current FY                 |  | Remarks | FY 2021-2022<br>Previous FY                |  | Remarks |
|---|---|--|--|--|---------|--|--|---------|
|   |   |  | Number of complaints filed during the year | Number of complaints pending resolution at the close of the year |         | Number of complaints filed during the year | Number of complaints pending resolution at the close of the year |         |
| Communities   | Yes   | Note 1   | -  | -  | -       | -  | -  | -       |
| Investors (other than shareholders)                   | -   | -  | -  | -  | -       | -  | -  | -       |
| Shareholders  | Yes   | Note 2   | 16   | 0  | -       | 24   | 0  | -       |
| Employees   | Yes   | Note 3   | -  | -  | -       | 1  | 1  | -       |
| Customers   | Yes   | Note 4   | 352  | 13   | -       | 297  | 7  | -       |
| Value Chain Partners                                  | -   | -  | -  | -  | -       | -  | -  | -       |

Note 1 - For communities, the grievance redressal mechanism is managed as part of CSR activities. This is led by the Company's implementation partners (NGOs), and involves, as required, consultations with the beneficiary communities. The CSR Policy is available on the Company's Website at <https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance/>

Note 2 - <https://mutualfund.adityabirlacapital.com/shareholders/contact-us>

Note 3 - Internal Policies for the Employees are placed on the intranet and the policy guiding Company's Code of Conduct for Board and Senior Management is available on Company's website at <https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance>.

Note 4 - <https://mutualfund.adityabirlacapital.com/help-centre/grievance>

## 24. Overview of the entity's material responsible business conduct issues

| Material Issue Identified | Indicate whether risk or opportunity | The rationale for identifying the risk/ opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)  |
|---------------------------|--------------------------------------|--|---|---|
| Corporate Governance      | Risk                                 | <p>Within corporate governance, ethical and responsible business conduct and anti-bribery are the key issues applicable to the AMC sector. On the compliance front, the key issue pertains to adherence to changing regulatory requirements and disclosures for the AMC industry.</p> <p>Rapid and continuous changes to the regulatory landscape, markets, and product offerings can lead to a risk of inadequacy in fully comprehending and swiftly responding to such changes or regulatory requirements.</p> <p>Additionally, an increasing focus on governance, compliance and disclosures on ESG would require the Company to address emerging ESG-related risks.</p>          | <p>The Company has put in place a robust and documented framework for managing corporate governance, including a documented whistle-blower policy. Through such policies, and a robust code of conduct that applies to all employees across the Company, ABSLAMC has created an ecosystem conducive to mitigating governance-related and compliance related risks.</p> <p>The Company also provides trainings as well as monitors the performance against these periodically.</p> <p>This includes for example training programs for Directors to familiarize them with matters relating to changes in the regulations, policies impacting the business of the Company, and regulatory developments.</p>  | <p>Negative:</p> <p>In the event of issues arising in managing the Company's governance practices and alignment with compliance-based or regulatory requirements, the likelihood of a negative impact can be on the Company's:</p> <ol style="list-style-type: none"> <li>1. ESG ratings</li> <li>2. Potential to draw additional investment in the business from responsible or ESG-aware investors</li> </ol>   |
| Risk Management           | Opportunity                          | <p>The Company considers effective risk management as a key component of effective business management, and key to meeting business goals and objectives. The Company continues to face various types of risks, such as strategic risk, investment risk, operational risk, and ESG-linked risks. To mitigate these risks, over the years, the Company has developed and consistently improved on its Risk Management Framework.</p> <p>There exists an opportunity for the Company to continue to iterate and innovate on its risk management framework and related practices and policies, in line with regulatory requirements and the evolving landscape of the AMC industry.</p> | <p>Backed by well-established protocols and processes, the Company has created a robust enterprise risk management framework. This framework includes strategies and protocols on risk identification, risk assessment, risk response, and an all-encompassing risk management strategy.</p> <p>Through its robust risk management framework, the Company has demonstrated its commitment to ethical conduct in all aspects of its business and operations. Alongside maintaining compliance with regulatory requirements, the Company has also taken efforts to take into account industry best practices in risk management.</p> <p>Currently, the Company also has a Responsible Investment Policy for the 'Aditya Birla Sun Life ESG Fund'.</p> | <p>Positive:</p> <p>The Company's robust risk management framework has enabled it to overcome key risks and challenges, including those stemming from the COVID-19 crisis.</p> <p>The Company also believes that its commitment to address and mitigate ESG-related risks is demonstrated through its initiatives taken on responsible investing.</p> <p>Through such efforts on risk management, the Committee aims to contribute to the overall financial stability and focus on sustainability of the Company.</p> |





| Material Issue Identified                         | Indicate whether risk or opportunity | The rationale for identifying the risk/ opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|---|--------------------------------------|---|---|--|
| Data Privacy and Cyber Security                   | Risk                                 | <p>Within data privacy and security management, cybersecurity-related risk remains a key challenge for the Company. This primarily refers to the likelihood of the Company's information technology/ IT-based resources being weakened or failing.</p> <p>Given the growing incidence of cybersecurity threats in the industry, a few of the risks the Company has identified include:</p> <ol style="list-style-type: none"> <li>1. Ransomware</li> <li>2. Phishing</li> <li>3. Associated loss or wiping out of proprietary data or material information</li> <li>4. Associated loss of control over the Company's key IT systems and processes because of attacks by third parties</li> </ol> <p>The Company has identified these risks as having the potential to significantly affect the Company's operations, reputation, and profitability.</p> | <p>The Company has accorded high priority to this issue, and taken steps to identify, address and mitigate risks related to data privacy and cyber security.</p> <p>The Company has included data privacy and cyber security risks in its Risk Management Policy. This information is also confirmed and documented in the Charter of the Risk Management Committee.</p> <p>The Company has also taken measures to mitigate such risks and their impact. This includes regular testing of its IT systems, having effective firewalls in place, and regular and comprehensive reviews of its IT systems, processes and assets.</p>   | <p>Negative:</p> <p>The likelihood of incurring increased costs to effectively manage and ensure timely updates to the Company's IT infrastructure, systems, and processes, including any costs incurred for system upgradation.</p> |
| Customer satisfaction and Relationship Management | Risk                                 | <p>Since the Company provides financial products and services to a diverse set of customer segments, pan-India, any negative impact on customer satisfaction or experience can directly affect the Company's brand, reputation, and its efforts to maintain and/or its customer base.</p> <p>Negative impact in this context could be the result of lack of transparency or in following of responsible and ethical practices in selling, marketing and information disclosure on its products.</p>   | <p>To address any escalations or grievances from customers, ABSLAMC has in place a robust system and processes. This includes a dedicated grievance redressal system, and an escalation matrix defined in the system for automatic escalation of grievances to the next level. These grievances may pertain to varying topics, including marketing and sale of specific products, and information disclosures on these products.</p> <p>The Company values and promotes ethical and responsible behaviour by its representatives in its operations, marketing, and selling practices. These values form a core part of the training of key employee groups managing marketing and sales. The Company ensures that all such employee groups follow ethical marketing and selling practices across all stages of the product sales cycle.</p> | <p>Negative:</p> <p>In the event of issues arising in ensuring customer satisfaction and a positive customer experience, this can lead to a decrease in the Company's customer base and affect its reputation.</p>                   |

## Business Responsibility and Sustainability Report (Contd.)

| Material Issue Identified | Indicate whether risk or opportunity | The rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------------------------|--------------------------------------|---|--|--|
|                           |                                      |   | To this end, the Company has endeavoured to consistently focus on providing a seamless customer experience and ensure customer satisfaction. Providing effective service and placing customer care at the core of its ethos is and remains a priority for the Company. |  |

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

**The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates the following nine principles referred to as P1 to P9.**

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

| Disclosure Questions  | P1   | P2   | P3  | P4  | P5  | P6  | P7              | P8  | P9  |
|---|--|------|-----|-----|-----|-----|-----------------|-----|-----|
| <b>Policy and Management Processes</b>  |  |      |     |     |     |     |                 |     |     |
| 1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes  | N.A. | Yes | Yes | Yes | Yes | No <sup>1</sup> | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No)  | Yes (as applicable)  |      |     |     |     |     |                 |     |     |
| c. Web Link of the Policies, if available   | The Corporate Policies are available on Company's website at <a href="https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance">https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance</a> . Some of the Policies being internal document are available to the employees through the Company's intranet. |      |     |     |     |     |                 |     |     |
| 2 Whether the entity has translated the policy into procedures. (Yes / No)                                    | Yes (as applicable)  |      |     |     |     |     |                 |     |     |
| 3 Do the enlisted policies extend to your value chain partners? (Yes/No)                                      | Yes. The Company expects value chain partners to adhere to the standards of ethics and conduct set by the Company.   |      |     |     |     |     |                 |     |     |



| Disclosure Questions  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|----|----|----|----|----|----|----|----|
| <b>4 Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b> | The Company's Information Security and Cyber Security policies are as per/ in compliance with the requirements of ISO 27001.  |    |    |    |    |    |    |    |    |
| <b>5 Specific commitments, goals, and targets set by the entity with defined timelines, if any.</b>   | <ul style="list-style-type: none"> <li>The Company has consistently focused on reducing its carbon footprint through initiatives such as reducing single-use plastic usage, minimizing paper usage, and minimizing waste generation (dry and wet waste)</li> <li>The Company is currently exploring expanding its offerings in sustainable finance</li> <li>The Company is committed to contributing to community development through its CSR activities, especially in areas such as financial literacy (investor education), and digital and financial inclusion</li> </ul>   |    |    |    |    |    |    |    |    |
| <b>6 Performance of the entity against the specific commitments, goal, and targets along with reasons in case the same are not met.</b>   | <p>The Company has made progress on these commitments through initiatives such as the following:</p> <ul style="list-style-type: none"> <li>At the Company's Mumbai offices, wet waste, especially the food waste from the cafeteria, has been composted by the property team, by an Organic Waste Compost Machine (OWC)</li> <li>The Company has deployed timers for signage boards, and is in the process replacing conventional lighting with LED in its offices, to reduce energy consumption</li> <li>The Company launched an ESG fund in 2020, and is in the planning stage of launching 2 more ESG funds</li> <li>ABSLAMC regularly conducts investor education programs to further promote financial inclusion, including at college campuses and for corporations</li> <li>The Company has a Responsible Investment Policy, for its ESG Fund (Aditya Birla Sun Life ESG Fund)</li> </ul> |    |    |    |    |    |    |    |    |

### Governance, Leadership, and Oversight

#### 7 Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements

As a responsible financial institution, the Company considers Environmental, Social, and Governance (ESG) aspects to be essential for long-term sustainability and performance. We recognize the need to address the impact of our operations and investments, and our responsibility in doing our part for creating a sustainable future.

We are committed to provide solutions to our customers in a responsible and safe manner. Through our integrated platform-based offerings across asset classes, we have attempted to cater to the needs of customers across different geographies – via physical and digital presence. We recognize the role we can play in expanding our service offerings to diverse segments. Our focus has been on growing the Company's customer base on B30 cities (beyond the top-30 cities).

On the community development front, we have aimed to create positive impact through investor education and distributor development initiatives to educate and empowered millions of people in India - to enable their financial independence. Additionally, our CSR initiative such as SHAYOG focus on the cause of financial inclusion at last mile. We are committed to empowering and uplifting traditionally underserved communities and customer segments.

At the organization level, we prioritize the well-being and safety of our employees through various employee well-being initiatives and by offering a safe working environment. The Company is also continuing to focus on promoting diversity and inclusion across all levels of our organization.

The Company has prioritized environmental sustainability in its operations by promoting sustainable waste management practices, and judicious usage of natural resources such as water and electricity. We are committed to promoting environmentally sustainable practices, and to reducing our carbon footprint by imbibing and following responsible business practices.

Moving forward, our goal is to continue to focus on monitoring and (where possible) adopting leading ESG practices being following in the industry.

We are committed to contributing to ESG-linked progress areas, including ESG-linked products, enhancing digitalization, promoting diversity, equality and inclusion, and doing our part in creating a sustainable and equitable future for all.

**A. Balasubramanian**  
Managing Director & CEO

## Business Responsibility and Sustainability Report (Contd.)

| Disclosure Questions   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|----|----|----|----|----|----|----|----|
| <b>8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>  | The Risk Management Committee of the Company is responsible for implementation and oversight of the Business Responsibility policies. The Chief Risk Officer is the highest authority responsible for implementation of the Business Responsibility policy.                     |    |    |    |    |    |    |    |    |
| <b>9 Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.</b>        | Yes. The Risk Management Committee ensures that the Company achieves progress on sustainability and is responsible for decision-making on sustainability-related issues.  |    |    |    |    |    |    |    |    |
| <b>10. Details of Review of NGRBCs by the Company:</b>   |   |    |    |    |    |    |    |    |    |
| <b>Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</b> |   |    |    |    |    |    |    |    |    |
| <b>Performance against the above policies and follow-up action</b>   | The relevant Policies have been approved by the Board, it's Committees or the Senior Management of the Company, wherever applicable. Policies are reviewed periodically, given factors such as regulatory requirements, or recommendations from relevant industry associations. |    |    |    |    |    |    |    |    |
| <b>Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances</b>   | The Company has the required policies and procedures in place to ensure compliance with laws applicable to the Company.   |    |    |    |    |    |    |    |    |
| <b>11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency</b>               | The process and compliances are subject to scrutiny by the Audits and Inspections, as applicable. The policies are reviewed on periodic basis by the respective department and updated accordingly.   |    |    |    |    |    |    |    |    |

### Note:

- The Company may share its expertise to help in the formulation of public policy but it does not directly engage in advocacy activities and hence does not have a specific policy for this purpose. The Company actively engages in investor education programmes for mutual funds in line with AMFI guidelines.

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATORS

| 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year: |  |   |  |
|---|--|---|--|
| Segment   | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact   | %age of persons in respective category covered by the awareness programmes |
| Board of Directors  | 31<br>(No. of Hours)                                   | The orientation programmes are conducted for the new directors wherein the Senior Management of the Company make presentations to familiarise the Directors with the Mutual Fund business/ regulatory changes, industry practice, systems and policies adopted by various departments, especially the governance practices and compliance process adopted by the Company. This includes key topics such as risk management, and data or information security. In addition, at the quarterly Board Meeting, the Directors are updated on the key regulatory changes and performance of the Company's business. | 100%   |
| Key Managerial Personnel  | 3  | Modules on Information Security Refreshers, Code of Conduct Guidelines, Prohibition of Insider trading, Prevention of sexual harassment, Whistle blower, etc  | 100%   |

**ESSENTIAL INDICATORS**

|   |    |   |     |
|---|----|---|-----|
| Employees other than BODs and KMPs  | 11 | Modules on Information Security Refreshers, Code of Conduct Guidelines, Prohibition of Insider trading, Prevention of sexual harassment, Whistle blower, Prevention of Money Laundering, Organisation Overview, Legal & Compliance do's & don'ts, Risk Management, Wellness, Product Training, Operations process, Partner portals & Apps, Skill, Behavioural.<br><br>Additionally, a capacity building session on the BRSR principles and indicators and its relevance to the Company's operations was held in March 2023. This workshop was attended by functional heads from HR, Finance, Legal, Risk, Admin, IT and the CSR department. | 96% |
| <b>2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.</b>   |    |   |     |
| No fines/ penalties / punishments have been levied in the financial year 2022-23.   |    |   |     |
| <b>3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.</b>   |    |   |     |
| Not applicable, as no instances were reported.  |    |   |     |
| <b>4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.</b>  |    |   |     |
| The Company has an Anti-Corruption and Anti-Bribery Policy in place and the same extends to all the employees of the Company. The Company communicates, creates awareness and disseminates the Anti-Corruption and Anti Bribery Codes to all its employees, vendors, suppliers, outlining its zero-tolerance approach to corruption and bribery. The policy is available in the public domain and can be accessed on the Company's website at <a href="https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance">https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance</a> |    |   |     |
| <b>5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:</b>   |    |   |     |
| No cases of corruption or bribery were reported.  |    |   |     |
| <b>6. Details of complaints with regard to conflict of interest:</b>  |    |   |     |
| No complaints with regards to conflict of interest were reported.   |    |   |     |
| <b>7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.</b>  |    |   |     |
| No corrective action taken, as there were no cases on corruption and conflict of interest.  |    |   |     |

**LEADERSHIP INDICATORS**

|   |   |   |
|---|---|---|
| <b>1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:</b>   |   |   |
| <b>Total number of training and awareness programmes held</b>   | <b>Topics/principles covered under the training and its impact</b>  | <b>%age of persons in value chain covered by the awareness programmes</b> |
|   | The Company conducts regular product training for its distributors. |   |
| <b>2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.</b>  |   |   |
| Yes, the Company has a Code of Conduct for the Board of Directors and Senior Management ("Code of Conduct") pursuant to the provisions of SEBI (LODR) Regulations, 2015.  |   |   |
| The Board Members and KMPs, on an annual basis, provide an affirmation that they have complied with the Code of Conduct for the financial year under review and that there are no instances of conflict of interest during the year. The Board Members and KMPs do not participate in agenda items at the Board/Committee Meetings in which they are interested or deemed to be interested party. |   |   |
| The Company's Code of Conduct is available on the Company's website at <a href="https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance">https://mutualfund.adityabirlacapital.com/shareholders/corporate-governance</a> .  |   |   |

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**ESSENTIAL INDICATORS**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Type                         | FY 2022-2023<br>(Current FY)   | FY 2021-2022<br>(Previous FY) | Details of improvement in Social and Environmental aspects |
|------------------------------|--|-------------------------------|--|
| Research & Development (R&D) | Given the nature of the Company's business, CAPEX investments are largely made in IT hardware and software to enhance the Company's digital ecosystem.   |                               |  |
| Capital Expenditure (CAPEX)  | The Company intends to continue its commitment to reduce its impact on the environment. To this end, it has consistently invested in technology to enable the creation of a digital environment or ecosystem to best support the Organization's business needs and priorities.<br><br>The Company's initiative to shift towards 'green' methods of conducting business, such as shift towards electronic transactions, eliminating paper reports and forms where possible, recycling and reducing waste in all premises, etc., form part of our contribution towards this cause. |                               |  |

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**  
 No. Given the nature of the Company's business, the Company sources materials only for running its operations. However, the Company does follow broad-based responsible practices as part of its efforts for sourcing for its operations.

- b. If yes, what percentage of inputs were sourced sustainably?**

Not applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the services-oriented nature of the business, the Company does not produce any product. Hence, the following indicators are not applicable.

| Product                           | Process to safely reclaim the product |
|-----------------------------------|---------------------------------------|
| a. Plastics (including packaging) |                                       |
| b. E-Waste                        | Not applicable.                       |
| c. Hazardous Waste                |                                       |
| d. Other Waste                    |                                       |

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

**LEADERSHIP INDICATORS**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format.

| NIC code   | Name of Product/ Service | % of total Turnover contributed | The boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by an independent external agency (Yes/ No) | Results communicated in the public domain (Yes/ No) |
|--|--------------------------|---------------------------------|---|---|---|
| Given that the Company's core focus is in the Financial Services sector, this indicator is not applicable. |                          |                                 |   |   |   |

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. Not applicable
3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). NIL
4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| Benefits                       | FY 2022-2023<br>(Current FY)   |          |                 | FY 2021-2022<br>(Previous FY) |          |                 |
|--------------------------------|--|----------|-----------------|-------------------------------|----------|-----------------|
|                                | Reused   | Recycled | Safely Disposed | Reused                        | Recycled | Safely Disposed |
| Plastics (including packaging) | Not applicable, given that the Company's core business of financial services does not involve products and packaging material to be reclaimed at the end-of-life stage |          |                 |                               |          |                 |
| E-waste                        |  |          |                 |                               |          |                 |
| Hazardous waste                |  |          |                 |                               |          |                 |
| Other waste                    |  |          |                 |                               |          |                 |

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category. Not Applicable

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**ESSENTIAL INDICATORS**

**1. Details of measures for the well-being of employees:**

| Category                              | Total (A)   | % of employees covered by |             |                    |             |                    |            |                    |            |                     |            |
|---------------------------------------|-------------|---------------------------|-------------|--------------------|-------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                                       |             | Health Insurance          |             | Accident Insurance |             | Maternity Benefits |            | Paternity Benefits |            | Day Care Facilities |            |
|                                       |             | No. (B)                   | % (B/A)     | No. (C)            | %(C/A)      | No.(D)             | %(D/A)     | No. (E)            | %(E/A)     | No. (F)             | %(F/A)     |
| <b>Permanent Employees</b>            |             |                           |             |                    |             |                    |            |                    |            |                     |            |
| Male                                  | 879         | 879                       | 100%        | 879                | 100%        | NA                 | NA         | 879                | 100%       | 0                   | 0          |
| Female                                | 326         | 326                       | 100%        | 326                | 100%        | 326                | 100%       | NA                 | NA         | 326                 | 100%       |
| <b>Total</b>                          | <b>1205</b> | <b>1205</b>               | <b>100%</b> | <b>1205</b>        | <b>100%</b> | <b>326</b>         | <b>27%</b> | <b>879</b>         | <b>73%</b> | <b>326</b>          | <b>27%</b> |
| <b>Other than Permanent Employees</b> |             |                           |             |                    |             |                    |            |                    |            |                     |            |
| Male                                  | 390         | 390                       | 100%        | 390                | 100%        | NA                 | NA         | NA                 | NA         | NA                  | NA         |
| Female                                | 67          | 67                        | 100%        | 67                 | 100%        | 67                 | 100%       | NA                 | NA         | NA                  | NA         |
| <b>Total</b>                          | <b>457</b>  | <b>457</b>                | <b>100%</b> | <b>457</b>         | <b>100%</b> | <b>-</b>           | <b>-</b>   | <b>NA</b>          | <b>NA</b>  | <b>NA</b>           | <b>NA</b>  |

**Note:**

The Company is consistently working towards ensuring employees' holistic well-being. To this end, the Company's is taking multiple initiatives. Promoting a healthy work-life balance is a key priority for the Company. The Company is offering wellness services through partners, including health check-ups and nutrition coaching. It also offers a comprehensive leave package, including earned annual leaves, sick leave, and maternity and paternity leave, and medical insurance coverage for all its permanent employees.

**2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:**

| S. No. | Benefits | FY 2022-2023 (Current FY)                          |   |  | FY 2021-2022 (Previous FY)                         |   |  |
|--------|----------|--|---|--|--|---|--|
|        |          | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) |
| 1      | PF       | 100%   | NA  | Yes  | 100%   | NA  | Yes  |
| 2      | Gratuity | 100%   | NA  | NA   | 100%   | NA  | NA   |
| 3      | ESI      | NA   | NA  | NA   | NA   | NA  | NA   |

**3. Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes. While the Company does not currently have any differently abled employees, they have ensured that its premises have the facility for elevators, and / or ramps wherever possible. At the Mumbai office (head office), there is availability of ramps as well as elevators, which has enabled us to create an inclusive built environment and ecosystem.

Additionally, the restrooms in all our office premises have been designed to be accessible for the differently abled. The Company is committed to ensuring that its office spaces are in alignment with the guidelines provided in the Act.



**ESSENTIAL INDICATORS****4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

We as part of Aditya Birla Group follow the principles of Equal Opportunities, and endeavour to provide equitable growth and development opportunities to all, including to persons with disabilities.

The Company is committed to provide equal employment opportunities without any discrimination or harassment based on factors such as race, national origin, religion, gender, age, disability, citizenship, marital status, sexual orientation, or any other characteristic protected by applicable law. The Company has consistently prioritized a focus on creating a work environment in which everyone is treated with respect.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender                     | Total number of people returned after parental leave in FY | Total Number of people who took parental leave in FY | Return to work rate | Total Number of people retained for 12 months after returning from parental leave | Total number of people returned from parental leave in prior FY | Retention Rate |
|----------------------------|--|--|---------------------|---|---|----------------|
| <b>Permanent Employees</b> |  |  |                     |   |   |                |
| Male                       | 37   | 37   | 100%                | 38  | 38  | 100%           |
| Female                     | 5  | 8  | 63%                 | 7   | 9   | 78%            |
| Others                     | 1  | 4  | 25%                 | 2   | 3   | 67%            |
| <b>Total</b>               | <b>43</b>  | <b>49</b>  | <b>88%</b>          | <b>47</b>   | <b>50</b>   | <b>94%</b>     |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

| Category                              | Yes/No | Details of the mechanism in brief  |
|---------------------------------------|--------|--|
| <b>Permanent Employees</b>            |        | The Company has always followed an open-door policy, wherein any employee irrespective of their role has access to the Business Heads, HR, Legal & Compliance, Senior Management or other such members. In addition to that, a Whistle-Blower Policy has been formulated for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics Policy.   |
| <b>Other than Permanent Employees</b> | Yes    | The Company has zero tolerance for sexual harassment at the workplace and is compliant with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also has various online training modules and awareness programmes which sensitise its employees on such issues.<br>The Company ensures that it provides various channels of grievance redressal, and safeguards employees against any form of victimisation. |

\*Other than Permanent category consists of Fixed term contract employees, interns and outsourced (housekeeping, security, office assistants etc. on the third-party payroll).

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity: NIL**

**ESSENTIAL INDICATORS**
**8. Details of training given to employees and workers:**

| a. Details of Skill training given to employees and workers. | Category     | FY 2022-2023 (Current FY)                            |  |               | FY 2021-2022 (Previous FY)                           |  |               |
|--|--------------|--|--|---------------|--|--|---------------|
|  |              | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who received Skill Training (B) | % (B/A)       | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who received Skill Training (D) | %(D/C)        |
| <b>Permanent Employees</b>                                   |              |  |  |               |  |  |               |
|  | Male         | 1126   | 869  | 77.18%        | 954  | 869  | 91.09%        |
|  | Female       | 401  | 324  | 80.80%        | 348  | 311  | 89.37%        |
|  | <b>Total</b> | <b>1527</b>  | <b>1193</b>  | <b>78.13%</b> | <b>1302</b>  | <b>1180</b>  | <b>90.63%</b> |

| b. Details of training on Health and Safety given to employees and workers. | Category     | FY 2022-2023 (Current FY)                            |   |               | FY 2021-2022 (Previous FY)                           |   |               |
|---|--------------|--|---|---------------|--|---|---------------|
|   |              | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who received training on Health and Safety (B) | % (B/A)       | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who received training on Health and Safety (D) | %(D/C)        |
| <b>Permanent Employees</b>  |              |  |   |               |  |   |               |
|   | Male         | 1126   | 954   | 84.72%        | 954  | 908   | 95.18%        |
|   | Female       | 401  | 394   | 98.25%        | 348  | 327   | 93.97%        |
|   | <b>Total</b> | <b>1527</b>  | <b>1348</b>   | <b>88.28%</b> | <b>1302</b>  | <b>1235</b>   | <b>94.85%</b> |

**9. Details of performance and career development reviews of employees:**

| Category                   | FY 2022-2023 (Current FY)                            |  |            | FY 2021-2022 (Previous FY)                           |  |            |
|----------------------------|--|--|------------|--|--|------------|
|                            | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who had a career review (B) | % (B/A)    | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who had a career review (D) | %(D/C)     |
| <b>Permanent Employees</b> |  |  |            |  |  |            |
| Male                       | 879  | 836  | 95%        | 725  | 679  | 94%        |
| Female                     | 326  | 310  | 95%        | 257  | 237  | 92%        |
| <b>Total</b>               | <b>1205</b>  | <b>1146</b>  | <b>95%</b> | <b>982</b>   | <b>916</b>   | <b>93%</b> |

**ESSENTIAL INDICATORS****10. Health and safety management system:**

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) What is the coverage of such system?** Yes. As part of efforts on health and safety management, periodic trainings on fire safety and managing firefighting equipment are provided to all employees. Periodically, evacuation drills are also conducted in the Company's offices.
- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?** This is not directly applicable given the nature of business of the Company.
- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)** Given the nature of the business, the Company does not have exposure to work related hazards. Hence, this indicator is not applicable.
- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)** Yes. The Company has partnered with a health care service provider which offers 24x7 online medical consultations, fitness and well-being programmes. Additionally, the Company offers regular health check-ups and medical consultation services to employees. The Company also provides its employees with group term life and personal accident cover, in addition to medical insurance.

**11. Details of safety related incidents, in the following format:**

|   | Category  | FY 2022-2023<br>Current FY | FY 2021-2022<br>Previous FY |
|---|-----------|----------------------------|-----------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) |           | -                          | -                           |
| Total recordable work-related injuries  | Employees | -                          | -                           |
| No. of fatalities   |           | -                          | -                           |
| High consequence work-related injury or ill-health (excluding fatalities)     |           | -                          | -                           |

**ESSENTIAL INDICATORS**

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company is committed to ensuring that it provides a safe and healthy workplace, enabling its employees to deliver their best, and create an enabling ecosystem for the same.

The Company has prioritized respecting and protecting the rights of its employees and following health and safety practices in line with regulatory standards, as applicable. We are dedicated to understanding the health and safety-related concerns of our employees and key stakeholders and do everything in our power to address these concerns from the affected stakeholders.

To create a safe workspace, the Company has taken several steps, across all of its office locations pan-India. For example, in its office premises across India, fire drills and quality assurance audits are conducted regularly in the premises to ensure the maintenance of safety standards.

Particularly, during the pandemic as well, the Company ensured that it prioritized the health and safety of its employees and key stakeholders. In the business environment dominated by the COVID-19 pandemic, the Company continued to assist employees and their families on all fronts to fight and overcome the serious challenge. The Company assessed the health, safety, and environment performance across all offices, which included sanitisation of all office premises, removal of biometric devices, installation of thermal scanner, daily updates, restricted movement of employees in common areas, closure of recreational facilities and avoidance of large gatherings.

Detailed SOPs and guidelines/advisories were issued periodically to the employees of the Company. The Company adhered to directives issued by the government/local authorities pertaining to COVID-19. The Company also created a safe environment with necessary protocols in place for its essential employees and those who needed to work from the office/branches whenever required. The company organised vaccination camps for the employees to ensure their safety is not compromised during the pandemic. Indoor air quality treatment is carried out to mitigate biological contamination to ensure better and hygienic indoor against any air and surface contamination.

The Company installed Corona guards at the Head Office, which acts as a complementary solution along with the use of PPE (personal protective equipment) to reduce the burden of indefinite social distancing. the devices attenuate and disables 99.9% of the corona family of viruses and prevents its spread in the enclosed spaces.

The Company is continuing to prioritize the objective of creating a safe and healthy workspace, in line with the values of the Aditya Birla Group and its people-first approach to business.

**13. Number of Complaints on the following made by employees and workers:**

| Topic              | FY 2022-2023 (Current FY) |                                       |         | FY 2021-2022 (Previous FY) |                                       |         |
|--------------------|---------------------------|---------------------------------------|---------|----------------------------|---------------------------------------|---------|
|                    | Filed during the year     | Pending resolution at the end of year | Remarks | Filed during the year      | Pending resolution at the end of year | Remarks |
| Working Conditions | -                         | -                                     | -       | -                          | -                                     | -       |
| Health & Safety    | -                         | -                                     | -       | -                          | -                                     | -       |

**14. Assessments for the year:**

| Topic                       | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | No additional assessment of ABSLAMC offices has been done by statutory authorities or third parties   |
| Working Conditions          |   |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not applicable. Currently, the Company has not encountered or had any safety-related incidents. However, through multiple measures, including as documented above, the Company has ensured that as required, procedures and practices are in place to ensure a safe and healthy workspace.



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**LEADERSHIP INDICATORS**

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1. **Does the entity extend any life insurance or any compensatory package in the event of death of employees (Y/N):**  
Yes. The Company provides insurance cover to all its employees in the event of untimely death while employed with the firm.

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  2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**  
Not Applicable. The Value Chain partners are expected to comply with statutory norms as per the contract entered with the Company.

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  3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**  
Nil

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  4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).** No

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  5. **Details on assessment of value chain partners:**

| Topic                       | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | Not Applicable. Value Chain partners were not assessed by the Company                       |
| Working Conditions          |   |

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  6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**  
Not applicable. As the Company had not conducted an assessment on the health and safety practices of Value Chain Partners
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**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders****ESSENTIAL INDICATORS****1. Describe the processes for identifying key stakeholder groups of the entity:**

At ABSLAMC, stakeholders have been defined as an individual or a group of individuals who contribute or create value for the organization, in line with the organization's core vision and mission. These key stakeholder groups include employees (across all management levels), shareholders and investors, customers, channel and distribution partners, knowledge management partners, regulators, lenders, researchers, and communities of beneficiaries (CSR-programming-related).

In consultation with thematic experts within and outside the Company, the Company identifies key stakeholder groups, in addition to considering factors such as nature of partnership, location, requirement for statutory compliance or regulation-specific action items, and type of programming under initiatives undertaken by the Company. For example, in the case of its CSR projects, the Company considers factors such as location classification, for example of a district as an Aspirational District, in its programming and selection of key stakeholder groups or communities that could benefit from such programs.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

| Stakeholder Group                           | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other   | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement                                      |
|---|---|---|--|--|
| Employees                                   | No  | E-mail, Town hall sessions, Internal team meetings  | Ongoing/ need based  | Performance appraisal, Employee recognition and awards, Training and career development opportunities                                |
| Shareholders                                | No  | Quarterly earnings calls, emails, SMS, notices, website, Annual General Meeting, intimation to stock exchanges, annual/ quarterly financials and investor meetings / conferences, investor presentation, press release, annual reports, audio recording of earnings call, transcripts, etc. | Quarterly and need based   | To provide updates on financial performance , address grievance or concerns, if any  |
| Investors                                   | No  | Investors calls   | Quarterly  | To provide updates on financial performance , address grievance or concerns, if any  |
| Customers                                   | No  | Multiple channels, including:<br>- In-person assistance at branches<br>- Update emails<br>- Customer helplines and toll-free numbers  | Ongoing  | To provide support and handholding, and information, to customers, as required, on for example product features, and emerging risks. |
| Distribution Partners                       | No  | In-person communication, calls, and emails  | Ongoing  | Providing support and training, as required  |
| Regulators                                  | No  | E-mails and one-on-one Meetings   | Ongoing/ Need based  | Approval and consultations, as required, regarding circulars, guidelines, and amendments   |
| Local Communities (CSR-programming-related) | Yes   | In-person meetings, CSR Partnership, Community welfare programs   | Ongoing and need based   | Monitoring of community development (CSR) activities   |



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### LEADERSHIP INDICATORS

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- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company encourages constant and proactive engagement with its stakeholders to better communicate its strategies and performance. The Board is kept well informed on the progress made by various departments, and feedback on the same is sought from the Directors.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The stakeholder consultations are one of the key inputs to determining the Company's material topics. As part of this process, the Company looked at the aspects each stakeholder highlighted during the engagement and prioritized them using a matrix to arrive at key material topics (different from financial materiality).

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Not applicable, as currently, the Company has not received complaints or flagging of concerns from vulnerable/ marginalized stakeholder groups.

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**PRINCIPLE 5: Businesses should respect and promote human rights****ESSENTIAL INDICATORS****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category               | FY 2022-2023 (Current FY) |  |               | FY 2021-2022 (Previous FY) |  |               |
|------------------------|---------------------------|--|---------------|----------------------------|--|---------------|
|                        | Total (A)                 | No. of employees / workers covered (B) | % (B / A)     | Total (C)                  | No. of employees / workers covered (D) | % (D / C)     |
|                        |                           | <b>Employees</b>                       |               |                            |  |               |
| Permanent              | 1527                      | 540                                    | 35.36%        | 1302                       | 513                                    | 39.40%        |
| Other than Permanent*  | NA                        | NA                                     | NA            | NA                         | NA                                     | NA            |
| <b>Total Employees</b> | <b>1527</b>               | <b>540</b>                             | <b>35.36%</b> | <b>1302</b>                | <b>513</b>                             | <b>39.40%</b> |

\*Other than Permanent category consists of Fixed term contract employees, interns and outsourced (housekeeping, security, office assistants etc. on the third-party payroll).

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category                    | FY 2022-2023 (Current FY) |                       |         |                        |         | FY 2021-2022 (Previous FY) |                       |         |                        |         |
|-----------------------------|---------------------------|-----------------------|---------|------------------------|---------|----------------------------|-----------------------|---------|------------------------|---------|
|                             | Total (A)                 | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (D)                  | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                             |                           | No. (B)               | % (B/A) | No.(C)                 | % (C/A) |                            | No.(E)                | % (E/D) | No.(F)                 | % (F/D) |
| <b>Employees</b>            |                           |                       |         |                        |         |                            |                       |         |                        |         |
| <b>Permanent</b>            |                           |                       |         |                        |         |                            |                       |         |                        |         |
| Male                        | 879                       | -                     | -       | 879                    | 100%    | 725                        | -                     | -       | 725                    | 100%    |
| Female                      | 326                       | -                     | -       | 326                    | 100%    | 257                        | -                     | -       | 257                    | 100%    |
| <b>Other than Permanent</b> |                           |                       |         |                        |         |                            |                       |         |                        |         |
| Male                        | 390                       | 240                   | 62%     | 150                    | 38%     | 412                        | 199                   | 48%     | 213                    | 52%     |
| Female                      | 67                        | 48                    | 72%     | 19                     | 28%     | 96                         | 66                    | 69%     | 30                     | 31%     |

**3. Details of remuneration/salary/wages, in the following format:**

|                                       | Male   |   | Female |   |
|---------------------------------------|--------|---|--------|---|
|                                       | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)              | NA     | NA  | NA     | NA  |
| Key Managerial Personnel <sup>1</sup> | 2      | 1993389   | 1      | 466300  |
| Employees other than BoD and KMP      | 874    | 109294  | 317    | 73396   |

Note 1: The remuneration details of Key Managerial Personnel includes remuneration of Managing Director & CEO of the Company.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, there are various committees responsible for human rights impacts and issues in the Company. For instance, the Company has zero tolerance for sexual harassment at workplace and is compliant with the provisions relating to the constitution of Internal Complaints Committees under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has zero tolerance towards and prohibits all forms of exploitative or forced labour, and any type of abuse. The Company has an Internal Committee as per the POSH Act (2013), a Code of Conduct Committee, as well as Whistle-blower Policy to provide redressal on any grievances.



**ESSENTIAL INDICATORS****6. Number of Complaints on the following made by employees and workers:**

|                                   | FY 2022-2023 (Current FY) |                                       |         | FY 2021-2022 (Previous FY) |                                       |         |
|-----------------------------------|---------------------------|---------------------------------------|---------|----------------------------|---------------------------------------|---------|
|                                   | Filed during the year     | Pending resolution at the end of year | Remarks | Filed during the year      | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | -                         | -                                     | -       | -                          | -                                     | -       |
| Discrimination at workplace       | -                         | -                                     | -       | -                          | -                                     | -       |
| Child Labour                      | -                         | -                                     | -       | -                          | -                                     | -       |
| Forced Labour/Involuntary Labour  | -                         | -                                     | -       | -                          | -                                     | -       |
| Wages                             | -                         | -                                     | -       | -                          | -                                     | -       |
| Other human rights related issues | -                         | -                                     | -       | -                          | -                                     | -       |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has an Internal Committee, in line with the POSH Act 2013. For Protection Against Sexual Harassment at Workplace [POSH] concerns, the Internal Committee (IC) manages cases and ensures that all complaint made are kept confidential.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, the Company has included Human Rights in business agreements and contracts.

**9. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour                | -   |
| Forced/involuntary labour   | -   |
| Sexual harassment           | -   |
| Discrimination at workplace | -   |
| Wages                       | -   |
| Others – please specify     | -   |

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

No significant risks observed, therefore, not applicable.

**LEADERSHIP INDICATORS****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

As there were no Human Rights issues recorded, no business process was modified or introduced due to this.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

NIL

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The Company has ensured that all of its premises, including common areas such as restrooms, are accessible for differently-abled persons. Additionally, the offices of the Company have ramps and lifts to enable easy movement for differently-abled people.

**4. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed   |
|-----------------------------|---|
| Child labour                |   |
| Forced/involuntary labour   | The Company expects its value chain partners to uphold the same values, principles and ethics as followed by the Company in all its dealings. |
| Sexual harassment           |   |
| Discrimination at workplace | Currently, no formal assessment of value chain partners has been conducted.   |
| Wages                       |   |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

No corrective actions were taken since value chain partners were not assessed.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**ESSENTIAL INDICATORS**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter   | FY 2022-2023<br>(Current FY) | FY 2021-2022<br>(Previous FY) |
|---|------------------------------|-------------------------------|
| Total electricity consumption (A) (GJ)  | 1,247.70                     | 1,042.38                      |
| Total fuel consumption (B) (GJ)   | 175.39                       | 151.49                        |
| Energy consumption through other sources (C) (GJ)   | -                            | -                             |
| <b>Total energy consumption (A+B+C) (GJ)</b>  | <b>1,423.09</b>              | <b>1,193.87</b>               |
| Energy intensity per rupee of turnover<br>(Total energy consumption/turnover in ₹) (GJ per million ₹) | -                            | -                             |
| Energy intensity (optional) – the relevant metric may be selected by the entity                       | -                            | -                             |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.** No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. No

3. Provide details of the following disclosures related to water, in the following format:

| Parameter  | FY 2022-2023<br>(Current FY) | FY 2021-2022<br>(Previous FY) |
|--|------------------------------|-------------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>  |                              |                               |
| (i) Surface water  | -                            | -                             |
| (ii) Groundwater   | -                            | -                             |
| (iii) Third party water  | -                            | -                             |
| (iv) Seawater / desalinated water  | -                            | -                             |
| (v) Others (Rainwater storage)   | -                            | -                             |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>                      | <b>-</b>                     | <b>-</b>                      |
| <b>Total volume of water consumption (in kilolitres)</b>   | <b>-</b>                     | <b>-</b>                      |
| <b>Water intensity per rupee of turnover</b> (Water consumed / turnover) (kl per Crore ₹ of revenue) | -                            | -                             |
| <b>Water intensity (optional)</b> – the relevant metric may be selected by the entity                | -                            | -                             |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Given the nature of the Company's business, the usage of water is restricted to human consumption purpose only. Efforts have been made to consume water judiciously in the office premises. The Company has installed sensors and aerator taps in most of the offices. Water conservation, optimal utilization and management of water are seen by the Company as not only vital for economic development but also for the survival of the living being.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Considering the nature of business, the Company's usage of water is restricted to human consumption purpose only. The company has not implemented a mechanism for zero liquid discharge. However, the Company has taken various initiative as mentioned above to consume water judiciously.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Not applicable, as the Company is in the service industry and there are no process emissions. The Company is into service-oriented business primarily involved in flow of information and financial transactions and at the same time realizes the adverse impact of direct and indirect emissions to the environment.



### ESSENTIAL INDICATORS

#### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter  | Unit                 | FY 2022-2023<br>(Current FY) | FY 2021-2022<br>(Previous FY) |
|--|----------------------|------------------------------|-------------------------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | tCO <sub>2</sub> e   | 12.99                        | 11.23                         |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | tCO <sub>2</sub> e   | 885.87                       | 740.09                        |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover (in ₹)</b>  | tCO <sub>2</sub> e   | -                            | -                             |
| <b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity   | tCO <sub>2</sub> e/₹ | -                            | -                             |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No**

#### 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

No. Currently, the Company does not have any project related to reducing Green House Gas emissions.

#### 8. Provide details related to waste management by the entity, in the following format:

| Parameter  | FY 2022-2023<br>(Current FY) | FY 2021-2022<br>(Previous FY) |
|--|------------------------------|-------------------------------|
| <b>Total Waste generated (in metric tonnes)</b>  |                              |                               |
| Plastic waste (A)  | 0.3                          | 0.4                           |
| E-waste (B)  | 1                            | 1.2                           |
| Bio-medical waste (C)  | -                            | -                             |
| Construction and demolition waste (D)  | -                            | -                             |
| Battery waste (E)  | 0.11                         | 0.1                           |
| Radioactive waste (F)  | -                            | -                             |
| Other Hazardous waste. Please specify, if any. (G)   | -                            | -                             |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)            | -                            | -                             |
| <b>Total (A+B + C + D + E + F + G+ H)</b>  | <b>1.41</b>                  | <b>1.7</b>                    |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b> |                              |                               |
| <b>Category of waste</b>   |                              |                               |
| (i) Recycled   | -                            | -                             |
| (ii) Re-used   | -                            | -                             |
| (iii) Other recovery operations  | -                            | -                             |
| <b>Total</b>   |                              |                               |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                              |                              |                               |
| <b>Category of waste</b>   |                              |                               |
| (i) Incineration   | -                            | -                             |
| (ii) Landfilling   | -                            | -                             |
| (iii) Other disposal operations  |                              |                               |
| <b>Total</b>   |                              |                               |

Through our vendor, ViaGreen, we manage the disposal of our plastic waste

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No. The Company is in a service-oriented business primarily involved in flow of information and financial transactions, and at the same time realizes the adverse impact of direct and indirect emissions to the environment.

**ESSENTIAL INDICATORS**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company works closely and actively with our vendor, ViaGreen, to recycle waste. On recycling certain amounts of waste, we earn nature or Swachh Bharat points. These nature points can then be redeemed by the Company to take up eco-friendly activities, such as tree plantation or for the purchase of recycled products such as notebooks.

With respect to strategy adopted to reduce usage of hazardous and toxic chemicals in products and processes – this is not applicable, given that the core operations of the Company’s business do not involve the usage of toxic and hazardous chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

**LEADERSHIP INDICATORS**

1. Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter   | FY 2022-2023<br>(Current FY) | FY 2021-2022<br>(Previous FY) |
|---|------------------------------|-------------------------------|
| <b>From renewable sources</b>                                   |                              |                               |
| Total electricity consumption (A)                               | -                            | -                             |
| Total fuel consumption (B)                                      | -                            | -                             |
| Energy consumption through other sources (C)                    | -                            | -                             |
| <b>Total energy consumed from renewable sources (A+B+C)</b>     | -                            | -                             |
| <b>From non-renewable sources</b>                               |                              |                               |
| Total electricity consumption (D)                               | -                            | -                             |
| Total fuel consumption (E)                                      | -                            | -                             |
| Energy consumption through other sources (F)                    | -                            | -                             |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b> | -                            | -                             |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Not applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): Not applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format

Currently, the Company does not estimate its Scope 3 emissions.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company does not have any operations in ecologically sensitive areas, and therefore, no impacts to report or remediation required.

**LEADERSHIP INDICATORS**

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not Applicable

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. The Company has a comprehensive Business Continuity Policy or Plan (BCP) which covers people, process and technology requirements to continue the business in the event any unforeseen threats, including but not limited to natural disasters, operational breakdowns, and damage to critical information technology systems.

The BCP includes all critical functions identified through the Business Impact Analysis. Each of the processes would have a Recovery Procedure to ensure that recovery happens within a stipulated timeframe. There would be critical staff identified who would support the effort of recovering the critical business processes from an Alternate Site. This plan is periodically reviewed.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Given the nature of the business, no significant adverse impact to the environment is created. Thus, this indicator is not applicable.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

During the reporting period, the Company has not conducted any assessment of value chain partners.

**PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

1. a) Number of affiliations with trade and industry chambers/ associations.

The Company is member of 2 (two) trade and industry chambers/ associations.

- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. no | Name of the trade and industry chambers/ associations       | Reach of trade and industry chambers/ associations (State/ National) |
|-------|---|--|
| 1.    | AMFI – Association of Mutual Funds in India                 | National   |
| 2.    | Indian Association of Alternative Investments Funds (IAAIF) | National   |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

| Name of Authority | Brief of the case | Corrective action taken   |
|-------------------|-------------------|---|
|                   |                   | Not applicable, as no issues related to anti-competitive conduct by the entity were raised by regulatory authorities. |

**LEADERSHIP INDICATORS**

1. Details of public policy positions advocated by the entity

| S. no | Public policy advocated  | Method resort for such advocacy   | Whether the information is available in public domain? (Yes/No) | Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other- please specify) | Web Link, if available |
|-------|--|---|---|--|------------------------|
| 1.    | The Company actively engages in investor education programme for mutual funds, in line with AMFI guidelines. | The Company has advocated, through AMFI, various governance, administration, economic and educational reforms. The Company's membership at industry associations such as AMFI serves as a medium for such advocacy. | Yes   | -  | -                      |

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development****ESSENTIAL INDICATORS**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

No Social Impact Assessment has been carried out in the financial year 2022-2023.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not Applicable. No such projects where Rehabilitation and Resettlement is being undertaken.

3. **Describe the mechanisms to receive and redress grievances of the community**

The Company implements CSR project(s) in partnership with credible project implementing agencies, as mandated by MCA. Implementation is done through participative approach, by engaging all key stakeholders of the project, so making community part of project plan and execution process. This helps to build project ownership within the community and ensure project sustenance. The Company's CSR team engages with various stakeholders, which facilitates resolution of challenges if any. This builds an institutional mechanism through which the community or any other stakeholder can reach out to the Company in case of any grievances.

4. **Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

| Parameter  | FY 2022-2023<br>(Current FY) | FY 2021-2022<br>(Previous FY) |
|--|------------------------------|-------------------------------|
| Directly sourced from MSMEs/ Small producers                         |                              |                               |
| Sourced directly from within the district and neighbouring districts |                              | Not Applicable                |

**LEADERSHIP INDICATORS**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| State         | Aspirational District information   | Amount spent in ₹ |
|---------------|---|-------------------|
| Rajasthan     | District Name: Jaisalmer<br>Activity: Improving quality of education through strengthening school infrastructure for conducive learning environment       | 5,000,000         |
| Uttar Pradesh | District Name: Siddharth Nagar<br>Activity: Improving quality of education through strengthening school infrastructure for conducive learning environment | 6,935,198         |
|               | District Name: Shravasti<br>Activity: Improving quality of education through strengthening school infrastructure for conducive learning environment       | 9,064,802         |

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)** No

(b) **From which marginalized /vulnerable groups do you procure?** Not Applicable

(c) **What percentage of total procurement (by value) does it constitute?** Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge** Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable



## LEADERSHIP INDICATORS

## 6. Details of beneficiaries of CSR Projects.

| S. no | CSR Project   | No of persons benefited from CSR Projects | % of beneficiaries from vulnerable and marginalized group |
|-------|---|---|---|
|       | Education:  | 57,175                                    | 53%   |
|       | <ul style="list-style-type: none"> <li>• Strengthening of school infrastructure for conducive learning environment</li> <li>• Digital education</li> <li>• Disseminate science learning through a Mobile Science Lab, refurbishment of school science labs and innovation centers</li> <li>• Scholarship support for meritorious students from financially poor background</li> </ul>   |   |   |
|       | Health:   | 119,505                                   | 51%   |
|       | <ul style="list-style-type: none"> <li>• Comprehensive maternal &amp; child health care</li> <li>• Menstrual hygiene awareness</li> <li>• Paediatric Cancer care: diagnostic, treatment, counselling, support, partnering Govt. institution for efficient access to care</li> <li>• Mental Health: Awareness, counselling, screening, treatment etc.</li> <li>• Support surgeries for congenital heart disease</li> <li>• Support to orphanage</li> </ul>                 |   |   |
|       | Women Empowerment & Sustainable Livelihood:   | 73,226                                    | 100%  |
|       | <ul style="list-style-type: none"> <li>• Improving incomes from agriculture and allied livelihood activities</li> <li>• Soil &amp; Water conservation &amp; Strengthening women institutions (Self Help Group)</li> <li>• Financial Literacy to women</li> <li>• Identifying and grooming budding women micro-entrepreneurs and handhold to establish viable enterprises</li> <li>• Strengthening community collectives to address sustainable livelihood goal</li> </ul> |   |   |

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner****ESSENTIAL INDICATORS****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has a robust mechanism in place for managing customer complaints and grievances. All complaints and grievances are tracked and managed in the CRM system. The system has a provision to capture all types of complaints raised by a customer. Turnaround time is defined at a sub type level of the complaints. There is a proper escalation matrix as well defined in the system for automatic escalation of grievances to the next level.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.**

| Type  | As a percentage to total turnover |
|---|-----------------------------------|
| Environment and Social parameters relevant to product |                                   |
| Safe and responsible usage                            | Not Applicable                    |
| Recycling and/or safe disposal                        |                                   |

**3. Number of consumer complaints in respect of the following:**

|                                | FY 2022-2023<br>Current FY |                                       |  | FY 2021-2022<br>Previous FY |                                       |   |
|--------------------------------|----------------------------|---------------------------------------|--|-----------------------------|---------------------------------------|---|
|                                | Received during the year   | Pending resolution at the end of year | Remarks  | Received during the year    | Pending resolution at the end of year | Remarks   |
| Data privacy                   | -                          | -                                     | No data breaches were reported                       | -                           | -                                     | No data breaches were reported                                |
| Advertising                    | -                          | -                                     | -  | -                           | -                                     | -   |
| Cyber-security                 | -                          | -                                     | No Cyber security breaches were reported             | -                           | -                                     | No Cyber security breaches were reported                      |
| Delivery of essential services |                            |                                       |  |                             |                                       |   |
| Restrictive Trade Practices    |                            |                                       | Not applicable                                       |                             |                                       |   |
| Unfair Trade Practices         |                            |                                       |  |                             |                                       |   |
| Others                         | 3                          | 2                                     | All consumer complaints filed before Consumer courts | 9                           | 8                                     | 2 consumer complaints disposed, and the others are sub judice |

**4. Details of instances of product recalls on account of safety issues:**

| Parameter         | Number | Reason for recall |
|-------------------|--------|-------------------|
| Voluntary recalls |        |                   |
| Forced recalls    |        | Not Applicable    |

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has a strong risk management framework wherein risk and its mitigation are monitored by the Risk Management Committee. Link: <https://mutualfund.adityabirlacapital.com/privacy-policy/>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable. Since no such incidents were reported, currently, the Company has not taken corrective action.





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## LEADERSHIP INDICATORS

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**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information on various products of the Company is available on

- <https://mutualfund.adityabirlacapital.com/>
- All leading Fintech Platforms
- Distributors
- MF Center: [www.mfcenter.com](http://www.mfcenter.com)
- ABSLAMC Branches
- CAMS Service Centers

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Given the nature of the business, there is limited applicability of this indicator.

However, the Company complies with all disclosure requirements relating to its products and services, as per AMFI and SEBI guidelines on product labelling within risk and disclosure categories.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Given the nature of the business, there is limited applicability of this indicator.

However, a Business Continuity Plan (BCP) is in place for the Company's Call Centre & branches to service the customer in case of disruption of services. At the Branch, relevant communication has been passed on the Sales and Distribution teams in the event of services disruption/discontinuation.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Given the nature of the business, there is limited applicability of this indicator

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact - NIL
  - b. Percentage of data breaches involving personally identifiable information of customers – NIL
-

# Independent Auditors' Report

To,  
The Members of  
**Aditya Birla Sun Life AMC Limited**

## **REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying standalone financial statements of Aditya Birla Sun Life AMC Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial

Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended 31<sup>st</sup> March, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.



| Key audit matters  | How our audit addressed the key audit matter   |
|--|--|
| <p>(a) <b>Revenue from Asset Management and Advisory Fees and Portfolio Management Fees</b> (as described in Note 2(xiv) of the standalone financial statements)</p> <p>Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of:</p> <ul style="list-style-type: none"> <li>- Asset Management and Advisory Fees amounting to ₹ 116,063.28 Lakh.</li> <li>- Management Fees from Portfolio Management and Other Services amounting to ₹ 4,459.98 Lakh.</li> </ul> <p>The Asset Management and Advisory Fees is based on certain percentage of the applicable daily Assets Under Management ('AUM') in accordance with guidelines prescribed under SEBI (Mutual Fund) Regulations, 1996 as amended from time to time. There are inherent risks in computing such revenue streams including manual input of key contractual terms and computation of applicable AUM, which could result in errors. Considering the complexity in contractual terms involving multiple schemes, it requires monitoring to ensure completeness.</p> <p>Accordingly, we have considered revenue from asset management and advisory fees and portfolio management fees as a key audit matter. Any discrepancy in such computation could give rise to a material misstatement in the financial statements.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the accounting policy for revenue recognition.</li> <li>• Obtained an understanding of the significant revenue items and identified where there is a higher risk of error due to manual processes, complex contractual terms, and areas of judgement.</li> <li>• Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees.</li> <li>• Obtained and assessed independent assurance reports for the relevant controls at the third-party administrators.</li> <li>• Obtained and read the investment management fee report, issued by statutory auditors of mutual fund schemes and reconciled the certified amount with the accounting records.</li> <li>• On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records.</li> <li>• On sample basis, verified the input of contractual terms with rates approved by the management.</li> <li>• On a sample basis, checked the receipts of such income in bank statements.</li> <li>• Re-calculated Portfolio Management Services Fees in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts.</li> <li>• Evaluated the disclosure relating to management fee income earned by the Company.</li> </ul> |

We have determined that there are no other key audit matters to communicate in our report.

### Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a misstatement therein, we are required to communicate the

matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audit standalone financial statements. We have nothing to report in this regard.

### Responsibilities of management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of

## Independent Auditors' Report (Contd.)

appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' responsibilities for the audit of the standalone financial statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31<sup>st</sup> March, 2023 and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure



about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv.
      - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including

## Independent Auditors' Report (Contd.)

foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

As stated in note 40 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 01<sup>st</sup> April, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 23123596BGLPS8820

Place of Signature: Mumbai

Date: 27<sup>th</sup> April, 2023



# Annexure - 1

Referred to in paragraph 1 under the heading “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” of our report of even date

**Re: Aditya Birla Sun Life AMC Limited (hereinafter referred to as ‘the Company’)**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31<sup>st</sup> March, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company’s business does not require inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of ₹ Five Crore in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year, the Company has provided loans to companies, firms, Limited Liability Partnerships or any other parties as follows:

|  | Loans (₹ in Lakh) |
|--|-------------------|
| Aggregate amount granted/provided during the year                          | -2,500.0          |
| - Others   | -2,500.0          |
| - Subsidiaries   | -Nil              |
| Balance outstanding as at Balance Sheet date in respect of the above cases |                   |
| - Others   | -Nil              |
| - Subsidiaries   | -Nil              |

During the year, the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

(b) During the year the terms and conditions of the grant of all the loans to the companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company’s interest.

During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

(c) The Company has granted loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

(d) There are no amounts of loans granted to companies, firms or Limited Liability Partnerships or any other parties which are overdue for more than ninety days.

## Independent Auditors' Report (Contd.)

The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

- (e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company
- (iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable

to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) There are no dues of goods and services tax, provident fund, income tax, cess, and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.





- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has three Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year or the previous financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 37(b) to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any

## Independent Auditors' Report (Contd.)

assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in note 29 to the financial statements.
- (b) All amounts that are unspent under Section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of Section 135 of the said Act.

This matter has been disclosed in note 29 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 23123596BGXLP8820

Place of Signature: Mumbai

Date: 27<sup>th</sup> April, 2023



# Annexure - 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Aditya Birla Sun Life AMC Limited

To,  
The Members of  
Aditya Birla Sun Life AMC Limited

## REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Aditya Birla Sun Life AMC Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's responsibility for internal financial controls

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

### Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and

maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of internal financial controls over financial reporting with reference to these standalone financial statements

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

**Inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to standalone financial statements and such internal financial controls with reference to standalone financial

statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Rutushtra Patell**  
Partner

Membership Number: 123596  
UDIN: 23123596BGXLPS8820

Place of Signature: Mumbai  
Date: 27<sup>th</sup> April, 2023



# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars   | Note    | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---|---------|---------------------------------------|---------------------------------------|
| <b>I ASSETS</b>   |         |                                       |                                       |
| <b>(1) Financial Assets</b>   |         |                                       |                                       |
| (a) Cash and cash equivalents   | 3       | 649.63                                | 655.26                                |
| (b) Bank balances other than (a) above  | 4       | 4,917.39                              | 3,268.20                              |
| (c) Receivables   |         |                                       |                                       |
| (i) Trade receivables   | 5       | 1,952.72                              | 1,970.58                              |
| (d) Investments   | 6       | 242,818.97                            | 219,000.13                            |
| (e) Other Financial Assets  | 7       | 5,942.57                              | 1,796.05                              |
| <b>Total Financial Assets</b>   |         | <b>256,281.28</b>                     | <b>226,690.22</b>                     |
| <b>(2) Non-Financial Assets</b>   |         |                                       |                                       |
| (a) Current tax assets (net)  |         | 4,198.19                              | 3,925.82                              |
| (b) Property, Plant and Equipment   | 8.1     | 1,857.07                              | 1,349.33                              |
| (c) Right of use Assets   | 33      | 4,138.62                              | 4,758.62                              |
| (d) Capital work-in-progress  | 8.1     | 104.79                                | 153.18                                |
| (e) Intangible assets under development   | 8.2     | 103.22                                | 138.71                                |
| (f) Other Intangible Assets   | 8.2     | 877.44                                | 980.99                                |
| (g) Other non-Financial Assets  | 9       | 10,103.41                             | 5,434.10                              |
| <b>Total Non-Financial Assets</b>   |         | <b>21,382.74</b>                      | <b>16,740.75</b>                      |
| <b>Total Assets</b>   |         | <b>277,664.02</b>                     | <b>243,430.97</b>                     |
| <b>II LIABILITIES AND EQUITY</b>  |         |                                       |                                       |
| <b>LIABILITIES</b>  |         |                                       |                                       |
| <b>(1) Financial Liabilities</b>  |         |                                       |                                       |
| (a) Payables  |         |                                       |                                       |
| (i) Trade Payables  |         |                                       |                                       |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 10      | 18.65                                 | 9.25                                  |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 10      | 4,822.81                              | 3,017.40                              |
| (b) Lease Liabilities   | 33      | 4,671.75                              | 5,341.57                              |
| (c) Other Financial Liabilities   | 11      | 4,891.12                              | 6,307.64                              |
| <b>Total Financial Liabilities</b>  |         | <b>14,404.33</b>                      | <b>14,675.86</b>                      |
| <b>(2) Non-Financial Liabilities</b>  |         |                                       |                                       |
| (a) Current tax liabilities (net)   |         | 1,067.62                              | -                                     |
| (b) Provisions  | 12      | 4,069.79                              | 3,700.64                              |
| (c) Deferred tax liabilities (net)  | 13      | 3,475.37                              | 2,519.26                              |
| (d) Other non-financial liabilities   | 14      | 3,751.50                              | 2,473.82                              |
| <b>Total Non-Financial Liabilities</b>  |         | <b>12,364.28</b>                      | <b>8,693.72</b>                       |
| <b>(3) Equity</b>   |         |                                       |                                       |
| (a) Equity Share Capital  | 15      | 14,400.00                             | 14,400.00                             |
| (b) Other Equity  | 16      | 236,495.41                            | 205,661.39                            |
| <b>Total Equity</b>   |         | <b>250,895.41</b>                     | <b>220,061.39</b>                     |
| <b>Total Liabilities and Equity</b>   |         | <b>277,664.02</b>                     | <b>243,430.97</b>                     |
| Contingent Liabilities and Commitments  | 23      |                                       |                                       |
| Corporate Information and Significant Accounting Policies                                   | 1 and 2 |                                       |                                       |
| The accompanying Notes are an integral part of the Financial Statements.                    | 23-41   |                                       |                                       |

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars   | Note    | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|---|---------|--|--|
| <b>INCOME</b>   |         |  |  |
| <b>Revenue from Operations</b>  |         |  |  |
| Fees and Commission income  | 17      | 120,523.26   | 126,347.40   |
| <b>Total Revenue from Operations</b>  |         | <b>120,523.26</b>                                  | <b>126,347.40</b>                                  |
| Other Income  | 18      | 12,635.38  | 11,555.53  |
| <b>Total Income (A)</b>   |         | <b>133,158.64</b>                                  | <b>137,902.93</b>                                  |
| <b>EXPENSES</b>   |         |  |  |
| Employee Benefit Expense  | 19      | 26,290.65  | 24,229.37  |
| Other Expense   | 20      | 22,026.75  | 19,530.00  |
| Fees and Commission Expense   |         | 2,286.78   | 1,975.69   |
| Finance Cost  | 21      | 385.34   | 482.30   |
| Depreciation and Amortisation Expense   | 22      | 3,327.73   | 3,457.29   |
| <b>Total Expenses (B)</b>   |         | <b>54,317.25</b>                                   | <b>49,674.65</b>                                   |
| <b>Profit Before Tax (C = A-B)</b>  |         | <b>78,841.39</b>                                   | <b>88,228.28</b>                                   |
| <b>Income Tax Expense</b>   |         |  |  |
| Current tax   |         | 18,760.99  | 21,068.99  |
| Deferred tax  |         | 956.11   | 1,145.85   |
| Adjustments in respect of current income tax of previous years                            |         | 31.30  | (22.56)  |
| <b>Income Tax Expense (D)</b>   | 13      | <b>19,748.40</b>                                   | <b>22,192.28</b>                                   |
| <b>Profit for the year (E = C - D)</b>  |         | <b>59,092.99</b>                                   | <b>66,036.00</b>                                   |
| <b>Other Comprehensive Income</b>   |         |  |  |
| Items that will not be reclassified to profit or loss                                     |         |  |  |
| i) Re-measurement gains/(losses) on defined benefit plans                                 |         | (167.64)   | 84.71  |
| ii) Income tax relating to the items that will not be reclassified to the Profit and Loss |         | 42.20  | (21.32)  |
| <b>Other Comprehensive Income for the Year (F)</b>  |         | <b>(125.44)</b>                                    | <b>63.39</b>                                       |
| <b>Total Comprehensive Income for the Year (G = E+F)</b>                                  |         | <b>58,967.55</b>                                   | <b>66,099.39</b>                                   |
| <b>Earnings per share of ₹ 5 each</b>   | 27      |  |  |
| - basic profit for the year attributable to ordinary equity shareholders of the Company   |         | 20.52  | 22.93  |
| - diluted profit for the year attributable to ordinary equity shareholders of the Company |         | 20.46  | 22.86  |
| Corporate Information and Significant Accounting Policies                                 | 1 and 2 |  |  |
| The accompanying Notes are an integral part of the Financial Statements.                  | 23-41   |  |  |

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 1.23596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477



# Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| <b>Cash Flow from Operating activities</b>                             |  |  |
| Profit Before Tax  | 78,841.39  | 88,228.28  |
| <b>Adjustments for:</b>  |  |  |
| Depreciation and Amortisation  | 3,327.73   | 3,457.29   |
| Finance cost   | 385.34   | 482.30   |
| Profit on Sale of Investments  | (2,832.14)   | (2,559.16)   |
| Dividend on Investments  | (11.40)  | -  |
| Fair valuation of investments  | (7,875.93)   | (7,241.38)   |
| Loss or (Profit) on Sale of Property, Plant & Equipment                | (14.43)  | 12.78  |
| Share-based payments by the Company                                    | 3,072.87   | 4,828.21   |
| Interest on Fixed Deposits and Investments                             | (1,476.95)   | (1,422.84)   |
| Rent concession  | (117.43)   | (265.16)   |
| <b>Operating Profit before working capital changes</b>                 | <b>73,299.05</b>                                   | <b>85,520.32</b>                                   |
| (Increase)/Decrease in Receivables                                     | 17.87  | 490.13   |
| (Increase)/Decrease in Other Financial Assets                          | (5,795.71)   | (3,146.17)   |
| (Increase)/Decrease in Other Non-Financial Assets                      | (4,642.82)   | (825.93)   |
| Increase/(Decrease) in Payables  | 1,814.81   | (654.87)   |
| Increase/(Decrease) in Other Financial Liabilities                     | (1,047.36)   | (3,700.58)   |
| Increase/(Decrease) in Other Non-Financial Liabilities                 | 1,110.04   | 682.38   |
| <b>Cash generated from Operations</b>                                  | <b>64,755.88</b>                                   | <b>78,365.28</b>                                   |
| Income Tax paid (net)  | (17,954.84)  | (23,372.93)  |
| <b>Net cash generated from Operating activities</b>                    | <b>46,801.04</b>                                   | <b>54,992.35</b>                                   |
| <b>Cash Flow from Investing activities</b>                             |  |  |
| Purchase of Property, Plant and Equipment and Intangible Assets        | (1,908.57)   | (1,646.21)   |
| Sale proceeds from Property, Plant and Equipment and Intangible Assets | 34.46  | 57.36  |
| Interest on Fixed Deposits and Investments                             | 1,338.71   | 1,152.13   |
| Dividend on Investments  | 11.40  | -  |
| Purchase of Investments  | (222,775.78)                                       | (211,608.80)                                       |
| Sale of Investments  | 209,859.21   | 182,207.10   |
| <b>Net cash generated/(used) in investing activities</b>               | <b>(13,440.57)</b>                                 | <b>(29,838.42)</b>                                 |
| <b>Cash Flow from Financing activities</b>                             |  |  |
| Final/Interim Dividend Paid during the year (including tax thereon)    | (31,248.00)  | (23,184.00)  |
| Lease Liability - Interest Portion (refer note 33)                     | (385.34)   | (482.30)   |
| Lease Liability - Principal Portion (refer note 33)                    | (1,732.76)   | (1,835.98)   |
| <b>Net cash used in financing activities</b>                           | <b>(33,366.10)</b>                                 | <b>(25,502.28)</b>                                 |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>            | <b>(5.63)</b>                                      | <b>(348.35)</b>                                    |
| Cash and Cash Equivalents at beginning of the year                     | 655.26   | 1,003.61   |
| Cash and Cash Equivalents at end of the year (Refer Note 3)            | 649.63   | 655.26   |

# Standalone Cash Flow Statement (Contd.)

for the year ended 31<sup>st</sup> March, 2023

1. Statement of cash flows have been prepared under the indirect method as set out in the Ind AS 7 “Statement of Cash Flows” as specified in the Companies (Indian Accounting Standard) Rules, 2015.
2. Purchase of Property, Plant and Equipment represents addition to property, plant and equipment, and other intangible assets adjusted for movement of work-in-progress for property, plant and equipment, and other intangible assets under development during the year.
3. Cash and cash equivalents include in the Statement of cash flows comprise the following:  
Cash and cash equivalents disclosed under Financial Assets: 649.63                      655.26

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193  
**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477





# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2023

## (A) EQUITY SHARE CAPITAL

|   | (₹ in Lakh)        |                  |
|---|--------------------|------------------|
| Equity shares issued, subscribed and fully paid             | No. of shares      | Amount           |
| <b>As 01<sup>st</sup> April, 2021 (Face Value ₹ 10)</b>     | 18,000,000         | 1,800.00         |
| Split of shares into Face value of ₹ 5 each (Refer note 16) | 18,000,000         | -                |
| Issue of Bonus Equity Shares of ₹ 5 each (Refer note 16)    | 252,000,000        | 12,600.00        |
| <b>As 31<sup>st</sup> March, 2022 (Face Value ₹ 5)</b>      | <b>288,000,000</b> | <b>14,400.00</b> |
| Issued during the year                                      | -                  | -                |
| <b>At 31<sup>st</sup> March, 2023 (Face Value ₹ 5)</b>      | <b>288,000,000</b> | <b>14,400.00</b> |

## (B) OTHER EQUITY

For the year ended 31<sup>st</sup> March, 2023

| Particulars  | Reserve and Surplus |                 |               |                                  | Total Equity      |
|--|---------------------|-----------------|---------------|----------------------------------|-------------------|
|  | Retained Earnings   | General Reserve | Share premium | Share Option Outstanding Account |                   |
| <b>Balance as at 01<sup>st</sup> April, 2022</b>                                     | 200,146.53          | 686.66          | -             | 4,828.21                         | 205,661.39        |
| Profit for the year  | 59,092.99           | -               | -             | -                                | 59,092.99         |
| Other Comprehensive Income for the year  | (125.45)            | -               | -             | -                                | (125.45)          |
| <b>Total Comprehensive Income for the year</b>                                       | <b>58,967.54</b>    | -               | -             | -                                | <b>58,967.54</b>  |
| Utilised in issue of bonus equity shares (Refer note 15)                             | -                   | -               | -             | -                                | -                 |
| Transfer on account of Exits   | -                   | 117.57          | -             | (117.57)                         | -                 |
| Share-based payments by the Company (Refer notes 19 and 35)                          | -                   | -               | -             | 3,114.47                         | 3,114.47          |
| Interim Dividend paid to Equity shareholders for Fiscal year 2022-23 (Refer note 16) | (14,400.00)         | -               | -             | -                                | (14,400.00)       |
| Final Dividend paid to Equity shareholders for Fiscal year 2021-22 (Refer note 16)   | (16,848.00)         | -               | -             | -                                | (16,848.00)       |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>                                     | <b>227,866.07</b>   | <b>804.23</b>   | -             | <b>7,825.11</b>                  | <b>236,495.41</b> |

# Statement of Changes in Equity (Contd.)

for the year ended 31<sup>st</sup> March, 2023

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

(₹ in Lakh)

| Particulars  | Reserve and Surplus |                 |               |                                  | Total Equity      |
|--|---------------------|-----------------|---------------|----------------------------------|-------------------|
|  | Retained Earnings   | General Reserve | Share premium | Share Option Outstanding Account |                   |
| <b>Balance as at 01<sup>st</sup> April, 2021</b>                                     | 169,566.91          | 686.66          | 264.23        | -                                | 170,517.80        |
| Profit for the year  | 66,036.00           | -               | -             | -                                | 66,036.00         |
| Other Comprehensive Income for the year  | 63.39               | -               | -             | -                                | 63.39             |
| <b>Total Comprehensive Income</b>  | <b>66,099.39</b>    | -               | -             | -                                | <b>66,099.39</b>  |
| Utilised in issue of bonus equity shares (Refer note 15)                             | (12,335.77)         | -               | (264.23)      | -                                | (12,600.00)       |
| Share-based payments by the Company (Refer notes 19 and 35)                          | -                   | -               | -             | 4,828.21                         | 4,828.21          |
| Interim Dividend paid to Equity shareholders for Fiscal year 2021-22 (Refer note 16) | (16,128.00)         | -               | -             | -                                | (16,128.00)       |
| Final Dividend paid to Equity shareholders for Fiscal year 2020-21 (Refer note 16)   | (7,056.00)          | -               | -             | -                                | (7,056.00)        |
| <b>Balance as at 31<sup>st</sup> March, 2022</b>                                     | <b>200,146.53</b>   | <b>686.66</b>   | -             | <b>4,828.21</b>                  | <b>205,661.39</b> |

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

## NOTE: 1 CORPORATE INFORMATION

The Company is a public listed entity, and its registered office is situated at One World Centre, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013. The Company was incorporated under the provisions of the Companies Act on 05<sup>th</sup> September, 1994. The shareholders of the Company are Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) which holds 50.01% of the stake, Sun Life (India) AMC Investments Inc., (wholly-owned subsidiary of Sun Life Financial, Inc.) which holds 36.49% and remaining 13.50% stake of the Company is held by general public.

The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 and the principal activity is to act as an investment manager to Aditya Birla Sun Life Mutual Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (“PMS”) and investment advisory services to offshore funds and high net worth investors. The Company also acts as an Investment Manager to Aditya Birla Real Estate Funds (Category II) registered with SEBI. Further, the Company has also received SEBI registration for Alternative Investment Fund (AIFs) Category III namely Aditya Birla Sun Life AIF Trust – I and AIF Category II namely Aditya Birla Sun Life AIF Trust – II.

The Company has set up a new branch at the GIFT-IFSC (Gujarat International Finance Tec-City- International Financial Services Centre) to cater to its international business, to expand its reach and service global clients, including NRIs for investing in India.

## NOTE: 2 SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial instruments, measured at fair value
- Gratuity plan assets, measured at fair value

The Financial Statements are presented in Indian rupees and all values are rounded to the nearest Lakh, except when otherwise indicated.

### ii. Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 34.

### iii. Use of estimates

The preparation of the Financial Statements in conformity with the Indian Accounting Standards (Ind AS) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future years.

Significant estimates and judgements used for: -

- Estimates of useful lives and residual value of property, plant and equipment, and other intangible assets (Refer Note 8.1 and 8.2)

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

- Measurement of defined benefit obligations, actuarial assumptions (Refer Note 25)
- Recognition of deferred tax assets/liabilities (Refer Note 13)
- Recognition and measurement of provisions and contingencies (Refer Note 12 and Note 23)
- Financial instruments – Fair values, risk management and impairment of financial assets (Refer Note 6)
- Determination of lease term (Refer Note 33)
- Discount rate for lease liability (Refer Note 33)
- Estimates of Share-based payments (Refer Note 19, 25 and 35).

## iv. Functional and presentation currency

The Financial Statements of the Company are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

## v. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and cash in hand and short-term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

## vi. Property, plant and equipment

Property, Plant and equipment are stated at their cost of acquisition less accumulated depreciation, and accumulated impairment losses. The cost of acquisition is inclusive of taxes (except those which are refundable), duties, freight and other incidental expenses related to acquisition and installation of the assets. As on 1<sup>st</sup> April, 2017, i.e. its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

## vii. Capital work-in-progress

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.

## viii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. As at 1<sup>st</sup> April, 2017, i.e. its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

## ix. Intangible assets under development

The intangible assets under development includes cost of intangible assets that are not ready for their intended use less accumulated impairment losses.

## x. Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment is provided on a straight-line basis at the rates and useful life as



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

prescribed in Schedule II of the Companies Act, 2013 or as determined by the management based on technical advice, except assets individually costing less than ₹ 5,000 which are fully depreciated in the year of purchase / acquisition. Depreciation commences when assets are ready for its intended use.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and

the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year and adjusted prospectively, if appropriate. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

Following is the summary of useful life of the assets as per management estimates and as required by the Companies Act, 2013.

| No.      | Particulars  | Useful life (In Years)  |   |
|----------|--|---|---|
| <b>A</b> | <b>Depreciation on Property, Plant and Equipment</b> | Estimated Useful Life   | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 |
| 1        | Computers  |   |   |
|          | - Server and networking*                             | 3 Years   | 6 Years   |
|          | - Other  | 3 Years   | 3 Years   |
| 2        | Office Equipment                                     | 5 Years   | 5 Years   |
| 3        | Vehicles – Motor Car*                                | 5 Years   | 8 Years   |
| 4        | Furniture and Fixtures*                              | 5 Years   | 10 Years  |
| 5        | Mobile Phone (Included in office equipment)          | 2 Years   | Not specified   |
| 6        | Leasehold Improvements                               | Over the primary period of the lease term or 3 years, whichever is less | Not specified   |
| <b>B</b> | <b>Amortisation of Intangible assets</b>             |   |   |
| 1        | Investment Management Rights                         | 10 Years  | Not specified   |
| 2        | Software   | 3 Years   | Not specified   |

\* Based on technical advice, Management believes that the useful life of assets reflect the periods over which they are expected to be used.

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

## xi. Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated impaired when the carrying cost of an asset or cash-generating unit's (CGU) exceeds its recoverable value. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the greater of the assets' or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss, if any, is charged to Statement of Profit and Loss Account in the year in which an asset is identified as impaired. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## xii. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## xiii. Financial instruments

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

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value, with the exception of trade receivables. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Trade receivables that do not contain a significant financing component for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on trade date while, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI, financial assets at fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL. The



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

classification of financial instruments depends on the contractual cash flow characteristics and the objective of the business model for which it is held and whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal outstanding.

Management determines the classification of its financial instruments at initial recognition.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company’s Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## Classification of Financial assets:

### a) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

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

The Company’s business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- Reports reviewed by the entity’s key management personnel on the performance of financial assets.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking ‘worst case’ or ‘stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company’s original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by investments in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and other financial assets.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

## b) Debt Instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flows represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model. Currently, the Company does not hold any interest-bearing debt instrument that qualifies to be classified under this category.

## c) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL, described below. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which are not subsequently recycled to Profit or Loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Currently, the Company has not classified any equity instrument at FVTOCI.

## d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for

categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. For all equity instruments at FVTPL, dividend is recognised in Profit or Loss when the right of payment has been established.

## Financial liabilities

### a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### b) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.





# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## xiv. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Revenue from contracts with customers is recognised when control of services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.**

## I. Rendering of services

The Company principally generates revenue by providing asset management services to Aditya Birla Sun Life Mutual Fund and other clients.

- a) Management fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- b) Portfolio Management Fees and Advisory Fees are recognised on an accrual basis as per the terms of the contract with the customers.
- c) Management fees from other services are recognised on an accrual basis as per the terms of the contract with the customers at specific rates applied on net assets.

These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or advisory fees earned are considered as variable consideration.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

## II. Dividend and Interest Income

- a) Dividend income is recognised when the Company's right to receive dividend is established, it is probable that economic benefits associated with dividend will flow to the entity and the amount of dividend can be measured reliably. This is generally when shareholders approve the dividend.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

- b) Interest income from financial assets, is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

## xv. Foreign currency transactions and balances

The Company's Financial Statements are presented in INR, which is also the functional currency. Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction.

Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the Statement of Profit and Loss. Other non-monetary items, like Property Plant & Equipment and Intangible Assets are carried in terms of historical cost using the exchange rate at the date of transaction.

## xvi. Employee benefits

- a) Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- b) Gratuity: The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding

amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - Net interest expense or income.
- c) Leave Encashment: Provision for leave encashment is made on the basis of actuarial valuation of the expected liability. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.
  - d) Long-Term Incentive Plan: The Company has Long-Term incentive plan for different cadre of employees. The same is actuarially determined and assessed on yearly basis. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.

## xvii. Leases

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



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises right-of-use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Company applies the short-term lease recognition exemption to its short-term leases of its branches/rental offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. For these short-term and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the term of the lease.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of right-of-use assets (primarily buildings) range between 1 year to 9 years. The right-of-use assets are also subject to impairment. Refer Note 2(xi) on impairment of non-financial assets.

The lease liability is initially measured at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a

purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment on exercise of an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## xviii. Earnings per share ("EPS")

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted-average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## xix. Fund and commission expenses:

Prior to 21<sup>st</sup> October, 2018, certain scheme related expenses and commission were being borne by the Company in accordance with circulars and guidelines issued by SEBI and the Association of Mutual Funds in India (AMFI). Commission paid for future period for the mutual fund schemes (including for Equity Linked Savings Schemes) until 21<sup>st</sup> October, 2018 is treated as prepaid expenses and is amortised on the contractual period and charged to Statement of Profit and Loss account unless considered recoverable from schemes. Pursuant to circulars issued by SEBI in this regard, after 21<sup>st</sup> October, 2018, these expenses, subject to some exceptions, are being borne by the mutual fund schemes. New Fund Offer (NFO) expenses on the launch of schemes are borne by the Company and recognised in profit or loss as and when incurred.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

Commission is paid to the brokers for Portfolio Management and other services as per the terms of agreement entered into with respective brokers. In case of certain portfolio management schemes and other services, the brokerage expenses are amortised over the tenure of the product or commitment period. Unamortised brokerage is treated as Non-financial Assets considering the normal operating cycle of the Company.

## xx. Taxes

### Current tax:

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax:

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can

be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## xxi. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Claims against the Company, where the possibility of any outflow of resources in settlement is remote are not disclosed as contingent liabilities. A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is virtually certain.

## xxii. Share-Based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

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

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Also, a separate Employee stock options scheme (ESOP) ("the scheme") has been established by Aditya Birla Capital Limited ("ABCL") (Entity having significant influence). The scheme provides that employees are granted an option to subscribe to equity shares of ABCL that vest in a graded manner. The options may be exercised within a specified period. Measurement and disclosure of Employee share-based payment plan is done in accordance with Ind AS 102 Share Based Payments.

ABCL follows the Black-Scholes Merton Value method to account for its stock-based employee compensation plans. The cost incurred by the ABCL, in respect of options granted to employees of the Company is charged to the

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Standalone financial statements for the year ended 31<sup>st</sup> March, 2023

Statement of Profit and Loss during the year and recovered by them.

## xxiii. Cash dividend to equity holders of the Company

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

## xxiv. Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31<sup>st</sup> March, 2023 to amend the following Ind AS which are effective from 01<sup>st</sup> April, 2023.

- (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 01<sup>st</sup> April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

- (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by

replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 01<sup>st</sup> April, 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

- (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 01<sup>st</sup> April, 2023.

The Group is currently assessing the impact of the amendments.



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 3 CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

(₹ in Lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Cash on Hand   | -                                     | -                                     |
| Balances with Bank   |                                       |                                       |
| - Current Accounts   | 604.37                                | 610.00                                |
| - Deposit Accounts (with original maturity less than 3 months) | 45.26                                 | 45.26                                 |
| <b>Total Cash and Cash equivalents</b>                         | <b>649.63</b>                         | <b>655.26</b>                         |

Note:- Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has not taken any bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

## NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

(₹ in Lakh)

| Particulars   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments: |                                       |                                       |
| Earmarked accounts  |                                       |                                       |
| - Unclaimed Dividend  | 11.45                                 | 5.92                                  |
| - Unpaid Dividend #   | 1,969.41                              | -                                     |
| - Unspent CSR (Refer note 29)   | 139.00                                | 478.13                                |
| Term Deposits against the bank guarantee  | 2,797.53                              | 2,784.15                              |
| <b>Total Bank Balances other than cash and cash equivalents</b>   | <b>4,917.39</b>                       | <b>3,268.20</b>                       |

# This includes TDS payable on Interim Dividend amounting to ₹ 1,964.96 Lakh.

## NOTE: 5 TRADE RECEIVABLES (AT AMORTISED COST)

### Unsecured, considered good

(₹ in Lakh)

| Particulars   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Asset Management and Advisory Fees receivable                           | 1,264.92                              | 1,131.20                              |
| Management Fees receivable from Portfolio Management and Other Services | 687.80                                | 839.38                                |
| Less: Impairment loss allowance   | -                                     | -                                     |
| <b>Total Trade Receivables*</b>   | <b>1,952.72</b>                       | <b>1,970.58</b>                       |

\* There are no dues from directors or other officers of the Company either severally or jointly with any other person, due from firms or private companies respectively in which any director is a partner, a director or a member.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Trade receivables ageing schedule

### Trade receivables as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars  | Outstanding for following periods from due date of payment |                   |              |           |                   | Total           |
|--|--|-------------------|--------------|-----------|-------------------|-----------------|
|  | Less than 6 months   | 6 months - 1 year | 1-2 years    | 2-3 years | More than 3 years |                 |
| (i) Undisputed Trade receivables - considered good                                 | 1,834.06   | 64.97             | 53.69        | -         | -                 | 1,952.72        |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | -  | -                 | -            | -         | -                 | -               |
| (iii) Undisputed Trade receivables - credit impaired                               | -  | -                 | -            | -         | -                 | -               |
| (iv) Undisputed Trade receivables - considered good                                | -  | -                 | -            | -         | -                 | -               |
| (v) Disputed Trade receivables - which have significant increase in credit risk    | -  | -                 | -            | -         | -                 | -               |
| (vi) Disputed Trade receivables - credit impaired                                  | -  | -                 | -            | -         | -                 | -               |
| <b>Total</b>   | <b>1,834.06</b>  | <b>64.97</b>      | <b>53.69</b> | <b>-</b>  | <b>-</b>          | <b>1,952.72</b> |

### Trade receivables as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| Particulars  | Outstanding for following periods from due date of payment |                   |           |           |                   | Total           |
|--|--|-------------------|-----------|-----------|-------------------|-----------------|
|  | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |                 |
| (i) Undisputed Trade receivables - considered good                                 | 1,970.58   | -                 | -         | -         | -                 | 1,970.58        |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | -  | -                 | -         | -         | -                 | -               |
| (iii) Undisputed Trade receivables - credit impaired                               | -  | -                 | -         | -         | -                 | -               |
| (iv) Undisputed Trade receivables - considered good                                | -  | -                 | -         | -         | -                 | -               |
| (v) Disputed Trade receivables - which have significant increase in credit risk    | -  | -                 | -         | -         | -                 | -               |
| (vi) Disputed Trade receivables - credit impaired                                  | -  | -                 | -         | -         | -                 | -               |
| <b>Total</b>   | <b>1,970.58</b>  | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>1,970.58</b> |





# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 6 INVESTMENTS

| Particulars                        | As at 31 <sup>st</sup> March, 2023 |                                      |                 | As at 31 <sup>st</sup> March, 2022 |                                      |                   |
|------------------------------------|------------------------------------|--------------------------------------|-----------------|------------------------------------|--------------------------------------|-------------------|
|                                    | Amortised Cost                     | At Fair Value through Profit or Loss | At cost         | Amortised Cost                     | At Fair Value through Profit or Loss | At cost           |
| Mutual Funds                       | -                                  | 222,312.94                           | -               | 222,312.94                         | -                                    | 197,186.14        |
| Debt Securities                    | 9,352.64                           | -                                    | -               | 9,352.64                           | 10,482.81                            | 1,006.98          |
| Equity Instruments                 | -                                  | 1,754.91                             | -               | 1,754.91                           | -                                    | 1,754.91          |
| Subsidiaries                       | -                                  | -                                    | 7,424.99        | 7,424.99                           | -                                    | 7,424.99          |
| Alternative Investment funds       | -                                  | 2,496.49                             | -               | 2,496.49                           | -                                    | 1,667.30          |
| <b>Total Gross Investments (A)</b> | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>7,424.99</b> | <b>243,341.97</b>                  | <b>10,482.81</b>                     | <b>201,615.33</b> |
| Less: Allowance for Impairment     | -                                  | -                                    | 523.00          | 523.00                             | -                                    | 523.00            |
| <b>Total Net Investments</b>       | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>6,901.99</b> | <b>242,818.97</b>                  | <b>10,482.81</b>                     | <b>201,615.33</b> |
| Investments Outside India          | -                                  | 0.38                                 | 7,424.99        | 7,425.37                           | -                                    | 0.38              |
| Investments in India               | 9,352.64                           | 226,563.96                           | -               | 235,916.60                         | 10,482.81                            | 201,614.95        |
| <b>Total (B)</b>                   | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>7,424.99</b> | <b>243,341.97</b>                  | <b>10,482.81</b>                     | <b>201,615.33</b> |
| Less: Allowance for Impairment     | -                                  | -                                    | 523.00          | 523.00                             | -                                    | 523.00            |
| <b>Total Net Investments</b>       | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>6,901.99</b> | <b>242,818.97</b>                  | <b>10,482.81</b>                     | <b>201,615.33</b> |
|                                    |                                    |                                      |                 |                                    |                                      | <b>6,901.99</b>   |
|                                    |                                    |                                      |                 |                                    |                                      | <b>219,000.13</b> |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 7 OTHER FINANCIAL ASSETS (AT AMORTISED COST)

| Particulars                                   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Deposits to Related Party (Refer Note 26)     | 151.36                                | 148.91                                |
| Security Deposits                             | 1,259.29                              | 1,405.37                              |
| Recoverable From Schemes                      | 13.69                                 | 6.21                                  |
| Receivable from Related Party (Refer Note 26) | 77.84                                 | 235.56                                |
| Application money towards Investments         | 4,431.96                              | -                                     |
| Others  | 8.43                                  | -                                     |
| <b>Total Other Financial Assets</b>           | <b>5,942.57</b>                       | <b>1,796.05</b>                       |

## NOTE: 8.1 PROPERTY, PLANT AND EQUIPMENT

| Particulars  | (₹ in Lakh)     |                           |                 |                     |                           |                 |
|--|-----------------|---------------------------|-----------------|---------------------|---------------------------|-----------------|
|  | Computers       | Furniture and<br>Fixtures | Vehicles        | Office<br>Equipment | Leasehold<br>Improvements | Total           |
| <b>Gross Carrying Value</b>  |                 |                           |                 |                     |                           |                 |
| <b>As at 01<sup>st</sup> April, 2021</b>                           | <b>1,547.08</b> | <b>225.72</b>             | <b>881.51</b>   | <b>919.27</b>       | <b>1,119.38</b>           | <b>4,692.96</b> |
| Additions  | 134.45          | 81.23                     | 365.59          | 58.48               | 332.34                    | 972.09          |
| Disposals  | 33.04           | 15.54                     | 165.19          | 19.18               | 159.86                    | 392.81          |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>1,648.49</b> | <b>291.41</b>             | <b>1,081.91</b> | <b>958.57</b>       | <b>1,291.86</b>           | <b>5,272.24</b> |
| Additions  | 272.61          | 80.20                     | 479.84          | 165.19              | 374.84                    | 1,372.67        |
| Disposals  | 216.43          | 20.07                     | 196.66          | 44.91               | 128.28                    | 606.34          |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>1,704.69</b> | <b>351.55</b>             | <b>1,365.09</b> | <b>1,078.85</b>     | <b>1,538.43</b>           | <b>6,038.56</b> |
| <b>Accumulated Depreciation and Impairment</b>                     |                 |                           |                 |                     |                           |                 |
| <b>As at 01<sup>st</sup> April, 2021</b>                           | <b>1,266.59</b> | <b>181.82</b>             | <b>512.32</b>   | <b>575.26</b>       | <b>952.27</b>             | <b>3,488.25</b> |
| Depreciation for the year  | 204.84          | 40.40                     | 185.42          | 149.01              | 177.65                    | 757.32          |
| Disposals  | 33.03           | 14.07                     | 101.79          | 17.40               | 156.37                    | 322.66          |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>1,438.40</b> | <b>208.15</b>             | <b>595.95</b>   | <b>706.87</b>       | <b>973.55</b>             | <b>3,922.91</b> |
| Depreciation for the year  | 175.09          | 62.76                     | 206.49          | 146.61              | 239.50                    | 830.45          |
| Disposals  | 216.43          | 19.15                     | 168.17          | 43.87               | 124.24                    | 571.87          |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>1,397.06</b> | <b>251.76</b>             | <b>634.29</b>   | <b>809.62</b>       | <b>1,088.81</b>           | <b>4,181.49</b> |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2022</b> | <b>210.09</b>   | <b>83.26</b>              | <b>485.96</b>   | <b>251.70</b>       | <b>318.31</b>             | <b>1,349.33</b> |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2023</b> | <b>307.62</b>   | <b>99.79</b>              | <b>730.81</b>   | <b>269.23</b>       | <b>449.62</b>             | <b>1,857.07</b> |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Capital work-in-progress

Capital work-in-progress as at 31<sup>st</sup> March, 2023 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 104.79 Lakh (31<sup>st</sup> March, 2022: ₹ 153.18 Lakh)

### CWIP ageing schedule as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| CWIP                 | Amount in CWIP for a period of |           |           |                   | Total  |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress | 104.79                         | -         | -         | -                 | 104.79 |

### CWIP ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| CWIP                 | Amount in CWIP for a period of |           |           |                   | Total  |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress | 153.18                         | -         | -         | -                 | 153.18 |

There are no overdue or cost overrun projects compared to its original plan, on the above-mentioned reporting dates

## NOTE: 8.2 OTHER INTANGIBLE ASSETS

(₹ in Lakh)

| Particulars  | Software        | Investment Management Rights<br>(Refer Note 24) | Total           |
|--|-----------------|---|-----------------|
| <b>Gross carrying value</b>  |                 |   |                 |
| As at 01 <sup>st</sup> April, 2021                                 | 2,818.70        | 284.90  | 3,103.60        |
| Additions  | 450.18          | -   | 450.18          |
| Disposals  | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>3,268.88</b> | <b>284.90</b>                                   | <b>3,553.78</b> |
| Additions  | 593.34          | -   | 593.34          |
| Disposals  | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>3,862.22</b> | <b>284.90</b>                                   | <b>4,147.12</b> |
| <b>Accumulated Amortisation and Impairment</b>                     |                 |   |                 |
| As at 01 <sup>st</sup> April, 2021                                 | 1,626.40        | 151.40  | 1,777.80        |
| Amortisation for the year  | 757.14          | 37.85   | 794.99          |
| Disposal   | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>2,383.54</b> | <b>189.25</b>                                   | <b>2,572.79</b> |
| Amortisation for the year  | 659.04          | 37.85   | 696.89          |
| Disposals  | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>3,042.58</b> | <b>227.10</b>                                   | <b>3,269.68</b> |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2022</b> | <b>885.34</b>   | <b>95.65</b>                                    | <b>980.99</b>   |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2023</b> | <b>819.64</b>   | <b>57.80</b>                                    | <b>877.44</b>   |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total  |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress                | 100.47                         | -         | 2.75      | -                 | 103.22 |

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects temporarily suspended      | -                              | -         | -         | -                 | -     |

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total  |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress                | 131.46                         | 7.25      | -         | -                 | 138.71 |

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects temporarily suspended      | -                              | -         | -         | -                 | -     |

There are no overdue or cost overrun projects compared to its original plan, on the above mentioned reporting dates

## NOTE: 9 OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

| Particulars                                  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Prepaid expenses                             | 5,507.87                     | 1,321.33                     |
| Capital advance for Tangible Assets          | 69.23                        | 42.73                        |
| Advance for Services                         | 1,352.21                     | 963.47                       |
| Gratuity - Plan Funded Asset (Refer Note 25) | 3,174.10                     | 3,106.57                     |
| <b>Total Other Non-Financial Assets</b>      | <b>10,103.41</b>             | <b>5,434.10</b>              |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 10 TRADE PAYABLES (AT AMORTISED COST)

(₹ in Lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|--|---------------------------------------|---------------------------------------|
| <b>Trade Payables</b>  |                                       |                                       |
| <b>Others</b>  |                                       |                                       |
| - Total outstanding dues to micro enterprises and small enterprises*                     | 18.65                                 | 9.25                                  |
|  | <b>18.65</b>                          | <b>9.25</b>                           |
| - Total outstanding dues to creditors other than micro enterprises and small enterprises |                                       |                                       |
| Related Parties (Refer Note 26)  | 1,045.41                              | 748.09                                |
| Other than Related Parties   | 3,777.40                              | 2,269.31                              |
|  | <b>4,822.81</b>                       | <b>3,017.40</b>                       |
| <b>Total Trade Payables</b>  | <b>4,841.46</b>                       | <b>3,026.65</b>                       |

\* This information is required to be disclosed under MSMED Act(2006), has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

| Particulars   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---|---------------------------------------|---------------------------------------|
| a) Principal amount and interest thereon remaining unpaid at the end of year  | 18.65                                 | 9.25                                  |
| b) Interest paid including payment made beyond appointed day during the year  | 7.43                                  | 5.88                                  |
| c) Interest due and payable for delay during the year                         | -                                     | -                                     |
| d) Amount of interest accrued and unpaid as at year end                       | 2.86                                  | 0.50                                  |
| e) The amount of further interest due and payable even in the succeeding year | -                                     | -                                     |

## Trade payables ageing schedule

### Trade payables as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars                 | Outstanding for following periods from due date of payment |             |              |                      | Total           |
|-----------------------------|--|-------------|--------------|----------------------|-----------------|
|                             | Less than<br>1 year  | 1-2 years   | 2-3 years    | More than<br>3 years |                 |
| (i) MSME                    | 18.65  | -           | -            | -                    | 18.65           |
| (ii) Others                 | 4,748.13   | 5.52        | 11.14        | 58.02                | 4,822.81        |
| (iii) Disputed dues - MSME  | -  | -           | -            | -                    | -               |
| (iv) Disputed dues - others | -  | -           | -            | -                    | -               |
| <b>Total</b>                | <b>4,766.78</b>  | <b>5.52</b> | <b>11.14</b> | <b>58.02</b>         | <b>4,841.46</b> |

### Trade payables as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| Particulars                 | Outstanding for following periods from due date of payment |              |             |                      | Total           |
|-----------------------------|--|--------------|-------------|----------------------|-----------------|
|                             | Less than<br>1 year  | 1-2 years    | 2-3 years   | More than<br>3 years |                 |
| (i) MSME                    | 9.25   | -            | -           | -                    | 9.25            |
| (ii) Others                 | 2,929.98   | 29.82        | 0.46        | 57.14                | 3,017.40        |
| (iii) Disputed dues - MSME  | -  | -            | -           | -                    | -               |
| (iv) Disputed dues - others | -  | -            | -           | -                    | -               |
| <b>Total</b>                | <b>2,939.23</b>  | <b>29.82</b> | <b>0.46</b> | <b>57.14</b>         | <b>3,026.65</b> |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 11 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST)

| Particulars                                   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Employee Dues                                 | 4,721.59                              | 6,129.00                              |
| Payables for Capital Expenditure              | 3.16                                  | 12.27                                 |
| Deposits from Related parties (Refer Note 26) | 166.37                                | 166.37                                |
| <b>Total Other Financial Liabilities</b>      | <b>4,891.12</b>                       | <b>6,307.64</b>                       |

## NOTE: 12 PROVISIONS

| Particulars                            | (₹ in Lakh)                           |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| <b>Provision for Employee Benefits</b> |                                       |                                       |
| Leave Encashment                       | 404.99                                | 382.51                                |
| Gratuity (Refer Note 25)               | 3,281.35                              | 3,092.80                              |
| Provision for Long-Term Incentive Plan | 383.45                                | 225.33                                |
| <b>Total Provisions</b>                | <b>4,069.79</b>                       | <b>3,700.64</b>                       |

## NOTE: 13 DEFERRED TAX LIABILITIES (NET)

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets | (678.03)                              | (634.14)                              |
| Provision for Employee Benefits   | (5.66)                                | (162.35)                              |
| Fair Valuation of Investments   | 2,359.60                              | 1,981.95                              |
| Lease Liability net of Right of use Assets  | 1,799.46                              | 1,333.80                              |
| <b>Deferred Tax Liabilities</b>   | <b>3,475.37</b>                       | <b>2,519.26</b>                       |
| <b>Reconciliation of effective tax rate:</b>  |                                       |                                       |
| (a) Income before tax   | 78,841.39                             | 88,228.28                             |
| (b) Expected tax rate in India (applicable to the Company)                          | 25.168%                               | 25.168%                               |
| (c) Expected income tax amount  | 19,842.80                             | 22,205.29                             |
| (d) <b>Tax impact on:</b>   |                                       |                                       |
| Expenses disallowed/(allowed) as per income tax computation                         | (1,898.03)                            | (1,863.10)                            |
| Items which are taxed at different rates  | 13.28                                 | 650.80                                |
| Effect on Deferred tax balances for items taxed at different rates                  | 1,748.19                              | 1,165.54                              |
| Adjustments in respect of current income tax of previous years                      | 31.30                                 | (22.56)                               |
| Others  | 10.86                                 | 56.31                                 |
| (e) <b>Tax expenses recognised in Profit and Loss Account (c + d)</b>               | <b>19,748.40</b>                      | <b>22,192.28</b>                      |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Significant components and movement in deferred tax assets and liabilities

(₹ in Lakh)

| Particulars   | As on                        | As on                        | YTD March 2023<br>Deferred Tax<br>Expense/(Credit) |
|---|------------------------------|------------------------------|--|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |  |
|   | Closing Balance              | Opening Balance              |  |
| <b>Deferred Tax Liabilities</b>   |                              |                              |  |
| Fair Valuation of Investments   | 2,359.60                     | 1,981.95                     | 377.65   |
| Lease Liability net of Right of use assets  | 1,799.46                     | 1,333.80                     | 465.66   |
| <b>Total</b>  | <b>4,159.06</b>              | <b>3,315.75</b>              |  |
| <b>Deferred Tax Assets</b>  |                              |                              |  |
| Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets | (678.03)                     | (634.14)                     | (43.89)  |
| Provision for employee benefits   | (5.66)                       | (162.35)                     | 156.69   |
| <b>Total</b>  | <b>(683.69)</b>              | <b>(796.49)</b>              |  |
| <b>Net Deferred Tax Assets/(Liabilities)</b>  | <b>3,475.37</b>              | <b>2,519.26</b>              | <b>956.11</b>                                      |

(₹ in Lakh)

| Particulars   | As on                        | As on                        | YTD March 2022<br>Deferred Tax<br>Expense / (Credit) |
|---|------------------------------|------------------------------|--|
|   | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 |  |
|   | Closing Balance              | Opening Balance              |  |
| <b>Deferred Tax Liabilities</b>   |                              |                              |  |
| Fair Valuation of Investments   | 1,981.95                     | 2,602.26                     | (620.31)   |
| Lease Liability net of Right of use assets  | 1,333.80                     | 804.98                       | 528.82   |
| <b>Total</b>  | <b>3,315.75</b>              | <b>3,407.24</b>              |  |
| <b>Deferred Tax Assets</b>  |                              |                              |  |
| Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets | (634.14)                     | (566.98)                     | (67.16)  |
| Provision for employee benefits   | (162.35)                     | (1,466.86)                   | 1,304.51   |
| <b>Total</b>  | <b>(796.49)</b>              | <b>(2,033.84)</b>            |  |
| <b>Net Deferred Tax Assets/(Liabilities)</b>  | <b>2,519.26</b>              | <b>1,373.40</b>              | <b>1,145.85</b>                                      |

## NOTE: 14 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

| Particulars                                    | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Payable on account of Statutory Dues:</b>   |                              |                              |
| - Withholding Tax payable                      | 2,547.73                     | 230.97                       |
| - GST payable                                  | 912.03                       | 1,633.50                     |
| - Professional Tax payable                     | 1.78                         | 0.01                         |
| - Employee provident fund & Other dues payable | 135.06                       | 126.43                       |
| CSR payable (Refer note 29)                    | 139.00                       | 476.99                       |
| Unclaimed Dividend                             | 11.45                        | 5.92                         |
| Unpaid Dividend                                | 4.45                         | -                            |
| <b>Total</b>                                   | <b>3,751.50</b>              | <b>2,473.82</b>              |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 15 EQUITY SHARE CAPITAL

| Particulars  | (₹ in Lakh)                           |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| <b>Authorised:</b>   |                                       |                                       |
| Equity Shares of ₹ 5 each (31 <sup>st</sup> March, 2022: ₹ 5 each)                               | 16,000.00                             | 16,000.00                             |
| 320,000,000 (31 <sup>st</sup> March, 2022: 320,000,000) Equity shares fully paid up <sup>#</sup> |                                       |                                       |
| <b>Issued, Subscribed and Paid up</b>  |                                       |                                       |
| Equity Shares of ₹ 5 each (31 <sup>st</sup> March, 2022: ₹ 5 each)                               | 14,400.00                             | 14,400.00                             |
| 288,000,000 (31 <sup>st</sup> March, 2022: 288,000,000) Equity shares fully paid up <sup>#</sup> |                                       |                                       |
| <b>Total Issued, Subscribed and Paid up</b>  | <b>14,400.00</b>                      | <b>14,400.00</b>                      |

### a) Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distributions of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in the proportion to the number of equity shares held by the shareholders.

### b) Reconciliation of the shares outstanding at the beginning and at the end of the year

| Description  | (₹ in Lakh)             |                  |
|--|-------------------------|------------------|
|  | No. of Equity<br>shares | Amount           |
| As at 01 <sup>st</sup> April, 2021   | 18,000,000              | 1,800.00         |
| Split of shares into Face Value of ₹ 5 each <sup>#</sup>                         | 18,000,000              | -                |
| Bonus equity shares issued in the ratio of 7 for every 1 share held <sup>#</sup> | 252,000,000             | 12,600.00        |
| <b>As at 31<sup>st</sup> March, 2022</b>   | <b>288,000,000</b>      | <b>14,400.00</b> |
| Issued during year   | -                       | -                |
| <b>As at 31<sup>st</sup> March, 2023</b>   | <b>288,000,000</b>      | <b>14,400.00</b> |

<sup>#</sup> Pursuant to a resolution passed by our Board on 05<sup>th</sup> April, 2021 and a resolution of shareholders dated, 06<sup>th</sup> April, 2021, each equity share of face value of ₹ 10 each has been split into two equity shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 18,000,000 equity shares of face value of ₹ 10 each to 36,000,000 equity shares of face value of ₹ 5 each.

Pursuant to a resolution of Board of Directors dated 05<sup>th</sup> April, 2021 and the shareholders meeting dated 06<sup>th</sup> April, 2021, the Authorised Share Capital of the Company has been increased from ₹ 2,000 Lakh consisting of 40,000,000 Equity Shares of ₹ 5/- (Rupees Five only) each to ₹ 16,000 Lakh consisting of 320,000,000 Equity Shares of ₹ 5/- each.

The Board of Directors pursuant to a resolution dated 05<sup>th</sup> April, 2021 and the shareholders special resolution dated 06<sup>th</sup> April, 2021 have approved the issuance of seven bonus equity shares of face value ₹ 5 each for every one existing fully paid up equity share of face value ₹ 5 each and accordingly 252,000,000 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.





# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

Aggregate number of equity shares issued as bonus other than cash and shares bought back during the period of five years immediately preceding the reporting date:

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Equity shares allotted as fully paid bonus shares by capitalisation of securities premium and retained earnings | 252,000,000                           | 252,000,000                           |

The Shares reserved for issue under Employee Stock Option Scheme (ESOP) of the Company (Refer Note No. 35)

## c. Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

| Name of the Shareholder                                    | As at 31 <sup>st</sup> March, 2023 |                   | As at 31 <sup>st</sup> March, 2022 |                   |
|--|------------------------------------|-------------------|------------------------------------|-------------------|
|  | No. of Equity shares held          | % of Shareholding | No. of Equity shares held          | % of Shareholding |
| Aditya Birla Capital Limited and its Nominees <sup>#</sup> | 144,028,800                        | 50.01%*           | 144,028,800                        | 50.01%*           |
| Sun Life (India) AMC Investment Inc. Canada                | 105,090,880                        | 36.49%            | 105,090,880                        | 36.49%            |

<sup>#</sup> 512 Equity shares (31<sup>st</sup> March, 2022: 512 Equity Shares), 416 Equity shares (31<sup>st</sup> March, 2022: 416 Equity Shares) and 192 Equity shares (31<sup>st</sup> March, 2022: 192 Equity Shares) each are held by Parag Joglekar, A. Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\* Approximate percentages

## Shareholding of promoters as on 31<sup>st</sup> March, 2023

| Shares held by promoters at the end of the year |  |                    |                   | % Change during the year |
|---|--|--------------------|-------------------|--------------------------|
| Sr. No.   | Promoter Name                                    | No. of Shares      | % of total shares |                          |
| 1   | Aditya Birla Capital Limited (ABCL) <sup>#</sup> | 144,028,800        | 50.01%*           | -                        |
| 2   | Sun Life (India) AMC Investments Inc.            | 105,090,880        | 36.49%            | -                        |
| <b>Total</b>                                    |  | <b>249,119,680</b> | <b>86.50%</b>     |                          |

<sup>#</sup> 512 Equity shares, 416 Equity shares and 192 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\* Approximate percentages

## Shareholding of promoters as on 31<sup>st</sup> March, 2022

| Shares held by promoters at the end of the year |   |                    |                   | % Change during the year |
|---|---|--------------------|-------------------|--------------------------|
| Sr. No  | Promoter Name                                   | No. of Shares      | % of total shares |                          |
| 1   | Aditya Birla Capital Limited(ABCL) <sup>#</sup> | 144,028,800        | 50.01%*           | (0.99)%                  |
| 2   | Sun Life (India) AMC Investments Inc.           | 105,090,880        | 36.49%            | (12.51)%                 |
| <b>Total</b>                                    |   | <b>249,119,680</b> | <b>86.50%</b>     |                          |

<sup>#</sup> 512 Equity shares, 416 Equity shares and 192 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\* Approximate percentages

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 16 OTHER EQUITY

|   | (₹ in Lakh)       |
|---|-------------------|
| <b>1) Share Premium Account</b>                             |                   |
| At 01 <sup>st</sup> April, 2021                             | 264.23            |
| Arising during the year                                     | -                 |
| Utilised in issue of bonus equity shares (Refer note 15)    | (264.23)          |
| <b>At 31<sup>st</sup> March, 2022</b>                       | <b>-</b>          |
| Arising during the year                                     | -                 |
| Utilised during the year                                    | -                 |
| <b>At 31<sup>st</sup> March, 2023</b>                       | <b>-</b>          |
| <b>2) General Reserve</b>                                   |                   |
| At 01 <sup>st</sup> April, 2021                             | 686.66            |
| Arising during the year                                     | -                 |
| Utilised during the year                                    | -                 |
| <b>At 31<sup>st</sup> March, 2022</b>                       | <b>686.66</b>     |
| Arising during the year                                     | -                 |
| Transfer from Share Outstanding Account on account of Exits | 117.57            |
| <b>At 31<sup>st</sup> March, 2023</b>                       | <b>804.23</b>     |
| <b>3) Retained Earnings</b>                                 |                   |
| At 01 <sup>st</sup> April, 2021                             | 169,566.91        |
| Profit for the year   | 66,036.00         |
| Other Comprehensive Income for the year                     | 63.39             |
| Utilised in issue of bonus equity shares (Refer note 15)    | (12,335.77)       |
| Dividend for the year*                                      | (23,184.00)       |
| <b>At 31<sup>st</sup> March, 2022</b>                       | <b>200,146.53</b> |
| Profit for the year   | 59,092.99         |
| Other Comprehensive Income for the year                     | (125.45)          |
| Utilised in issue of bonus equity shares (Refer note 15)    | -                 |
| Dividend for the year*                                      | (31,248.00)       |
| <b>At 31<sup>st</sup> March, 2023</b>                       | <b>227,866.07</b> |
| <b>4) Share Option Outstanding Account</b>                  |                   |
| At 01 <sup>st</sup> April, 2021                             | -                 |
| Charges during the year                                     | 4,828.21          |
| Exercise of share options during the year                   | -                 |
| <b>At 31<sup>st</sup> March, 2022</b>                       | <b>4,828.21</b>   |
| Charges during the year                                     | 3,114.47          |
| Transfer to General Reserve on account of Exits             | (117.57)          |
| <b>At 31<sup>st</sup> March, 2023</b>                       | <b>7,825.11</b>   |
| <b>As at 31<sup>st</sup> March, 2023</b>                    | <b>236,495.41</b> |
| <b>As at 31<sup>st</sup> March, 2022</b>                    | <b>205,661.39</b> |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## \* Cash dividends on equity shares declared and paid:

(₹ in Lakh)

| Particulars   | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Final dividend for the fiscal year ended 31 <sup>st</sup> March, 2022: ₹ 5.85 per share for 288,000,000 equity shares (for the year ended 31 <sup>st</sup> March, 2021: ₹ 2.45 per share for 288,000,000 equity shares) and Interim dividend for the year ended 31 <sup>st</sup> March, 2023: ₹ 5 per share for 288,000,000 equity shares (Interim dividend for the year ended 31 <sup>st</sup> March, 2022: ₹ 5.6 per share for 288,000,000 equity shares) (Refer Note 15) | 31,248.00                    | 23,184.00                    |
|   | <b>31,248.00</b>             | <b>23,184.00</b>             |

## Proposed dividends on equity shares:

(₹ in Lakh)

| Particulars  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Final dividend for the year ended on 31 <sup>st</sup> March, 2023: ₹ 5.25 per share for 288,000,000 equity shares (Final dividend for the year ended 31 <sup>st</sup> March, 2022: ₹ 5.85 per share for 288,000,000 equity shares) (Refer Note 40) | 15,120.00                    | 16,848.00                    |
|  | <b>15,120.00</b>             | <b>16,848.00</b>             |

## Nature and purpose of the reserves

### Share Premium:

Share Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of Section 52 of Companies Act, 2013. The Company has utilised the Share Premium in issue of bonus equity shares in the previous year.

### General reserve:

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year.

Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

### Retained earnings:

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

### Share Option Outstanding Account:

The grant date fair value of equity-settled share-based payment transactions with employees and directors are recognised in the Statement of Profit and Loss with the corresponding credit to this account over the vesting period.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 17 FEES AND COMMISSION INCOME

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| <b>Revenue from contracts with customers</b>                 |  |  |
| Asset Management and Advisory Fees                           | 116,063.28   | 122,016.84   |
| Management Fees from Portfolio Management and Other Services | 4,459.98   | 4,330.56   |
| <b>Total Fees and Commission income</b>                      | <b>120,523.26</b>                                  | <b>126,347.40</b>                                  |

## NOTE: 18 OTHER INCOME

(₹ in Lakh)

| Particulars                          | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--------------------------------------|--|--|
| <b>Gain on Investments</b>           |  |  |
| - Realised gain                      | 2,832.14   | 2,559.16   |
| - Unrealised gain                    | 7,875.93   | 7,241.38   |
| Interest Income                      | 1,476.95   | 1,422.84   |
| Dividend Income on investments       | 11.40  | -  |
| Profit on sale of Fixed Assets (net) | 14.43  | -  |
| Rent concession                      | 117.43   | 265.16   |
| Rent income                          | 271.18   | 62.27  |
| Miscellaneous income                 | 35.92  | 4.72   |
| <b>Total Other Income</b>            | <b>12,635.38</b>                                   | <b>11,555.53</b>                                   |

## NOTE: 19 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Salaries and allowances  | 20,414.41  | 17,446.35  |
| Contribution to provident and other funds (Refer Note 25)                          | 808.79   | 714.34   |
| Gratuity expenses (Refer Note 25)  | 309.87   | 282.35   |
| Staff welfare expenses   | 1,628.21   | 1,027.36   |
| Share-based payments by ABCL (Entity having significant influence) (Refer Note 25) | 56.50  | (4.71)   |
| Share based payments by the Company (Refer Note 35)                                | 3,072.87   | 4,763.66   |
| <b>Total Employee Benefit Expense</b>  | <b>26,290.65</b>                                   | <b>24,229.37</b>                                   |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 20 OTHER EXPENSE

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Rent   | 333.65   | 64.49  |
| Repairs and Maintenance                                  | 1,241.84   | 1,149.06   |
| Insurance  | 102.54   | 129.65   |
| Rates and Taxes  | 178.50   | 336.35   |
| Electricity  | 265.52   | 243.82   |
| Software and Technology Expenses                         | 2,635.89   | 2,297.14   |
| Database Research Expenses                               | 1,112.30   | 882.83   |
| Travelling and Conveyance                                | 1,326.40   | 640.10   |
| Communication Expenses                                   | 215.35   | 217.65   |
| Outsourced Fund Accounting Expenses                      | 181.70   | 258.58   |
| Legal and Professional Charges                           | 1,442.05   | 1,041.02   |
| Auditor's Remuneration:                                  |  |  |
| - Audit Fees   | 23.00  | 21.00  |
| - Tax Audit Fees   | 7.00   | 7.00   |
| - Other Services   | 14.30  | 9.25   |
| - Reimbursement of expenses                              | 0.45   | 0.01   |
| Services Charges   | 1,898.79   | 2,051.51   |
| Directors Sitting Fees                                   | 64.25  | 120.25   |
| Printing and Stationery                                  | 277.47   | 180.39   |
| Loss on Sale of Fixed Assets (net)                       | -  | 12.78  |
| Asset Utilisation Charges                                | 442.71   | 607.42   |
| Bank Charges   | 2.61   | 3.80   |
| Miscellaneous Expenses                                   | 585.41   | 573.76   |
| Foreign Exchange Loss (net)                              | 13.65  | 10.83  |
| Donation   | 11.05  | 10.00  |
| Corporate Social Responsibility Expenses (Refer Note 29) | 1,287.00   | 1,141.71   |
| Business Promotion Expenses                              | 6,384.11   | 5,438.82   |
| Fund expense   | 1,979.21   | 2,080.77   |
| <b>Total Other Expense</b>                               | <b>22,026.75</b>                                   | <b>19,530.00</b>                                   |

## NOTE: 21 FINANCE COST

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Finance Cost on Lease Liability (measured at amortised cost) (Refer Note 33) | 385.34   | 482.30   |
| <b>Total Finance Cost</b>  | <b>385.34</b>                                      | <b>482.30</b>                                      |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 22 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Depreciation on Right-of-use Assets (Refer Note 3.3)         | 1,800.39   | 1,904.98   |
| Depreciation on Property, Plant & Equipment (Refer Note 8.1) | 830.45   | 757.32   |
| Amortisation of Intangible Assets (Refer Note 8.2)           | 696.89   | 794.99   |
| <b>Total Depreciation and Amortisation Expense</b>           | <b>3,327.73</b>                                    | <b>3,457.29</b>                                    |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

### NOTE: 23 CONTINGENT LIABILITIES AND COMMITMENTS

#### (i) Contingent liabilities:

(₹ in Lakh)

| No. | Particulars   | As at                        | As at                        |
|-----|---|------------------------------|------------------------------|
|     |   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|     | Claims against the Company not acknowledged as debts in respect of; |                              |                              |
| i)  | Income tax matters  | *18,992.16                   | 4,638.78                     |
| ii) | Other matters   | 159.15                       | 83.85                        |

\*Note: Includes -

- AY 2020-21- Demand of ₹ 8,643.89 Lakh was raised by the officer during assessment proceedings. Credit for dividend distribution tax (DDT) of ₹ 6,783.24 Lakh was not provided by the officer and consequently, interest on DDT of ₹ 2,287.80 Lakh was levied. High court has directed the Income-tax department to decide the rectification application filed and has granted stay ad-interim.
- AY 2016-17- Demand of ₹ 3,910.12 Lakh was raised by the officer during reassessment proceedings. The demand was due to adhoc addition of ₹ 5,951.45 Lakh and consequential levy of interest. High court has directed the Income-tax department to decide the rectification application filed and has granted stay ad-interim.
- AY 2013-14- Demand of ₹ 4,834.96 Lakh was raised by the officer during reassessment proceedings. The demand was due to non-granting of TDS credit. High court has directed the Income-tax department to decide the rectification application filed and has granted stay ad-interim.

#### (ii) Commitments - unexecuted contracts:

(₹ in Lakh)

| Particulars  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Commitments for the acquisition of property, plant and equipment | 746.60                       | 543.76                       |
| Commitments for investment activities                            | 925.00                       | *14,445.95                   |

\* This includes commitment to invest ₹ 13,820.95 Lakh in Mutual Fund schemes managed by the Company vide SEBI circular SEBI/HO/IMD/IMD-IDOF5/P/CIR/2021/624 dated 02<sup>nd</sup> September, 2021

#### (iii) Bank guarantee:

The Company has issued a bank guarantee of ₹ 2,468.25 Lakh to NSE for the purpose of IPO during FY2021-22 and the same is in force as on FY 2022-23.

### NOTE: 24 MANAGEMENT RIGHTS

During financial year ended 31<sup>st</sup> March, 2015 Aditya Birla Sun Life Trustee Company Private Limited took over the mutual fund schemes from ING Trust Company Private Limited and simultaneously the Company acquired the right to manage the said schemes from ING Asset Management (India) Private Limited.

The consideration paid to acquire the right to manage the said schemes along with the incidental expenditure incurred thereon aggregating to ₹ 378.51 Lakh has been treated as Investment Management Right. The Investment Management Right will be amortised over a period of 120 months. For the year ended 31<sup>st</sup> March, 2023, an amount of ₹ 37.85 Lakh (Previous year ₹ 37.85 Lakh) has been amortised. Balance life of Investment Management Right is 18 months.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

### NOTE: 25 EMPLOYEE BENEFITS

In accordance with the Indian Accounting Standard (Ind AS) 19 “Employee Benefits”, the Company has classified the various benefits provided to the employees as under:

#### a) Defined contribution plan

Defined Contribution Plan – The Company has recognised the following amounts in the Statement of Profit and Loss Account which are included under contribution to Provident Fund and other fund.

|      |  | (₹ in Lakh)  |  |
|------|--|--|--|
| No   | Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| i)   | Employers Contribution to Provident Fund (PF)      | 556.35   | 474.45   |
| ii)  | Employers Contribution to Employees Pension Fund   | 147.75   | 134.84   |
| iii) | Employers Contribution to Labour Welfare Fund      | 0.58   | 0.46   |
| iv)  | Contribution to Employees Deposit Linked Insurance | 9.98   | 8.82   |
|      | <b>Total</b>                                       | <b>714.66</b>                                      | <b>618.57</b>                                      |

Above figures are excluding contribution to PF and Other Funds of ₹ 94.13 Lakh (Previous year ₹ 95.77 Lakh) reimbursed to related parties - Aditya Birla Financial Shared Services Limited & Aditya Birla Capital Limited.

#### b) Share based payments

Pursuant to ESOP Plan by ABCL, stock options were granted to the employees of the Company during the year. Total cost incurred by ABCL (net of reversals) till date is being recovered from the Company over the period of vesting of the ESOP grants. A sum of ₹ 56.50 Lakh (Previous year ₹ (4.71) Lakh) has been charged to the Statement of Profit and Loss. The balance sum of ₹ 4.76 Lakh will be recovered in future years as at 31<sup>st</sup> March, 2023.

#### c) Gratuity (Defined Benefit Plan)

The following table sets out the status of the gratuity plan as required under Ind AS 19 as certified by actuary. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

|  |  | (₹ in Lakh)                           |                                       |
|--|--|---------------------------------------|---------------------------------------|
| Particulars  |  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| <b>Amounts recognised in the Balance Sheet in respect of Gratuity</b>  |  |                                       |                                       |
| Present Value of the funded Defined Benefit Obligations at the end of the year                                     |  | 3,281.35                              | 3,092.80                              |
| Fair Value of Plan Assets  |  | (3,174.10)                            | (3,106.57)                            |
| <b>Net (Asset) / Liability</b>   |  | <b>107.25</b>                         | <b>(13.77)</b>                        |
| <b>Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity</b> |  |                                       |                                       |
| <b>Amounts recognised during the period:</b>   |  |                                       |                                       |
| In P&L   |  | 309.87                                | 282.35                                |
| In Other Comprehensive Income  |  | 127.74                                | (72.29)                               |
| <b>Total Expenses Recognised during the period</b>   |  | <b>437.62</b>                         | <b>210.06</b>                         |
| <b>Actual Return on Plan Assets:</b>   |  |                                       |                                       |
| Expected Return on Plan Assets   |  | 214.20                                | 190.06                                |
| Actuarial Gain/(Loss) on Plan Assets   |  | (123.71)                              | (31.52)                               |
| <b>Actual Return on Plan Assets:</b>   |  | <b>90.49</b>                          | <b>158.54</b>                         |





# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| <b>Reconciliation of Present Value of Obligation and the Fair Value of the Plan Assets:</b> |                                       |                                       |
| <b>Change in Present Value of the Obligations:</b>  |                                       |                                       |
| Opening Defined Benefit Obligations   | 3,092.80                              | 2,961.40                              |
| Current Service Cost  | 310.82                                | 284.49                                |
| Interest Cost   | 213.25                                | 187.92                                |
| Actuarial (Gain)/Loss arising from:   |                                       |                                       |
| - changes in demographic assumptions  | -                                     | -                                     |
| - changes in financial assumptions  | (96.47)                               | (108.89)                              |
| - experience variance (i.e. actual experience vs assumption)                                | 100.50                                | 5.08                                  |
| Liabilities Settled on Divestment   | -                                     | -                                     |
| Benefits Paid   | (339.56)                              | (237.20)                              |
| <b>Closing Defined Benefit Obligations</b>  | <b>3,281.35</b>                       | <b>3,092.80</b>                       |
| <b>Change in Fair Value of the Plan Assets:</b>   |                                       |                                       |
| Opening Fair Value of the Plan Assets   | 3,106.57                              | 2,995.19                              |
| Expected Return on the Plan Assets  | 214.20                                | 190.06                                |
| Actuarial (Gain)/Loss   | (123.71)                              | (31.52)                               |
| Contributions by the Employer   | 316.60                                | 190.04                                |
| Asset Distributed on Divestment   | -                                     | -                                     |
| Benefits Paid   | (339.56)                              | (237.20)                              |
| <b>Closing Fair Value of the Plan Assets</b>  | <b>3,174.10</b>                       | <b>3,106.57</b>                       |
| <b>Expense Recognised in Income Statement</b>   |                                       |                                       |
| Current Service Cost  | 310.82                                | 284.49                                |
| Net Interest cost / (income) on the defined Benefit Liability / (Asset)                     | (0.95)                                | (2.14)                                |
| <b>Expense Recognised in Income Statement</b>   | <b>309.87</b>                         | <b>282.35</b>                         |
| <b>Other Comprehensive Income</b>   |                                       |                                       |
| Actuarial (Gain)/Loss arising from:   |                                       |                                       |
| - changes in demographic assumptions  | -                                     | -                                     |
| - changes in financial assumptions  | (96.47)                               | (108.89)                              |
| - experience variance (i.e. actual experience vs assumption)                                | 100.50                                | 5.08                                  |
| Return on plan asset, excluding amount recognised in net interest expense                   | 123.71                                | 31.52                                 |
| <b>Remeasurement gain/loss in other comprehensive income</b>                                | <b>127.74</b>                         | <b>(72.29)</b>                        |
| <b>Investment details of Plan Assets</b>  |                                       |                                       |
| <b>Plan assets are invested with:</b>   |                                       |                                       |
| Aditya Birla Sun Life Insurance Company Limited   | 3,174.10                              | 3,106.57                              |
| <b>Composition of the plan assets are as follows:</b>                                       |                                       |                                       |
|   | <b>Allocation %</b>                   | <b>Allocation %</b>                   |
| Government Bonds  | 24.81%                                | 23.17%                                |
| Corporate Bonds   | 64.57%                                | 69.29%                                |
| Others  | 10.62%                                | 7.54%                                 |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

| Particulars                  | (₹ in Lakh)   |   |
|------------------------------|---|---|
|                              | As at<br>31 <sup>st</sup> March, 2023   | As at<br>31 <sup>st</sup> March, 2022   |
| <b>Assumptions</b>           |   |   |
| Discount rate                | 7.40%   | 6.90%   |
| Compensation Escalation rate | 8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter | 8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter |
| Average Age                  | 33.79   | 34.31   |
| Mortality Basis              | Indian Assured Lives mortality (2012-14)  | Indian Assured Lives mortality (2012-14)  |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

### A. Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

(₹ in Lakh)

| No. | Particulars                       | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|-----|-----------------------------------|---------------------------------------|---------------------------------------|
| 1   | Defined Benefit Obligation (Base) | 3,281.35                              | 3,092.80                              |

(₹ in Lakh)

| No. | Particulars                                    | As at 31 <sup>st</sup> March, 2023 |          | As at 31 <sup>st</sup> March, 2022 |          |
|-----|--|------------------------------------|----------|------------------------------------|----------|
|     |  | Decrease                           | Increase | Decrease                           | Increase |
| 1   | Discount Rate (- / + 0.50 %)                   | 3,424.52                           | 3,147.29 | 3,234.23                           | 2,960.58 |
|     | (% change compared to base due to sensitivity) | 4.4%                               | -4.1%    | 4.6%                               | -4.3%    |
| 2   | Compensation Escalation Rate (- / + 0.50 %)    | 3,146.67                           | 3,423.88 | 2,960.55                           | 3,232.94 |
|     | (% change compared to base due to sensitivity) | -4.1%                              | 4.3%     | -4.3%                              | 4.5%     |
| 3   | Mortality Rate (- / + 10%)                     | 3,278.13                           | 3,284.55 | 3,090.00                           | 3,095.59 |
|     | (% change compared to base due to sensitivity) | -0.1%                              | 0.1%     | -0.1%                              | 0.1%     |

There is no change in the method of valuation for the prior period. For change in assumptions refer assumptions table above.

### B. Effect of plan on company's future cash flows:

#### i) Funding arrangements and Funding Policy

The scheme is managed on funded basis.

#### ii) Expected Contribution during the next annual reporting period

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| The Company's best estimate of Contribution during the next year | 432.74   | 286.56   |

#### iii) Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)

| Particulars               | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|---------------------------|--|--|
| Weighted average duration | 9 years  | 9 years  |

#### Expected cash flows over the next (valued on undiscounted basis)

(₹ in Lakh)

| Particulars        | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--------------------|--|--|
| 1 year             | 195.35   | 192.93   |
| 2 to 5 years       | 1,327.01   | 1,191.60   |
| 6 to 10 years      | 1,438.75   | 1,358.79   |
| More than 10 years | 3,976.84   | 3,610.10   |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

The estimate of future salary increases, considered in the actuarial valuation, takes into account inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary based on assumptions provided by the Company.

## NOTE: 26 DISCLOSURE IN RESPECT OF RELATED PARTY PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 24:

### a) List of related parties:

|          |  |
|----------|--|
| <b>A</b> | <b>Parent of the Entity having significant influence</b>                                 |
|          | Grasim Industries Limited  |
| <b>B</b> | <b>Entity having significant influence</b>   |
|          | Aditya Birla Capital Limited (ABCL)  |
|          | Sun Life (India) AMC Investments Inc, Canada   |
| <b>C</b> | <b>Other Related Party</b>   |
|          | SLGI Asset Management Inc, Canada  |
|          | Aditya Birla Management Corporation Private Limited                                      |
|          | Green Oak India Investment Advisors Private Limited                                      |
|          | Aditya Birla Capital Foundation  |
|          | Umang Commercial Company Private Limited   |
| <b>D</b> | <b>Subsidiaries of Entity having significant influence</b>                               |
|          | Aditya Birla Health Insurance Company Limited  |
|          | Aditya Birla Sun Life Insurance Company Limited  |
|          | Aditya Birla Sun Life Trustee Private Limited  |
|          | Aditya Birla Money Mart Limited  |
|          | Aditya Birla Finance Limited   |
|          | Aditya Birla Money Limited   |
|          | Aditya Birla Financial Shared Services Limited   |
|          | Aditya Birla Insurance Brokers Limited   |
|          | Aditya Birla Money Insurance Advisory Services Limited                                   |
|          | Aditya Birla Commodities Broking Limited   |
|          | Aditya Birla PE Advisors Private Limited   |
|          | Aditya Birla ARC Limited   |
|          | ABCAP Trustee Company Private Limited (Struck off w.e.f. 21 <sup>st</sup> January, 2023) |
|          | Aditya Birla Sun Life Pension Management Limited   |
|          | Aditya Birla Housing Finance Limited   |
|          | Aditya Birla Wellness Private Limited  |
|          | Aditya Birla Trustee Company Private Limited   |
|          | Aditya Birla Stressed Asset AMC Private Limited  |
|          | Aditya Birla Capital Technology Services Limited   |
| <b>E</b> | <b>The entities in respect of which Funds are managed by the Company</b>                 |
|          | India Advantage Fund Limited   |
|          | International Opportunities Fund SPC   |
|          | New Horizon Fund SPC (wound up on 30 <sup>th</sup> September, 2021)                      |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

|          |   |
|----------|---|
| <b>F</b> | <b>Subsidiaries</b>   |
|          | Aditya Birla Sun Life AMC (Mauritius) Limited                                 |
|          | Aditya Birla Sun Life AMC Pte. Limited, Singapore                             |
|          | Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai           |
| <b>G</b> | <b>Directors and Key Management Personnel</b>                                 |
|          | Kumar Mangalam Birla (Non-Executive Director)                                 |
|          | Ajay Srinivasan (Non-Executive Director up to 04 <sup>th</sup> October, 2022) |
|          | Vishakha Mulye (Non-Executive Director from 27 <sup>th</sup> October, 2022)   |
|          | A. Balasubramanian (Managing Director and Chief Executive Officer)            |
|          | Sandeep Asthana (Non-Executive Director)                                      |
|          | Colm Freyne (Non-Executive Director up to 25 <sup>th</sup> April, 2022)       |
|          | Amrit Kanwal (Non-Executive Director from 26 <sup>th</sup> April, 2022)       |
|          | Bharat Patel (Non-Executive Director up to 26 <sup>th</sup> June, 2022)       |
|          | Alka Bharucha (Independent Director)  |
|          | Harish Engineer (Independent Director)  |
|          | Navin Puri (Independent Director)   |
|          | Sunder Rajan Raman (Independent Director)                                     |
|          | Ramesh Abhishek (Independent Director)  |

## b) Related parties with whom the Company has entered into transactions during the year:

| (₹ in Lakh) |   |          |   |   |
|-------------|---|----------|---|---|
| Sr. No.     | Particulars   | Category | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
| <b>1</b>    | <b>Income</b>   |          |   |   |
|             | Advisory Fee  |          |   |   |
|             | Aditya Birla Sun Life AMC Pte Ltd, Singapore                        | F        | 433.20  | 65.23   |
|             | Interest Income - ICD   |          |   |   |
|             | Aditya Birla ARC Ltd  | D        | 81.08   | -   |
| <b>2</b>    | <b>Expenses</b>   |          |   |   |
|             | <b>Commission</b>   |          |   |   |
|             | Aditya Birla Finance Ltd (Note 1)                                   | D        | 757.98  | 135.75  |
|             | Aditya Birla Money Ltd  | D        | -   | 0.09  |
|             | <b>Professional Charges - Marketing</b>                             |          |   |   |
|             | Aditya Birla Sun Life AMC Ltd, Dubai                                | F        | 1,347.56  | 1,124.58  |
|             | Aditya Birla Sun Life AMC Pte Ltd, Singapore                        | F        | 73.31   | 49.69   |
|             | <b>Contribution to Gratuity/Insurance Premium</b>                   |          |   |   |
|             | Aditya Birla Sun Life Insurance Co Ltd                              | D        | 368.64  | 339.79  |
|             | <b>Business Promotion Expenses</b>                                  |          |   |   |
|             | Aditya Birla Sun Life Insurance Co Ltd (Insurance Premium) (Note 1) | D        | 1,238.82  | 1,702.48  |
|             | Aditya Birla Health Insurance Co Ltd (Insurance Premium)            | D        | -   | 2.11  |
|             | <b>Rent</b>   |          |   |   |
|             | Grasim Industries Limited   | A        | 2.34  | 64.89   |
|             | Umang Commercial Company Pvt Ltd                                    | C        | 106.20  | -   |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Sr. No.  | Particulars  | Category | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
|----------|--|----------|---|---|
|          | <b>Advisory Services</b>   |          |   |   |
|          | Greenoak India Investment Advisors Pvt Ltd                                   | C        | 211.13  | 101.92  |
|          | <b>Software &amp; Technology Expenses</b>                                    |          |   |   |
|          | Aditya Birla Capital Technology Services Limited                             | D        | 258.95  | 323.28  |
|          | <b>Employee Benefit Expenses</b>   |          |   |   |
|          | Aditya Birla Wellness Private Limited  | D        | 10.67   | 0.05  |
| <b>3</b> | <b>Reimbursements of Costs Paid</b>  |          |   |   |
|          | Aditya Birla Financial Shared Services Ltd (Employee benefit expense)        | D        | 591.09  | 592.73  |
|          | Aditya Birla Financial Shared Services Ltd (Administrative & other expense)  | D        | 1,968.39  | 2,109.63  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Employee benefit expense)            | D        | 12.77   | 3.45  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Rent)                                | D        | 600.08  | 14.77   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Administrative & other expense)      | D        | -   | 2.57  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Other Marketing expense)             | D        | 27.79   | -   |
|          | Aditya Birla Finance Ltd (Employee benefit expense)                          | D        | 17.90   | 4.76  |
|          | Aditya Birla Finance Ltd (Rent)  | D        | 72.10   | 12.19   |
|          | Aditya Birla Finance Ltd (Administrative & other expense)                    | D        | 3.00  | -   |
|          | Aditya Birla Capital Ltd (Employee benefit expense)                          | B        | 2,440.12  | 1,822.96  |
|          | Aditya Birla Capital Ltd (Administrative & other expense)                    | B        | 790.85  | 608.55  |
|          | Aditya Birla Housing Finance Ltd (Rent)                                      | D        | 11.66   | 14.64   |
|          | Aditya Birla Health Insurance Co. Ltd (Rent)                                 | D        | 3.13  | -   |
|          | SLGI Asset Management Inc (Employee benefit expense)                         | C        | -   | 14.19   |
|          | Aditya Birla Sun Life Trustee Pvt Ltd (Employee benefit expense)             | D        | -   | 3.67  |
|          | Aditya Birla Money Ltd (Employee benefit expense)                            | D        | 7.92  | 1.89  |
|          | Aditya Birla Money Ltd (Other Marketing expense)                             | D        | 1.28  | -   |
|          | Aditya Birla Management Corporation Pvt Ltd (Employee benefit expense)       | C        | 60.74   | 4.17  |
|          | Aditya Birla Management Corporation Pvt Ltd (Administrative & other expense) | C        | 9.81  | 2.34  |
| <b>4</b> | <b>Reimbursements of Costs Received</b>                                      |          |   |   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Employee benefit expense)            | D        | 25.92   | 27.22   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Rent)                                | D        | 117.03  | 11.25   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Administrative & other expense)      | D        | 4.56  | 0.21  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Other Marketing expense)             | D        | 18.65   | -   |
|          | Aditya Birla Finance Ltd (Employee benefit expense)                          | D        | 1.49  | 1.07  |
|          | Aditya Birla Finance Ltd (Rent)  | D        | 249.66  | 49.30   |
|          | Aditya Birla Finance Ltd (Administrative & other expense)                    | D        | 4.34  | -   |
|          | Aditya Birla Finance Ltd (Other Marketing expense)                           | D        | 0.28  | -   |
|          | Aditya Birla Health Insurance Co. Ltd (Rent)                                 | D        | 46.15   | 5.99  |
|          | Aditya Birla Health Insurance Co. Ltd (Administrative & other expense)       | D        | 4.56  | 0.42  |
|          | Aditya Birla Health Insurance Co. Ltd (Other Marketing expense)              | D        | 3.46  | -   |
|          | Aditya Birla Management Corporation Pvt Ltd (Employee benefit expense)       | C        | 5.26  | 0.30  |
|          | Aditya Birla Insurance Brokers Ltd (Rent)                                    | D        | 0.06  | 0.43  |
|          | Aditya Birla Housing Finance Ltd (Rent)                                      | D        | 15.70   | 6.16  |
|          | Aditya Birla Housing Finance Ltd (Administrative & other expense)            | D        | 4.34  | -   |
|          | Aditya Birla Money Insurance Advisory Services Ltd (Rent)                    | D        | -   | 2.69  |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Sr. No.   | Particulars   | Category | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
|-----------|---|----------|---|---|
|           | Aditya Birla Money Ltd (Employee benefit expense)                           | D        | -   | 1.89  |
|           | Aditya Birla Money Ltd (Rent)   | D        | 12.60   | 1.43  |
|           | Aditya Birla Money Ltd (Other Marketing expense)                            | D        | 0.05  | -   |
|           | Aditya Birla Financial Shared Services Ltd (Employee benefit expense)       | D        | 26.66   | -   |
|           | Aditya Birla Sun Life AMC Ltd , Dubai (Employee benefit expense)            | F        | 30.31   | 37.76   |
|           | Aditya Birla Sun Life AMC Pte Ltd, Singapore (Employee benefit expense)     | F        | 9.02  | 24.58   |
|           | Aditya Birla Sun Life AMC (Mauritius) Ltd (Employee Benefit Expense)        | F        | 2.28  | 2.21  |
|           | Aditya Birla Sun Life Trustee Pvt Ltd (Employee benefit expense)            | D        | 0.73  | 1.77  |
|           | Aditya Birla Capital Ltd (Administrative & other expense)                   | B        | 4.42  | 0.19  |
|           | Aditya Birla Capital Technology Services Limited (Employee benefit expense) | D        | 2.03  | -   |
|           | Sun Life (India) AMC Investments Inc (Administrative & other expense)       | B        | 55.18   | -   |
| <b>5</b>  | <b>Managerial Remuneration</b>  |          |   |   |
|           | Chief Executive Officer (Note 2)  | G        | 1,137.72  | 1,589.69  |
| <b>6</b>  | <b>Dividend Paid</b>  |          |   |   |
|           | Aditya Birla Capital Ltd  | B        | 15,627.12                                       | 11,664.16                                       |
|           | Sun Life (India) AMC Investments Inc  | B        | 11,402.36                                       | 9,342.53  |
|           | Key Managerial Personnel/Director's   | G        | 2.69  | 1.33  |
| <b>7</b>  | <b>Inter Corporate Deposit (ICD) given</b>                                  |          |   |   |
|           | Aditya Birla ARC Ltd  | D        | 2,500.00  | -   |
| <b>8</b>  | <b>Inter Corporate Deposit (ICD) Repayment Received</b>                     |          |   |   |
|           | Aditya Birla ARC Ltd  | D        | 2,500.00  | -   |
| <b>9</b>  | <b>Director's Sitting Fees</b>  |          |   |   |
|           | Director's Sitting Fees Paid  | G        | 64.25   | 120.25  |
| <b>10</b> | <b>CSR Contribution</b>   |          |   |   |
|           | Aditya Birla Capital Foundation   | C        | 1,589.13  | 651.87  |
| <b>11</b> | <b>Purchase of Fixed Assets</b>   |          |   |   |
|           | Aditya Birla Sun Life Insurance Co. Ltd                                     | D        | 0.44  | -   |
|           | Aditya Birla Management Corporation Pvt Ltd                                 | C        | 2.97  | -   |
|           | Aditya Birla Capital Technology Services Limited                            | D        | 3.55  | -   |
| <b>12</b> | <b>Sale of Fixed Assets</b>   |          |   |   |
|           | Aditya Birla Management Corporation Pvt Ltd                                 | C        | -   | 12.67   |
| <b>13</b> | <b>Software Development (Capitalised)</b>                                   |          |   |   |
|           | Aditya Birla Capital Technology Services Limited                            | D        | -   | 13.26   |
| <b>14</b> | <b>Prepaid Expenses balances</b>  |          |   |   |
|           | Aditya Birla Financial Shared Services Ltd (Loans & Advances)               | D        | 68.81   | 45.88   |
|           | Aditya Birla Capital Technology Services Limited (Loans & Advances)         | D        | 10.44   | 9.49  |
| <b>15</b> | <b>Security Deposit - Received and Refundable</b>                           |          |   |   |
|           | Aditya Birla Health Insurance Co. Ltd                                       | D        | 6.77  | 3.61  |
|           | Aditya Birla Finance Ltd  | D        | 120.00  | -   |
|           | Aditya Birla Housing Finance Ltd  | D        | 2.78  | -   |
|           | Aditya Birla Sun Life Insurance Co Ltd                                      | D        | 30.88   | -   |
|           | Aditya Birla Money Ltd  | D        | 2.33  | -   |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Sr. No.   | Particulars                                   | Category | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
|-----------|---|----------|---|---|
| <b>16</b> | <b>Security Deposit - Paid and Refundable</b> |          |   |   |
|           | Aditya Birla Health Insurance Co. Ltd         | D        | 1.04  | -   |
|           | Aditya Birla Sun Life Insurance Co Ltd        | D        | 34.29   | 77.60   |
| <b>17</b> | <b>Security Deposit - Recovery Payable</b>    |          |   |   |
|           | Aditya Birla Finance Ltd                      | D        | 14.96   | -   |
|           | Aditya Birla Health Insurance Co. Ltd         | D        | 1.19  | -   |
|           | Aditya Birla Sun Life Insurance Co Ltd        | D        | 22.29   | -   |
| <b>18</b> | <b>Security Deposit - Refund Received</b>     |          |   |   |
|           | Grasim Industries Limited                     | A        | 71.32   | -   |

## c) Outstanding balances:

(₹ in Lakh)

| Sr. No.  | Particulars  | Category | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|----------|--|----------|------------------------------------|------------------------------------|
| <b>1</b> | <b>Payable</b>   |          |                                    |                                    |
|          | Aditya Birla Financial Shared Services Ltd (Trade Payable)                 | D        | 322.41                             | 237.59                             |
|          | Aditya Birla Capital Ltd (Trade Payable)                                   | B        | 343.35                             | 253.39                             |
|          | Aditya Birla Housing Finance Ltd (Trade Payable)                           | D        | 0.00                               | 2.89                               |
|          | Grasim Industries Limited (Trade Payable)                                  | A        | 0.00                               | 2.38                               |
|          | Aditya Birla Capital Technology Services Limited (Trade Payable)           | D        | 8.70                               | 35.12                              |
|          | Aditya Birla Management Corporation Pvt Ltd (Trade Payable)                | C        | 3.97                               | 1.36                               |
|          | Aditya Birla Health Insurance Co. Ltd (Security Deposit Received)          | D        | 10.39                              | 3.61                               |
|          | Aditya Birla Sun Life AMC Ltd , Dubai (Trade Payable)                      | F        | 235.46                             | 218.12                             |
|          | Aditya Birla Sun Life Insurance Co Ltd (Trade Payable)                     | D        | 95.55                              | 0.00                               |
|          | Aditya Birla Sun Life Insurance Co Ltd (Security Deposit Received)         | D        | 30.88                              | 0.00                               |
|          | Aditya Birla Sun Life Insurance Co Ltd (Security Deposit Recovery Payable) | D        | 22.29                              | 0.00                               |
|          | Aditya Birla Finance Ltd (Security Deposit Recovery Payable)               | D        | 14.96                              | 0.00                               |
|          | Aditya Birla Finance Ltd (Security Deposit Received)                       | D        | 120.00                             | 0.00                               |
|          | Aditya Birla Housing Finance Ltd (Security Deposit Received)               | D        | 2.78                               | 0.00                               |
|          | Umang Commercial Company Pvt Ltd (Trade Payable)                           | C        | 6.48                               | 0.00                               |
|          | Aditya Birla Money Ltd (Security Deposit Received)                         | D        | 2.33                               | 0.00                               |
|          | Aditya Birla Health Insurance Co. Ltd (Security Deposit Recovery Payable)  | D        | 1.19                               | 0.00                               |
|          | Greenoak India Investment Advisors Pvt Ltd (Trade Payable)                 | C        | 6.75                               | 0.00                               |
| <b>2</b> | <b>Receivable</b>  |          |                                    |                                    |
|          | Aditya Birla Sun Life Insurance Co Ltd (Security Deposit Paid)             | D        | 111.89                             | 77.60                              |
|          | Aditya Birla Finance Ltd (Receivable)                                      | D        | 1.28                               | 40.60                              |
|          | Aditya Birla Money Ltd (Receivables)                                       | D        | 2.70                               | 1.31                               |
|          | Aditya Birla Health Insurance Co. Ltd (Receivables)                        | D        | 13.53                              | 5.90                               |
|          | Aditya Birla Sun Life AMC Pte Ltd, Singapore (Receivables)                 | F        | 116.84                             | 62.82                              |
|          | Aditya Birla Sun Life AMC (Mauritius) Ltd (Receivables)                    | F        | 0.56                               | 0.56                               |
|          | Aditya Birla Sun Life Insurance Co Ltd (Receivables)                       | D        | -                                  | 26.82                              |
|          | Aditya Birla Sun Life Insurance Co Ltd (Deposit Recovery)                  | D        | -                                  | 30.88                              |
|          | Aditya Birla Finance Ltd (Deposit Recovery)                                | D        | -                                  | 120.00                             |
|          | Aditya Birla Housing Finance Ltd (Deposit Recovery)                        | D        | -                                  | 2.78                               |





# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Sr. No. | Particulars   | Category | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---------|---|----------|---------------------------------------|---------------------------------------|
|         | Grasim Industries Limited (Security Deposit Paid)             | A        | -                                     | 71.32                                 |
|         | Aditya Birla Money Ltd (Deposit Recovery)                     | D        | -                                     | 2.33                                  |
|         | Aditya Birla Health Insurance Co. Ltd (Deposit Recovery)      | D        | -                                     | 6.77                                  |
|         | Aditya Birla Insurance Brokers Ltd (Receivables)              | D        | -                                     | 0.39                                  |
|         | Aditya Birla Housing Finance Ltd (Receivables)                | D        | 7.02                                  | -                                     |
|         | Aditya Birla Health Insurance Co. Ltd (Security Deposit Paid) | D        | 1.04                                  | -                                     |
|         | Aditya Birla Wellness Private Limited (Receivables)           | D        | 0.04                                  | -                                     |
|         | Sun Life (India) AMC Investments Inc (Receivables)            | B        | 55.18                                 | -                                     |

Related parties are as identified by the Company and relied upon by the Auditors.

All the above figures are inclusive of GST wherever applicable.

Note 1 — Total Amount paid ₹ 1,996.80 Lakh (Previous Year ₹ 1,702.48 Lakh), out of which ₹ 1,213.77 Lakh (Previous Year ₹ 1,490.90 Lakh) debited to statement of profit and loss during the year and balance amortised.

Note 2 – Managerial Remuneration:

(₹ in Lakh)

| Particulars   | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| 1) Short-term employment benefits                                     |  |  |
| a) Gross Salary   | 618.43   | 927.62   |
| b) Value of perquisites u/s 17(2) Income-tax Act, 1961                | 15.33  | 12.85  |
| 2) Share-based payments by ABCL (Entity having significant influence) | -  | 0.81   |
| 3) Share based payments by the Company                                | 503.97   | 648.41   |
| <b>Total Remuneration</b>   | <b>1,137.73</b>                                    | <b>1,589.69</b>                                    |

Managerial Remuneration also includes Share based payments of ₹ 503.97 (PY: ₹ 648.41 Lakh) included in other Long-Term employment benefits.

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly have not been considered in the above information.

## NOTE: 27 EARNINGS PER SHARE

| Earnings per Share (EPS) is calculated as under:   |     | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|--|-----|---------------------------------------|---------------------------------------|
| Net Profit before Other Comprehensive Income as per Statement of Profit and Loss (₹ in Lakh)       | A   | 59,092.99                             | 66,036.00                             |
| Weighted average number of basic equity shares after split of shares into ₹ 5 each (refer note 15) | B   | 288,000,000                           | 36,000,000                            |
| Bonus shares issued (refer note 15)  | C   | -                                     | 252,000,000                           |
| Number of equity shares considered for computation of Basic EPS (B+C)                              | D   | 288,000,000                           | 288,000,000                           |
| Add: Dilutive impact of Employee stock options   | E   | 768,858                               | 838,100                               |
| Number of equity shares considered for computation of Diluted EPS (D+E)                            | F   | 288,768,858                           | 288,838,100                           |
| Basic Earnings Per Share (₹)   | A/D | 20.52                                 | 22.93                                 |
| Diluted Earnings Per Share (₹)   | A/F | 20.46                                 | 22.86                                 |
| <b>Nominal Value of Shares (₹)</b>   |     | <b>5</b>                              | <b>5</b>                              |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of EPS as per the requirement of Ind AS 33.

## NOTE: 28 SEGMENT INFORMATION

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 - "Operating Segments". The CODM evaluates the Company's performance and allocates resources. The Company's operations predominantly relate to providing asset management services, portfolio management and other advisory services. In the opinion of the CODM and Management, the risks and rewards attached to the business are similar in nature. Hence the separate Segment under Ind AS 108 on "Operating Segments" is not required to be reported as the Company's business is restricted to single Operating Segment i.e., Asset Management Services.

There is only one customer contributing in excess of 10% of the Company's total revenue in the following years:

| Particulars                                    | (₹ in Lakh)  |  |
|--|--|--|
|  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| Revenue from Aditya Birla Sun Life Mutual Fund | 115,630.08   | 121,951.61   |

## NOTE: 29 CORPORATE SOCIAL RESPONSIBILITY

| No. | Particulars  | (₹ in Lakh)   |   |
|-----|--|---|---|
|     |  | As at<br>31 <sup>st</sup> March, 2023   | As at<br>31 <sup>st</sup> March, 2022   |
| 1   | Amount required to be spent by the Company during the year | 1,287.00  | 1,142.84  |
| 2   | Amount of expenditure incurred                             | 1,625.00  | 664.71  |
| 3   | Excess/(Shortfall) at the end of the period                | (139.00)  | (477.00)  |
| 4   | Total of previous years excess/(shortfall)                 | (477.00)  | 1.13  |
| 5   | Reason for shortfall*                                      | Ongoing Projects  | Not Applicable  |
| 6   | Nature of CSR activities                                   | Healthcare,<br>Education<br>and Women<br>Empowerment<br>& Sustainable<br>Livelihood | Healthcare,<br>Education<br>and Women<br>Empowerment<br>& Sustainable<br>Livelihood |
| 7   | Details of Related party transactions                      | Not Applicable  | Not Applicable  |

\*Unspent Amount on these projects as on 31<sup>st</sup> March, 2023 was received by the Company for subsequent transfer to the "Unspent CSR A/c" as per provisions of companies Act 2013. The company has transferred the same to Unspent CSR Account.

## NOTE: 30 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March, 2023.



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 31 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

(₹ in Lakh)

| Particulars                                    | Carrying Amount   |                  |                       | Fair Value        |          |                 |                   |
|--|-------------------|------------------|-----------------------|-------------------|----------|-----------------|-------------------|
|  | FVTPL             | Amortised Cost   | Total Carrying amount | Level 1           | Level 2  | Level 3         | Total Fair Value  |
| <b>As at 31<sup>st</sup> March, 2023</b>       |                   |                  |                       |                   |          |                 |                   |
| <b>Financial Assets</b>                        |                   |                  |                       |                   |          |                 |                   |
| Investments in:                                |                   |                  |                       |                   |          |                 |                   |
| Mutual Funds                                   | 222,312.94        | -                | 222,312.94            | 222,312.94        | -        | -               | 222,312.94        |
| Alternative Investment Funds                   | 2,496.49          | -                | 2,496.49              | 1,327.20          | -        | 1,169.29        | 2,496.49          |
| Debt Securities                                | -                 | 9,352.64         | 9,352.64              | 9,264.39          | -        | -               | 9,264.39          |
| Equity Instruments                             | 1,754.91          | -                | 1,754.91              | -                 | -        | 1,754.91        | 1,754.91          |
| Subsidiaries                                   | -                 | 6,901.99         | 6,901.99              | -                 | -        | -               | -                 |
| Cash and cash equivalents                      | -                 | 649.63           | 649.63                | -                 | -        | -               | -                 |
| Bank balances other than those mentioned above | -                 | 4,917.39         | 4,917.39              | -                 | -        | -               | -                 |
| Trade receivables                              | -                 | 1,952.72         | 1,952.72              | -                 | -        | -               | -                 |
| Other financial assets                         | -                 | 5,942.57         | 5,942.57              | -                 | -        | -               | -                 |
| <b>Total Financial Assets</b>                  | <b>226,564.34</b> | <b>29,716.94</b> | <b>256,281.28</b>     | <b>232,904.53</b> | <b>-</b> | <b>2,924.20</b> | <b>235,828.73</b> |
| <b>Financial Liabilities</b>                   |                   |                  |                       |                   |          |                 |                   |
| Trade Payables                                 | -                 | 4,841.46         | 4,841.46              | -                 | -        | -               | -                 |
| Lease Liabilities                              | -                 | 4,671.75         | 4,671.75              | -                 | -        | -               | -                 |
| Others Financial Liabilities                   | -                 | 4,891.12         | 4,891.12              | -                 | -        | -               | -                 |
| <b>Total Financial Liabilities</b>             | <b>-</b>          | <b>14,404.33</b> | <b>14,404.33</b>      | <b>-</b>          | <b>-</b> | <b>-</b>        | <b>-</b>          |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars                                    | Carrying Amount   |                  |                       | Fair Value        |          |                 |                   |
|--|-------------------|------------------|-----------------------|-------------------|----------|-----------------|-------------------|
|  | FVTPL             | Amortised Cost   | Total Carrying amount | Level 1           | Level 2  | Level 3         | Total Fair Value  |
| <b>As at 31<sup>st</sup> March, 2022</b>       |                   |                  |                       |                   |          |                 |                   |
| <b>Financial Assets</b>                        |                   |                  |                       |                   |          |                 |                   |
| Investments in:                                |                   |                  |                       |                   |          |                 |                   |
| Mutual Funds                                   | 197,186.14        | -                | 197,186.14            | 197,186.14        | -        | -               | 197,186.14        |
| Alternative Investment Funds                   | 1,667.30          | -                | 1,667.30              | 438.69            | -        | 1,228.61        | 1,667.30          |
| Debt Securities                                | 1,006.98          | 10,482.81        | 11,489.79             | 11,752.94         | -        | -               | 11,752.94         |
| Equity Instruments                             | 1,754.91          | -                | 1,754.91              | -                 | -        | 1,754.91        | 1,754.91          |
| Subsidiaries                                   | -                 | 6,901.99         | 6,901.99              | -                 | -        | -               | -                 |
| Cash and cash equivalents                      | -                 | 655.26           | 655.26                | -                 | -        | -               | -                 |
| Bank balances other than those mentioned above | -                 | 3,268.20         | 3,268.20              | -                 | -        | -               | -                 |
| Trade receivables                              | -                 | 1,970.58         | 1,970.58              | -                 | -        | -               | -                 |
| Other financial assets                         | -                 | 1,796.05         | 1,796.05              | -                 | -        | -               | -                 |
| <b>Total Financial Assets</b>                  | <b>201,615.33</b> | <b>25,074.89</b> | <b>226,690.22</b>     | <b>209,377.77</b> | <b>-</b> | <b>2,983.52</b> | <b>212,361.29</b> |
| <b>Financial Liabilities</b>                   |                   |                  |                       |                   |          |                 |                   |
| Trade Payables                                 | -                 | 3,026.68         | 3,026.68              | -                 | -        | -               | -                 |
| Lease Liabilities                              | -                 | 5,341.57         | 5,341.57              | -                 | -        | -               | -                 |
| Others Financial Liabilities                   | -                 | 6,307.64         | 6,307.64              | -                 | -        | -               | -                 |
| <b>Total Financial Liabilities</b>             | <b>-</b>          | <b>14,675.86</b> | <b>14,675.86</b>      | <b>-</b>          | <b>-</b> | <b>-</b>        | <b>-</b>          |

The management assessed that cash and cash equivalents, trade receivables, other financial assets, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

Valuation techniques used to determine fair value: -

- **Mutual Funds:** - Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed
- **Alternative Investment Funds:** - Net Asset Value (NAV) provided by issuer fund which is arrived at based on valuation from independent valuer for unlisted portfolio companies, quoted price of listed portfolio companies and price of recent investments
- **Debt Securities:** - Fair value of debt securities which are actively traded bonds, is derived on the basis of quoted price available on the National Stock Exchange
- **Equity Instruments:** - Discounted cash flow based on present value of the expected future economic benefit

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies (including unlisted portfolio companies of venture capital funds and alternative investment funds) on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Fair value reconciliation for Level 3 instruments:

The following table shows reconciliation from opening to closing balances for Level 3 assets:

|  |                 |
|--|-----------------|
| <b>Balance as at 01<sup>st</sup> April, 2021</b> | <b>1,068.60</b> |
| Net gain/ (loss) recognised in Profit & Loss     | 3.50            |
| Purchases of financial instrument                | 2309.53         |
| Sales of financial instruments                   | (398.11)        |
| <b>Balance as at 31<sup>st</sup> March, 2022</b> | <b>2,983.52</b> |
| Net gain/ (loss) recognised in Profit & Loss     | (28.00)         |
| Purchases of financial instrument                | -               |
| Sales of financial instruments                   | (31.32)         |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>2,924.20</b> |

## NOTE: 32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual fund units, debt and equity instruments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by Risk Management Committee and the auditors have relied on the same. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### A. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

#### (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The sensitivity of the portfolio towards the interest rate is mentioned in the table below

##### Sensitivity

The following table demonstrates the sensitivity to:

- Interest Rate Risk is basis impact on debt portfolios for 1% change in interest rates.
- Hybrid funds considered at 100% as a conservative basis for assessing interest rate impact on portfolio. (which form approximately 1% of the entire portfolio of schemes).

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Impact on profit and loss:

| Risk  | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Interest Rate Risk – (Impact of 1% increase in interest rate) | 2.01%                                 | 1.64%                                 |
| Effect on Profit and Loss                                     | (3,702.55)                            | (2,774.86)                            |
| Interest Rate Risk – (Impact of 1% decrease in interest rate) | 2.01%                                 | 1.64%                                 |
| Effect on Profit and Loss                                     | 3,702.55                              | 2,774.86                              |

## (ii) Foreign Currency Risk

The Company has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

## (iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, caused by factors specific to an individual investment, its issuer and market.

The Company's exposure to price risk arises from investments in Units of mutual funds, alternative investment funds, etc which are classified as financial asset at Fair Value through Profit and Loss and is as follows:

| Particulars                       | (₹ in Lakh)                           |                                       |
|-----------------------------------|---------------------------------------|---------------------------------------|
|                                   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Investment exposure to price risk | 224,809.43                            | 198,853.44                            |

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices/ market value by 5%:

| Particulars               | (₹ in Lakh)  |  |
|---------------------------|--|--|
|                           | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| Effect on Profit and Loss |  |  |
| 5% increase in prices     | 11,240.47  | 9,942.67   |
| 5% decrease in prices     | (11,240.47)  | (9,942.67)   |

## B. Credit Risk

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's has clearly defined policies to mitigate counterparty risks. Cash and liquid investments are held primarily in mutual funds and banks with good credit ratings. Defined limits are in place for exposure to individual counterparties in case of mutual fund houses and banks.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Company has major receivable from mutual fund schemes.



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Trade Receivables ageing:

(₹ in Lakh)

| Trade Receivables            | Neither past due nor impaired | Past dues but not impaired |               |               |                |            | Total    |
|------------------------------|-------------------------------|----------------------------|---------------|---------------|----------------|------------|----------|
|                              |                               | <30days                    | 30 to 60 days | 61 to 90 days | 91 to 120 days | > 120 days |          |
| 31 <sup>st</sup> March, 2023 | 1,952.72                      | -                          | -             | -             | -              | -          | 1,952.72 |
| 31 <sup>st</sup> March, 2022 | 1,970.58                      | -                          | -             | -             | -              | -          | 1,970.58 |

The carrying amounts of following financial assets represent the maximum credit risk exposure:

(₹ in Lakh)

| Particulars                                       | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Trade Receivables                                 | 1,952.72                     | 1,970.58                     |
| Cash and cash equivalents                         | 649.63                       | 655.26                       |
| Bank balances other than those mentioned above    | 4,917.39                     | 3,268.20                     |
| Other financial assets measured at amortised cost | 15,295.21                    | 12,278.86                    |

## Expected Credit Loss on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. The company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive).

The Company has three types of financial assets that are subject to the expected credit loss:

- Cash and cash equivalent
- Trade and other receivables
- Investment in debt securities measured at amortised cost

## Trade and Other Receivables:-

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Cash and Cash Equivalents:-

The Company holds cash and cash equivalents and other bank balances as per note 3 and 4. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

## Investment in Debt Securities measured at amortised cost:-

Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

## C. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

## Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

|  | (₹ in Lakh)      |                 |                  |
|--|------------------|-----------------|------------------|
|  | Within 12 months | After 12 months | Total            |
| <b>As at 31<sup>st</sup> March, 2023</b> |                  |                 |                  |
| Trade Payables                           | 4,841.46         | -               | 4,841.46         |
| Employee Dues                            | 4,721.59         | -               | 4,721.59         |
| Payable for Capital Expenditure          | 3.16             | -               | 3.16             |
| Deposits from Related parties            | -                | 166.37          | 166.37           |
| Lease Liabilities                        | 1,231.70         | 4,278.48        | 5,510.18         |
|  | <b>10,797.91</b> | <b>4,444.86</b> | <b>15,242.77</b> |

|  | (₹ in Lakh)      |                 |                  |
|--|------------------|-----------------|------------------|
|  | Within 12 months | After 12 months | Total            |
| <b>As at 31<sup>st</sup> March, 2022</b> |                  |                 |                  |
| Trade Payables                           | 3,026.65         | -               | 3,026.65         |
| Employee Dues                            | 6,129.00         | -               | 6,129.00         |
| Payable for Capital Expenditure          | 12.27            | -               | 12.27            |
| Deposits from Related parties            | -                | 166.37          | 166.37           |
| Lease Liabilities                        | 1,947.73         | 4,424.67        | 6,372.40         |
|  | <b>11,115.65</b> | <b>4,591.04</b> | <b>15,706.69</b> |





# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 33 LEASES

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March, 2023:

| Particulars                                      | (₹ in Lakh) |   |
|--|-------------|---|
|  |             | Category of ROU Asset<br>Leasehold premises |
| Balance as at 01 <sup>st</sup> April, 2022       |             | 4,758.62                                    |
| Add: New Lease Agreements                        |             | 1,575.44                                    |
| Less: Deletion                                   |             | (395.07)                                    |
| Less: Depreciation                               |             | (1,800.39)                                  |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> |             | <b>4,138.62</b>                             |

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March, 2022:

| Particulars                                      | (₹ in Lakh) |   |
|--|-------------|---|
|  |             | Category of ROU Asset<br>Leasehold premises |
| Balance as at 01 <sup>st</sup> April, 2021       |             | 5,066.50                                    |
| Add: New Lease Agreements                        |             | 2,381.63                                    |
| Less: Deletion                                   |             | (784.53)                                    |
| Less: Depreciation                               |             | (1,904.98)                                  |
| <b>Balance as at 31<sup>st</sup> March, 2022</b> |             | <b>4,758.62</b>                             |

## Amounts recognised in statement of profit and loss

| Particulars                                   | (₹ in Lakh)  |  |
|---|--|--|
|   | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| <b>Depreciation and Amortisation Expenses</b> |  |  |
| Depreciation expense on right-of-use assets   | 1,800.39   | 1,904.98   |
| <b>Finance Cost</b>                           |  |  |
| Interest expense on lease liabilities         | 385.34   | 482.30   |
| <b>Other Income</b>                           |  |  |
| Rent concession                               | (117.43)   | (265.16)   |
| Other Expense                                 |  |  |
| Expense relating to short-term leases         | 318.52   | 46.06  |

The following is the break-up of current and non-current lease liabilities:

| Particulars                   | (₹ in Lakh)                           |                                       |
|-------------------------------|---------------------------------------|---------------------------------------|
|                               | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Current Lease Liabilities     | 1,192.95                              | 1,957.63                              |
| Non-Current Lease Liabilities | 3,478.80                              | 3,383.94                              |
| <b>Total</b>                  | <b>4,671.75</b>                       | <b>5,341.57</b>                       |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March, 2023:

| (₹ in Lakh)                                      |                 |
|--|-----------------|
| Particulars                                      | Amount          |
| Balance as at 01 <sup>st</sup> April, 2022       | 5,341.57        |
| Additions  | 1,575.44        |
| Deletions  | (508.97)        |
| Finance Cost accrued during the year             | 385.34          |
| Payment of Lease Liabilities                     | (2,118.10)      |
| Rent concession                                  | (3.53)          |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>4,671.75</b> |

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March, 2022:

| (₹ in Lakh)                                      |                 |
|--|-----------------|
| Particulars                                      | Amount          |
| Balance as at 01 <sup>st</sup> April, 2021       | 5,845.61        |
| Additions  | 2,381.63        |
| Deletions  | (986.93)        |
| Finance Cost accrued during the year             | 482.30          |
| Payment of Lease Liabilities                     | (2,318.28)      |
| Rent concession                                  | (62.76)         |
| <b>Balance as at 31<sup>st</sup> March, 2022</b> | <b>5,341.57</b> |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| (₹ in Lakh)          |  |  |
|----------------------|--|--|
| Particulars          | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| Less than one year   | 1,231.70   | 1,947.73   |
| One to Five years    | 3,286.70   | 3,137.49   |
| More than Five years | 991.78   | 1,287.18   |
| <b>Total</b>         | <b>5,510.18</b>                                    | <b>6,372.40</b>                                    |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

All the future cash flows to which the lease is potentially exposed are reflected in the measurement of lease liabilities.

## Critical accounting judgements and key sources of estimation uncertainty

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

## NOTE: 34 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Assets/Liabilities                  | 31 <sup>st</sup> March, 2023 |                   |                   | 31 <sup>st</sup> March, 2022 |                  |                   |
|-------------------------------------|------------------------------|-------------------|-------------------|------------------------------|------------------|-------------------|
|                                     | Within 12 months             | After 12 months   | Total             | Within 12 months             | After 12 months  | Total             |
| <b>Financial Assets</b>             |                              |                   |                   |                              |                  |                   |
| Cash and cash equivalents           | 649.63                       | -                 | 649.63            | 655.26                       | -                | 655.26            |
| Other bank balances                 | 4,917.39                     | -                 | 4,917.39          | 3,268.20                     | -                | 3,268.20          |
| Trade receivables                   | 1,952.72                     | -                 | 1,952.72          | 1,970.58                     | -                | 1,970.58          |
| Investments                         | 152,685.31                   | 90,133.66         | 242,818.97        | 136,297.64                   | 82,702.49        | 219,000.13        |
| Other Financial Assets              | 4,531.92                     | 1,410.66          | 5,942.57          | 241.77                       | 1,554.28         | 1,796.05          |
| <b>Non-Financial Assets</b>         |                              |                   |                   |                              |                  |                   |
| Current tax assets (net)            | -                            | 4,198.19          | 4,198.19          | -                            | 3,925.82         | 3,925.82          |
| Property, Plant and Equipment       | -                            | 1,857.07          | 1,857.07          | -                            | 1,349.33         | 1,349.33          |
| Right of use Assets                 | -                            | 4,138.62          | 4,138.62          | -                            | 4,758.62         | 4,758.62          |
| Capital work-in-progress            | -                            | 104.79            | 104.79            | -                            | 153.18           | 153.18            |
| Intangible assets under development | -                            | 103.22            | 103.22            | -                            | 138.71           | 138.71            |
| Other Intangible Assets             | -                            | 877.44            | 877.44            | -                            | 980.99           | 980.99            |
| Other Non-Financial Assets          | 6,470.97                     | 3,632.45          | 10,103.41         | 5,225.89                     | 208.21           | 5,434.10          |
| <b>Total Assets</b>                 | <b>171,207.93</b>            | <b>106,456.09</b> | <b>277,664.02</b> | <b>147,659.34</b>            | <b>95,771.63</b> | <b>243,430.97</b> |
| <b>Financial Liabilities</b>        |                              |                   |                   |                              |                  |                   |
| Trade Payables                      | 4,841.46                     | -                 | 4,841.46          | 3,026.65                     | -                | 3,026.65          |
| Lease Liabilities                   | 1,192.95                     | 3,478.80          | 4,671.75          | 1,957.63                     | 3,383.94         | 5,341.57          |
| Other Financial Liabilities         | 4,891.12                     | -                 | 4,891.12          | 6,141.27                     | 166.37           | 6,307.64          |
| <b>Non-Financial Liabilities</b>    |                              |                   |                   |                              |                  |                   |
| Current tax liabilities (net)       | 1,067.62                     | -                 | 1,067.62          | -                            | -                | -                 |
| Provisions                          | 3,824.37                     | 245.42            | 4,069.79          | 131.64                       | 3,569.00         | 3,700.64          |
| Deferred tax liabilities (net)      | -                            | 3,475.37          | 3,475.37          | -                            | 2,519.26         | 2,519.26          |
| Other non-financial liabilities     | 3,751.50                     | -                 | 3,751.50          | 2,473.82                     | -                | 2,473.82          |
| <b>Total Liabilities</b>            | <b>19,569.02</b>             | <b>7,199.59</b>   | <b>26,768.61</b>  | <b>13,731.01</b>             | <b>9,638.57</b>  | <b>23,369.58</b>  |

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 35 EMPLOYEE STOCK OPTIONS SCHEME

At the Board Meeting held on 14<sup>th</sup> April, 2021 the Company approved the grant of not more than 4,608,000 Equity Shares by way of grant of Stock Options and restricted Stock Units (“RSUs”). Out of these, the Nomination, Remuneration and Compensation Committee has granted 3,232,899 ESOPs, 508,117 PRSU, 196,374 Long-Term RSU & 246,863 RSU Founder under the Scheme titled “Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021” in 4 categories of Long-Term Incentive Plans (“LTIP”) identified as LTIP 1, LTIP 2, LTIP 3 & LTIP 4 respectively. The Scheme allows the Grant of Stock options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share. There are no cash settlement alternatives. The Group accounts for the employees stock option scheme as an equity-settled plan.

| Category of ESOPs   | LTIP 1   | LTIP 2  | LTIP 3                                 | LTIP 4                                 |
|---|--|---|--|--|
| Type of ESOP  | ESOP   | RSU   | RSU                                    | RSU                                    |
| Plan Period   | 2021-2025  | 2021-2025   | 2021-2024                              | 2021-2023                              |
| Quantum of Grant  | 3,232,899  | 508,117   | 196,374                                | 246,863                                |
| Method of Accounting  | Fair Value of options at Grant date  | Fair Value of options at Grant date   | Fair Value of options at Grant date    | Fair Value of options at Grant date    |
| Vesting Period  | End of Year 1: 20% of options granted<br>End of Year 2: 20% of options granted<br>End of Year 3: 30% of options granted<br>End of Year 4: 30% of options granted | End of Year 3: 50% of options granted<br>End of Year 4: 50% of options granted              | End of Year 3: 100% of options granted | End of Year 2: 100% of options granted |
| Vesting Conditions  | Employees of the Group: Achievement of 75% of Annual Planning & Budgeting Profit Before Tax  | Employees of the Group: Achievement of 80% of Annual Planning & Budgeting Profit Before Tax | Continued employment                   | Continued employment                   |
| Exercise Period   | 5 years from the date of vesting   | 5 years from the date of vesting  | 5 years from the date of vesting       | 5 years from the date of vesting       |
| Grant Date  | 12/04/2021   | 12/04/2021  | 12/04/2021                             | 12/04/2021                             |
| Exercise Price as on Grant date (per share)                                     | 694.00   | 5.00  | 5.00                                   | 5.00                                   |
| Value of Equity Shares as at the Date of Grant of Original Option (₹ Per Share) | 671.50   | 671.50  | 671.50                                 | 671.50                                 |

There were no cancellations or modifications to the Employee Stock Options Scheme in year ending 31<sup>st</sup> March, 2023.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

| Category of ESOPs  | LTIP 1     | LTIP 2     | LTIP 3     | LTIP 4     |
|--|------------|------------|------------|------------|
| Type of ESOP   | ESOP       | RSU        | RSU        | RSU        |
| Options/RSUs Outstanding at the beginning of the period  | 3,053,631  | 479,942    | 191,557    | 200,432    |
| Granted during the period  | Nil        | Nil        | Nil        | Nil        |
| Exercised during the period  | Nil        | Nil        | Nil        | Nil        |
| Forfeited during the period  | 351,115    | 55,186     | 17,220     | 27,281     |
| Options/RSUs Outstanding at the end of the period  | 2,702,516  | 424,756    | 174,337    | 173,151    |
| Options/RSUs Vested/Exercisable at the end of the period   | Nil        | Nil        | Nil        | Nil        |
| The weighted average remaining contractual life for the share options outstanding as at 31 <sup>st</sup> March, 2023 | 1.16 years | 1.53 years | 1.03 years | 0.03 years |



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

Since all the options were granted/lapsed, at the same exercise price per option under the respective category of ESOPs, the weighted average exercise price per option for all these line items under the respective category of ESOPs is the same.

## Movements during the year ended 31<sup>st</sup> March, 2022

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

| Category of ESOPs  | LTIP 1     | LTIP 2     | LTIP 3     | LTIP 4     |
|--|------------|------------|------------|------------|
| Type of ESOP   | ESOP       | RSU        | RSU        | RSU        |
| Options/RSUs Outstanding at the beginning of the period  | Nil        | Nil        | Nil        | Nil        |
| Granted during the period  | 3,232,899  | 508,117    | 196,374    | 246,863    |
| Exercised during the period  | Nil        | Nil        | Nil        | Nil        |
| Forfeited during the period  | 179,268    | 28,175     | 4,817      | 46,431     |
| Options/RSUs Outstanding at the end of the period  | 3,053,631  | 479,942    | 191,557    | 200,432    |
| Options/RSUs Vested/Exercisable at the end of the period   | Nil        | Nil        | Nil        | Nil        |
| The weighted average remaining contractual life for the share options outstanding as at 31 <sup>st</sup> March, 2022 | 1.73 years | 2.53 years | 2.03 years | 1.03 years |

Since all the options were granted/lapsed, at the same exercise price per option under the respective category of ESOPs, the weighted average exercise price per option for all these line items under the respective category of ESOPs is the same.

## Fair valuation

The fair value at grant date is independently determined by valuer using Black-Scholes Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and historical volatility of the Peer companies and Index, the expected dividend yield and the risk-free interest rate for the term of the option.

The key inputs and the Fair Value for options granted during the year ended 31<sup>st</sup> March, 2023 are as follow:

| Category of ESOPs   | LTIP 1         | LTIP 2           | LTIP 3  | LTIP 4  |
|---|----------------|------------------|---------|---------|
| Type of ESOP  | ESOP           | RSU              | RSU     | RSU     |
| Risk-Free Interest Rate (%)   | 5.4 to 6.4%    | 6.3 to 6.4%      | 6.3%    | 5.7%    |
| Option Life (Years)   | 3.5 to 6.5 Yrs | 5.5 to 6.5 Yrs   | 5.5 Yrs | 4.5 Yrs |
| Historical Volatility   | 32.0% to 34.0% | 32.0% to 34.0%   | 32.4%   | 32.7%   |
| Expected Dividend Yield (%)   | 1.4%           | 1.4%             | 1.4%    | 1.4%    |
| Weighted-Average Fair Value per Option as on 12 <sup>th</sup> April, 2021 (₹) | 186 to 258.40  | 610.60 to 618.90 | 618.90  | 627.20  |

Apart from stock options granted as above, the Nomination, Remuneration and Compensation Committee has granted 645,337 ESOPs & 13,192 PRSU under the Scheme titled "Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021" in 2 categories of Long-Term Incentive Plans ("LTIP") identified as LTIP 1 & LTIP 2 respectively. The Scheme allows the Grant of Stock options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share. There are no cash settlement alternatives. The Group accounts for the employees stock option scheme as an equity-settled plan.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

| Category of ESOPs   | LTIP 1  | LTIP 2  |
|---|---|---|
| Type of ESOP  | ESOP  | RSU   |
| Plan Period   | 2023-2026   | 2025-2026   |
| Quantum of Grant  | 645,337   | 13,192  |
| Method of Accounting  | Fair Value of options at Grant date   | Fair Value of options at Grant date   |
| Vesting Period  | *End of Year 1: 20% of options granted<br>End of Year 2: 20% of options granted<br>End of Year 3: 30% of options granted<br>End of Year 4: 30% of options granted   | End of Year 3: 50% of options granted<br>End of Year 4: 50% of options granted  |
| Vesting Conditions  | Employees of the Group: Achievement of 75% of Annual Planning & Budgeting Profit Before Tax<br>75% of AUM managed by the individual to be in Q1 for any two periods (i.e. 1 year, 2 years, 3 years) and in Q2 in the remaining period<br>AUM is not negatively impacted by more than 20% vis-à-vis previous financial year<br>Individual Performance rating of Delivered Full Performance or above for the year | Employees of the Group: Achievement of 80% of Annual Planning & Budgeting Profit Before Tax and relative performance as decided by Board (66%: 33%) |
| Exercise Period   | 5 years from the date of vesting  | 5 years from the date of vesting  |
| Grant Date  | 20/10/2022  | 20/10/2022  |
| Exercise Price as on Grant date (per share)                                     | 435.10  | 5.00  |
| Value of Equity Shares as at the Date of Grant of Original Option (₹ Per Share) | 435.10  | 435.10  |

\*There is one employee whose terms are different from the above in the ratio of 30%:30%:40%

## Movements during the year ended 31<sup>st</sup> March, 2023

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

| Category of ESOPs  | LTIP 1     | LTIP 2     |
|--|------------|------------|
| Type of ESOP   | ESOP       | RSU        |
| Options/RSUs Outstanding at the beginning of the period  | Nil        | Nil        |
| Granted during the period  | 645,337    | 13,192     |
| Exercised during the period  | Nil        | Nil        |
| Forfeited during the period  | 122,807    | Nil        |
| Options/RSUs Outstanding at the end of the period  | 522,530    | 13,192     |
| Options/RSUs Vested/Exercisable at the end of the period   | Nil        | Nil        |
| The weighted average remaining contractual life for the share options outstanding as at 31 <sup>st</sup> March, 2023 | 2.26 years | 3.06 years |

## Fair Valuation

The fair value at grant date is independently determined by valuer using Black-Scholes Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and historical volatility of the Peer companies and Index, the expected dividend yield and the risk-free interest rate for the term of the option.



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

The key inputs and the Fair Value for options granted during the year ended 31<sup>st</sup> March, 2023 are as follow:

| Category of ESOPs   | LTIP 1            | LTIP 2           |
|---|-------------------|------------------|
| Type of ESOP  | ESOP              | RSU              |
| Risk-Free Interest Rate (%)   | 7.4 to 7.5%       | 7.6%             |
| Option Life (Years)   | 3.5 to 4.5 years  | 5.5 to 6.5 years |
| Historical Volatility   | 29.1% to 31.8%    | 29.1% to 31.8%   |
| Expected Dividend Yield (%)   | 2.0%              | 2.0%             |
| Weighted-Average Fair Value per Option as on 20 <sup>th</sup> October, 2022 (₹) | 125.70 to 161.500 | 385.40 to 377.80 |

## NOTE: 36

The Company had completed its Initial Public Offering (IPO) of 38,880,000 equity shares of face value of ₹ 5/- each for cash at an issue price of ₹ 712/- per equity share aggregating to ₹ 276,825.60 Lakh, consisting of an offer for sale of 38,880,000 equity shares aggregating to ₹ 276,825.60 Lakh by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 11<sup>th</sup> October, 2021.

## NOTE: 37

### a) Struck-off companies:

The details of transactions with struck off companies are as follows:

#### For year ended 31<sup>st</sup> March, 2023

The Company do not have any transactions with struck off Companies.

#### For year ended 31<sup>st</sup> March, 2022

| Name of struck off Company      | Nature of transactions with struck-off Company | Balance outstanding |
|---------------------------------|--|---------------------|
| Murlidhar Press Private Limited | Marketing & Selling                            | Nil                 |

### b) Ratios:

| Particulars  | (₹ in Lakh) |             |                              |            |             |                              |
|--|-------------|-------------|------------------------------|------------|-------------|------------------------------|
|  | Numerator   | Denominator | 31 <sup>st</sup> March, 2023 | Numerator  | Denominator | 31 <sup>st</sup> March, 2022 |
| (a) Capital to risk-weighted assets ratio (CRAR)* - - - -  | -           | -           | -                            | -          | -           | -                            |
| (b) Tier I CRAR* - - - -   | -           | -           | -                            | -          | -           | -                            |
| (c) Tier II CRAR * - - - -   | -           | -           | -                            | -          | -           | -                            |
| (d) Liquidity Coverage Ratio (no. of times) [Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)] | 164,736.97  | 19,569.03   | 8.42                         | 142,433.45 | 13,731.01   | 10.37                        |

\*Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

## NOTE: 38

With regard to the new amendments under “Division III of Schedule III” under “Part I – Balance Sheet - General Instructions for preparation of Balance Sheet” there are no balances that are required to be disclosed or there are no ratios which are applicable/calculable with regard to the following clauses WA, WB (i),(ii),(iii),(iv),(v),(viii),(ix),(x),(xii),(xiii),(xv) and (xvi) for the Company.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 39

With regard to the new amendments under “Division III of Schedule III” under “Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss” there are no transactions that are required to be disclosed with regard to the following clauses 11(v) and 11(vii) for the Company.

## NOTE: 40 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have proposed a final dividend of ₹ 5.25 per equity share (face value of ₹ 5 each) for the year ended 31<sup>st</sup> March, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting. Please refer note 16 for details.

## NOTE: 41 PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578  
**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477





# Independent Auditors' Report

To,  
The Members of  
**Aditya Birla Sun Life AMC Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated financial statements of Aditya Birla Sun Life AMC Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the consolidated Balance Sheet as at 31<sup>st</sup> March, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2023, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our

responsibilities under those Standards are further described in the ‘Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Independent Auditors' Report (Contd.)

| Key audit matters   | How our audit addressed the key audit matter  |
|---|---|
| <b>Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services</b> (as described in Note 2(xv) of the consolidated financial statements)   |   |
| <p>Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of:</p> <ul style="list-style-type: none"><li>- Asset Management and Advisory Fees amounting to ₹ 118,200.57 Lakh.</li><li>- Management Fees from Portfolio Management and Other Services amounting to ₹ 4,459.98 Lakh.</li></ul> <p>The Asset Management and Advisory Fees is based on certain percentage of the applicable daily Assets Under Management ('AUM') in accordance with guidelines prescribed under SEBI (Mutual Fund) Regulations, 1996 as amended from time to time. There are inherent risks in computing such revenue streams including computation of applicable AUM and manual input of key contractual terms, which could result in errors. Considering the complexity in contractual terms involving multiple schemes, it requires monitoring to ensure completeness.</p> <p>Accordingly, we have considered revenue from asset management and advisory fees and management fees from portfolio management and other services as a key audit matter. Any discrepancy in such computation could give rise to a material misstatement in the financial statements.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Obtained and read the accounting policy for revenue recognition.</li><li>• Obtained an understanding of the significant revenue items and identified where there is a higher risk of error due to manual processes, complex contractual terms, and areas of judgement.</li><li>• Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees.</li><li>• Obtained and assessed independent assurance reports for the relevant controls at the third-party administrators.</li><li>• Obtained and read the investment management fee report, issued by statutory auditors of mutual fund schemes and reconciled the certified amounts with the accounting records of the Company.</li><li>• On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records.</li><li>• On sample basis, verified the input of contractual terms with rates approved by the management.</li><li>• On a sample basis, checked the receipts of such income in bank statements.</li><li>• Re-calculated Portfolio Management Services Fees in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts.</li><li>• Evaluated the disclosure relating to management fee income earned by the Company.</li></ul> |

### Other information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply

with the relevant applicable requirements of the standard on auditing for auditors' responsibility in relation to other information in documents containing audited consolidated financial statements. We have nothing to report in this regard.

### Responsibilities of management for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective company(ies)



and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective company(ies) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

### **Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

## Independent Auditors' Report (Contd.)

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other matter

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of ₹ 8,403.69 Lakh as at 31<sup>st</sup> March, 2023, and total revenues of ₹ 4,052.89 Lakh and net cash outflows of ₹ 3,542.57 Lakh for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditors' reports have been furnished to us by the management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared

in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained



for the purpose of preparation of the consolidated financial statements;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on 31<sup>st</sup> 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 consolidated financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report. This report does not include Report on the internal financial controls under clause (i) of sub-Section 3 of Section 143 of the Companies Act, 2013 (the ‘Report on internal financial controls’) for the subsidiary companies, since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the subsidiary companies, basis the exemption available to the companies under MCA notification no. G.S.R. 583(E) dated 13<sup>th</sup> June, 2017, read with corrigendum dated 13<sup>th</sup> July, 2017 on reporting on internal financial controls with reference to consolidated financial statements;
- (g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2023 has been paid / provided by the Holding Company to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the 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 and based on the consideration of the report of

the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the ‘Other matter’ paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 24 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31<sup>st</sup> March, 2023;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31<sup>st</sup> March, 2023.
- iv. a) The management of the Holding Company have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management of the Holding Company have represented to us that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons

## Independent Auditors' Report (Contd.)

or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  
- v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company is in accordance with Section 123 of the Act.

As stated in note 42 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. 01<sup>st</sup> April, 2023 for the Holding Company, hence reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 23123596BGXLPT5973

Place of Signature: Mumbai

Date: 27<sup>th</sup> April, 2023



# Annexure - 1

Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

**Re: Aditya Birla Sun Life AMC Limited (hereinafter referred to as ‘the Holding Company’)**

Based on the audit reports of the subsidiary companies, which are incorporated outside India, we noted that reporting Companies (Auditors’ Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable to the subsidiary companies. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 23123596BGXLPT5973

Place of Signature: Mumbai

Date: 27<sup>th</sup> April, 2023

# Annexure - 2

To the Independent Auditors' Report of even date on the Consolidated Financial Statements of Aditya Birla Sun Life AMC Limited

## REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of Aditya Birla Sun Life AMC Limited as of and for the year ended 31<sup>st</sup> March, 2023, we have audited the internal financial controls over financial reporting of Aditya Birla Sun Life AMC Limited (hereinafter referred to as the "Holding Company").

### Management's responsibility for internal financial controls

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

### Auditors' responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of internal financial controls over financial reporting with reference to consolidated financial statements

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





### Inherent limitations of internal financial controls over financial reporting with reference to consolidated financial statements

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

### Opinion

In our opinion, the Holding Company, has maintained in all material respects, adequate internal financial controls over

financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting with reference to consolidated financial statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Rutushtra Patell**

Partner

Membership Number: 123596

UDIN: 23123596BGXLPT5973

Place of Signature: Mumbai

Date: 27<sup>th</sup> April, 2023

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars   | Note  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---|-------|---------------------------------------|---------------------------------------|
| <b>I ASSETS</b>   |       |                                       |                                       |
| <b>(1) Financial Assets</b>   |       |                                       |                                       |
| (a) Cash and cash equivalents   | 3     | 3,360.86                              | 6,524.73                              |
| (b) Bank balances other than (a) above  | 4     | 9,302.58                              | 3,268.20                              |
| (c) Receivables   |       |                                       |                                       |
| (i) Trade receivables   | 5     | 2,453.06                              | 2,615.94                              |
| (d) Loans   | 6     | -                                     | 1.00                                  |
| (e) Investments   | 7     | 235,916.98                            | 212,098.14                            |
| (f) Other Financial Assets  | 8     | 5,976.46                              | 1,827.07                              |
| <b>Total Financial Assets</b>   |       | <b>257,009.94</b>                     | <b>226,335.08</b>                     |
| <b>(2) Non-Financial Assets</b>   |       |                                       |                                       |
| (a) Current tax assets (net)  |       | 4,198.21                              | 3,925.82                              |
| (b) Property, Plant and Equipment   | 9.1   | 1,874.21                              | 1,371.43                              |
| (c) Right of use Assets   | 35    | 4,269.97                              | 4,854.12                              |
| (d) Capital work-in-progress  | 9.1   | 104.79                                | 153.18                                |
| (e) Intangible assets under development   | 9.2   | 103.22                                | 138.71                                |
| (f) Other Intangible Assets   | 9.2   | 877.44                                | 981.85                                |
| (g) Other Non-Financial Assets  | 10    | 10,375.10                             | 5,714.15                              |
| <b>Total Non-Financial Assets</b>   |       | <b>21,802.94</b>                      | <b>17,139.26</b>                      |
| <b>Total Assets</b>   |       | <b>278,812.88</b>                     | <b>243,474.34</b>                     |
| <b>II LIABILITIES AND EQUITY</b>  |       |                                       |                                       |
| <b>LIABILITIES</b>  |       |                                       |                                       |
| <b>(1) Financial Liabilities</b>  |       |                                       |                                       |
| (a) Payables  |       |                                       |                                       |
| (i) Trade Payables  |       |                                       |                                       |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 11    | 18.65                                 | 9.25                                  |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 11    | 4,800.78                              | 3,031.53                              |
| (b) Lease Liabilities   | 35    | 4,803.49                              | 5,436.80                              |
| (c) Other Financial Liabilities   | 12    | 5,058.11                              | 6,594.81                              |
| <b>Total Financial Liabilities</b>  |       | <b>14,681.03</b>                      | <b>15,072.39</b>                      |
| <b>(2) Non-Financial Liabilities</b>  |       |                                       |                                       |
| (a) Current tax liabilities (net)   |       | 1,067.62                              | 1.41                                  |
| (b) Provisions  | 13    | 4,119.96                              | 3,745.15                              |
| (c) Deferred tax liabilities (net)  | 14    | 3,475.37                              | 2,519.26                              |
| (d) Other non-financial liabilities   | 15    | 3,769.99                              | 2,490.56                              |
| <b>Total Non-Financial Liabilities</b>  |       | <b>12,432.94</b>                      | <b>8,756.38</b>                       |
| <b>(3) Equity</b>   |       |                                       |                                       |
| (a) Equity Share capital  | 16    | 14,400.00                             | 14,400.00                             |
| (b) Other Equity  | 17    | 237,298.91                            | 205,245.57                            |
| Equity attributable to equity holders of the parent   |       | 251,698.91                            | 219,645.57                            |
| Non-Controlling Interests   |       | -                                     | -                                     |
| <b>Total Equity</b>   |       | <b>251,698.91</b>                     | <b>219,645.57</b>                     |
| <b>Total Liabilities and Equity</b>   |       | <b>278,812.88</b>                     | <b>243,474.34</b>                     |
| Contingent Liabilities & Commitments  | 24    |                                       |                                       |
| Corporate Information and Significant Accounting Policies                                   | 1 & 2 |                                       |                                       |
| The accompanying Notes are an integral part of the Financial Statements.                    | 24-43 |                                       |                                       |

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477



# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars   | Note  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|---|-------|--|--|
| <b>INCOME</b>   |       |  |  |
| <b>Revenue from Operations</b>  |       |  |  |
| Fees and Commission income  | 18    | 122,660.55   | 129,296.16   |
| <b>Total Revenue from Operations</b>  |       | <b>122,660.55</b>                                  | <b>129,296.16</b>                                  |
| Other Income  | 19    | 12,710.18  | 11,556.02  |
| <b>Total Income (A)</b>   |       | <b>135,370.73</b>                                  | <b>140,852.18</b>                                  |
| <b>EXPENSES</b>   |       |  |  |
| Employee Benefit Expense  | 20    | 27,720.22  | 25,872.05  |
| Other Expense   | 21    | 22,154.60  | 19,485.78  |
| Fees and Commission Expense   |       | 2,286.77   | 1,975.69   |
| Finance cost  | 22    | 390.26   | 486.34   |
| Depreciation and Amortisation Expense   | 23    | 3,432.72   | 3,561.96   |
| <b>Total Expenses (B)</b>   |       | <b>55,984.57</b>                                   | <b>51,381.81</b>                                   |
| <b>Profit Before Tax (C = A-B)</b>  |       | <b>79,386.16</b>                                   | <b>89,470.37</b>                                   |
| <b>Income Tax Expense</b>   |       |  |  |
| Current tax   |       | 18,760.80  | 21,069.90  |
| Deferred tax  |       | 956.11   | 1,145.85   |
| Adjustments in respect of current income tax of previous years                            |       | 31.30  | (22.56)  |
| <b>Income Tax Expense (D)</b>   | 14    | <b>19,748.21</b>                                   | <b>22,193.19</b>                                   |
| <b>Profit for the year (E = C - D)</b>  |       | <b>59,637.95</b>                                   | <b>67,277.18</b>                                   |
| <b>Other Comprehensive Income</b>   |       |  |  |
| A Items that will be reclassified to profit or loss                                       |       |  |  |
| i) Exchange difference on translation of foreign operations                               |       | 674.38   | 199.46   |
| B Items that will not be reclassified to profit or loss                                   |       |  |  |
| i) Re-measurement gains/(losses) on defined benefit plans                                 |       | (167.64)   | 84.71  |
| ii) Income tax relating to the items that will not be reclassified to the Profit and Loss |       | 42.20  | (21.33)  |
| <b>Other Comprehensive Income for the Year (F)</b>  |       | <b>548.94</b>                                      | <b>262.84</b>                                      |
| <b>Total Comprehensive Income for the Year (G = E+F)</b>                                  |       | <b>60,186.89</b>                                   | <b>67,540.02</b>                                   |
| <b>Profit for the year</b>  |       |  |  |
| Attributable to:  |       |  |  |
| Owners of the Company   |       | 59,637.95  | 67,277.18  |
| Non-controlling interests   |       | -  | -  |
|   |       | <b>59,637.95</b>                                   | <b>67,277.18</b>                                   |
| <b>Total comprehensive income for the year</b>  |       |  |  |
| Attributable to:  |       |  |  |
| Owners of the Company   |       | 60,186.89  | 67,540.02  |
| Non-controlling interests   |       | -  | -  |
|   |       | <b>60,186.89</b>                                   | <b>67,540.02</b>                                   |
| <b>Earnings per share of ₹ 5 each</b>   | 28    |  |  |
| - basic profit for the year attributable to ordinary equity shareholders of the Company   |       | 20.71  | 23.36  |
| - diluted profit for the year attributable to ordinary equity shareholders of the Company |       | 20.65  | 23.29  |
| Corporate Information & Significant Accounting Policies                                   | 1 & 2 |  |  |
| The accompanying Notes are an integral part of the Financial Statements.                  | 24-43 |  |  |

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars   | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| <b>Cash Flow from Operating activities</b>  |  |  |
| Profit Before Tax   | 79,386.16  | 89,470.37  |
| <b>Adjustments for:</b>   |  |  |
| Depreciation and Amortisation   | 3,432.72   | 3,561.96   |
| Finance cost  | 390.26   | 486.34   |
| Profit on Sale of Investments   | (2,832.14)   | (2,559.17)   |
| Dividend on Investments   | (11.40)  | -  |
| Fair valuation of investments   | (7,875.93)   | (7,241.38)   |
| Exchange differences on translating the financial statements of a foreign operation | 674.38   | 199.46   |
| Loss or (Profit) on Sale of Property, Plant and Equipment                           | (14.43)  | 12.78  |
| Share-based payments by the Company   | 3,115.69   | 4,828.21   |
| Interest on Fixed Deposits and Investments  | (1,532.90)   | (1,422.97)   |
| Rent concession   | (117.43)   | (265.16)   |
| <b>Operating Profit before working capital changes</b>                              | <b>74,614.98</b>                                   | <b>87,070.43</b>                                   |
| (Increase)/Decrease in Receivables  | 162.88   | 479.42   |
| (Increase)/Decrease in Loans  | 1.00   | 2.19   |
| (Increase)/Decrease in Other Financial Assets                                       | (10,183.76)  | (3,145.91)   |
| (Increase)/Decrease in Other Non-Financial Assets                                   | (4,634.45)   | (923.42)   |
| Increase/(Decrease) in Payables   | 1,778.65   | (697.88)   |
| Increase/(Decrease) in Other Financial Liabilities                                  | (1,536.70)   | 1,933.78   |
| Increase/(Decrease) in Other Non-Financial Liabilities                              | 1,486.60   | (5,026.82)   |
| <b>Cash generated from Operations</b>   | <b>61,689.20</b>                                   | <b>79,691.80</b>                                   |
| Income Tax paid (net)   | (17,954.66)  | (23,373.78)  |
| <b>Net cash generated from Operating activities</b>                                 | <b>43,734.54</b>                                   | <b>56,318.02</b>                                   |
| <b>Cash Flow from Investing activities</b>  |  |  |
| Purchase of Property, Plant and Equipment and Intangible Assets                     | (1,898.98)   | (1,638.16)   |
| Sale proceeds from Property, Plant and Equipment and Intangible Assets              | 34.46  | 39.02  |
| Interest on Fixed Deposits and Investments  | 1,338.71   | 1,152.26   |
| Dividend on Investments   | 11.40  | -  |
| Purchase of Investments   | (222,775.78)                                       | (211,608.80)                                       |
| Sale of Investments   | 209,859.21   | 182,207.10   |
| <b>Net cash generated/(used) in investing activities</b>                            | <b>(13,430.98)</b>                                 | <b>(29,848.58)</b>                                 |
| <b>Cash Flow from Financing activities</b>  |  |  |
| Final/Interim Dividend Paid during the year (including tax thereon)                 | (31,248.00)  | (23,184.00)  |
| Lease Liability - Interest portion (refer note 35)                                  | (390.26)   | (486.34)   |
| Lease Liability - Principal portion (refer note 35)                                 | (1,829.17)   | (1,927.44)   |
| <b>Net cash used in financing activities</b>  | <b>(33,467.43)</b>                                 | <b>(25,597.78)</b>                                 |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>                         | <b>(3,163.87)</b>                                  | <b>871.66</b>                                      |
| Cash and Cash Equivalents at beginning of the year                                  | 6,524.73   | 5,653.07   |
| Cash and Cash Equivalents at end of the period (Refer Note 3)                       | 3,360.86   | 6,524.73   |



# Consolidated Cash Flow Statement (Contd.)

for the year ended 31<sup>st</sup> March, 2023

1. Statement of cash flows have been prepared under the indirect method as set out in the Ind AS 7 “Statement of Cash Flows” as specified in the Companies (Indian Accounting Standard) Rules, 2015.
2. Purchase of Property, Plant and Equipment represents addition to property, plant and equipment, and other intangible assets adjusted for movement of capital work-in-progress for property, plant and equipment, and other intangible assets under development during the year.
3. Cash and cash equivalents include in the Statement of cash flows comprise the following:  
Cash and cash equivalents disclosed under Financial Assets: 3,360.86                      6,524.73

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2023

## (A) EQUITY SHARE CAPITAL

|   | (₹ in Lakh)        |                  |
|---|--------------------|------------------|
| Equity shares issued, subscribed and fully paid             | No of shares       | Amount           |
| As 1 <sup>st</sup> April, 2021 (Face Value ₹ 10)            | 18,000,000         | 1,800.00         |
| Split of shares into Face value of ₹ 5 each (Refer note 16) | 18,000,000         | -                |
| Issue of Bonus Equity Shares of ₹ 5 each (Refer note 16)    | 252,000,000        | 12,600.00        |
| <b>As 31<sup>st</sup> March, 2022 (Face Value ₹ 5)</b>      | <b>288,000,000</b> | <b>14,400.00</b> |
| Issued during the year                                      | -                  | -                |
| <b>At 31<sup>st</sup> March, 2023 (Face Value ₹ 5)</b>      | <b>288,000,000</b> | <b>14,400.00</b> |

## (B) OTHER EQUITY

For the year ended 31<sup>st</sup> March, 2023

| Particulars   | Attributable to equity holders of the Company |                    |                  |   |   | Total Equity      |
|---|---|--------------------|------------------|---|---|-------------------|
|   | Reserve and Surplus                           |                    |                  |   | Foreign<br>Currency<br>Translation<br>Reserve |                   |
|   | Retained<br>Earnings                          | General<br>Reserve | Share<br>premium | Share<br>Option<br>Outstanding<br>Account |   |                   |
| <b>Balance as at 1<sup>st</sup> April, 2022</b>   | 198,699.83                                    | 686.66             | -                | 4,828.21                                  | 1,030.86                                      | 205,245.57        |
| Profit for the year   | 59,637.95                                     | -                  | -                | -   | -   | 59,637.95         |
| Other Comprehensive Income for the year   | (125.45)                                      | -                  | -                | -   | 674.38  | 548.93            |
| <b>Total Comprehensive Income for the year</b>  | <b>59,512.50</b>                              | <b>-</b>           | <b>-</b>         | <b>-</b>                                  | <b>674.38</b>                                 | <b>60,186.88</b>  |
| Transfer on Account of Exits  | -   | 117.57             | -                | (117.57)                                  | -   | -                 |
| Share-based payments by the Company<br>(Refer note 20 and 37)                           | -   | -                  | -                | 3,114.47                                  | -   | 3,114.47          |
| Interim Dividend paid to Equity shareholders for<br>Fiscal Year 2022-23 (Refer note 17) | (14,400.00)                                   | -                  | -                | -   | -   | (14,400.00)       |
| Final Dividend paid to Equity shareholders for<br>Fiscal year 2021-22 (Refer note 17)   | (16,848.00)                                   | -                  | -                | -   | -   | (16,848.00)       |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>  | <b>226,964.33</b>                             | <b>804.23</b>      | <b>-</b>         | <b>7,825.11</b>                           | <b>1,705.24</b>                               | <b>237,298.91</b> |



# Statement of Changes in Equity (Contd.)

for the year ended 31<sup>st</sup> March, 2023

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

(₹ in Lakh)

| Particulars  | Attributable to equity holders of the Company |                    |                  |   |   | Total Equity      |
|--|---|--------------------|------------------|---|---|-------------------|
|  | Reserve and Surplus                           |                    |                  |   | Foreign<br>Currency<br>Translation<br>Reserve |                   |
|  | Retained<br>Earnings                          | General<br>Reserve | Share<br>premium | Share<br>Option<br>Outstanding<br>Account |   |                   |
| <b>Balance as at 1<sup>st</sup> April, 2021</b>                                      | 166,879.04                                    | 686.66             | 264.23           | -   | 831.40  | 168,661.33        |
| Profit for the year  | 67,277.18                                     | -                  | -                | -   | -   | 67,277.18         |
| Other Comprehensive Income for the year  | 63.38   | -                  | -                | -   | 199.46  | 262.84            |
| <b>Total Comprehensive Income for the year</b>                                       | <b>67,340.56</b>                              | <b>-</b>           | <b>-</b>         | <b>-</b>                                  | <b>199.46</b>                                 | <b>67,540.03</b>  |
| Utilised in issue of bonus equity shares (Refer note 16)                             | (12,335.77)                                   | -                  | (264.23)         | -   | -   | (12,600.00)       |
| Share-based payments by the Company (Refer note 20 and 37)                           | -   | -                  | -                | 4,828.21                                  | -   | 4,828.21          |
| Interim Dividend paid to Equity shareholders for Fiscal year 2021-22 (Refer note 17) | (16,128.00)                                   | -                  | -                | -   | -   | (16,128.00)       |
| Final Dividend paid to Equity shareholders for Fiscal year 2020-21 (Refer note 17)   | (7,056.00)                                    | -                  | -                | -   | -   | (7,056.00)        |
| <b>Balance as at 31<sup>st</sup> March, 2022</b>                                     | <b>198,699.83</b>                             | <b>686.66</b>      | <b>-</b>         | <b>4,828.21</b>                           | <b>1,030.86</b>                               | <b>205,245.57</b> |

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

## NOTE: 1 CORPORATE INFORMATION

The Company is a public listed entity and its registered office is situated at One World Centre, Tower 1, 17<sup>th</sup> Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013. The Company was incorporated under the provisions of the Companies Act on 5<sup>th</sup> September, 1994. The shareholders of the Company are Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) which holds 50.01% of the stake, Sun Life (India) AMC Investments Inc., (wholly-owned subsidiary of Sun Life Financial, Inc.) which holds 36.49% and remaining 13.50% stake of the Company is held by general public.

The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 and the principal activity is to act as an investment manager to Aditya Birla Sun Life Mutual Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (“PMS”) and investment advisory services to offshore funds and high net worth investors. The Company also acts as an Investment Manager to Aditya Birla Real Estate Funds (Category II) registered with SEBI. Further, the Company has also received SEBI registration for Alternative Investment Fund (AIFs) Category III namely Aditya Birla Sun Life AIF Trust – I and AIF Category II namely Aditya Birla Sun Life AIF Trust – II.

The Company has set up a new branch at the GIFT-IFSC (Gujarat International Finance Tec-City- International Financial Services Centre) to cater to its international business, to expand its reach and service global clients, including NRIs for investing in India.

## NOTE: 2 SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial instruments, measured at fair value
- Gratuity plan assets, measured at fair value

The consolidated financial statements are presented in Indian rupees and all values are rounded to the nearest lakh, except when otherwise indicated.

### ii. Presentation of financial statements

The Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 36.

### iii. Use of estimates

The preparation of the financial statements in conformity with the Indian Accounting Standards (IND AS) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future periods.

Significant estimates and judgements used for:-

- Estimates of useful lives and residual value of Property, Plant and Equipment, and other intangible assets (Refer Note 9.1 and 9.2)





# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

- Measurement of defined benefit obligations, actuarial assumptions (Refer Note 26)
- Recognition of deferred tax assets/liabilities (Refer Note 14)
- Recognition and measurement of provisions and contingencies (Refer Note 13 and Note 24)
- Financial instruments – Fair values, risk management and impairment of financial asset (Refer Note 7)
- Determination of lease term (Refer Note 35)
- Discount rate for lease liability (Refer Note 35)
- Estimates of Share based payments (Refer Note 20, 26 and 37).

## iv. Functional and presentation currency

The consolidated financial statements of the Group are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency.

## v. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31<sup>st</sup> March, 2023. The Group consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group also considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies of the subsidiaries have been harmonised to ensure the consistencies with the policies that have been adopted by the Company. The financial statements of the Company and its subsidiaries combined have been consolidated on a line-by-line basis by adding together the values of like items of assets, liabilities, income and expenses, after eliminating intra-Group balances and transactions and offsetting the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity in each subsidiary as per Ind AS 110 "Consolidated Financial Statements".

The Financial statements of the wholly owned Subsidiaries used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended on 31<sup>st</sup> March. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary.

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

List of Subsidiary companies included in consolidation are as below:

| Name of Subsidiaries   | Country of Incorporation | Proportion of ownership Interest as on 31 <sup>st</sup> March, 2023 | Proportion of ownership Interest as on 31 <sup>st</sup> March, 2022 | Principle Activities  |
|--|--------------------------|---|---|---|
| Aditya Birla Sun Life AMC (Mauritius) Limited                          | Mauritius                | 100%  | 100%  | To act as Investment Manager to India Advantage Fund Limited.     |
| Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore | Singapore                | 100%  | 100%  | To act as a Fund Manager and Investment advisory.                 |
| Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai    | Dubai                    | 100%  | 100%  | Arranging deals in investment and advisory on financial products. |

The Company acts as the fund manager for Aditya Birla Sun Life Mutual Fund and therefore has a significant involvement with the funds. However, fund managers are subject to substantial investment restrictions and guidelines. In all cases, the Company could be removed without cause, by the majority of the unit holders. The Company does not have significant investments in the units of mutual funds. Therefore, the funds managed by the Company are not consolidated.

India Advantage Fund Limited (IAFL) is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Profit and Loss account. The Profit / Loss of each such class belongs to the participating shareholders of that class. Aditya Birla Sun Life Asset Management Company Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit / loss of various classes nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.

Aditya Birla Sun Life AMC Pte. Limited, Singapore has made investment in International Opportunities Fund. This fund is segregated portfolio company set up as a fund in Cayman Islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, all these funds has various segregated

portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares has its own Balance Sheet and Profit and Loss account. The Profit / Loss of each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Company Pte. Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit / loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated these funds in the Consolidated Financial Statements.

## vi. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and cash in hand and short-term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

## vii. Property, plant and equipment

Property, Plant and equipment are stated at their cost of acquisition less accumulated depreciation, and impairment losses. The cost of acquisition is inclusive of taxes (except those which are refundable), duties, freight and other incidental expenses related to acquisition and installation of the assets. As on 01<sup>st</sup> April, 2017, i.e. its date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed costs. All other repair



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

## viii. Capital work-in-progress

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.

## ix. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. As on 1<sup>st</sup> April, 2017, i.e. its date of transition to IND AS, the Group has used Indian GAAP carrying value as deemed costs. An intangible

asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

## x. Intangible assets under development

The intangible assets under development includes cost of intangible assets that are not ready for their intended use less accumulated impairment losses.

## xi. Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided on a straight-line basis at the rates and useful life as prescribed in Schedule II of the Companies Act, 2013 or as determined by the management based on technical advice, except assets individually costing less than ₹ 5,000 which are fully depreciated in the year of purchase / acquisition. Depreciation commences when assets are ready for its intended use.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

Following is the summary of useful life of the assets as per management estimates and as required by the Companies Act, 2013.

| No.      | Particulars  | Useful life (In Years)  |   |
|----------|--|---|---|
| <b>A</b> | <b>Depreciation on Property, Plant and Equipment</b> | Estimated Useful Life   | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 |
| 1        | Computers  |   |   |
|          | - Server and networking*                             | 3 Years   | 6 Years   |
|          | - Other  | 3 Years   | 3 Years   |
| 2        | Office Equipment                                     | 5 Years   | 5 Years   |
| 3        | Vehicles – Motor Car*                                | 5 Years   | 8 Years   |
| 4        | Furniture and Fixtures*                              | 5 Years   | 10 Years  |
| 5        | Mobile Phone (Included in office equipment)          | 2 Years   | Not specified   |
| 6        | Leasehold Improvements                               | Over the primary period of the lease term or 3 years, whichever is less | Not specified   |
| <b>B</b> | <b>Amortisation of Intangible assets</b>             |   |   |
| 1        | Investment Management Rights                         | 10 Years  | Not specified   |
| 2        | Software   | 3 Years   | Not specified   |

\* Based on technical advice, Management believes that the useful life of assets reflect the periods over which they are expected to be used. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss from/till the date of acquisition/sale.

## xii. Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated impaired when the carrying cost of an asset or cash-generating unit's (CGU) exceeds its recoverable value. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the greater of the assets' or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss, if any, is charged to Statement of Profit and Loss Account in the year in which an asset is identified as impaired. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying

amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## xiii. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## xiv. Financial instruments

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

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value, with the exception of trade receivables. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Trade receivables that do not contain a significant financing component for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on trade date while, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI, financial assets at fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL. The classification of financial instruments depends on the contractual cash flow characteristics and the objective of the business model for which it is held and whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal outstanding.

Management determines the classification of its financial instruments at initial recognition.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### Classification of Financial assets:

#### a) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

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

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- Reports reviewed by the entity's key management personnel on the performance of financial assets.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset

(for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by investments in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and other financial assets.

## b) Debt Instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flows represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model. Currently, the Group does not hold any interest-bearing debt instrument that qualifies to be classified under this category.



# Significant Accounting Policies

and other explanatory information (notes) forming part of the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023

## c) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL, described below. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which are not subsequently recycled to Profit or Loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Currently, the Group has not classified any equity instrument at FVTOCI.

## d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. For all equity instruments at FVTPL, dividend is recognised in Profit or Loss when the right of payment has been established.

## Financial liabilities

### a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## b) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## xv. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Revenue from contracts with customers is recognised when control of services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

## I. Rendering of services

The Group principally generates revenue by providing asset management services to Aditya Birla Sun Life Mutual Fund and other clients.

- a) Management fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- b) Portfolio Management Fees and Advisory Fees are recognised on an accrual basis as per the terms of the contract with the customers.
- c) Management fees from other services are recognised on an accrual basis as per the terms of the contract with the customers at specific rates applied on net assets.

These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or advisory fees earned are considered as variable consideration.

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

## II. Dividend and Interest Income

- a) Dividend income is recognised when the Group's right to receive dividend is established, it is probable that economic benefits associated with dividend will flow to the entity and the amount of dividend can be measured reliably. This is generally when shareholders approve the dividend.
- b) Interest income from financial assets, is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

## xvi. Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currency are recorded by the Group's entities at their respective functional currency spot rates at the date of transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Foreign currency monetary items are reported using functional currency spot rates of exchange at the reporting date. The resulting exchange gain/loss is reflected in the Statement of Profit and Loss with the exception of exchange differences arising on monetary items that form part of a Company's net investment in the subsidiaries which are recognised in profit or loss





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in the separate financial statements of the Company or the individual financial statements of the subsidiaries, as appropriate. In the consolidated financial statements, such exchange differences are recognised initially OCI. Other non-monetary items, like Property Plant & Equipment and Intangible Assets are carried in terms of historical cost using the exchange rate at the date of transaction.

Translation of foreign subsidiaries is done in accordance with Indian Accounting Standard (Ind AS) 21 “The Effects of Changes in Foreign Exchange Rates”. On consolidation, the assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

## xvii. Employee benefits

- a) **Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- b) **Gratuity:** The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined

benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

- The date of plan amendment or curtailment
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - Net interest expense or income.
- c) **Leave Encashment:** Provision for leave encashment is made on the basis of actuarial valuation of the expected liability. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.
  - d) **Long-Term Incentive Plan:** The Group has long-term incentive plan for different cadre of employees. The same is actuarially determined and assessed on yearly basis. Re-measurement gains/losses are recognised as profit or loss in the year in which they arise.

## xviii. Leases

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

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all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises right – of – use (“ROU”) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Group applies the short-term lease recognition exemption to its short-term leases of its branches/rental offices (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. For these short-term and low value leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of right-of-use assets (primarily buildings) range between 1 year to 9 years. The right-of-use assets are also subject to impairment. Refer Note 2(xii) on impairment of non-financial assets.

The lease liability is initially measured at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the group changes its assessment on exercise of an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## xix. Earnings per share (“EPS”)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted-average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## xx. Fund and commission expenses:

Prior to 21<sup>st</sup> October, 2018, certain scheme related expenses and commission were being borne by the Company in accordance with circulars and guidelines issued by SEBI and the Association of Mutual Funds in India (AMFI). Commission paid for future period for the mutual fund schemes (including for Equity Linked Savings Schemes) until 21<sup>st</sup> October, 2018 is treated as prepaid expenses and is amortised on the contractual period and charged to Statement of Profit and Loss account unless considered recoverable from schemes. Pursuant to circulars issued by SEBI in this regard, after 21<sup>st</sup> October, 2018, these expenses, subject to some exceptions, are being borne by the mutual fund schemes. New Fund Offer (NFO) expenses on the launch of schemes are borne by



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the Company and recognised in profit or loss as and when incurred.

Commission is paid to the brokers for Portfolio Management and other services as per the terms of agreement entered into with respective brokers. In case of certain portfolio management schemes and other services, the brokerage expenses are amortised over the tenure of the product or commitment period. Unamortised brokerage is treated as Non-financial Assets considering the normal operating cycle of the Company.

## xxi. Taxes

### Current tax:

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax:

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other

# Significant Accounting Policies

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comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## xxii. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Claims against the Group, where the possibility of any outflow of resources in settlement is remote are not disclosed as contingent liabilities. A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is virtually certain.

## xxiii. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments,

whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

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

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Also, a separate Employee stock options scheme (ESOP) ("the scheme") has been established by Aditya Birla Capital Limited ("ABCL") (Entity having significant influence). The scheme provides that employees are granted an option to subscribe to equity shares of ABCL that vest in a graded manner. The options may be exercised within a specified period. Measurement and disclosure of Employee share-based payment plan is done in accordance with Ind AS 102 Share Based Payments.

ABCL follows the Black-Scholes Merton Value method to account for its stock-based employee compensation plans. The cost incurred by the ABCL, in respect of options



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granted to employees of the Company is charged to the Statement of Profit and Loss during the year and recovered by them.

## xxiv. Cash dividend to equity holders of the Company

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

## xxv. Standards notified but not yet effective:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31<sup>st</sup> March, 2023 to amend the following Ind AS which are effective from 01<sup>st</sup> April, 2023.

### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 01<sup>st</sup> April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their

'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 01<sup>st</sup> April, 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

### (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 01<sup>st</sup> April, 2023.

The Group is currently assessing the impact of the amendments.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 3 CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

| Particulars  | (₹ in Lakh)                           |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Cash on Hand   | 2.71                                  | 2.07                                  |
| Balances with Bank   |                                       |                                       |
| - Current Accounts   | 3,312.89                              | 6,477.40                              |
| - Deposit Accounts (with original maturity less than 3 months) | 45.26                                 | 45.26                                 |
| <b>Total Cash and Cash equivalents</b>                         | <b>3,360.86</b>                       | <b>6,524.73</b>                       |

Note:- Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The Group has not taken any bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

## NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments: |                                       |                                       |
| Earmarked accounts  |                                       |                                       |
| - Unclaimed Dividend  | 11.45                                 | 5.92                                  |
| - Unpaid Dividend #   | 1,969.41                              | -                                     |
| - Unspent CSR (Refer note 31)   | 139.00                                | 478.13                                |
| Term Deposits against the bank guarantee  | 2,797.53                              | 2,784.15                              |
| Other Term Deposits   | 4,385.19                              | -                                     |
| <b>Total Bank Balances other than cash and cash equivalents</b>   | <b>9,302.58</b>                       | <b>3,268.20</b>                       |

# This includes TDS payable on Interim Dividend amounting to ₹ 1,964.96 Lakh.

## NOTE: 5 TRADE RECEIVABLES (AT AMORTISED COST)

### Unsecured, considered good

| Particulars  | (₹ in Lakh)                           |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Asset Management & Advisory Fees receivable                  | 1,765.26                              | 1,776.56                              |
| Management Fees from Portfolio Management and Other services | 687.80                                | 839.38                                |
| Less: Impairment loss allowance                              | -                                     | -                                     |
| <b>Total Trade Receivables*</b>                              | <b>2,453.06</b>                       | <b>2,615.94</b>                       |

\* There are no dues from directors or other officers of the Company either severally or jointly with any other person, due from firms or private companies respectively in which any director is a partner, a director or a member.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Trade receivables ageing schedule

### Trade receivables as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars  | Outstanding for following periods from due date of payment |                   |              |           |                   | Total           |
|--|--|-------------------|--------------|-----------|-------------------|-----------------|
|  | Less than 6 months   | 6 months - 1 year | 1-2 years    | 2-3 years | More than 3 years |                 |
| (i) Undisputed Trade receivables - considered good                                 | 2,334.40   | 64.97             | 53.69        | -         | -                 | 2,453.06        |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | -  | -                 | -            | -         | -                 | -               |
| (iii) Undisputed Trade receivables - credit impaired                               | -  | -                 | -            | -         | -                 | -               |
| (iv) Undisputed Trade receivables - considered good                                | -  | -                 | -            | -         | -                 | -               |
| (v) Disputed Trade receivables - which have significant increase in credit risk    | -  | -                 | -            | -         | -                 | -               |
| (vi) Disputed Trade receivables - credit impaired                                  | -  | -                 | -            | -         | -                 | -               |
| <b>Total</b>   | <b>2,334.40</b>  | <b>64.97</b>      | <b>53.69</b> | <b>-</b>  | <b>-</b>          | <b>2,453.06</b> |

### Trade receivables as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| Particulars  | Outstanding for following periods from due date of payment |                   |           |           |                   | Total           |
|--|--|-------------------|-----------|-----------|-------------------|-----------------|
|  | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |                 |
| (i) Undisputed Trade receivables - considered good                                 | 2,615.94   | -                 | -         | -         | -                 | 2,615.94        |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | -  | -                 | -         | -         | -                 | -               |
| (iii) Undisputed Trade receivables - credit impaired                               | -  | -                 | -         | -         | -                 | -               |
| (iv) Undisputed Trade receivables - considered good                                | -  | -                 | -         | -         | -                 | -               |
| (v) Disputed Trade receivables - which have significant increase in credit risk    | -  | -                 | -         | -         | -                 | -               |
| (vi) Disputed Trade receivables - credit impaired                                  | -  | -                 | -         | -         | -                 | -               |
| <b>Total</b>   | <b>2,615.94</b>  | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>2,615.94</b> |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 6 LOANS (AT AMORTISED COST)

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Staff Loan  | -                                     | 1.00                                  |
| Less: Impairment Loss Allowance   | -                                     | -                                     |
| <b>Total</b>  | <b>-</b>                              | <b>1.00</b>                           |
| a) Secured by tangible assets (property, plant and equipment including land and building) | -                                     | -                                     |
| b) Secured by book debts, inventories, fixed deposit and other working capital items      | -                                     | -                                     |
| c) covered by bank and government guarantee   | -                                     | -                                     |
| d) Unsecured  | -                                     | 1.00                                  |
| Less: Impairment Loss Allowance   | -                                     | -                                     |
| <b>Total</b>  | <b>-</b>                              | <b>1.00</b>                           |
| <b>Loans In India</b>   |                                       |                                       |
| i) Public Sector  | -                                     | -                                     |
| ii) Others:   | -                                     | -                                     |
| Less: Impairment Loss Allowance   | -                                     | -                                     |
| <b>Total (I)</b>  | <b>-</b>                              | <b>-</b>                              |
| <b>Loans outside India</b>  |                                       |                                       |
| i) Public Sector  | -                                     | -                                     |
| ii) Others:   |                                       |                                       |
| Staff Loan  | -                                     | 1.00                                  |
| Less: Impairment Loss Allowance   | -                                     | -                                     |
| <b>Total (II)</b>   | <b>-</b>                              | <b>1.00</b>                           |
| <b>Total (I + II)</b>   | <b>-</b>                              | <b>1.00</b>                           |





# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 7 INVESTMENTS

| Particulars                        | As at 31 <sup>st</sup> March, 2023 |                                      | As at 31 <sup>st</sup> March, 2022 |                                      |
|------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
|                                    | Amortised Cost                     | At Fair Value through Profit or Loss | Amortised Cost                     | At Fair Value through Profit or Loss |
| Mutual Funds                       | -                                  | 222,312.94                           | -                                  | 197,186.14                           |
| Debt Securities                    | 9,352.64                           | -                                    | 10,482.81                          | 1,006.99                             |
| Equity Instruments                 | -                                  | 1,754.91                             | -                                  | 1,754.91                             |
| Alternative Investment funds       | -                                  | 2,496.49                             | -                                  | 1,667.30                             |
| <b>Total Gross Investments (A)</b> | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>10,482.81</b>                   | <b>201,615.34</b>                    |
| Less: Allowance for Impairment     | -                                  | -                                    | -                                  | -                                    |
| <b>Total Net Investments</b>       | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>10,482.81</b>                   | <b>201,615.34</b>                    |
| Investments Outside India          | -                                  | 0.38                                 | -                                  | 0.38                                 |
| Investments in India               | 9,352.64                           | 226,563.96                           | 10,482.81                          | 201,614.95                           |
| <b>Total (B)</b>                   | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>10,482.81</b>                   | <b>201,615.34</b>                    |
| Less: Allowance for Impairment (C) | -                                  | -                                    | -                                  | -                                    |
| <b>Total Net Investments</b>       | <b>9,352.64</b>                    | <b>226,564.34</b>                    | <b>10,482.81</b>                   | <b>201,615.34</b>                    |
|                                    |                                    | <b>235,916.98</b>                    |                                    | <b>212,098.14</b>                    |

(₹ in Lakh)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 8 OTHER FINANCIAL ASSETS (AT AMORTISED COST)

(₹ in Lakh)

| Particulars                                   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Application money towards Investments         | 4,431.96                              | -                                     |
| Recoverable From Schemes                      | 13.71                                 | 6.22                                  |
| Receivable from Related Party (Refer Note 27) | 77.84                                 | 235.56                                |
| Security Deposits                             | 1,293.16                              | 1,436.38                              |
| Deposits to Related Parties (Refer Note 27)   | 151.36                                | 148.91                                |
| Others  | 8.43                                  | -                                     |
| <b>Total Other Financial Assets</b>           | <b>5,976.46</b>                       | <b>1,827.07</b>                       |

## NOTE: 9.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

| Particulars  | Computers       | Furniture and<br>Fixtures | Vehicles        | Office<br>Equipment | Leasehold<br>Improvements | Total           |
|--|-----------------|---------------------------|-----------------|---------------------|---------------------------|-----------------|
| <b>Gross carrying value</b>  |                 |                           |                 |                     |                           |                 |
| <b>As at 01<sup>st</sup> April, 2021</b>                           | <b>1,576.89</b> | <b>240.99</b>             | <b>881.51</b>   | <b>929.83</b>       | <b>1,130.69</b>           | <b>4,759.90</b> |
| Additions  | 138.21          | 81.23                     | 365.59          | 66.35               | 332.34                    | 983.72          |
| Foreign Exchange Translation Difference                            | 0.79            | 0.69                      | -               | 0.44                | 0.33                      | 2.24            |
| Disposals  | 33.60           | 15.54                     | 165.19          | 19.18               | 159.86                    | 393.38          |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>1,682.29</b> | <b>307.37</b>             | <b>1,081.91</b> | <b>977.44</b>       | <b>1,303.50</b>           | <b>5,352.48</b> |
| Additions  | 276.58          | 79.98                     | 479.84          | 165.67              | 374.84                    | 1,376.91        |
| Foreign Exchange Translation Difference                            | 3.35            | 1.59                      | -               | 1.92                | 1.21                      | 8.07            |
| Disposals  | 219.66          | 20.07                     | 196.66          | 44.91               | 128.28                    | 609.58          |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>1,742.56</b> | <b>368.87</b>             | <b>1,365.09</b> | <b>1,100.12</b>     | <b>1,551.27</b>           | <b>6,127.88</b> |
| <b>Accumulated Depreciation and Impairment</b>                     |                 |                           |                 |                     |                           |                 |
| <b>As at 01<sup>st</sup> April, 2021</b>                           | <b>1,286.11</b> | <b>194.89</b>             | <b>512.32</b>   | <b>578.54</b>       | <b>963.59</b>             | <b>3,535.43</b> |
| Depreciation for the year  | 211.10          | 41.54                     | 185.42          | 151.58              | 177.65                    | 767.29          |
| Foreign Exchange Translation Difference                            | 0.70            | 0.40                      | -               | 0.11                | 0.33                      | 1.56            |
| Disposals  | 33.60           | 14.07                     | 101.79          | 17.40               | 156.37                    | 323.21          |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>1,464.31</b> | <b>222.76</b>             | <b>595.95</b>   | <b>712.83</b>       | <b>985.20</b>             | <b>3,981.06</b> |
| Depreciation for the year  | 181.33          | 63.73                     | 206.47          | 150.42              | 239.50                    | 841.45          |
| Foreign Exchange Translation Difference                            | 2.72            | 1.50                      | -               | 0.80                | 1.21                      | 6.24            |
| Disposals  | 219.66          | 19.15                     | 168.17          | 43.87               | 124.25                    | 575.09          |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>1,428.69</b> | <b>268.83</b>             | <b>634.25</b>   | <b>820.17</b>       | <b>1,101.66</b>           | <b>4,253.67</b> |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2022</b> | <b>217.98</b>   | <b>84.61</b>              | <b>485.96</b>   | <b>264.61</b>       | <b>318.30</b>             | <b>1,371.43</b> |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2023</b> | <b>313.87</b>   | <b>100.04</b>             | <b>730.83</b>   | <b>279.94</b>       | <b>449.62</b>             | <b>1,874.21</b> |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Capital work-in-progress

Capital work-in-progress as at 31<sup>st</sup> March, 2023 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 104.79 Lakh (31<sup>st</sup> March, 2022: 153.18 Lakh)

### CWIP ageing schedule as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| CWIP                 | Amount in CWIP for a period of |           |           |                   | Total  |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress | 104.79                         | -         | -         | -                 | 104.79 |

### CWIP ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| CWIP                 | Amount in CWIP for a period of |           |           |                   | Total  |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress | 153.18                         | -         | -         | -                 | 153.18 |

There are no overdue or cost overrun projects compared to its original plan, on the above mentioned reporting dates

## NOTE: 9.2 OTHER INTANGIBLE ASSETS

(₹ in Lakh)

| Particulars  | Software        | Investment Management Rights<br>(Refer Note 25) | Total           |
|--|-----------------|---|-----------------|
| <b>Gross carrying value</b>  |                 |   |                 |
| <b>As at 01<sup>st</sup> April, 2021</b>                           | <b>2,823.25</b> | <b>284.90</b>                                   | <b>3,108.15</b> |
| Additions  | 450.19          | -   | 450.19          |
| Foreign Exchange Translation Difference                            | 0.16            | -   | 0.16            |
| Disposals  | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>3,273.60</b> | <b>284.90</b>                                   | <b>3,558.50</b> |
| Additions  | 593.34          | -   | 593.34          |
| Foreign Exchange Translation Difference                            | 0.42            | -   | 0.42            |
| Disposals  | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>3,867.36</b> | <b>284.90</b>                                   | <b>4,152.26</b> |
| <b>Accumulated Amortisation and Impairment</b>                     |                 |   |                 |
| <b>As at 01<sup>st</sup> April, 2021</b>                           | <b>1,628.85</b> | <b>151.40</b>                                   | <b>1,780.25</b> |
| Amortisation for the year  | 758.44          | 37.85   | 796.29          |
| Foreign Exchange Translation Difference                            | 0.11            | -   | 0.11            |
| Disposal   | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2022</b>                           | <b>2,387.40</b> | <b>189.26</b>                                   | <b>2,576.65</b> |
| Amortisation for the year  | 659.95          | 37.85   | 697.80          |
| Foreign Exchange Translation Difference                            | 0.37            | -   | 0.37            |
| Disposals  | -               | -   | -               |
| <b>As at 31<sup>st</sup> March, 2023</b>                           | <b>3,047.72</b> | <b>227.10</b>                                   | <b>3,274.83</b> |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2022</b> | <b>886.20</b>   | <b>95.65</b>                                    | <b>981.85</b>   |
| <b>Net carrying value amount as at 31<sup>st</sup> March, 2023</b> | <b>819.64</b>   | <b>57.79</b>                                    | <b>877.44</b>   |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total  |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress                | 100.47                         | 2.75      | -         | -                 | 103.22 |

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects temporarily suspended      | -                              | -         | -         | -                 | -     |

## Intangible assets under development ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total  |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |        |
| Projects in progress                | 131.46                         | 7.25      | -         | -                 | 138.71 |

(₹ in Lakh)

| Intangible assets under development | Amount in CWIP for a period of |           |           |                   | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects temporarily suspended      | -                              | -         | -         | -                 | -     |

There are no overdue or cost overrun projects compared to its original plan, on the above mentioned reporting dates.

## NOTE: 10 OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

| Particulars                                  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Prepaid expenses                             | 5,767.58                     | 1,583.61                     |
| Input Tax Credit                             | 11.98                        | 17.01                        |
| Capital advance for Tangible Assets          | 69.23                        | 42.74                        |
| Advance for Services                         | 1,352.21                     | 964.22                       |
| Gratuity - Plan Funded Asset (Refer Note 26) | 3,174.10                     | 3,106.57                     |
| <b>Total Other Non-Financial Assets</b>      | <b>10,375.10</b>             | <b>5,714.15</b>              |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 11 TRADE PAYABLES (AT AMORTISED COST)

(₹ in Lakh)

| Particulars  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|--|---------------------------------------|---------------------------------------|
| <b>Others</b>  |                                       |                                       |
| - Total outstanding dues to micro enterprises and small enterprises*                     | 18.65                                 | 9.25                                  |
|  | <b>18.65</b>                          | <b>9.25</b>                           |
| - Total outstanding dues to creditors other than micro enterprises and small enterprises |                                       |                                       |
| Related Parties (Refer Note 27)  | 692.54                                | 466.58                                |
| Other than Related Parties   | 4,108.24                              | 2,564.95                              |
|  | <b>4,800.78</b>                       | <b>3,031.53</b>                       |
| <b>Total Trade Payables</b>  | <b>4,819.43</b>                       | <b>3,040.78</b>                       |

\* This information is required to be disclosed under MSMED Act(2006), has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakh)

| Particulars   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|---|---------------------------------------|---------------------------------------|
| a) Principal amount and interest thereon remaining unpaid at the end of year  | 18.65                                 | 9.25                                  |
| b) Interest paid including payment made beyond appointed day during the year  | 7.43                                  | 5.88                                  |
| c) Interest due and payable for delay during the year                         | -                                     | -                                     |
| d) Amount of interest accrued and unpaid as at year end                       | 2.86                                  | 0.50                                  |
| e) The amount of further interest due and payable even in the succeeding year | -                                     | -                                     |

## Trade Payables Ageing schedule

### Trade payables as on 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars                 | Outstanding for following periods from due date of payment |             |              |                      | Total           |
|-----------------------------|--|-------------|--------------|----------------------|-----------------|
|                             | Less than<br>1 year  | 1-2 years   | 2-3 years    | More than<br>3 years |                 |
| (i) MSME                    | 18.65  | -           | -            | -                    | 18.65           |
| (ii) Others                 | 4,726.10   | 5.52        | 11.14        | 58.02                | 4,800.78        |
| (iii) Disputed dues - MSME  | -  | -           | -            | -                    | -               |
| (iv) Disputed dues - others | -  | -           | -            | -                    | -               |
| <b>Total</b>                | <b>4,744.75</b>  | <b>5.52</b> | <b>11.14</b> | <b>58.02</b>         | <b>4,819.43</b> |

### Trade payables as on 31<sup>st</sup> March, 2022

(₹ in Lakh)

| Particulars                 | Outstanding for following periods from due date of payment |              |             |                      | Total           |
|-----------------------------|--|--------------|-------------|----------------------|-----------------|
|                             | Less than<br>1 year  | 1-2 years    | 2-3 years   | More than<br>3 years |                 |
| (i) MSME                    | 9.25   | -            | -           | -                    | 9.25            |
| (ii) Others                 | 2,944.11   | 29.82        | 0.46        | 57.14                | 3,031.53        |
| (iii) Disputed dues - MSME  | -  | -            | -           | -                    | -               |
| (iv) Disputed dues - others | -  | -            | -           | -                    | -               |
| <b>Total</b>                | <b>2,953.36</b>  | <b>29.82</b> | <b>0.46</b> | <b>57.14</b>         | <b>3,040.78</b> |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 12 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST)

| Particulars                                       | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Employee dues                                     | 4,888.57                              | 6,416.17                              |
| Payables for Capital Expenditure                  | 3.17                                  | 12.27                                 |
| Deposits from Related parties (Refer Note No. 27) | 166.37                                | 166.37                                |
| <b>Total Other Financial Liabilities</b>          | <b>5,058.11</b>                       | <b>6,594.81</b>                       |

## NOTE: 13 PROVISIONS

| Particulars                            | (₹ in Lakh)                           |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| <b>Provision for Employee Benefits</b> |                                       |                                       |
| Leave Encashment                       | 455.16                                | 427.01                                |
| Gratuity (Refer Note No. 26)           | 3,281.35                              | 3,092.80                              |
| Provision for Long-Term Incentive Plan | 383.45                                | 225.34                                |
| <b>Total Provisions</b>                | <b>4,119.96</b>                       | <b>3,745.15</b>                       |

## NOTE: 14 DEFERRED TAX LIABILITIES (NET)

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets | (678.03)                              | (634.14)                              |
| Provision for Employee Benefits   | (5.66)                                | (162.35)                              |
| Fair Valuation of Investments   | 2,359.60                              | 1,981.95                              |
| Lease Liability net of Right of use Assets  | 1,799.46                              | 1,333.80                              |
| <b>Total Deferred Tax Liabilities</b>   | <b>3,475.37</b>                       | <b>2,519.26</b>                       |
| <b>Reconciliation of effective tax rate:</b>  |                                       |                                       |
| (a) Income before tax   | 79,386.16                             | 89,470.37                             |
| (b) Expected tax rate in India (applicable to the Company)                          | 25.168%                               | 25.168%                               |
| (c) Expected income tax amount  | 19,979.91                             | 22,517.90                             |
| (d) <b>Tax impact on:</b>   |                                       |                                       |
| Expenses disallowed/(allowed) as per income tax computation                         | (1,898.03)                            | (1,863.10)                            |
| Items which are taxed at different rates  | 13.28                                 | 650.80                                |
| Effect on Deferred tax balances for items taxed at different rates                  | 1,748.19                              | 1,165.54                              |
| Effect of lower tax rate in Offshore units  | (137.31)                              | 0.85                                  |
| Adjustments in respect of current income tax of previous years                      | 31.30                                 | (22.56)                               |
| Others  | 10.87                                 | (256.24)                              |
| (e) <b>Tax expenses recognised in Profit &amp; Loss Account (c+d)</b>               | <b>19,748.21</b>                      | <b>22,193.19</b>                      |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Significant components and movement in deferred tax assets and liabilities

(₹ in Lakh)

| Particulars   | As on                        | As on                        | YTD March 2023<br>Deferred Tax<br>Expense /(Credit) |
|---|------------------------------|------------------------------|---|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |   |
|   | Closing Balance              | Opening Balance              |   |
| <b>Deferred Tax Liabilities</b>   |                              |                              |   |
| Fair Valuation of Investments   | 2,359.60                     | 1,981.95                     | 377.65  |
| Lease Liability net of Right of use assets  | 1,799.46                     | 1,333.80                     | 465.66  |
| <b>Total</b>  | <b>4,159.06</b>              | <b>3,315.75</b>              |   |
| <b>Deferred Tax Assets</b>  |                              |                              |   |
| Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets | (678.03)                     | (634.14)                     | (43.89)   |
| Provision for employee benefits   | (5.66)                       | (162.35)                     | 156.69  |
| <b>Total</b>  | <b>(683.69)</b>              | <b>(796.49)</b>              |   |
| <b>Net Deferred Tax Assets/(Liabilities)</b>  | <b>3,475.37</b>              | <b>2,519.26</b>              | <b>956.11</b>                                       |

(₹ in Lakh)

| Particulars   | As on                        | As on                        | YTD March 2022<br>Deferred Tax<br>Expense /(Credit) |
|---|------------------------------|------------------------------|---|
|   | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 |   |
|   | Closing Balance              | Opening Balance              |   |
| <b>Deferred Tax Liabilities</b>   |                              |                              |   |
| Fair Valuation of Investments   | 1,981.95                     | 2,602.26                     | (620.31)  |
| Lease Liability net of Right of use assets  | 1,333.80                     | 804.98                       | 528.82  |
| <b>Total</b>  | <b>3,315.75</b>              | <b>3,407.24</b>              |   |
| <b>Deferred Tax Assets</b>  |                              |                              |   |
| Depreciation on Property, Plant and Equipment and Amortisation on Intangible Assets | (634.14)                     | (566.98)                     | (67.16)   |
| Provision for employee benefits   | (162.35)                     | (1,466.86)                   | 1,304.51  |
| <b>Total</b>  | <b>(796.49)</b>              | <b>(2,033.84)</b>            |   |
| <b>Net Deferred Tax Assets/(Liabilities)</b>  | <b>2,519.26</b>              | <b>1,373.40</b>              | <b>1,145.85</b>                                     |

## NOTE: 15 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

| Particulars                                    | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Provision for Reinstatement                    | 18.47                        | 16.72                        |
| <b>Payable on account of Statutory Dues:</b>   |                              |                              |
| - Withholding Tax payable                      | 2,547.73                     | 230.97                       |
| - GST payable                                  | 912.03                       | 1,633.50                     |
| - Professional Tax payable                     | 1.78                         | 0.01                         |
| - Employee provident fund & Other dues payable | 135.08                       | 126.45                       |
| CSR payable (Refer note 31)                    | 139.00                       | 476.99                       |
| Unclaimed Dividend                             | 11.45                        | 5.92                         |
| Unpaid Dividend                                | 4.45                         | -                            |
| <b>Total Other Non-Financial Liabilities</b>   | <b>3,769.99</b>              | <b>2,490.56</b>              |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 16 EQUITY SHARE CAPITAL

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| <b>Authorised:</b>  |                                       |                                       |
| Equity Shares of ₹ 5 each (31 <sup>st</sup> March, 2022: ₹ 5 each)                    | 16,000.00                             | 16,000.00                             |
| 320,000,000 (31 <sup>st</sup> March, 2022: 320,000,000) Equity shares fully paid up # |                                       |                                       |
| <b>Issued, Subscribed and Paid up</b>   |                                       |                                       |
| Equity Shares of ₹ 5 each (31 <sup>st</sup> March, 2022: ₹ 5 each)                    | 14,400.00                             | 14,400.00                             |
| 288,000,000 (31 <sup>st</sup> March, 2022: 288,000,000) Equity shares fully paid up # |                                       |                                       |
| <b>Total Issued, Subscribed and Paid up</b>   | <b>14,400.00</b>                      | <b>14,400.00</b>                      |

### a) Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distributions of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in the proportion to the number of equity shares held by the shareholders.

### b) Reconciliation of the shares outstanding at the beginning and at the end of the year

| Description   | (₹ in Lakh)             |                  |
|---|-------------------------|------------------|
|   | No. of Equity<br>shares | Amount           |
| As at 1 <sup>st</sup> April, 2021                                     | 18,000,000              | 1,800.00         |
| Split of shares into Face Value of ₹ 5 each #                         | 18,000,000              | -                |
| Bonus equity shares issued in the ratio of 7 for every 1 share held # | 252,000,000             | 12,600.00        |
| <b>As at 31<sup>st</sup> March, 2022</b>                              | <b>288,000,000</b>      | <b>14,400.00</b> |
| Issued during year  | -                       | -                |
| <b>As at 31<sup>st</sup> March, 2023</b>                              | <b>288,000,000</b>      | <b>14,400.00</b> |

# Pursuant to a resolution passed by our Board on 5<sup>th</sup> April, 2021 and a resolution of shareholders dated, 06<sup>th</sup> April, 2021, each equity share of face value of ₹ 10 each has been split into two equity shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 18,000,000 equity shares of face value of ₹ 10 each to 36,000,000 equity shares of face value of ₹ 5 each.

Pursuant to a resolution of Board of Directors dated 05<sup>th</sup> April, 2021 and the shareholders meeting dated 06<sup>th</sup> April, 2021, the Authorised Share Capital of the Company has been increased from ₹ 2,000 Lakh consisting of 40,000,000 Equity Shares of ₹ 5/- (Rupees Five only) each to ₹ 16,000 Lakh consisting of 320,000,000 Equity Shares of ₹ 5/- each.

The Board of Directors pursuant to a resolution dated 05<sup>th</sup> April, 2021 and the shareholders special resolution dated 06<sup>th</sup> April, 2021 have approved the issuance of seven bonus equity shares of face value ₹ 5 each for every one existing fully paid up equity share of face value ₹ 5 each and accordingly 252,000,000 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.





# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

Aggregate number of equity shares issued as bonus other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(₹ in Lakh)

| Particulars | As at<br>31 <sup>st</sup> March, 2023   | As at<br>31 <sup>st</sup> March, 2022 |
|-------------|---|---------------------------------------|
|             | Equity shares allotted as fully paid bonus shares by capitalisation of securities premium and retained earnings | 252,000,000                           |

The Shares reserved for issue under Employee Stock Option Scheme (ESOP) of the Company (Refer Note No. 37)

## c) Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

| Name of the Shareholder                         | As at 31 <sup>st</sup> March, 2023 |                   | As at 31 <sup>st</sup> March, 2022 |                   |
|---|------------------------------------|-------------------|------------------------------------|-------------------|
|   | No. of Equity shares held          | % of Shareholding | No. of Equity shares held          | % of Shareholding |
| Aditya Birla Capital Limited and its Nominees # | 144,028,800                        | 50.01%*           | 144,028,800                        | 50.01%*           |
| Sun Life (India) AMC Investment Inc. Canada     | 105,090,880                        | 36.49%            | 105,090,880                        | 36.49%            |

# 512 Equity shares (31<sup>st</sup> March, 2022: 512 Equity Shares), 416 Equity shares (31<sup>st</sup> March, 2022: 416 Equity Shares) and 192 Equity shares (31<sup>st</sup> March, 2022: 192 Equity Shares) each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\* Approximate percentages

## Shareholding of promoters as on 31<sup>st</sup> March, 2023

| Shares held by promoters at the end of the year |                                       |                    |                   | % Change during the year |
|---|---------------------------------------|--------------------|-------------------|--------------------------|
| Sr. No.   | Promoter Name                         | No. of Shares      | % of total shares |                          |
| 1   | Aditya Birla Capital Limited (ABCL) # | 144,028,800        | 50.01%*           | -                        |
| 2   | Sun Life (India) AMC Investments Inc. | 105,090,880        | 36.49%            | -                        |
| <b>Total</b>                                    |                                       | <b>249,119,680</b> | <b>86.50%</b>     |                          |

# 512 Equity shares, 416 Equity shares and 192 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\* Approximate percentages

## Shareholding of promoters as on 31<sup>st</sup> March, 2022

| Shares held by promoters at the end of the year |                                       |                    |                   | % Change during the year |
|---|---------------------------------------|--------------------|-------------------|--------------------------|
| Sr. No.   | Promoter Name                         | No. of Shares      | % of total shares |                          |
| 1   | Aditya Birla Capital Limited (ABCL) # | 144,028,800        | 50.01%*           | (0.99)%                  |
| 2   | Sun Life (India) AMC Investments Inc. | 105,090,880        | 36.49%            | (12.51)%                 |
| <b>Total</b>                                    |                                       | <b>249,119,680</b> | <b>86.50%</b>     |                          |

# 512 Equity shares, 416 Equity shares and 192 Equity shares each are held by Parag Joglekar, A Balasubramanian and Pinky Mehta, respectively, in their capacity as nominee shareholders of ABCL.

\* Approximate percentages

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 17 OTHER EQUITY

|          |   | (₹ in Lakh)       |
|----------|---|-------------------|
| <b>1</b> | <b>Share Premium Account</b>  |                   |
|          | At 1 <sup>st</sup> April, 2021                                      | 264.23            |
|          | Arising during the year   | -                 |
|          | Utilised in issue of bonus equity shares(Refer note 16)             | (264.23)          |
|          | <b>At 31<sup>st</sup> March, 2022</b>                               | <b>-</b>          |
|          | Arising during the year   | -                 |
|          | Utilised during the year  | -                 |
|          | <b>At 31<sup>st</sup> March, 2023</b>                               | <b>-</b>          |
| <b>2</b> | <b>General Reserve</b>  |                   |
|          | At 1 <sup>st</sup> April, 2021                                      | 686.66            |
|          | Arising during the year   | -                 |
|          | Utilised during the year  | -                 |
|          | <b>At 31<sup>st</sup> March, 2022</b>                               | <b>686.66</b>     |
|          | Arising during the year   | -                 |
|          | Transfer from Share Options Outstanding Account on account of exits | 117.57            |
|          | <b>At 31<sup>st</sup> March, 2023</b>                               | <b>804.23</b>     |
| <b>3</b> | <b>Retained Earnings</b>  |                   |
|          | At 1 <sup>st</sup> April, 2021                                      | 166,879.04        |
|          | Profit for the year   | 67,277.18         |
|          | Other Comprehensive Income for the year                             | 63.39             |
|          | Utilised in issue of bonus equity shares(Refer note 16)             | (12,335.77)       |
|          | Dividend for the year*  | (23,184.00)       |
|          | <b>At 1<sup>st</sup> April, 2022</b>                                | <b>198,699.84</b> |
|          | Profit for the year   | 59,637.95         |
|          | Other Comprehensive Income for the year                             | (125.45)          |
|          | Dividend for the year*  | (31,248.00)       |
|          | <b>At 31<sup>st</sup> March, 2023</b>                               | <b>226,964.34</b> |
| <b>4</b> | <b>Foreign Currency Translation Reserve</b>                         |                   |
|          | At 1 <sup>st</sup> April, 2021                                      | 831.40            |
|          | Arising during the year   | 199.46            |
|          | Utilised during the year  | -                 |
|          | <b>At 31<sup>st</sup> March, 2022</b>                               | <b>1030.86</b>    |
|          | Arising during the year   | 674.38            |
|          | Utilised during the year  | -                 |
|          | <b>At 31<sup>st</sup> March, 2023</b>                               | <b>1705.23</b>    |
| <b>5</b> | <b>Share Option Outstanding Account</b>                             |                   |
|          | At 1 <sup>st</sup> April, 2021                                      | -                 |
|          | Charges during the year   | 4,828.21          |
|          | Exercise of share options during the year                           | -                 |
|          | <b>At 31<sup>st</sup> March, 2022</b>                               | <b>4,828.21</b>   |
|          | Charges during the year   | 3,114.47          |
|          | Transfer to General Reserve on account of exits                     | (117.57)          |
|          | <b>At 31<sup>st</sup> March, 2023</b>                               | <b>7,825.11</b>   |
|          | Total Other Equity  |                   |
|          | <b>As at 31<sup>st</sup> March, 2023</b>                            | <b>237,298.91</b> |
|          | <b>As at 31<sup>st</sup> March, 2022</b>                            | <b>205,245.57</b> |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## \* Cash dividends on equity shares declared and paid:

(₹ in Lakh)

| Particulars   | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Final dividend for the Fiscal year ended 31 <sup>st</sup> March, 2022: ₹ 5.85 per share for 288,000,000 equity shares (for the year ended 31 <sup>st</sup> March, 2021: ₹ 2.45 per share for 288,000,000 equity shares) and Interim dividend for the year ended 31 <sup>st</sup> March, 2023: ₹ 5 per share for 288,000,000 equity shares (Interim dividend for the year ended 31 <sup>st</sup> March, 2022: ₹ 5.6 per share for 288,000,000 equity shares) (Refer Note 16) | 31,248.00                    | 23,184.00                    |
|   | <b>31,248.00</b>             | <b>23,184.00</b>             |

## Proposed dividends on equity shares:

(₹ in Lakh)

| Particulars  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Final dividend for the year ended on 31 <sup>st</sup> March, 2023: ₹ 5.25 per share for 288,000,000 equity shares (Final dividend for the year ended 31 <sup>st</sup> March, 2022: ₹ 5.85 per share for 288,000,000 equity shares) (Refer Note 42) | 15,120.00                    | 16,848.00                    |
|  | <b>15,120.00</b>             | <b>16,848.00</b>             |

## Nature and Purpose of the reserves

### Share Premium:

Share Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of Section 52 of Companies Act, 2013. The Group has utilised the Share Premium in issue of bonus equity shares in the previous year.

### General reserve:

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year.

Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

### Retained earnings:

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

### Foreign Currency Translation Reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

### Share Option Outstanding Account:

The grant date fair value of equity-settled share-based payment transactions with employees and directors are recognised in the Statement of Profit and Loss with the corresponding credit to this account over the vesting period.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 18 FEES AND COMMISSION INCOME

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| <b>Revenue from contracts with customers</b>                 |  |  |
| Asset Management and Advisory Fees                           | 118,200.57   | 124,965.61   |
| Management Fees from Portfolio Management and Other Services | 4,459.98   | 4,330.55   |
| <b>Total Fees and Commission income</b>                      | <b>122,660.55</b>                                  | <b>129,296.16</b>                                  |

## NOTE: 19 OTHER INCOME

(₹ in Lakh)

| Particulars                          | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--------------------------------------|--|--|
| <b>Gain on Investments</b>           |  |  |
| - Realised                           | 2,832.14   | 2,559.17   |
| - Unrealised                         | 7,875.93   | 7,241.38   |
| Interest Income                      | 1,532.90   | 1,422.97   |
| Dividend Income on investments       | 11.40  | -  |
| Profit on sale of Fixed Assets (net) | 14.43  | -  |
| Rent concession                      | 117.43   | 265.16   |
| Rent income                          | 271.18   | 62.27  |
| Miscellaneous income                 | 54.77  | 5.07   |
| <b>Total Other Income</b>            | <b>12,710.18</b>                                   | <b>11,556.02</b>                                   |

## NOTE: 20 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Salaries and allowances  | 21,577.98  | 18,777.03  |
| Contribution to provident and other funds (Refer Note 26)                          | 866.52   | 773.49   |
| Gratuity expenses (Refer Note 26)  | 309.87   | 282.35   |
| Staff welfare expenses   | 1,793.66   | 1,215.67   |
| Share-based payments by ABCL (Entity having significant influence) (Refer Note 26) | 56.50  | (4.71)   |
| Share based payments by the Company (Refer Note 37)                                | 3,115.69   | 4,828.21   |
| <b>Total Employee Benefit Expense</b>  | <b>27,720.22</b>                                   | <b>25,872.05</b>                                   |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 21 OTHER EXPENSE

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Rent   | 336.98   | 62.73  |
| Repairs and Maintenance                                  | 1,265.10   | 1,171.63   |
| Insurance  | 118.85   | 145.41   |
| Rates and Taxes  | 210.87   | 366.84   |
| Electricity  | 271.99   | 250.71   |
| Software and Technology Expenses                         | 2,635.89   | 2,297.14   |
| Database Research Expenses                               | 1,254.96   | 998.98   |
| Travelling and Conveyance                                | 1,407.47   | 660.56   |
| Communication Expenses                                   | 264.18   | 259.89   |
| Outsourced Fund Accounting Expenses                      | 181.70   | 258.58   |
| Legal and Professional Charges                           | 2,036.84   | 1,582.85   |
| Auditor's Remuneration:                                  |  |  |
| - Audit Fees   | 93.27  | 105.43   |
| - Tax Audit Fees   | 6.00   | 7.00   |
| - Other Services   | 15.30  | 9.25   |
| - Reimbursement of expenses                              | 0.45   | 0.01   |
| Services Charges   | 1,920.45   | 2,074.03   |
| Directors Sitting Fees                                   | 131.97   | 183.04   |
| Printing and Stationery                                  | 285.03   | 184.70   |
| Loss on Sale of Fixed Assets (net)                       | -  | 12.78  |
| Asset Utilisation Charges                                | 442.71   | 607.42   |
| Bank Charges   | 20.14  | 14.09  |
| Miscellaneous Expenses                                   | 608.21   | 610.33   |
| Foreign Exchange Loss (net)                              | 49.06  | 44.06  |
| Donation   | 11.05  | 10.00  |
| Corporate Social Responsibility Expenses (Refer Note 31) | 1,287.00   | 1,141.71   |
| Business Promotion Expenses                              | 5,319.92   | 4,345.84   |
| Fund Expense   | 1,979.21   | 2,080.77   |
| <b>Total Other Expense</b>                               | <b>22,154.60</b>                                   | <b>19,485.78</b>                                   |

## NOTE: 22 FINANCE COST

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Finance Cost on Lease liability (measured at amortised cost) (Refer Note 35) | 390.26   | 486.34   |
| <b>Total Finance Cost</b>  | <b>390.26</b>                                      | <b>486.34</b>                                      |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 23 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Depreciation on Right-of-use Assets (Refer Note 35)          | 1,893.47   | 1,998.41   |
| Depreciation on Property, Plant & Equipment (Refer Note 9.1) | 841.45   | 767.26   |
| Amortisation of Intangible Assets (Refer Note 9.2)           | 697.80   | 796.29   |
| <b>Total Depreciation and Amortisation Expense</b>           | <b>3,432.72</b>                                    | <b>3,561.96</b>                                    |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

### NOTE: 24 CONTINGENT LIABILITIES AND COMMITMENTS

#### (i) Contingent liabilities:

(₹ in Lakh)

| No. | Particulars   | As at                        |                              |
|-----|---|------------------------------|------------------------------|
|     |   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|     | Claims against the Group not acknowledged as debts in respect of; |                              |                              |
| i)  | Income tax matters  | *18,992.16                   | 4,638.78                     |
| ii) | Other matters   | 159.15                       | 83.85                        |

\*Note: Includes -

- AY 2020-21- Demand of ₹ 8,643.89 Lakh was raised by the officer during assessment proceedings. Credit for dividend distribution tax (DDT) of ₹ 6,783.24 Lakh was not provided by the officer and consequently, interest on DDT of ₹ 2,287.80 Lakh was levied. High court has directed the Income-tax department to decide the rectification application filed and has granted stay ad-interim.
- AY 2016-17- Demand of ₹ 3,910.12 Lakh was raised by the officer during reassessment proceedings. The demand was due to adhoc addition of ₹ 5,951.45 Lakh and consequential levy of interest. High court has directed the Income-tax department to decide the rectification application filed and has granted stay ad-interim.
- AY 2013-14- Demand of ₹ 4,834.96 Lakh was raised by the officer during reassessment proceedings. The demand was due to non-granting of TDS credit. High court has directed the Income-tax department to decide the rectification application filed and has granted stay ad-interim.

#### (ii) Commitments - unexecuted contracts:

(₹ in Lakh)

| Particulars  | As at                        |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Commitments for the acquisition of property, plant and equipment | 746.60                       | 543.76                       |
| Commitments for investment activities                            | 925.00                       | *14,445.95                   |

\* This includes commitment to invest ₹ 13,820.95 Lakh in Mutual Fund schemes managed by the Company vide SEBI circular SEBI/HO/IMD/IMD-IDOF5/P/CIR/2021/624 dated 02<sup>nd</sup> September, 2021

#### (iii) Bank guarantee

The Company has issued a bank guarantee of ₹ 2,468.25 Lakh to NSE for the purpose of IPO during FY2021-22 and the same is in force as on 2022-23.

### NOTE: 25 MANAGEMENT RIGHTS

During financial year ended 31<sup>st</sup> March, 2015 Aditya Birla Sun Life Trustee Company Private Limited took over the mutual fund schemes from ING Trust Company Private Limited and simultaneously the Group acquired the right to manage the said schemes from ING Asset Management (India) Private Limited.

The consideration paid to acquire the right to manage the said schemes along with the incidental expenditure incurred thereon aggregating to ₹ 378.51 Lakh has been treated as Investment Management Right. The Investment Management Right will be amortised over a period of 120 months. For the year ended 31<sup>st</sup> March, 2023, an amount of ₹ 37.85 Lakh (Previous year ₹ 37.85 Lakh) has been amortised. Balance life of Investment Management Right is 18 months.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

### NOTE: 26 EMPLOYEE BENEFITS

In accordance with the Indian Accounting Standard (Ind AS) 19 “Employee Benefits”, the Group has classified the various benefits provided to the employees as under:

#### a) Defined contribution plan

Defined Contribution Plan – The Group has recognised the following amounts in the Statement of Profit and Loss Account which are included under contribution to Provident Fund and other fund.

|      |   |  | (₹ in Lakh)  |  |
|------|---|--|--|--|
| No.  | Particulars   | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |  |
| i)   | Employers Contribution to Provident Fund (PF)                         | 556.35   | 474.45   |  |
| ii)  | Employers Contribution to Employees Pension Fund                      | 147.75   | 134.84   |  |
| iii) | Employers Contribution to Labour Welfare Fund                         | 0.58   | 0.45   |  |
| iv)  | Contribution to Employees Deposit Linked Insurance                    | 9.98   | 8.82   |  |
| v)   | Employers Contribution to other Funds related to Foreign Subsidiaries | 57.73  | 59.15  |  |
|      | <b>Total</b>  | <b>772.39</b>                                      | <b>677.71</b>                                      |  |

Above figures are excluding contribution to PF and Other Funds of ₹ 94.13 Lakh (Previous year ₹ 95.77 Lakh) reimbursed to related parties - Aditya Birla Financial Shared Services Limited & Aditya Birla Capital Limited.

#### b) Share based payments

Pursuant to ESOP Plan by ABCL, stock options were granted to the employees of the Company during the year. Total cost incurred by ABCL (net of reversals) till date is being recovered from the Company over the period of vesting of the ESOP grants. A sum of ₹ 56.50 Lakh (Previous year ₹ (4.71) Lakh) has been charged to the Statement of Profit and Loss. The balance sum of ₹ 4.76 Lakh will be recovered in future years as at 31<sup>st</sup> March, 2023.

#### c) Gratuity (Defined Benefit Plan)

The following table sets out the status of the gratuity plan as required under IND AS 19 as certified by actuary. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

|  |                                       |                                       | (₹ in Lakh) |  |
|--|---------------------------------------|---------------------------------------|-------------|--|
| Particulars  | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |             |  |
| <b>Amounts recognised in the Balance Sheet in respect of Gratuity</b>  |                                       |                                       |             |  |
| Present Value of the funded Defined Benefit Obligations at the end of the year                                     | 3,281.35                              | 3,092.80                              |             |  |
| Fair Value of Plan Assets  | (3,174.10)                            | (3,106.57)                            |             |  |
| <b>Net (Asset) / Liability</b>   | <b>107.25</b>                         | <b>(13.77)</b>                        |             |  |
| <b>Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity</b> |                                       |                                       |             |  |
| <b>Amounts recognised during the period:</b>   |                                       |                                       |             |  |
| In P&L   | 309.87                                | 282.35                                |             |  |
| In Other Comprehensive Income  | 127.74                                | (72.29)                               |             |  |
| <b>Total Expenses Recognised during the period</b>   | <b>437.62</b>                         | <b>210.06</b>                         |             |  |
| <b>Actual Return on Plan Assets:</b>   |                                       |                                       |             |  |
| Expected Return on Plan Assets   | 214.20                                | 190.06                                |             |  |
| Actuarial Gain/(Loss) on Plan Assets   | (123.71)                              | (31.52)                               |             |  |
| <b>Actual Return on Plan Assets:</b>   | <b>90.49</b>                          | <b>158.54</b>                         |             |  |





# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

| Particulars   | (₹ in Lakh)                           |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| <b>Reconciliation of Present Value of Obligation and the Fair Value of the Plan Assets:</b> |                                       |                                       |
| <b>Change in Present Value of the Obligations:</b>  |                                       |                                       |
| Opening Defined Benefit Obligations   | 3,092.80                              | 2,961.40                              |
| Current Service Cost  | 310.82                                | 284.49                                |
| Interest Cost   | 213.25                                | 187.92                                |
| Actuarial (Gain)/Loss arising from:   |                                       |                                       |
| - changes in demographic assumptions  | -                                     | -                                     |
| - changes in financial assumptions  | (96.47)                               | (108.89)                              |
| - experience variance (i.e. actual experience vs assumption)                                | 100.50                                | 5.08                                  |
| Liabilities Settled on Divestment   | -                                     | -                                     |
| Benefits Paid   | (339.56)                              | (237.20)                              |
| <b>Closing Defined Benefit Obligations</b>  | <b>3,281.35</b>                       | <b>3,092.80</b>                       |
| <b>Change in Fair Value of the Plan Assets:</b>   |                                       |                                       |
| Opening Fair Value of the Plan Assets   | 3,106.57                              | 2,995.19                              |
| Expected Return on the Plan Assets  | 214.20                                | 190.06                                |
| Actuarial (Gain)/Loss   | (123.71)                              | (31.52)                               |
| Contributions by the Employer   | 316.60                                | 190.04                                |
| Asset Distributed on Divestment   | -                                     | -                                     |
| Benefits Paid   | (339.56)                              | (237.20)                              |
| <b>Closing Fair Value of the Plan Assets</b>  | <b>3,174.10</b>                       | <b>3,106.57</b>                       |
| <b>Expense Recognised in Income Statement</b>   |                                       |                                       |
| Current Service Cost  | 310.82                                | 284.49                                |
| Net Interest cost / (income) on the defined Benefit Liability / (Asset)                     | (0.95)                                | (2.14)                                |
| <b>Expense Recognised in Income Statement</b>   | <b>309.87</b>                         | <b>282.35</b>                         |
| <b>Other Comprehensive Income</b>   |                                       |                                       |
| Actuarial (Gain)/Loss arising from:   |                                       |                                       |
| - changes in demographic assumptions  | -                                     | -                                     |
| - changes in financial assumptions  | (96.47)                               | (108.89)                              |
| - experience variance (i.e. actual experience vs assumption)                                | 100.50                                | 5.08                                  |
| Return on plan asset, excluding amount recognised in net interest expense                   | 123.71                                | 31.52                                 |
| <b>Remeasurement gain/loss in other comprehensive income</b>                                | <b>127.74</b>                         | <b>(72.29)</b>                        |
| <b>Investment details of Plan Assets</b>  |                                       |                                       |
| <b>Plan assets are invested with:</b>   |                                       |                                       |
| Aditya Birla Sun Life Insurance Company Limited   | 3,174.10                              | 3,106.57                              |
| <b>Composition of the plan assets are as follows:</b>                                       |                                       |                                       |
|   | <b>Allocation %</b>                   | <b>Allocation %</b>                   |
| Government Bonds  | 24.81%                                | 23.17%                                |
| Corporate Bonds   | 64.57%                                | 69.29%                                |
| Others  | 10.62%                                | 7.54%                                 |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

| Particulars                  | (₹ in Lakh)   |   |
|------------------------------|---|---|
|                              | As at<br>31 <sup>st</sup> March, 2023   | As at<br>31 <sup>st</sup> March, 2022   |
| <b>Assumptions</b>           |   |   |
| Discount rate                | 7.40%   | 6.90%   |
| Compensation Escalation rate | 8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter | 8.5% for first five years, 7.5% for next five years, 6.5% for next five years and 5% thereafter |
| Average Age                  | 33.79   | 34.31   |
| Mortality Basis              | Indian Assured Lives mortality (2012-14)  | Indian Assured Lives mortality (2012-14)  |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## OTHER NOTES TO ACCOUNTS:

### A. Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

(₹ in Lakh)

| No. | Particulars                       | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|-----|-----------------------------------|---------------------------------------|---------------------------------------|
| 1   | Defined Benefit Obligation (Base) | 3,281.35                              | 3,092.80                              |

(₹ in Lakh)

| No. | Particulars                                    | As at 31 <sup>st</sup> March, 2023 |          | As at 31 <sup>st</sup> March, 2022 |          |
|-----|--|------------------------------------|----------|------------------------------------|----------|
|     |  | Decrease                           | Increase | Decrease                           | Increase |
| 1   | Discount Rate (- / + 0.50 %)                   | 3,424.52                           | 3,147.29 | 3,234.23                           | 2,960.58 |
|     | (% change compared to base due to sensitivity) | 4.4%                               | -4.1%    | 4.6%                               | -4.3%    |
| 2   | Compensation Escalation Rate (- / + 0.50 %)    | 3,146.67                           | 3,423.88 | 2,960.55                           | 3,232.94 |
|     | (% change compared to base due to sensitivity) | -4.1%                              | 4.3%     | -4.3%                              | 4.5%     |
| 3   | Mortality Rate (- / + 10%)                     | 3,278.13                           | 3,284.55 | 3,090.00                           | 3,095.59 |
|     | (% change compared to base due to sensitivity) | -0.1%                              | 0.1%     | -0.1%                              | 0.1%     |

There is no change in the method of valuation for the prior period. For change in assumptions refer assumptions table above.

### B. Effect of plan on group's future cash flows

#### i) Funding arrangements and Funding Policy

The scheme is managed on funded basis.

#### ii) Expected Contribution during the next annual reporting period

(₹ in Lakh)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| The Group's best estimate of Contribution during the next year | 432.74   | 286.56   |

#### iii) Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)

| Particulars               | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|---------------------------|--|--|
| Weighted average duration | 9 years  | 9 years  |

#### Expected cash flows over the next (valued on undiscounted basis)

(₹ in Lakh)

| Particulars        | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
|--------------------|--|--|
| 1 year             | 195.35   | 192.93   |
| 2 to 5 years       | 1,327.01   | 1,191.60   |
| 6 to 10 years      | 1,438.75   | 1,358.79   |
| More than 10 years | 3,976.84   | 3,610.10   |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

The estimate of future salary increases, considered in the actuarial valuation, takes into account inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary based on assumptions provided by the Group.

## NOTE: 27 DISCLOSURE IN RESPECT OF RELATED PARTY PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 24:

### a) List of related parties:

|          |   |
|----------|---|
| <b>A</b> | <b>Parent of Entity having significant influence</b>                                    |
|          | Grasim Industries Limited   |
| <b>B</b> | <b>Entity having significant influence</b>  |
|          | Aditya Birla Capital Limited (ABCL)   |
|          | Sun Life (India) AMC Investments Inc., Canada   |
| <b>C</b> | <b>Other Related Party</b>  |
|          | SLGI Asset Management Inc, Canada   |
|          | Aditya Birla Management Corporation Private Limited                                     |
|          | Green Oak India Investment Advisors Private Limited                                     |
|          | Aditya Birla Capital Foundation   |
|          | Umang Commercial Company Private Limited  |
| <b>D</b> | <b>Subsidiaries of Entity having significant influence</b>                              |
|          | Aditya Birla Health Insurance Company Limited   |
|          | Aditya Birla Sun Life Insurance Company Limited   |
|          | Aditya Birla Sun Life Trustee Private Limited   |
|          | Aditya Birla Money Mart Limited   |
|          | Aditya Birla Finance Limited  |
|          | Aditya Birla Money Limited  |
|          | Aditya Birla Financial Shared Services Limited  |
|          | Aditya Birla Insurance Brokers Limited  |
|          | Aditya Birla Money Insurance Advisory Services Limited                                  |
|          | Aditya Birla Commodities Broking Limited  |
|          | Aditya Birla PE Advisors Private Limited  |
|          | Aditya Birla ARC Limited  |
|          | ABCAP Trustee Company Private Limited (Struck off w.e.f 21 <sup>st</sup> January, 2023) |
|          | Aditya Birla Sun Life Pension Management Limited  |
|          | Aditya Birla Housing Finance Limited  |
|          | Aditya Birla Wellness Private Limited   |
|          | Aditya Birla Trustee Company Private Limited  |
|          | Aditya Birla Stressed Asset AMC Private Limited   |
|          | Aditya Birla Capital Technology Services Limited  |
| <b>E</b> | <b>The entities in respect of which Funds are managed by the Group</b>                  |
|          | India Advantage Fund Limited  |
|          | International Opportunities Fund SPC  |
|          | New Horizon Fund SPC (wound up on 30 <sup>th</sup> September, 2021)                     |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## F Directors and Key Management Personnel

|   |
|---|
| Kumar Mangalam Birla (Non-Executive Director)                                 |
| Ajay Srinivasan (Non-Executive Director up to 04 <sup>th</sup> October, 2022) |
| Vishakha Mulye (Non-Executive Director from 27 <sup>th</sup> October, 2022)   |
| A Balasubramanian (Managing Director and Chief Executive Officer)             |
| Sandeep Asthana (Non-Executive Director)                                      |
| Colm Freyne (Non-Executive Director up to 25 <sup>th</sup> April, 2022)       |
| Amrit Kanwal (Non-Executive Director from 26 <sup>th</sup> April, 2022)       |
| Bharat Patel (Non-Executive Director up to 26 <sup>th</sup> June, 2022)       |
| Alka Bharucha (Independent Director)  |
| Harish Engineer (Independent Director)  |
| Navin Puri (Independent Director)   |
| Sunder Rajan Raman (Independent Director)                                     |
| Ramesh Abhishek (Independent Director)  |

## b) Related parties with whom the Group has entered into transactions during the Year

(₹ in Lakh)

| Sr. No.  | Particulars   | Category | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
|----------|---|----------|---|---|
| <b>1</b> | <b>Income</b>   |          |   |   |
|          | Interest Income - ICD   |          |   |   |
|          | Aditya Birla ARC Ltd  | D        | 81.08   | -   |
| <b>2</b> | <b>Expenses</b>   |          |   |   |
|          | <b>Commission</b>   |          |   |   |
|          | Aditya Birla Finance Ltd (Note 1)   | D        | 757.98  | 135.75  |
|          | Aditya Birla Money Ltd  | D        | -   | 0.09  |
|          | <b>Contribution to Gratuity/Insurance Premium</b>                           |          |   |   |
|          | Aditya Birla Sun Life Insurance Co Ltd                                      | D        | 368.64  | 339.79  |
|          | <b>Business Promotion Expenses</b>  |          |   |   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Insurance Premium) (Note 1)         | D        | 1,238.82  | 1,702.48  |
|          | Aditya Birla Health Insurance Co Ltd (Insurance Premium)                    | D        | -   | 2.11  |
|          | <b>Rent</b>   |          |   |   |
|          | Grasim Industries Limited   | A        | 2.34  | 64.89   |
|          | Umang Commercial Company Pvt Ltd  | C        | 106.20  | -   |
|          | <b>Advisory Services</b>  |          |   |   |
|          | Greenoak India Investment Advisors Pvt Ltd                                  | C        | 211.13  | 101.92  |
|          | <b>Software &amp; Technology Expenses</b>                                   |          |   |   |
|          | Aditya Birla Capital Technology Services Limited                            | D        | 258.95  | 323.28  |
|          | <b>Employee Benefit Expenses</b>  |          |   |   |
|          | Aditya Birla Wellness Private Limited                                       | D        | 10.67   | 0.05  |
| <b>3</b> | <b>Reimbursements of Costs Paid</b>   |          |   |   |
|          | Aditya Birla Financial Shared Services Ltd (Employee benefit expense)       | D        | 591.09  | 592.73  |
|          | Aditya Birla Financial Shared Services Ltd (Administrative & other expense) | D        | 1,968.39  | 2,109.63  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Employee benefit expense)           | D        | 12.77   | 3.45  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Rent)                               | D        | 600.08  | 14.77   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Administrative & other expense)     | D        | -   | 2.57  |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Sr. No.  | Particulars  | Category | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
|----------|--|----------|---|---|
|          | Aditya Birla Sun Life Insurance Co Ltd (Other Marketing expense)             | D        | 27.79   | -   |
|          | Aditya Birla Finance Ltd (Employee benefit expense)                          | D        | 17.90   | 4.76  |
|          | Aditya Birla Finance Ltd (Rent)  | D        | 72.10   | 12.19   |
|          | Aditya Birla Finance Ltd (Administrative & other expense)                    | D        | 3.00  | -   |
|          | Aditya Birla Capital Ltd (Employee benefit expense)                          | B        | 2,440.12  | 1,822.96  |
|          | Aditya Birla Capital Ltd (Administrative & other expense)                    | B        | 790.85  | 608.55  |
|          | Aditya Birla Housing Finance Ltd (Rent)                                      | D        | 11.66   | 14.64   |
|          | Aditya Birla Health Insurance Co. Ltd (Rent)                                 | D        | 3.13  | -   |
|          | SLGI Asset Management Inc (Employee benefit expense)                         | C        | -   | 14.19   |
|          | Aditya Birla Sun Life Trustee Pvt Ltd (Employee benefit expense)             | D        | -   | 3.67  |
|          | Aditya Birla Money Ltd (Employee benefit expense)                            | D        | 7.92  | 1.89  |
|          | Aditya Birla Money Ltd (Other Marketing expense)                             | D        | 1.28  | -   |
|          | Aditya Birla Management Corporation Pvt Ltd (Employee benefit expense)       | C        | 60.74   | 4.17  |
|          | Aditya Birla Management Corporation Pvt Ltd (Administrative & other expense) | C        | 9.81  | 2.34  |
| <b>4</b> | <b>Reimbursements of Costs Received</b>                                      |          |   |   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Employee benefit expense)            | D        | 25.92   | 27.22   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Rent)                                | D        | 117.03  | 11.25   |
|          | Aditya Birla Sun Life Insurance Co Ltd (Administrative & other expense)      | D        | 4.56  | 0.21  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Other Marketing expense)             | D        | 18.65   | -   |
|          | Aditya Birla Finance Ltd (Employee benefit expense)                          | D        | 1.49  | 1.07  |
|          | Aditya Birla Finance Ltd (Rent)  | D        | 249.66  | 49.30   |
|          | Aditya Birla Finance Ltd (Administrative & other expense)                    | D        | 4.34  | -   |
|          | Aditya Birla Finance Ltd (Other Marketing expense)                           | D        | 0.28  | -   |
|          | Aditya Birla Health Insurance Co. Ltd (Rent)                                 | D        | 46.15   | 5.99  |
|          | Aditya Birla Health Insurance Co. Ltd (Administrative & other expense)       | D        | 4.56  | 0.42  |
|          | Aditya Birla Health Insurance Co. Ltd (Other Marketing expense)              | D        | 3.46  | -   |
|          | Aditya Birla Management Corporation Pvt Ltd (Employee benefit expense)       | C        | 5.26  | 0.30  |
|          | Aditya Birla Insurance Brokers Ltd (Rent)                                    | D        | 0.06  | 0.43  |
|          | Aditya Birla Housing Finance Ltd (Rent)                                      | D        | 15.70   | 6.16  |
|          | Aditya Birla Housing Finance Ltd (Administrative & other expense)            | D        | 4.34  | -   |
|          | Aditya Birla Money Insurance Advisory Services Ltd (Rent)                    | D        | -   | 2.69  |
|          | Aditya Birla Money Ltd (Employee benefit expense)                            | D        | -   | 1.89  |
|          | Aditya Birla Money Ltd (Rent)  | D        | 12.60   | 1.43  |
|          | Aditya Birla Money Ltd (Other Marketing expense)                             | D        | 0.05  | -   |
|          | Aditya Birla Financial Shared Services Ltd (Employee benefit expense)        | D        | 26.66   | -   |
|          | Aditya Birla Sun Life Trustee Pvt Ltd (Employee benefit expense)             | D        | 0.73  | 1.77  |
|          | Aditya Birla Capital Ltd (Administrative & other expense)                    | B        | 4.42  | 0.19  |
|          | Aditya Birla Capital Technology Services Limited (Employee benefit expense)  | D        | 2.03  | -   |
|          | Sun Life (India) AMC Investments Inc (Administrative & other expense)        | B        | 55.18   | -   |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Sr. No.   | Particulars   | Category | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
|-----------|---|----------|---|---|
| <b>5</b>  | <b>Managerial Remuneration</b>                                      |          |   |   |
|           | Chief Executive Officer (Note 2)                                    | G        | 1,137.72  | 1,589.69  |
| <b>6</b>  | <b>Dividend Paid</b>  |          |   |   |
|           | Aditya Birla Capital Ltd  | B        | 15,627.12                                       | 11,664.16                                       |
|           | Sun Life (India) AMC Investments Inc                                | B        | 11,402.36                                       | 9,342.53  |
|           | Key Managerial Personnel/Director's                                 | G        | 2.69  | 1.33  |
| <b>7</b>  | <b>Inter Corporate Deposit (ICD) given</b>                          |          |   |   |
|           | Aditya Birla ARC Ltd  | D        | 2,500.00  | -   |
| <b>8</b>  | <b>Inter Corporate Deposit (ICD) Repayment Received</b>             |          |   |   |
|           | Aditya Birla ARC Ltd  | D        | 2,500.00  | -   |
| <b>9</b>  | <b>Director's Sitting Fees</b>                                      |          |   |   |
|           | Director's Sitting Fees Paid  | G        | 64.25   | 120.25  |
| <b>10</b> | <b>CSR Contribution</b>   |          |   |   |
|           | Aditya Birla Capital Foundation                                     | C        | 1,589.13  | 651.87  |
| <b>11</b> | <b>Purchase of Fixed Assets</b>                                     |          |   |   |
|           | Aditya Birla Sun Life Insurance Co. Ltd                             | D        | 0.44  | -   |
|           | Aditya Birla Management Corporation Pvt Ltd                         | C        | 2.97  | -   |
|           | Aditya Birla Capital Technology Services Limited                    | D        | 3.55  | -   |
| <b>12</b> | <b>Sale of Fixed Assets</b>   |          |   |   |
|           | Aditya Birla Management Corporation Pvt Ltd                         | C        | -   | 12.67   |
| <b>13</b> | <b>Software Development (Capitalised)</b>                           |          |   |   |
|           | Aditya Birla Capital Technology Services Limited                    | D        | -   | 13.26   |
| <b>14</b> | <b>Prepaid Expenses balances</b>                                    |          |   |   |
|           | Aditya Birla Financial Shared Services Ltd (Loans & Advances)       | D        | 68.81   | 45.88   |
|           | Aditya Birla Capital Technology Services Limited (Loans & Advances) | D        | 10.44   | 9.49  |
| <b>15</b> | <b>Security Deposit - Received and Refundable</b>                   |          |   |   |
|           | Aditya Birla Health Insurance Co. Ltd                               | D        | 6.77  | 3.61  |
|           | Aditya Birla Finance Ltd  | D        | 120.00  | -   |
|           | Aditya Birla Housing Finance Ltd                                    | D        | 2.78  | -   |
|           | Aditya Birla Sun Life Insurance Co Ltd                              | D        | 30.88   | -   |
|           | Aditya Birla Money Ltd  | D        | 2.33  | -   |
| <b>16</b> | <b>Security Deposit - Paid and Refundable</b>                       |          |   |   |
|           | Aditya Birla Health Insurance Co. Ltd                               | D        | 1.04  | -   |
|           | Aditya Birla Sun Life Insurance Co Ltd                              | D        | 34.29   | 77.60   |
| <b>17</b> | <b>Security Deposit - Recovery Payable</b>                          |          |   |   |
|           | Aditya Birla Finance Ltd  | D        | 14.96   | -   |
|           | Aditya Birla Health Insurance Co. Ltd                               | D        | 1.19  | -   |
|           | Aditya Birla Sun Life Insurance Co Ltd                              | D        | 22.29   | -   |
| <b>18</b> | <b>Security Deposit - Refund Received</b>                           |          |   |   |
|           | Grasim Industries Limited   | A        | 71.32   | -   |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## c) Outstanding balances:

(₹ in Lakh)

| Sr. No.  | Particulars  | Category | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|----------|--|----------|---------------------------------------|---------------------------------------|
| <b>1</b> | <b>Payable</b>   |          |                                       |                                       |
|          | Aditya Birla Financial Shared Services Ltd (Trade Payable)                 | D        | 322.41                                | 237.59                                |
|          | Aditya Birla Capital Ltd (Trade Payable)                                   | B        | 343.35                                | 253.39                                |
|          | Aditya Birla Housing Finance Ltd (Receivables)                             | D        | 0.00                                  | 2.89                                  |
|          | Grasim Industries Limited (Receivables)                                    | A        | 0.00                                  | 2.38                                  |
|          | Aditya Birla Capital Technology Services Limited (Trade Payable)           | D        | 8.70                                  | 35.12                                 |
|          | Aditya Birla Management Corporation Pvt Ltd (Trade Payable)                | C        | 3.97                                  | 1.36                                  |
|          | Aditya Birla Health Insurance Co. Ltd (Security Deposit Received)          | D        | 10.39                                 | 3.61                                  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Trade Payable)                     | D        | 95.55                                 | 0.00                                  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Security Deposit Received)         | D        | 30.88                                 | 0.00                                  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Security Deposit Recovery Payable) | D        | 22.29                                 | 0.00                                  |
|          | Aditya Birla Finance Ltd (Security Deposit Recovery Payable)               | D        | 14.96                                 | 0.00                                  |
|          | Aditya Birla Finance Ltd (Security Deposit Received)                       | D        | 120.00                                | 0.00                                  |
|          | Aditya Birla Housing Finance Ltd (Security Deposit Received)               | D        | 2.78                                  | 0.00                                  |
|          | Umang Commercial Company Pvt Ltd (Trade Payable)                           | C        | 6.48                                  | 0.00                                  |
|          | Aditya Birla Money Ltd (Security Deposit Received)                         | D        | 2.33                                  | 0.00                                  |
|          | Aditya Birla Health Insurance Co. Ltd (Security Deposit Recovery Payable)  | D        | 1.19                                  | 0.00                                  |
|          | Greenoak India Investment Advisors Pvt Ltd (Trade Payable)                 | C        | 6.75                                  | 0.00                                  |
| <b>2</b> | <b>Receivable</b>  |          |                                       |                                       |
|          | Aditya Birla Sun Life Insurance Co Ltd (Security Deposit Paid)             | D        | 111.89                                | 77.60                                 |
|          | Aditya Birla Finance Ltd (Receivable)                                      | D        | 1.28                                  | 40.60                                 |
|          | Aditya Birla Money Ltd (Receivables)                                       | D        | 2.70                                  | 1.31                                  |
|          | Aditya Birla Health Insurance Co. Ltd (Receivables)                        | D        | 13.53                                 | 5.90                                  |
|          | Aditya Birla Sun Life Insurance Co Ltd (Receivables)                       | D        | -                                     | 26.82                                 |
|          | Aditya Birla Sun Life Insurance Co Ltd (Deposit Recovery)                  | D        | -                                     | 30.88                                 |
|          | Aditya Birla Finance Ltd (Deposit Recovery)                                | D        | -                                     | 120.00                                |
|          | Aditya Birla Housing Finance Ltd (Deposit Recovery)                        | D        | -                                     | 2.78                                  |
|          | Grasim Industries Limited (Security Deposit Paid)                          | A        | -                                     | 71.32                                 |
|          | Aditya Birla Money Ltd (Deposit Recovery)                                  | D        | -                                     | 2.33                                  |
|          | Aditya Birla Health Insurance Co. Ltd (Deposit Recovery)                   | D        | -                                     | 6.77                                  |
|          | Aditya Birla Insurance Brokers Ltd (Receivables)                           | D        | -                                     | 0.39                                  |
|          | Aditya Birla Housing Finance Ltd (Receivables)                             | D        | 7.02                                  | -                                     |
|          | Aditya Birla Health Insurance Co. Ltd (Security Deposit Paid)              | D        | 1.04                                  | -                                     |
|          | Aditya Birla Wellness Private Limited (Receivables)                        | D        | 0.04                                  | -                                     |
|          | Sun Life (India) AMC Investments Inc (Receivables)                         | B        | 55.18                                 | -                                     |

Related parties are as identified by the Company and relied upon by the Auditors.

All the above figures are inclusive of GST wherever applicable.

Note 1 - Total Amount paid ₹ 1,996.80 Lakh (Previous Year 1,702.48 Lakh), out of which ₹ 1,213.77 Lakh (Previous Year ₹ 1,490.90 Lakh) debited to statement of profit and loss during the year and balance amortised.





# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Note 2 – Managerial Remuneration:

| Particulars   | (₹ in Lakh)  |  |
|---|--|--|
|   | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| 1. Short-term employment benefits                                     |  |  |
| a) Gross Salary   | 618.43   | 927.62   |
| b) Value of perquisites u/s 17(2) Income-tax Act, 1961                | 15.33  | 12.85  |
| 2. Share-based payments by ABCL (Entity having significant influence) | -  | 0.81   |
| 3. Share-based payments by the Company                                | 503.97   | 648.41   |
| <b>Total Remuneration</b>   | <b>1,137.73</b>                                    | <b>1,589.69</b>                                    |

Managerial Remuneration also includes Share based payments of ₹ 503.97 (PY: ₹ 648.41 Lakh) included in other long-term employment benefits.

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly have not been considered in the above information.

## NOTE: 28 EARNINGS PER SHARE

| Earnings per Share (EPS) is calculated as under:  |     | (₹ in Lakh)                           |                                       |
|---|-----|---------------------------------------|---------------------------------------|
|   |     | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Net Profit After Tax before Other Comprehensive Income as per Consolidated Statement of Profit and Loss (₹ in Lakh) | A   | 59,637.95                             | 67,277.18                             |
| Weighted average number of basic equity shares after split of shares into ₹ 5 each (refer note 16)                  | B   | 288,000,000                           | 36,000,000                            |
| Bonus shares issued (refer note 16)   | C   | -                                     | 252,000,000                           |
| Number of equity shares considered for computation of Basic EPS (B+C)   | D   | 288,000,000                           | 288,000,000                           |
| Add: Dilutive impact of Employee stock options  | E   | 768,858                               | 838,100                               |
| Number of equity shares considered for computation of Diluted EPS (D+E)   | F   | 288,768,858                           | 288,838,100                           |
| Basic Earnings Per Share (₹)  | A/D | 20.71                                 | 23.36                                 |
| Diluted Earnings Per Share (₹)  | A/F | 20.65                                 | 23.29                                 |
| <b>Nominal Value of Shares (₹)</b>  |     | <b>5</b>                              | <b>5</b>                              |

The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of EPS as per the requirement of Ind AS 33.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 29 DISCLOSURE PURSUANT TO SCHEDULE III FOR CONSOLIDATED FINANCIAL STATEMENTS: For the year ended 31<sup>st</sup> March, 2023:

(₹ in Lakh)

| Particulars  | Net Assets                   |                   | Share in Profit or Loss           |                  | Share in OCI          |               | Share in Total Comprehensive Income          |                  |
|--|------------------------------|-------------------|-----------------------------------|------------------|-----------------------|---------------|--|------------------|
|  | % of Consolidated Net Assets | Amount            | % of Consolidated Profit and Loss | Amount           | % of Consolidated OCI | Amount        | % of Consolidated Total Comprehensive Income | Amount           |
| <b>Parent</b>  |                              |                   |                                   |                  |                       |               |  |                  |
| Aditya Birla Sun Life AMC Limited                                      | 99.68                        | 250,895.43        | 99.09                             | 59,093.00        | 100.00                | 548.94        | 99.09  | 59,641.94        |
| <b>Subsidiaries</b>  |                              |                   |                                   |                  |                       |               |  |                  |
| <b>Indian</b>  |                              |                   |                                   |                  |                       |               |  |                  |
| NA   |                              |                   |                                   |                  |                       |               |  |                  |
| <b>Foreign</b>   |                              |                   |                                   |                  |                       |               |  |                  |
| Aditya Birla Sun Life AMC (Mauritius) Limited, Mauritius               | 0.38                         | 968.59            | (0.08)                            | (48.50)          | -                     | -             | (0.08)                                       | (48.50)          |
| Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore | 2.34                         | 5,886.82          | 0.89                              | 532.82           | -                     | -             | 0.89   | 532.82           |
| Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai    | 0.34                         | 850.04            | 0.09                              | 51.79            | -                     | -             | 0.09   | 51.79            |
| <b>Non-Controlling Interest</b>  |                              |                   |                                   |                  |                       |               |  |                  |
| Eliminations/ Consolidation Adjustments                                | (2.74)                       | (6,902.00)        | 0.01                              | 8.84             | -                     | -             | 0.01   | 8.84             |
| <b>Total</b>   | <b>100.00</b>                | <b>251,698.88</b> | <b>100.00</b>                     | <b>59,637.95</b> | <b>100.00</b>         | <b>548.94</b> | <b>100.00</b>                                | <b>60,186.89</b> |

## For the year ended 31<sup>st</sup> March, 2022:

(₹ in Lakh)

| Particulars  | Net Assets                   |            | Share in Profit or Loss           |           | Share in OCI          |        | Share in Total Comprehensive Income          |           |
|--|------------------------------|------------|-----------------------------------|-----------|-----------------------|--------|--|-----------|
|  | % of Consolidated Net Assets | Amount     | % of Consolidated Profit and Loss | Amount    | % of Consolidated OCI | Amount | % of Consolidated Total Comprehensive Income | Amount    |
| <b>Parent</b>  |                              |            |                                   |           |                       |        |  |           |
| Aditya Birla Sun Life AMC Limited                                      | 100.19                       | 220,061.34 | 98.16                             | 66,035.99 | 100.00                | 262.84 | 98.16  | 66,298.83 |
| <b>Subsidiaries</b>  |                              |            |                                   |           |                       |        |  |           |
| <b>Indian</b>  |                              |            |                                   |           |                       |        |  |           |
| NA   |                              |            |                                   |           |                       |        |  |           |
| <b>Foreign</b>   |                              |            |                                   |           |                       |        |  |           |
| Aditya Birla Sun Life AMC (Mauritius) Limited, Mauritius               | 0.43                         | 938.93     | 0.05                              | 32.64     | -                     | -      | 0.05   | 32.64     |
| Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore | 2.20                         | 4,821.61   | 1.73                              | 1,164.35  | -                     | -      | 1.72   | 1,164.35  |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars   | Net Assets                   |                   | Share in Profit or Loss           |                  | Share in OCI          |               | Share in Total Comprehensive Income          |                  |
|---|------------------------------|-------------------|-----------------------------------|------------------|-----------------------|---------------|--|------------------|
|   | % of Consolidated Net Assets | Amount            | % of Consolidated Profit and Loss | Amount           | % of Consolidated OCI | Amount        | % of Consolidated Total Comprehensive Income | Amount           |
| Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai | 0.33                         | 735.24            | 0.07                              | 43.97            | -                     | -             | 0.07   | 43.97            |
| <b>Non-Controlling Interest</b>                                     |                              |                   |                                   |                  |                       |               |  |                  |
| Eliminations/ Consolidation Adjustments                             | (3.15)                       | (6,911.55)        | 0.00                              | 0.23             | -                     | -             | 0.00   | 0.23             |
| <b>Total</b>  | <b>100.00</b>                | <b>219,645.57</b> | <b>100.00</b>                     | <b>67,277.18</b> | <b>100.00</b>         | <b>262.84</b> | <b>100.00</b>                                | <b>67,540.02</b> |

## NOTE: 30 SEGMENT INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 - "Operating Segments". The CODM evaluates the Group's performance and allocates resources. The Group's operations predominantly relate to providing asset management services and portfolio management services. In the opinion of the CODM and Management, the risks and rewards attached to the business are similar in nature. Hence the separate Segment under Ind AS 108 on "Operating Segments" is not required to be reported as the Group's business is restricted to single Operating Segment i.e. Asset Management Services.

There is only one customer contributing in excess of 10% of the total revenue of the Company.

(₹ in Lakh)

| Particulars                                    | For the year ended 31 <sup>st</sup> March, 2023 | For the year ended 31 <sup>st</sup> March, 2022 |
|--|---|---|
| Revenue from Aditya Birla Sun Life Mutual Fund | 115,630.08                                      | 121,951.61                                      |

## Geographic Information:

| Particulars                      | In India                           |                                    | Outside India                      |                                    | Total                              |                                    |
|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
| Revenue by location of customers | 120,523.26                         | 126,347.40                         | 3,978.10                           | 4,187.16                           | 124,501.36                         | 130,534.56                         |
| Less: Eliminations               | -                                  | -                                  | 1,840.80                           | 1,238.40                           | 1,840.80                           | 1,238.40                           |
| Net Revenue                      | 120,523.26                         | 126,347.40                         | 2,137.30                           | 2,948.76                           | 122,660.56                         | 129,296.16                         |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 31 CORPORATE SOCIAL RESPONSIBILITY

|     |  | (₹ in Lakh)   |   |
|-----|--|---|---|
| No. | Particulars  | As at<br>31 <sup>st</sup> March, 2023   | As at<br>31 <sup>st</sup> March, 2022   |
| 1   | Amount required to be spent by the Company during the year | 1,287.00  | 1,142.84  |
| 2   | Amount of expenditure incurred                             | 1,625.00  | 664.71  |
| 3   | Excess/(Shortfall) at the end of the period                | (139.00)  | (477.00)  |
| 4   | Total of previous years excess/(shortfall)                 | (477.00)  | 1.13  |
| 5   | Reason for shortfall*                                      | Ongoing Projects  | Not Applicable  |
| 6   | Nature of CSR activities                                   | Healthcare,<br>Education<br>and Women<br>Empowerment<br>& Sustainable<br>Livelihood | Healthcare,<br>Education<br>and Women<br>Empowerment<br>& Sustainable<br>Livelihood |
| 7   | Details of Related party transactions                      | Not Applicable  | Not Applicable  |

\*Unspent Amount on these projects as on 31<sup>st</sup> March, 2023 was received by the Company for subsequent transfer to the "Unspent CSR A/c" as per provisions of Companies Act, 2013. The Company has transferred the same to Unspent CSR Account

## NOTE: 32 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March, 2023.

## NOTE: 33 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| (₹ in Lakh)                              |                 |                |                       |            |         |          |                  |
|--|-----------------|----------------|-----------------------|------------|---------|----------|------------------|
| Particulars                              | Carrying Amount |                |                       | Fair Value |         |          | Total Fair Value |
|  | FVTPL           | Amortised Cost | Total Carrying amount | Level 1    | Level 2 | Level 3  |                  |
| <b>As at 31<sup>st</sup> March, 2023</b> |                 |                |                       |            |         |          |                  |
| <b>Financial Assets</b>                  |                 |                |                       |            |         |          |                  |
| Investments in:                          |                 |                |                       |            |         |          |                  |
| Mutual Funds                             | 222,312.94      | -              | 222,312.94            | 222,312.94 | -       | -        | 222,312.94       |
| Alternative Investment Funds             | 2,496.49        | -              | 2,496.49              | 1,327.20   | -       | 1,169.29 | 2,496.49         |
| Debt Securities                          | -               | 9,352.64       | 9,352.64              | 9,264.39   | -       | -        | 9,264.39         |
| Equity Instruments                       | 1,754.91        | -              | 1,754.91              | -          | -       | 1,754.91 | 1,754.91         |
| Cash and cash equivalents                | -               | 3,360.86       | 3,360.86              | -          | -       | -        | -                |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakh)

| Particulars                                    | Carrying Amount   |                  |                       | Fair Value        |          |                 | Total Fair Value  |
|--|-------------------|------------------|-----------------------|-------------------|----------|-----------------|-------------------|
|  | FVTPL             | Amortised Cost   | Total Carrying amount | Level 1           | Level 2  | Level 3         |                   |
| Bank balances other than those mentioned above | -                 | 9,302.58         | 9,302.58              | -                 | -        | -               | -                 |
| Trade receivables                              | -                 | 2,453.06         | 2,453.06              | -                 | -        | -               | -                 |
| Loans  | -                 | -                | -                     | -                 | -        | -               | -                 |
| Other financial assets                         | -                 | 5,976.46         | 5,976.46              | -                 | -        | -               | -                 |
| <b>Total Financial Assets</b>                  | <b>226,564.34</b> | <b>30,445.60</b> | <b>257,009.94</b>     | <b>232,904.53</b> | -        | <b>2,924.20</b> | <b>235,828.73</b> |
| <b>Financial Liabilities</b>                   |                   |                  |                       |                   |          |                 |                   |
| Trade Payables                                 | -                 | 4,819.43         | 4,819.43              | -                 | -        | -               | -                 |
| Lease Liabilities                              | -                 | 4,803.49         | 4,803.49              | -                 | -        | -               | -                 |
| Others Financial Liabilities                   | -                 | 5,058.11         | 5,058.10              | -                 | -        | -               | -                 |
| <b>Total Financial Liabilities</b>             | <b>-</b>          | <b>14,681.03</b> | <b>14,681.03</b>      | <b>-</b>          | <b>-</b> | <b>-</b>        | <b>-</b>          |

(₹ in Lakh)

| Particulars                                    | Carrying Amount   |                  |                       | Fair Value        |          |                 | Total Fair Value  |
|--|-------------------|------------------|-----------------------|-------------------|----------|-----------------|-------------------|
|  | FVTPL             | Amortised Cost   | Total Carrying amount | Level 1           | Level 2  | Level 3         |                   |
| <b>As at 31<sup>st</sup> March, 2022</b>       |                   |                  |                       |                   |          |                 |                   |
| <b>Financial Assets</b>                        |                   |                  |                       |                   |          |                 |                   |
| Investments in:                                |                   |                  |                       |                   |          |                 |                   |
| Mutual Funds                                   | 197,186.14        | -                | 197,186.14            | 197,186.14        | -        | -               | 197,186.14        |
| Alternative Investment Funds                   | 1,667.30          | -                | 1,667.30              | 438.69            | -        | 1,228.61        | 1,667.30          |
| Debt Securities                                | 1,006.98          | 10,482.81        | 11,489.79             | 11,752.94         | -        | -               | 11,752.94         |
| Equity Instruments                             | 1,754.91          | -                | 1,754.91              | -                 | -        | 1,754.91        | 1,754.91          |
| Cash and cash equivalents                      | -                 | 6,524.73         | 6,524.73              | -                 | -        | -               | -                 |
| Bank balances other than those mentioned above | -                 | 3,268.20         | 3,268.20              | -                 | -        | -               | -                 |
| Trade receivables                              | -                 | 2,615.94         | 2,615.94              | -                 | -        | -               | -                 |
| Loans  | -                 | 1.00             | 1.00                  | -                 | -        | -               | -                 |
| Other financial assets                         | -                 | 1,827.07         | 1,827.07              | -                 | -        | -               | -                 |
| <b>Total Financial Assets</b>                  | <b>201,615.33</b> | <b>24,719.75</b> | <b>226,335.08</b>     | <b>209,377.77</b> | -        | <b>2,983.52</b> | <b>212,361.29</b> |
| <b>Financial Liabilities</b>                   |                   |                  |                       |                   |          |                 |                   |
| Trade Payables                                 | -                 | 3,040.78         | 3,040.78              | -                 | -        | -               | -                 |
| Lease Liabilities                              | -                 | 5,436.80         | 5,436.80              | -                 | -        | -               | -                 |
| Others Financial Liabilities                   | -                 | 6,594.81         | 6,594.81              | -                 | -        | -               | -                 |
| <b>Total Financial Liabilities</b>             | <b>-</b>          | <b>15,072.39</b> | <b>15,072.39</b>      | <b>-</b>          | <b>-</b> | <b>-</b>        | <b>-</b>          |

The management assessed that cash and cash equivalents, trade receivables, other financial assets, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

Valuation techniques used to determine fair value: -

- **Mutual Funds:** - Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed
- **Alternative Investment Funds:** - Net Asset Value (NAV) provided by issuer fund which is arrived at based on valuation from independent valuer for unlisted portfolio companies, quoted price of listed portfolio companies and price of recent investments
- **Debt Securities:** - Fair value of debt securities which are actively traded bonds, is derived on the basis of quoted price available on the National Stock Exchange
- **Equity Instruments:** - Discounted cash flow based on present value of the expected future economic benefit

In order to assess Level 3 valuations as per Group's investment policy, the management reviews the performance of the investee companies (including unlisted portfolio companies of venture capital funds and alternative investment funds) on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

## Fair value reconciliation for Level 3 instruments:

The following table shows reconciliation from opening to closing balances for Level 3 assets:

|   |                 |
|---|-----------------|
| <b>Balance as at 1<sup>st</sup> April, 2021</b>           | <b>1,068.60</b> |
| Net gain/ (loss) recognised in Statement of Profit & Loss | 3.50            |
| Purchases of financial instrument                         | 2,309.53        |
| Sales of financial instruments                            | (398.11)        |
| <b>Balance as at 31<sup>st</sup> March, 2022</b>          | <b>2,983.52</b> |
| Net gain/ (loss) recognised in Statement of Profit & Loss | (28.00)         |
| Purchases of financial instrument                         | -               |
| Sales of financial instruments                            | (31.32)         |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>          | <b>2,924.20</b> |

## NOTE: 34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds investments in mutual fund units, debt and equity instruments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by Risk Management Committee and the auditors have relied on the same. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### A. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The sensitivity of the portfolio towards the interest rate is mentioned in the table below

### Sensitivity

The following table demonstrates the sensitivity to:

- Interest Rate Risk is basis impact on debt portfolios for 1% change in interest rates.
- Hybrid funds considered at 100% as a conservative basis for assessing interest rate impact on portfolio. (which form approximately 1% of the entire portfolio of schemes).

### Impact on profit and loss:

(₹ in Lakh)

| Risk  | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Interest Rate Risk – (Impact of 1% increase in interest rate) | 2.01%                        | 1.64%                        |
| Effect on Profit and Loss                                     | (3,702.55)                   | (2,774.86)                   |
| Interest Rate Risk – (Impact of 1% decrease in interest rate) | 2.01%                        | 1.64%                        |
| Effect on Profit and Loss                                     | 3,702.55                     | 2,774.86                     |

## (ii) Foreign Currency Risk

The Group has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

## (iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, caused by factors specific to an individual investment, its issuer and market.

The Group's exposure to price risk arises from investments in Units of mutual funds, alternative investment funds, etc which are classified as financial asset at Fair Value through Profit and Loss and is as follows:

(₹ in Lakh)

| Particulars                       | As at                        | As at                        |
|-----------------------------------|------------------------------|------------------------------|
|                                   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Investment exposure to price risk | 224,809.43                   | 198,853.44                   |

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices/ market value by 5%:

(₹ in Lakh)

| Particulars                      | For the year ended           | For the year ended           |
|----------------------------------|------------------------------|------------------------------|
|                                  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Effect on Profit and Loss</b> |                              |                              |
| 5% increase in prices            | 11,240.47                    | 9,942.67                     |
| 5% decrease in prices            | (11,240.47)                  | (9,942.67)                   |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## B. Credit Risk

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's has clearly defined policies to mitigate counterparty risks. Cash and liquid investments are held primarily in mutual funds and banks with good credit ratings. Defined limits are in place for exposure to individual counterparties in case of mutual fund houses and banks.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Group has major receivable from mutual fund schemes.

### Trade Receivables ageing:

(₹ in Lakh)

| Trade Receivables            | Neither past due nor impaired | Past dues but not impaired |               |               |                |            | Total    |
|------------------------------|-------------------------------|----------------------------|---------------|---------------|----------------|------------|----------|
|                              |                               | <30days                    | 30 to 60 days | 61 to 90 days | 91 to 120 days | > 120 days |          |
| 31 <sup>st</sup> March, 2023 | 2,453.06                      | -                          | -             | -             | -              | -          | 2,453.06 |
| 31 <sup>st</sup> March, 2022 | 2,615.94                      | -                          | -             | -             | -              | -          | 2,615.94 |

The carrying amounts of following financial assets represent the maximum credit risk exposure:

(₹ in Lakh)

| Particulars                                       | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Trade Receivables                                 | 2,453.06                     | 2,615.94                     |
| Cash and cash equivalents                         | 3,360.86                     | 6,524.73                     |
| Bank balances other than those mentioned above    | 9,302.58                     | 3,268.20                     |
| Loans   | -                            | 1.00                         |
| Other financial assets measured at amortised cost | 15,329.10                    | 12,309.88                    |

### Expected Credit Loss on Financial Assets

The Group continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL or life time ECL, the Group assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has determined based on historical experience and expectations that the ECL on its trade receivables is insignificant and was not recorded. The Group applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Group's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with contract and the cash flows that the Company expects to receive).

The Group has following types of financial assets that are subject to the expected credit loss:

- Cash and cash equivalent
- Trade and other receivables
- Investment in debt securities measured at amortised cost





# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Trade and Other Receivables:-

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Group has a contractual right to such receivables as well as the control over such funds due from customers, the Group does not estimate any credit risk in relation to such receivables.

## Cash and Cash Equivalents:-

The Group holds cash and cash equivalents and other bank balances as per note 3 and 4. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

## Investment in Debt Securities measured at amortised cost:-

Funds are invested after taking into account parameters like safety, liquidity and post-tax returns etc. The Group avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

## C. Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations or at a reasonable price. The Group's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

## Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

|  | (₹ in Lakh)      |                 |                  |
|--|------------------|-----------------|------------------|
|  | Within 12 months | After 12 months | Total            |
| <b>As at 31<sup>st</sup> March, 2023</b> |                  |                 |                  |
| Trade Payables                           | 4,819.43         | -               | 4,819.43         |
| Employee Dues                            | 4,888.57         | -               | 4,888.57         |
| Payable for Capital Expenditure          | 3.17             | -               | 3.17             |
| Deposits from Related Parties            | -                | 166.37          | 166.37           |
| Lease Liabilities                        | 1,303.58         | 4,343.78        | 5,647.36         |
|  | <b>11,014.76</b> | <b>4,510.16</b> | <b>15,524.92</b> |

|  | (₹ in Lakh)      |                 |                  |
|--|------------------|-----------------|------------------|
|  | Within 12 months | After 12 months | Total            |
| <b>As at 31<sup>st</sup> March, 2022</b> |                  |                 |                  |
| Trade Payables                           | 3,040.78         | -               | 3,040.78         |
| Employee Dues                            | 6,416.17         | -               | 6,416.17         |
| Payable for Capital Expenditure          | 12.27            | -               | 12.27            |
| Deposits from Related Parties            | -                | 166.37          | 166.37           |
| Lease Liabilities                        | 2,018.16         | 4,450.11        | 6,468.27         |
|  | <b>11,487.38</b> | <b>4,616.48</b> | <b>16,103.86</b> |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 35 LEASES

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March, 2023:

| (₹ in Lakh)   |   |
|---|---|
| Particulars   | Category of ROU Asset<br>Leasehold premises |
| Balance as at 01 <sup>st</sup> April, 2022  | 4,854.12                                    |
| Add: New Lease Agreements   | 1,695.59                                    |
| Less: Deletion  | (395.07)                                    |
| Less: Depreciation  | (1,893.47)                                  |
| Exchange difference on translating the financial statements of foreign subsidiaries | 8.81  |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>                                    | <b>4,269.97</b>                             |

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March, 2022:

| (₹ in Lakh)   |   |
|---|---|
| Particulars   | Category of ROU Asset<br>Leasehold premises |
| Balance as at 01 <sup>st</sup> April, 2021  | 5,155.88                                    |
| Add: New Lease Agreements   | 2,478.24                                    |
| Less: Deletion  | (784.53)                                    |
| Less: Depreciation  | (1,998.41)                                  |
| Exchange difference on translating the financial statements of foreign subsidiaries | 2.94  |
| <b>Balance as at 31<sup>st</sup> March, 2022</b>                                    | <b>4,854.12</b>                             |

## Amounts recognised in statement of profit and loss

| (₹ in Lakh)                                   |  |  |
|---|--|--|
| Particulars                                   | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| <b>Depreciation and Amortisation Expenses</b> |  |  |
| Depreciation expense on right-of-use assets   | 1,893.47   | 1,998.41   |
| <b>Finance Cost</b>                           |  |  |
| Interest expense on lease liabilities         | 390.26   | 486.34   |
| <b>Other Income</b>                           |  |  |
| Rent concession                               | (117.43)   | (265.16)   |
| <b>Other Expense</b>                          |  |  |
| Expense relating to short-term leases         | 321.85   | 44.30  |

The following is the break-up of current and non-current lease liabilities:-

| (₹ in Lakh)                   |                                       |                                       |
|-------------------------------|---------------------------------------|---------------------------------------|
| Particulars                   | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
| Current Lease Liabilities     | 1,260.62                              | 2,027.43                              |
| Non-Current Lease Liabilities | 3,542.86                              | 3,409.37                              |
| <b>Total</b>                  | <b>4,803.49</b>                       | <b>5,436.80</b>                       |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March, 2023:

| (₹ in Lakh)   |                 |
|---|-----------------|
| Particulars   | Amount          |
| Balance as at 01 <sup>st</sup> April, 2022  | 5,436.80        |
| Additions   | 1,695.59        |
| Deletions   | (508.97)        |
| Finance Cost accrued during the year  | 390.26          |
| Payment of Lease Liabilities  | (2,219.44)      |
| Rent Concession   | (3.53)          |
| Exchange difference on translating the financial statements of foreign subsidiaries | 12.77           |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>                                    | <b>4,803.49</b> |

The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March, 2022:

| (₹ in Lakh)   |                 |
|---|-----------------|
| Particulars   | Amount          |
| Balance as at 01 <sup>st</sup> April, 2021  | 5,931.43        |
| Additions   | 2,478.24        |
| Deletions   | (986.93)        |
| Finance Cost accrued during the year  | 486.34          |
| Payment of Lease Liabilities  | (2,413.78)      |
| Rent concession   | (62.76)         |
| Exchange difference on translating the financial statements of foreign subsidiaries | 4.26            |
| <b>Balance as at 31<sup>st</sup> March, 2022</b>                                    | <b>5,436.80</b> |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| (₹ in Lakh)          |  |  |
|----------------------|--|--|
| Particulars          | For the year ended<br>31 <sup>st</sup> March, 2023 | For the year ended<br>31 <sup>st</sup> March, 2022 |
| Less than one year   | 1,303.58   | 2,018.16   |
| One to Five years    | 3,352.00   | 3,162.93   |
| More than Five years | 991.78   | 1,287.18   |
| <b>Total</b>         | <b>5,647.36</b>                                    | <b>6,468.27</b>                                    |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

All the future cash flows to which the lease is potentially exposed are reflected in the measurement of lease liabilities.

## 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.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

## NOTE: 36 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lakh)

| Assets/Liabilities                  | 31 <sup>st</sup> March, 2023 |                  |                   | 31 <sup>st</sup> March, 2022 |                  |                   |
|-------------------------------------|------------------------------|------------------|-------------------|------------------------------|------------------|-------------------|
|                                     | Within 12 months             | After 12 months  | Total             | Within 12 months             | After 12 months  | Total             |
| <b>Financial Assets</b>             |                              |                  |                   |                              |                  |                   |
| Cash and cash equivalents           | 3,360.86                     | -                | 3,360.86          | 6,524.73                     | -                | 6,524.73          |
| Other bank balances                 | 9,302.58                     | -                | 9,302.58          | 3,268.20                     | -                | 3,268.20          |
| Trade receivables                   | 2,453.06                     | -                | 2,453.06          | 2,615.94                     | -                | 2,615.94          |
| Loans                               | -                            | -                | -                 | 1.00                         | -                | 1.00              |
| Investments                         | 152,685.31                   | 83,231.67        | 235,916.98        | 136,297.64                   | 75,800.50        | 212,098.14        |
| Other Financial Assets              | 4,531.92                     | 1,444.54         | 5,976.46          | 241.76                       | 1,585.31         | 1,827.07          |
| <b>Non-Financial Assets</b>         |                              |                  |                   |                              |                  |                   |
| Current tax assets (net)            | -                            | 4,198.21         | 4,198.21          | -                            | 3,925.82         | 3,925.82          |
| Property, Plant and Equipment       | -                            | 1,874.21         | 1,874.21          | -                            | 1,371.43         | 1,371.43          |
| Right of use Assets                 | -                            | 4,269.97         | 4,269.97          | -                            | 4,854.12         | 4,854.12          |
| Capital work-in-progress            | -                            | 104.79           | 104.79            | -                            | 153.18           | 153.18            |
| Intangible assets under development | -                            | 103.22           | 103.22            | -                            | 138.71           | 138.71            |
| Other Intangible Assets             | -                            | 877.44           | 877.44            | -                            | 981.85           | 981.85            |
| Other Non-Financial Assets          | 6,742.66                     | 3,632.44         | 10,375.10         | 5,505.94                     | 208.21           | 5,714.15          |
| <b>Total Assets</b>                 | <b>179,076.38</b>            | <b>99,736.50</b> | <b>278,812.88</b> | <b>154,455.21</b>            | <b>89,019.13</b> | <b>243,474.34</b> |
| <b>Financial Liabilities</b>        |                              |                  |                   |                              |                  |                   |
| Trade Payables                      | 4,819.43                     | -                | 4,819.43          | 3,040.78                     | -                | 3,040.78          |
| Lease Liabilities                   | 1,260.62                     | 3,542.86         | 4,803.49          | 2,052.86                     | 3,383.94         | 5,436.80          |
| Other Financial Liabilities         | 5,058.11                     | -                | 5,058.11          | 6,594.81                     | -                | 6,594.81          |
| <b>Non-Financial Liabilities</b>    |                              |                  |                   |                              |                  |                   |
| Current tax liabilities (net)       | 1,067.62                     | -                | 1,067.62          | 1.41                         | -                | 1.41              |
| Provisions                          | 3,874.55                     | 245.41           | 4,119.96          | 3,613.52                     | 131.63           | 3,745.15          |
| Deferred tax liabilities (net)      | -                            | 3,475.37         | 3,475.37          | -                            | 2,519.26         | 2,519.26          |
| Other non-financial liabilities     | 3,751.52                     | 18.47            | 3,769.99          | 2,473.82                     | 16.74            | 2,490.56          |
| <b>Total Liabilities</b>            | <b>19,831.85</b>             | <b>7,282.12</b>  | <b>27,113.97</b>  | <b>17,777.20</b>             | <b>6,051.57</b>  | <b>23,828.77</b>  |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 37 EMPLOYEE STOCK OPTIONS SCHEME

At the Board Meeting held on 14<sup>th</sup> April, 2021 the Company approved the grant of not more than 4,608,000 Equity Shares by way of grant of Stock Options and restricted Stock Units (“RSUs”). Out of these, the Nomination, Remuneration and Compensation Committee has granted 3,232,899 ESOPs, 508,117 PRSU, 196,374 Long-Term RSU & 246,863 RSU Founder under the Scheme titled “Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021” in 4 categories of Long-Term Incentive Plans (“LTIP”) identified as LTIP 1, LTIP 2, LTIP 3 & LTIP 4 respectively.

The Scheme allows the Grant of Stock options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share. There are no cash settlement alternatives. The Group accounts for the employees stock option scheme as an equity-settled plan.

| Category of ESOPs   | LTIP 1   | LTIP 2  | LTIP 3                                 | LTIP 4                                 |
|---|--|---|--|--|
| Type of ESOP  | ESOP   | RSU   | RSU                                    | RSU                                    |
| Plan Period   | 2021-2025  | 2021-2025   | 2021-2024                              | 2021-2023                              |
| Quantum of Grant  | 3,232,899  | 508,117   | 196,374                                | 246,863                                |
| Method of Accounting  | Fair Value of options at Grant date  | Fair Value of options at Grant date   | Fair Value of options at Grant date    | Fair Value of options at Grant date    |
| Vesting Period  | End of Year 1: 20% of options granted<br>End of Year 2: 20% of options granted<br>End of Year 3: 30% of options granted<br>End of Year 4: 30% of options granted | End of Year 3: 50% of options granted<br>End of Year 4: 50% of options granted              | End of Year 3: 100% of options granted | End of Year 2: 100% of options granted |
| Vesting Conditions  | Employees of the Group: Achievement of 75% of Annual Planning & Budgeting Profit Before Tax  | Employees of the Group: Achievement of 80% of Annual Planning & Budgeting Profit Before Tax | Continued employment                   | Continued employment                   |
| Exercise Period   | 5 years from the date of vesting   | 5 years from the date of vesting  | 5 years from the date of vesting       | 5 years from the date of vesting       |
| Grant Date  | 12/04/2021   | 12/04/2021  | 12/04/2021                             | 12/04/2021                             |
| Exercise Price as on Grant date (per share)                                     | 694.00   | 5.00  | 5.00                                   | 5.00                                   |
| Value of Equity Shares as at the Date of Grant of Original Option (₹ Per Share) | 671.50   | 671.50  | 671.50                                 | 671.50                                 |

There were no cancellations or modifications to the Employee Stock Options Scheme in year ending 31<sup>st</sup> March, 2023.

## Movements during the year ended 31<sup>st</sup> March, 2023

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

| Category of ESOPs  | LTIP 1     | LTIP 2     | LTIP 3     | LTIP 4     |
|--|------------|------------|------------|------------|
| Type of ESOP   | ESOP       | RSU        | RSU        | RSU        |
| Options/RSUs Outstanding at the beginning of the period  | 3,053,631  | 479,942    | 191,557    | 200,432    |
| Granted during the period  | Nil        | Nil        | Nil        | Nil        |
| Exercised during the period  | Nil        | Nil        | Nil        | Nil        |
| Forfeited during the period  | 351,115    | 55,186     | 17,220     | 27,281     |
| Options/RSUs Outstanding at the end of the period  | 2,702,516  | 424,756    | 174,337    | 173,151    |
| Options/RSUs Vested/Exercisable at the end of the period   | Nil        | Nil        | Nil        | Nil        |
| The weighted average remaining contractual life for the share options outstanding as at 31 <sup>st</sup> March, 2023 | 1.16 years | 1.53 years | 1.03 years | 0.03 years |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

Since all the options were granted/lapsed, at the same exercise price per option under the respective category of ESOPs, the weighted average exercise price per option for all these line items under the respective category of ESOPs is the same.

## Movements during the year ended 31<sup>st</sup> March, 2022

The following table illustrates the number and weighted average exercise prices (WAEF) of, and movements in, share options during the period:

| Category of ESOPs  | LTIP 1     | LTIP 2     | LTIP 3     | LTIP 4     |
|--|------------|------------|------------|------------|
| Type of ESOP   | ESOP       | RSU        | RSU        | RSU        |
| Options/RSUs Outstanding at the beginning of the period  | Nil        | Nil        | Nil        | Nil        |
| Granted during the period  | 3,232,899  | 508,117    | 196,374    | 246,863    |
| Exercised during the period  | Nil        | Nil        | Nil        | Nil        |
| Forfeited during the period  | 179,268    | 28,175     | 4,817      | 46,431     |
| Options/RSUs Outstanding at the end of the period  | 3,053,631  | 479,942    | 191,557    | 200,432    |
| Options/RSUs Vested/Exercisable at the end of the period   | Nil        | Nil        | Nil        | Nil        |
| The weighted average remaining contractual life for the share options outstanding as at 31 <sup>st</sup> March, 2022 | 1.73 years | 2.53 years | 2.03 years | 1.03 years |

Since all the options were granted/lapsed, at the same exercise price per option under the respective category of ESOPs, the weighted average exercise price per option for all these line items under the respective category of ESOPs is the same.

## Fair Valuation

The fair value at grant date is independently determined by valuer using Black-Scholes Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and historical volatility of the Peer companies and Index, the expected dividend yield and the risk-free interest rate for the term of the option.

The key inputs and the Fair Value for options granted during the year ended 31<sup>st</sup> March, 2023 are as follow:

| Category of ESOPs   | LTIP 1         | LTIP 2           | LTIP 3  | LTIP 4  |
|---|----------------|------------------|---------|---------|
| Type of ESOP  | ESOP           | RSU              | RSU     | RSU     |
| Risk-Free Interest Rate (%)   | 5.4 to 6.4%    | 6.3 to 6.4%      | 6.3%    | 5.7%    |
| Option Life (Years)   | 3.5 to 6.5 Yrs | 5.5 to 6.5 Yrs   | 5.5 Yrs | 4.5 Yrs |
| Historical Volatility   | 32.0% to 34.0% | 32.0% to 34.0%   | 32.4%   | 32.7%   |
| Expected Dividend Yield (%)   | 1.4%           | 1.4%             | 1.4%    | 1.4%    |
| Weighted-Average Fair Value per Option as on 12 <sup>th</sup> April, 2021 (₹) | 186 to 258.40  | 610.60 to 618.90 | 618.90  | 627.20  |

Apart from stock options granted as above, the Nomination, Remuneration and Compensation Committee has granted 645,337 ESOPs & 13,192 PRSU under the Scheme titled "Aditya Birla Sun Life AMC Limited Employee Stock Option Scheme 2021" in 2 categories of Long-Term Incentive Plans ("LTIP") identified as LTIP 1 & LTIP 2 respectively. The Scheme allows the Grant of Stock options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share. There are no cash settlement alternatives. The Group accounts for the employees stock option scheme as an equity-settled plan.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

| Category of ESOPs   | LTIP 1   | LTIP 2   |
|---|--|--|
| Type of ESOP  | ESOP   | RSU  |
| Plan Period   | 2023- 2026   | 2025-2026  |
| Quantum of Grant  | 645,337  | 13,192   |
| Method of Accounting  | Fair Value of options at Grant date  | Fair Value of options at Grant date  |
| Vesting Period  | *End of Year 1: 20% of options granted<br>End of Year 2: 20% of options granted<br>End of Year 3: 30% of options granted<br>End of Year 4: 30% of options granted  | End of Year 3: 50% of options granted<br>End of Year 4: 50% of options granted   |
| Vesting Conditions  | Employees of the Group: Achievement of 75% of Annual Planning & Budgeting Profit Before Tax<br>75% of AUM managed by the individual to be in Q1 for any two periods (i.e 1 yerr, 2 years, 3 years) and in Q2 in the remaining period<br>AUM is not negatively impacted by more than 20% vis-à-vis previous financial year<br>Individual Performance rating of Delivered Full Performance or above for the year | Employees of the Group: Achievement of 80% of Annual Planning & Budgeting Profit Before Tax and relative performance as decided by Board ( 66%: 33%) |
| Exercise Period   | 5 years from the date of vesting   | 5 years from the date of vesting   |
| Grant Date  | 20/10/2022   | 20/10/2022   |
| Exercise Price as on Grant date (per share)                                     | 435.10   | 5.00   |
| Value of Equity Shares as at the Date of Grant of Original Option (₹ Per Share) | 435.10   | 435.10   |

\*There is one employee whose terms are different from the above in the ratio of 30%:30%:40%

## Movements during the year ended 31<sup>st</sup> March, 2023

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

| Category of ESOPs  | LTIP 1     | LTIP 2     |
|--|------------|------------|
| Type of ESOP   | ESOP       | RSU        |
| Options/RSUs Outstanding at the beginning of the period  | Nil        | Nil        |
| Granted during the period  | 645,337    | 13,192     |
| Exercised during the period  | Nil        | Nil        |
| Forfeited during the period  | 122,807    | Nil        |
| Options/RSUs Outstanding at the end of the period  | 522,530    | 13,192     |
| Options/RSUs Vested/Exercisable at the end of the period   | Nil        | Nil        |
| The weighted average remaining contractual life for the share options outstanding as at 31 <sup>st</sup> March, 2023 | 2.26 years | 3.06 years |

## Fair Valuation

The fair value at grant date is independently determined by valuer using Black-Scholes Merton Model which takes into account the exercise price, the term of the option, the share price at grant date and historical volatility of the Peer companies and Index, the expected dividend yield and the risk-free interest rate for the term of the option.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

The key inputs and the Fair Value for options granted during the year ended 31<sup>st</sup> March, 2023 are as follow:

| Category of ESOPs   | LTIP 1            | LTIP 2           |
|---|-------------------|------------------|
| Type of ESOP  | ESOP              | RSU              |
| Risk-Free Interest Rate (%)   | 7.4 to 7.5%       | 7.6%             |
| Option Life (Years)   | 3.5 to 4.5 Yrs    | 5.5 to 6.5 Yrs   |
| Historical Volatility   | 29.1% to 31.8%    | 29.1% to 31.8%   |
| Expected Dividend Yield (%)   | 2.0%              | 2.0%             |
| Weighted-Average Fair Value per Option as on 20 <sup>th</sup> October, 2022 (₹) | 125.70 to 161.500 | 385.40 to 377.80 |

## NOTE: 38

The Company had completed its Initial Public Offering (IPO) of 38,880,000 equity shares of face value of ₹ 5/- each for cash at an issue price of ₹ 712/- per equity share aggregating to ₹ 27,682,560,000, consisting of an offer for sale of 38,880,000 equity shares aggregating to ₹ 27,682,560,000 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 11<sup>th</sup> October, 2021.

## NOTE: 39

### a) Struck-off Companies:

The details of transactions with struck off companies are as follows:

#### For Year ended 31<sup>st</sup> March, 2023

The Company do not have any transactions with struck off Companies.

#### For Year ended 31<sup>st</sup> March, 2022

| Name of struck off Company      | Nature of transactions with struck-off Company | Balance outstanding |
|---------------------------------|--|---------------------|
| Murlidhar Press Private Limited | Marketing & Selling                            | Nil                 |

### b) Ratios:

| Particulars   | Numerator  | Denominator | 31 <sup>st</sup> March, 2023 | Numerator  | Denominator | 31 <sup>st</sup> March, 2022 |
|---|------------|-------------|------------------------------|------------|-------------|------------------------------|
| (a) Capital to risk-weighted assets ratio (CRAR)* - - - -   | -          | -           | -                            | -          | -           | -                            |
| (b) Tier I CRAR* - - - -  | -          | -           | -                            | -          | -           | -                            |
| (c) Tier II CRAR * - - - -  | -          | -           | -                            | -          | -           | -                            |
| (d) Liquidity Coverage Ratio (no. of times)<br>[Total Financial Assets<br>(within 12 months)/Total Liabilities<br>(within 12 months)] | 172,333.72 | 19,831.85   | 8.69                         | 148,949.87 | 17,777.20   | 8.38                         |

\*Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Group.

## NOTE: 40

With regard to the new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" there are no balances that are required to be disclosed or there are no ratios which are applicable/calculable with regard to the following clauses WA, WB (i),(ii),(iii),(iv),(v),(viii),(ix),(x),(xii),(xiii),(xv) and (xvi) for the Group.





# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## NOTE: 41

With regard to the new amendments under “Division III of Schedule III” under “Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss” there are no transactions that are required to be disclosed with regard to the following clauses 11(v) and 11(vii) for the Group.

## NOTE: 42 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have proposed a final dividend of ₹ 5.25 per equity share (face value of ₹ 5 each) for the year ended 31<sup>st</sup> March, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting. Please refer Note 17 for details.

## NOTE: 43 PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
(Firm Reg. No. 301003E/E300005)

**Rutushtra Patell**  
Partner  
(Membership No. 123596)

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

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

**Vishakha Mulye**  
Director  
DIN: 00203578

**Parag Joglekar**  
Chief Financial Officer

Place: Mumbai  
Date: 27<sup>th</sup> April, 2023

**A. Balasubramanian**  
Managing Director and CEO  
DIN: 02928193

**Hemanti Wadhwa**  
Company Secretary  
FCS No. 6477





**Aditya Birla Sun Life AMC Ltd.**

(A part of Aditya Birla Capital Ltd.)

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**ADITYA BIRLA  
CAPITAL**