Standalone Financial Statements

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Independent Auditor's Report

To The Members of ADITYA BIRLA CAPITAL LIMITED
(Formerly known as ADITYA BIRLA FINANCIAL SERVICES LIMITED)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ADITYA BIRLA CAPITAL LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Impairment of Investments** The impairment review of unquoted equity instruments and debt, with a carrying value of ₹ 165 crore and 2% of total investments, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability. The net worth of the underlying entity has significantly eroded. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	Our procedures included: • Benchmarking assumptions: Comparing the Company's assumptions, to externally derived data in relation to key inputs such as long-term growth rates and discount rates. • Our experience: Assessing the appropriateness of the forecasted cash flows within the budgeted period based on our understanding of the business and sector experience. • Sensitivity analysis: Performing sensitivity analysis in relation to the key assumptions.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement and Management discussion and analysis (MD&A) (collectively referred to as "other information"), 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the 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 judgment 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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

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

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

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

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2018 included in these standalone financial statements have been prepared after adjusting previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. These adjustments have been audited by us.

The transition date opening balance sheet as at 1st April 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by the predecessor auditor whose report for the year ended 31st March 2017 dated 9th May, 2017, expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, 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.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, 4th May, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (the "Company") as of 31st March, 2019 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 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, 4th May, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) In respect of fixed assets:

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

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

c) According to the information and explanations given to us and the records examined by us and based on the examination of share certificate provided to us, we report that, the title deed, comprising the immovable property of building (Apeejay House) which is freehold, is in the name of the Company as at the balance sheet date.

(ii) According to the information and explanations given to us, the Company is Core Investment Company and its activities do not require it to hold any inventories and hence reporting under clause (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of Companies Act 2013 in respect of grants of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits as on the Balance Sheet date and hence reporting under clause (v) of the Order is not applicable.

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

(vii) According to the information and explanations given to us in respect of statutory dues:

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

b) There were no undisputed amounts payable in respect of Provident Fund, Family Pension Fund, Income-tax, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

c) There were no dues in respect of Employee's State Insurance, Customs duty, Cess, Income-tax and Goods and Service Tax which have not been deposited as on 31st March, 2019 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of borrowings to financial institutions. The Company has not borrowed any amounts from banks or government and has not issued any debentures.

(ix) According to the information and explanations given to us the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

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

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

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

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, 4th May, 2019

Standalone Balance Sheet

as at 31st March, 2019

₹ crore

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
I ASSETS				
(1) Financial Assets				
(a) Cash and Cash Equivalents	3	4.26	1.73	2.47
(b) Bank Balance other than (a) above	4	0.26	0.23	-
(c) Receivables	5			
(i) Trade Receivables				
(ii) Other Receivables		11.26	26.20	39.78
(d) Loans	6	120.84	82.19	11.83
(e) Investments	7	8,709.18	7,923.12	5,142.22
	Sub-Total	**8,845.80**	**8,033.47**	**5,196.30**
(2) Non-Financial Assets				
(a) Current Tax Assets (net)		14.77	9.97	8.09
(b) Investment Properties	8	16.11	-	-
(c) Property, Plant and Equipment	9	8.26	27.56	2.48
(d) Intangible Assets Under Development		-	0.04	4.67
(e) Other Intangible Assets	10	3.78	6.01	1.28
(f) Other Non-Financial Assets	11	10.59	6.70	6.21
	Sub-Total	**53.51**	**50.28**	**22.73**
	Total Assets	**8,899.31**	**8,083.75**	**5,219.03**
II LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No. 42)		8.62	20.63	4.78
(b) Debt Securities	12	1,439.88	674.96	492.97
(c) Other Financial Liabilities	13	22.04	23.22	13.20
	Sub-Total	**1,470.54**	**718.81**	**510.95**
(2) Non-Financial Liabilities				
(a) Provisions	14	28.24	42.63	37.28
(b) Deferred Tax Liabilities (net)	15	103.65	103.26	-
(c) Other Non-Financial Liabilities	16	1.88	7.75	1.63
	Sub-Total	**133.77**	**153.64**	**38.91**
(3) Equity				
(a) Equity Share capital	17	2,201.40	2,201.04	1,232.24
(b) Other Equity	18	5,093.60	5,010.26	3,436.93
	Total Equity	**7,295.00**	**7,211.30**	**4,669.17**
	Total Liabilities and Equity	**8,899.31**	**8,083.75**	**5,219.03**
Significant Accounting Policies	2			

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Standalone Statement of Profit and Loss

for the year ended 31st March, 2019

₹ crore

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
REVENUE FROM OPERATIONS			
Interest Income	19	18.45	14.63
Dividend Income	20	162.21	111.26
Net (Loss)/Gain on Fair Value Changes	21	(2.88)	38.14
Total Revenue from Operations		**177.78**	**164.03**
Other Income	22	0.71	0.60
Total Income		**178.49**	**164.63**
EXPENSES			
(a) Finance Costs	23	88.53	25.38
(b) Impairment on Financial Instruments	24	0.18	0.91
(c) Employee Benefits Expense	25	27.05	36.80
(d) Depreciation and Amortisation	26	0.87	0.49
(e) Other Expenses	27	43.18	64.88
Total Expenses		**159.81**	**128.46**
Profit Before Exceptional Items and Tax		**18.68**	**36.17**
Exceptional Items (Refer Note No. 48)		(30.32)	-
(Loss)/Profit Before Tax		**(11.64)**	**36.17**
Tax Expenses			
Current Tax		-	-
(Excess)/Provision for Tax related to earlier years (net)		(2.43)	-
Deferred Tax		0.39	-
Total Tax Expenses		**(2.04)**	**-**
(Loss)/Profit For The Year		**(9.60)**	**36.17**
Other Comprehensive Income			-
(i) Items that will not be reclassified to profit or loss (net of tax)		0.03	0.53
Total Comprehensive Income For The Year		**(9.57)**	**36.70**
Basic Earnings Per Share - (₹)	28	(0.04)	0.19
Diluted Earnings Per Share - (₹)		(0.04)	0.18
(Face Value of ₹ 10 each)			
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Standalone Statement of Cash Flows
for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	(Loss)/Profit Before Tax	(11.64)	36.17
	Adjustments for :		
	Impairment on Financial Instruments	0.18	0.91
	Net (Loss)/Gain on Fair Value Changes	2.88	(38.14)
	Depreciation and Amortisation	0.87	0.49
	Expense on Employee Stock Options Schemes	27.04	(11.13)
	Finance Costs	88.53	25.38
	Exceptional Item	30.32	-
	Interest Income on Financial Assets (Held at Amortised Cost)	(18.65)	(14.77)
	Interest Income - Others	(0.35)	(0.45)
	Profit on Sale of Property, Plant and Equipment	(0.02)	(0.01)
	Share Issue Expenses	-	(2.81)
		130.80	**(40.53)**
B	**OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES**	**119.16**	**(4.36)**
	Adjustments for:		
	Decrease/(Increase) in Loans	(45.14)	(57.83)
	Decrease/(Increase) in Other Bank Balance	(0.03)	(0.23)
	Decrease/(Increase) in Receivables	105.68	88.85
	Decrease/(Increase) in Other Non-Financial Assets	(3.89)	(0.49)
	Increase/(Decrease) in Trade Payables	(12.01)	15.62
	Increase/(Decrease) in Other Financial Liabilities	3.25	5.59
	Increase/(Decrease) in Other Non-Financial Liabilities	(5.86)	6.12
	Increase/(Decrease) in Provisions	(14.39)	5.35
		27.61	**62.98**
	Cash Generated From Operations	**146.77**	**58.62**
	Income Taxes Refund/(Paid)	(2.02)	(1.88)
	Net Cash Generated From Operating Activities	**144.75**	**56.74**
C	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment and Intangible Assets	(5.28)	(6.92)
	Sale of Property, Plant and Equipment	0.56	0.01
	Acquisition of Additional Shares/Investment in Subsidiary	(845.89)	(1,156.97)
	Sale of Shares in Subsidiary	8.20	-
	Proceeds Received from Private Equity Fund on Redemption of Units	20.57	138.04
	(Purchase)/Sale of Current Investments (Net)	(6.86)	151.86
	Interest Accrued on Loans to Subsidiaries (Held at Amortised Cost)	9.28	6.50
	Rent Income on Investment Property	0.13	-
	Interest Income - Others	-	0.45
	Net Cash (Used in) Investing Activities	**(819.29)**	**(867.03)**

Standalone Statement of Cash Flows (Contd.)

for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
D	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds From Issue of Shares (Including Securities Premium)	0.68	704.21
	Proceeds From Debt Securities Issued	5,166.39	1,732.30
	Debt Securities Repaid	(4,490.00)	(1,626.96)
	Net Cash Generated from Financing Activities	**677.07**	**809.55**
	Net Increase in Cash and Equivalents	2.53	(0.74)
	Cash and Cash Equivalents (Opening Balance)	1.73	2.47
	Cash and Cash Equivalents (Closing Balance)	4.26	1.73

Notes:

1	Net cash used in operating activities includes the following:-		
	Interest Received	9.07	6.36
	Dividend Received	162.21	111.26
	Interest paid on Borrowings	(73.25)	(23.95)

2 Previous year figures have been regrouped/reclassified wherever applicable.

Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Standalone Statement of Changes in Equity

for the year ended 31st March, 2019

(A) Equity Share Capital

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the Beginning of the year	2,201.04	1,232.24
Issued during the year	0.36	968.80
Balance at the end of the year	**2,201.40**	**2,201.04**

(B) Other Equity

₹ crore

Particulars	Special Reserve	Capital Reserve	Securities Premium Reserve	Other Reserves Share Option Outstanding Account	Retained Earnings Surplus as per Statement of Profit and Loss	Equity attributable to Share-holders of Company
Balance as at 1st April, 2017	**-**	**-**	**3,489.33**	**-**	**(52.40)**	**3,436.93**
Profit for the Year	-	-	-	-	36.17	36.17
Other Comprehensive Income/(Loss) for the year	-	-	-	-	0.53	0.53
Total Comprehensive Income	**-**	**-**	**-**	**-**	**36.70**	**36.70**
Issue of Equity Shares	-	-	655.34	-	-	655.34
Pursuant to the Composite Scheme of Arrangement (Note No. 45)	-	801.35	-	-	-	801.35
Transfer to Special Reserve from the Statement of Profit and Loss	13.14	-	-	-	(13.14)	-
Transferred on Scheme of Arrangement	-	-	-	7.37	-	7.37
Employee Stock Options Grants	-	-	-	75.38	-	75.38
Securities Premium on ESOPs Exercised	-	-	0.34	(0.34)	-	-
Share issue expenses written off	-	-	(2.81)	-	-	(2.81)
Balance as at 31st March, 2018	**13.14**	**801.35**	**4,142.20**	**82.41**	**(28.84)**	**5,010.26**
Balance as at 1st April, 2018	**13.14**	**801.35**	**4,142.20**	**82.41**	**(28.84)**	**5,010.26**
Loss for the Year	-	-	-	-	(9.60)	(9.60)
Comprehensive Income during the year	-	-	-	-	0.03	0.03
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(9.57)**	**(9.57)**
Employee Stock Options Amortisation for the year	-	-	-	92.59	-	92.59
Securities Premium on ESOPs Exercised	-	-	0.32	-	-	0.32
Transferred From Share Option Outstanding on ESOPs Exercised	-	-	1.77	(1.77)	-	-
Balance as at 31st March, 2019	**13.14**	**801.35**	**4,144.29**	**173.23**	**(38.41)**	**5,093.60**

Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (the "Company") is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") registered with the RBI vide certificate no. B.01.00555 dated 16th October, 2015. The Company is a majority owned subsidiary of Grasim Industries Limited.

Information on other related party relationship of the Company is provided note no. 35.

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company has applied Ind AS starting from financial year beginning on or after 1st April 2018.

The financial statements as at and for the year ended 31st March, 2019 are the first financial statements of the Company in accordance with Ind AS. Refer to note no. 58 for information on how the Company adopted Ind AS for all periods up to and including the year ended 31st March, 2018. Upto 31st March 2018, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 4th May, 2019.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and liabilities at fair value.
- Employee's Defined Benefit Plan as per actuarial valuation.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Presentation of Financial Statements

The Company presents its financial statements to comply with Division III of Schedule III to the Companies Act, 2013 (which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS. 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 no. 40

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

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.3 Financial Instruments

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

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

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

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

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

Debt instrument at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Equity investments

Investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and, hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint venture at cost.

All other equity investments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has irrevocable option to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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

Impairment of financial assets

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12 month ECL.

The Company's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the Statement of Profit and Loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Low Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant increase in credit risk

The Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- change in currency or change of counterparty,
- the extent of change in interest rates, maturity, covenants.
- If these do not clearly indicate a substantial modification, then;

A. In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

B. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
   - the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
   - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss

Write off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the Statement of Balance Sheet

Loss allowances for ECL are presented in the Statement of Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Statement of Balance Sheet as the carrying amount is at fair value.

where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

De-recognition of Financial Assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial assets.

On derecognition of a financial asset other than in it's entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financials asset between the part it continues to recognise under continuing involvement, and the part is no longer recognises on the basis of relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition:

- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings

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

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

Derecognition of Financial Liabilities

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.4 Fair Value Measurement

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values 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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less which are subject to insignificant risk of changes in value.

2.6 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

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The company, based on technical assessment made by management, depreciates the building over estimated useful lives of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Investment Property	60 Years	60 Years

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in Note 52. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

2.7 Property, Plant and Equipment (PPE) and Depreciation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognised as at 1st April, 2017 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation on tangible fixed assets is provided on Straight Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Company has used the following useful life to provide depreciation on its Property Plant and Equipment.

Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Office equipment's (computers)	3 Years	4 Years
Vehicles	6 Years	4 Years
Furniture & Fixtures	10 Years	5 Years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by management supported by technical assessments.

The estimated useful lives and residual values of the Property Plant and Equipment are reviewed at the end of each financial year.

Property Plant and Equipment, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the Property Plant and Equipment added/disposed off/discarded during the year is provided from/upto the date when added/disposed off/discarded.

Gains or losses arising from the retirement or disposal of Property Plant and Equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.8 Intangible assets and amortisation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

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

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Intangible Assets and their useful lives are as under:

Assets	Estimate Useful Life
Exclusive Images	3 Years
Computer Software	3 Years

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits. Amortisation expenses are recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.9 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

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Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

As a Lessee

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

Operating Lease

As a Lessee

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the statement of profit and loss on a straight-line basis over the lease term, unless the lease agreements explicitly states that the increase is on account of inflation.

As a Lessor

The Company has leased Investment Property, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term, unless the lease agreements explicitly states that the increase is on account of inflation.

2.11 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed) and are measured at the amounts expected to be paid when the liabilities are settled.

The Company also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

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Defined Contribution Plan

Provident Fund: The Company makes defined contributions to employee provident fund and employee pension schemes administered by government organisations set up under the applicable statute.

Superannuation Fund: Superannuation schemes administered by a trust set up by Grasim Industries Limited (the "Holding Company").

Defined Benefit Plan (gratuity obligation)

The obligation in respect of defined benefit plans, which covers Gratuity, which is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

In respect of Gratuity being Post Retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

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

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income;

The Company presents the above two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

The expected costs of other long-term employee benefits such as long term service incentive plan benefits (not being share based payments) are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the period in which they arise.

2.12 Employee Share based payments

Equity-settled transactions

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.

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2.13 Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in foreign currencies, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

b) exchange differences relating to qualifying effective cash flow hedges; and

c) Exchange difference arising on re-statement of long-term monetary items that in substance forms part of Company's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

a) Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.

b) Interest income is accounted for all financial instruments measured at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

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

2.15 Borrowings Costs

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.16 Provision for Current and Deferred Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and the rules framed thereunder.

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

2.17 Minimum Alternate Tax (MAT)

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the statement of profit and loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented with Deferred Tax Asset.

2.18 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.19 Statement of Cash Flows

Statement of Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The statement of cash flows from operating, investing and financing activities of the Company are segregated.

2.20 Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders 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.

2.21 Standard issued but not yet effective

On 30th March, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard

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sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from 1st April, 2019.

a. Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments

b. Ind AS 19 — Employee benefits

c. Ind AS 23 — Borrowing costs

d. Ind AS 28 — investment in associates and joint ventures

e. Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements

f. Ind AS 109 — Financial instruments

The Company is in the process of evaluating the impact of such amendments.

2.22 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity, with the Ind AS requires judgments, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements

Aditya Birla Capital Limited holds either directly or through its subsidiary, more than half of the equity share holding in following entities. However, as per the shareholders' agreement/ statute, Company need to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence the same are being accounted as per equity method of accounting

a) Aditya Birla Sun Life AMC Limited (Formerly Known as Birla Sun Life Asset Management Company Limited)

b) Aditya Birla Sun Life Trustee Private Limited (Formerly Known as Birla Sun Life Trustee company private Limited.)

c) Aditya Birla Wellness Private Limited

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

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Measurement of Defined Benefit Obligation

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recognition of deferred tax assets

Availability of future taxable profit against which the tax losses carried forward can be used.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-based Payments

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.

Impairment of Financial Assets

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

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a. The Company's internal credit grading model, which assigns PDs to the individual grades
b. The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
c. The segmentation of financial assets when their ECL is assessed on a collective basis.
d. Development of ECL models, including the various formulas and the choice of inputs.
e. Determination of associations between macroeconomic scenarios and, economic inputs, such as
f. unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
g. Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

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NOTE: 3 CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Cash on Hand*	β	β	-
Balances with Banks			
Current Accounts	4.26	1.73	2.47
	4.26	**1.73**	**2.47**

*Amount less that 50 000 shown as β

NOTE: 4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Money Due for Refund on Fractional Shares	0.26	0.23	-
	0.26	**0.23**	**-**

NOTE: 5 RECEIVABLE

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
i) Trade Receivable	-	-	-
ii) Other Receivable			
Receivables From Related Parties	11.26	24.30	39.78
Application Money Pending Allotment of Units of Mutual Fund	-	1.90	-
	11.26	**26.20**	**39.78**

NOTE: 6 LOANS

(Carried at amortised cost, except otherwise stated)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Unsecured, considered good			
Security Deposits	2.65	2.74	1.72
Loans to Employees	-	0.02	-
Inter Corporate Deposits (including accrued interest thereon)	115.48	70.23	-
Loans to Related Parties	10.11	10.11	10.11
Less: Impairment Loss Allowance	(7.40)	(0.91)	-
	120.84	**82.19**	**11.83**

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NOTE: 7 INVESTMENTS

₹ crore

	Particulars		As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017
A.	**Investments in Subsidiaries Equity Instruments (At Cost)**						
	Quoted Investments						
	Aditya Birla Money Limited (Refer Note No. 43)	248.30		248.30		248.30	
	Less : Impairment in investment of Aditya Birla Money Limited	12.42	**235.88**	12.42	**235.88**	12.42	**235.88**
	Unquoted Investments						
	Aditya Birla PE Advisors Private Limited		3.50		3.50		3.50
	Aditya Birla Financial Shared Service Limited		0.05		0.05		0.05
	Aditya Birla MyUniverse Limited (Refer Note No. 48)	71.11		71.11		71.11	
	Less : Impairment in investment of Aditya Birla MyUniverse Limited	24.00	47.11	-	71.11	-	71.11
	Aditya Birla Trustee Company Private Limited		0.05		0.05		0.05
	Aditya Birla Insurance Brokers Limited		0.30		0.30		0.30
	Aditya Birla Finance Limited		5,463.62		5,138.59		2,795.06
	Aditya Birla Money Mart Limited	0.10		0.10		0.10	
	Less : Impairment in investment of Aditya Birla Money Mart Limited	0.06	0.04	0.06	0.04	0.06	0.04
	Aditya Birla Housing Finance Limited		1,117.66		767.66		417.66
	Aditya Birla Sun Life Insurance Company Limited		1,206.93		1,206.93		1,206.93
	Aditya Birla Health Insurance Co. Limited		284.55		119.06		51.23
	ABCAP Trustee Company Private Limited		0.03		0.02		0.01
	Aditya Birla ARC Limited		100.00		100.00		-
	Aditya Birla Stressed Asset AMC Private Limited		0.25		-		-
	Equity Component for Investment in Preference Shares of Aditya Birla Money Mart Limited	0.06		0.06		0.06	
	Less : Impairment of Equity Component of Preference Shares of Aditya Birla Money Mart Limited	0.04	0.02	0.04	0.02	0.04	0.02
	Equity Component of Employee Stock Options		-		19.76		-
	Total Subsidiary Equity Investments (A)		**8,459.99**		**7,662.97**		**4,781.84**
B.	**Investments in Joint Venture Equity Instruments (At Cost)**						
	Aditya Birla Sun Life AMC Limited		33.71		33.71		33.71
	Aditya Birla Sun Life Trustee Private Limited		0.02		0.02		0.02
	Aditya Birla Wellness Private Limited		17.75		12.65		6.58
	Total Joint Venture Equity Investments (B)		**51.48**		**46.38**		**40.31**
C.	**Investment in Preference Shares (At Amortised Cost)**						
	8% Cumulative Redeemable Preference Shares of Aditya Birla Finance Limited		10.81		10.81		-
	8% Redeemable Non-Convertible Non-Cumulative Preference Shares of Aditya Birla Money Limited		47.18		43.95		41.20
	0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla ARC Limited		-		8.00		-
	0.01% Redeemable Non Convertible Cumulative Preference Shares Aditya Birla Money Mart Limited	0.15		0.15		0.15	
	Less : Impairment in Investment of Aditya Birla Money Mart Limited	0.13	0.02	0.12	0.03	0.12	0.03
	Total Preference Shares Investments (C)		**58.01**		**62.79**		**41.23**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
D.	**Investments in Debentures (At Amortised Cost)**				
	Unquoted Investments				
	0.1% Compulsory Convertible Debentures (CCD) :				
	Aditya Birla Money Mart Limited (Refer Note No. 49)		33.75	30.96	28.41
	Aditya Birla Finance Limited		31.13	28.56	26.21
	Total Debenture Investments	**(D)**	**64.88**	**59.52**	**54.62**
E.	**Investment in Preference Shares and Private Equity Fund**				
	Unquoted Investments - (FVTPL)				
	0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla MyUniverse Limited (Refer Note No. 48)		60.00	60.00	60.00
	Investment in Aditya Birla Private Equity - Fund I		0.33	10.14	110.71
	Investment in Aditya Birla Private Equity - Sunrise Fund		-	14.78	23.48
	Total Preference Share and Private Equity Investments	**(E)**	**60.33**	**84.92**	**194.19**
F.	**Investment in Mutual Funds**				
	Unquoted Investment - (FVTPL)				
	Aditya Birla Sun Life Cash Plus - Growth		14.49	6.54	30.03
	Units - 448,927.318 (31st March, 2018 Units 233,069.83)				
	Total Mutual Fund Investments	**(F)**	**14.49**	**6.54**	**30.03**
	Total Investments (A)+(B)+(C)+(D)+(E)+(F)		**8,709.18**	**7,923.12**	**5,142.22**
	Total Investment at Cost		8,511.47	7,709.35	4,822.14
	Total Investment at Amortised Cost		122.89	122.31	95.85
	Total Investment at FVTPL		74.82	91.46	224.22

Note:

1. Aggregate Amount of Quoted Investment ₹ 235.88 Crore (31st March, 2018 ₹ 235.88 Crore and 1st April, 2017 ₹ 235.88 Crore) Market Value of ₹ 195.91 Crore (31st March, 2018 ₹ 208.58 Crore and 1st April, 2017 ₹ 131.09 Crore).
2. Aggregate Book Value of Unquoted Investment ₹ 8,473.30 Crore (31st March, 2018 ₹ 7,687.24 Crore; 1st April, 2017 ₹ 4,906.34 Crore).
3. Aggregate Amount of Diminution in Value of Investment ₹ 36.65 Crore (31st March, 2018 ₹ 12.64 Crore; 1st April, 2017 ₹ 12.64 Crore).
4. All above investments are in India itself.

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

NOTE: 8 INVESTMENT PROPERTY

₹ crore

Particulars	Investment Property
Gross Block	
As at 1st April, 2017	-
Additions during the year	-
Deletions during the year	-
As at 31st March, 2018	-
Additions during the year	-
Deletions during the year	-
Reclassify as Investment Property (Refer Note No. 52)	16.87
As at 31st March, 2019	**16.87**
Accumulated Depreciation	
As at 1st April, 2017	-
Depreciation Expenses for the year	-
Deletions during the year	-
As at 31st March, 2018	-
Depreciation Expenses for the year	0.43
Deletions during the year	-
Reclassify as Investment Property (Refer Note No. 52)	0.33
As at 31st March, 2019	**0.76**
Net Block as at 31st March, 2019	**16.11**
Net Block as at 31st March, 2018	**-**
Net Block as at 1st April, 2017	**-**

NOTE: 9 PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Building	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross Block					
As at 1st April, 2017	-	0.01	0.68	1.79	**2.48**
Additions during the year	-	6.45	0.98	2.72	**10.15**
Deletions during the year	-	-	-	0.13	**0.13**
Addition/(Deletion) on Acquisitions	16.87	-	0.05	-	**16.92**
As at 31st March, 2018	16.87	6.46	1.71	4.38	**29.42**
Additions during the year	-	0.04	0.11	0.41	**0.56**
Deletions during the year	-	0.01	-	0.61	**0.62**
Reclassify as Investment Property (Refer Note No. 52)	16.87	-	-	-	**16.87**
As at 31st March, 2019	**-**	**6.49**	**1.82**	**4.18**	**12.49**

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	Building	Furniture & Fixtures	Office Equipments	Vehicles	Total
Accumulated Depreciation					
As at 1st April, 2017	-	-	-	-	-
Depreciation Expenses for the year	0.33	0.31	0.43	0.92	**1.99**
Deletions during the year	-	-	-	0.13	**0.13**
As at 31st March, 2018	0.33	0.31	0.43	0.79	**1.86**
Depreciation Expenses for the year	-	1.23	0.49	1.06	**2.78**
Deletions during the year	-	-	-	0.08	**0.08**
Reclassify as Investment Property (Refer Note No. 52)	0.33	-	-	-	**0.33**
As at 31st March, 2019	**-**	**1.54**	**0.92**	**1.77**	**4.23**
Net Block as at 31st March, 2019	**-**	**4.95**	**0.90**	**2.41**	**8.26**
Net Block as at 31st March, 2018	**16.54**	**6.15**	**1.28**	**3.59**	**27.56**
Net Block as at 1st April, 2017	**-**	**0.01**	**0.68**	**1.79**	**2.48**

NOTE: 10 INTANGIBLE ASSETS

₹ crore

Particulars	Exclusive Images	Computer Software	Total
Gross Block			
As at 1st April, 2017	-	1.28	1.28
Additions during the year	4.94	0.89	**5.83**
Deletions during the year	-	-	-
As at 31st March, 2018	**4.94**	**2.17**	**7.11**
Additions during the year	-	0.33	**0.33**
Deletions during the year	-	-	-
As at 31st March, 2019	**4.94**	**2.50**	**7.44**
Accumulated Amortisation			
As at 1st April, 2017	-	-	-
Depreciation Expenses for the year	0.29	0.81	**1.10**
Deletions during the year	-	-	-
As at 31st March, 2018	**0.29**	**0.81**	**1.10**
Depreciation Expenses for the year	1.65	0.91	**2.56**
Deletions during the year	-	-	-
As at 31st March, 2019	**1.94**	**1.72**	**3.66**
Net Block as at 31st March, 2019	**3.00**	**0.78**	**3.78**
Net Block as at 31st March, 2018	**4.65**	**1.36**	**6.01**
Net Block as at 1st April, 2017	**-**	**1.28**	**1.28**

Foot Note:

1. Company does not have any Internally Generated Intangible Assets

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

NOTE: 11 OTHER NON-FINANCIAL ASSETS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Dues from Government	-	-	0.38
Deferred Rent Expenses	0.39	0.29	0.03
Prepaid Expenses	1.97	0.58	0.47
Gratuity Fund Receivable	8.23	5.83	5.33
	10.59	**6.70**	**6.21**

NOTE: 12 DEBT SECURITIES
(Carried at amortised cost)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Unsecured			
Commercial Papers	1,439.88	674.96	492.97
	1,439.88	**674.96**	**492.97**
Debt Securities:			
In India	1,439.88	674.96	492.97
Outside India	-	-	-

NOTE: 13 OTHER FINANCIAL LIABILITIES
(Carried at amortised cost, except otherwise stated)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Payable for Capex Creditors	-	4.43	-
Lease Rental Deposits	0.25	-	-
Payable Related to Employees	21.79	18.79	13.20
	22.04	**23.22**	**13.20**

NOTE: 14 PROVISIONS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
For Employee Benefits			
Compensated Absence	2.15	1.82	1.00
Gratuity (Funded)	8.71	7.14	5.44
Long-Term Incentive Plan	17.38	33.67	30.84
	28.24	**42.63**	**37.28**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

NOTE: 15 DEFERRED TAX LIABILITIES (NET)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Deferred Tax Liabilities on assets acquired from Grasim Industries Limited at fair value:			
Equity Shares of Aditya Birla Finance Limited (Refer Note No. 45)	100.61	99.65	-
Investment Property (Refer Note No. 45)	3.04	3.61	-
(Refer Note No. 29)	**103.65**	**103.26**	-

NOTE: 16 OTHER NON-FINANCIAL LIABILITIES

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Statutory Dues	1.60	7.50	1.62
Employee's Deposit - OYCS Scheme	0.02	0.02	0.01
Unpaid Fractional Warrant FY 2017	0.26	0.23	-
	1.88	**7.75**	**1.63**

NOTE: 17 SHARE CAPITAL

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
AUTHORISED:			
4,000,000,000 (Previous Year 4,000,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00	2,200.00
NIL (Previous Year NIL) Preference Shares of ₹ 10/- each (Refer Foot Note No. 4)	-	-	1,800.00
	4,000.00	**4,000.00**	**4,000.00**
ISSUED, SUBSCRIBED AND PAID-UP:			
Equity Share Capital			
2,201,404,363 (Previous Year 2,201,039,348) Equity Shares of ₹ 10/- each fully paid up	2,201.40	2,201.04	1,232.24
Total Share Capital	**2,201.40**	**2,201.04**	**1,232.24**

1. Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

₹ crore

Sr. No.	Description	As at 31st March, 2019		As at 31st March, 2018	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No. of Shares Outstanding at the beginning of the year	2,201,039,348	-	1,232,240,000	-
2	Allotment of fully paid up shares during the year	365,015	-	968,799,348	-
	a) P I Opportunities Fund 1 (Refer Note No. 44)	-	-	48,400,000	-
	b) Pursuant to Composite Scheme of Arrangement (Refer Note No. 45)	-	-	920,266,951	-
	c) ABCL ESOP 2017 (Refer Note No. 34)	335,815	-	132,397	-
	d) Employee Stock Option Plan (Refer Note No. 33)	29,200	-	-	-

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

Sr. No.	Description	As at 31st March, 2019		As at 31st March, 2018	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
3	Conversion of Preference Shares into Equity Shares during the year	-	-	-	-
4	Redemption of preference shares	-	-	-	-
5	No. of Shares Outstanding at the end of the year	2,201,404,363	-	2,201,039,348	-

2. Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3. Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under:

Equity Share

Sr. No.	Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited*	1,232,240,000	55.98%	1,232,240,000	55.98%	-	-
2	Aditya Birla Nuvo Limited (with nominees)	-	-	-	-	1,232,240,000	100.00%

* During the previous year Pursuant to the Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (Grasim) and the Company 920,266,951 equity shares of ₹ 10 each were issued to Grasim as fully paid up in exchange of the assets of the Financial Services Business.

4. Reclassification of Authorised Share Capital

During the previous year the Company had reclassified its Authorised Share Capital. The revised structure comprise of 4,000,000,000 Equity shares of ₹ 10 each.

5. During the last five years there were no Bonus Shares were issued.

6. The shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note No. 33 & 34).

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

NOTE: 18 OTHER EQUITY

₹ crore

	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	**Special Reserve/Statutory Reserve**		
	Opening Balance (Refer Foot Note (a))	13.14	-
	Addition:		
	Transfer from Surplus in the Statement of Profit and Loss	-	13.14
		13.14	**13.14**
2.	**Capital Reserve**		
	Opening Balance	801.35	-
	Pursuant to the Composite Scheme of Arrangement (Refer Note No. 45)	-	801.35
		801.35	**801.35**
3.	**Securities Premium**		
	Opening Balance	4,142.20	3,489.33
	Addition:		
	Issue of Equity Shares (Refer Note No. 44)	-	655.34
	Conversion of Preference Shares	-	-
	Securities Premium on ESOP Exercised	0.32	0.34
	Transferred From Share Option Outstanding on ESOPs Exercised	1.77	-
	Deduction:		
	Share Issue Expenses	-	2.81
		4,144.29	**4,142.20**
4.	**Share Option Outstanding Account**		
	Opening Balance	82.41	-
	Addition:		
	Employee Stock Options Amortisation for the year (Refer Note No. 33)	92.59	75.38
	Transferred on Scheme of Arrangement (Refer Note No. 45)	-	7.37
	Deduction:		
	Transferred to Securities Premium on ESOPs Exercised	1.77	0.34
		173.23	**82.41**
5.	**Surplus/(Deficit) in the Statement of Profit and Loss**		
	Opening Balance	(28.84)	(52.40)
	Addition:		
	(Loss)/Profit for the Year	(9.60)	36.17
	Other Comprehensive Income/(Loss) for the year arising from remeasurement Gains/(Loss) on defined benefit plans	0.03	0.53
	Less: Appropriations :		
	Transfer to Special Reserve	-	13.14
		(38.41)	**(28.84)**
	Total Other Equity	**5,093.60**	**5,010.26**

(a) **Special Reserve**

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

NOTE: 19 INTEREST INCOME (HELD AT AMORTISED COST)

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
On Inter Corporate Deposits	9.07	6.36
On Investments in Preference Shares and Compulsory Convertible Debentures	9.38	8.27
	18.45	**14.63**

NOTE: 20 DIVIDEND INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
On Financial Assets Classified at Fair Value Through Profit or Loss (FVTPL)		
From Joint Venture	153.00	101.90
From Subsidiary	9.21	9.36
	162.21	**111.26**

NOTE: 21 NET (LOSS)/GAIN ON FAIR VALUE CHANGES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Net (Loss)/Gain on Financial Instruments at Fair Value Through Profit or Loss (FVTPL)		
Equity investment at FVTPL	(2.88)	38.14
	(2.88)	**38.14**
Fair Value changes :		
Realised	1.09	9.34
Unrealised	(3.97)	28.80
	(2.88)	**38.14**

NOTE: 22 OTHER INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Income		
On Income Tax Refund	0.35	0.45
On Financial Assets Held at Amortised Cost	0.21	0.14
Profit on Sale of Property, Plant & Equipment	0.02	0.01
Rent Income on Investment Property	0.13	-
	0.71	**0.60**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

NOTE: 23 FINANCE COSTS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on Fair Value Held at Amortised Cost		
Debt Securities	88.53	25.38
	88.53	**25.38**

NOTE: 24 IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
On Loans Held at Amortised Cost	0.18	0.91
	0.18	**0.91**

NOTE: 25 EMPLOYEE BENEFITS EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	77.61	78.80
Contribution to Provident and Other Funds (Refer Note No. 36 (B))	2.66	2.36
Contribution to Gratuity Fund (Refer Note No. 36)	0.98	0.91
Expense on Employee Stock Options Scheme (Refer Note No. 33)	28.17	24.61
Staff Welfare Expenses	0.32	0.60
	109.74	**107.28**
Less : Recovery of Expenses (Refer Note No. 53)	(82.69)	(70.48)
	27.05	**36.80**

NOTE: 26 DEPRECIATION AND AMORTISATION EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation on Property, Plant and Equipment	2.78	1.99
Depreciation on Investment Property	0.43	-
Amortisation on Intangible Assets	2.56	1.10
	5.77	**3.09**
Less: Recovery of Expenses (Refer Note No. 53)	(4.90)	(2.60)
	0.87	**0.49**

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

NOTE: 27 OTHER EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rent	4.40	3.71
Repairs & Maintenance	1.45	1.18
Insurance	0.86	0.40
Rates & Taxes	0.72	1.20
Advertisement and Sales Promotion Expenses	35.30	61.38
Legal & Professional Expenses	7.53	13.86
Auditors' Remuneration (Refer Note No. 32)	0.81	0.68
Directors' Sitting Fees	0.17	0.21
Travelling & Conveyance	1.45	3.12
Printing and Stationery	1.44	0.47
Communication Expenses	0.26	0.16
Electricity Charges	0.34	0.38
Listing Fees	0.85	0.64
Postage Expenses	1.67	0.14
Miscellaneous Expenses	3.37	3.47
	60.62	**91.00**
Less: Recovery of Expenses (Refer Note No. 53)	(17.44)	(26.12)
Total	**43.18**	**64.88**

NOTE: 28 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

₹ crore

Particulars		Year ended 31st March, 2019	Year ended 31st March, 2018
Earnings per Share (EPS) is calculated as under:			
Weighted-Average Number of Equity Shares for calculation of Basic EPS	**(A)**	2,201,322,201	1,951,975,713
Add: Dilutive impact of Employee Stock Options		1,830,962	9,060,322
Weighted-Average Number of Equity Shares for calculation of Diluted EPS	**(B)**	2,203,153,163	1,961,036,035
Nominal Value of Shares (₹)		10.00	10.00
(Loss)/Profit Attributable to Equity Holders of the Parent:			
Continuing Operations	**(C)**	(9.60)	36.17
Basic EPS (₹)	(C/A)	(0.04)	0.19
Diluted EPS (₹)	(C/B)	(0.04)	0.18

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

29 Deferred Tax Liabilities/Assets

The Company has not recognised deferred tax assets on brought forward business losses, capital losses, unabsorbed depreciation and other deductible timing differences (net of future taxable capital gains) aggregating to ₹ 43.75 Crore (₹ 28.78 Crore as at 31st March, 2018; ₹ NIL as at 1st April, 2017) since there is no certainty that future taxable profits against which such losses can be utilised would be available.

A Deferred tax liability on mark to mark gain on investment in private equity funds of ₹ 14 Crore as at 1st April, 2017 has not been recognised since the investments made by the private equity fund are diversified in short-term and long-term investments. These investments will carry different rates of income tax/exemptions at the time of exits.

30 Contingent Liabilities and Commitments

a) Contingent Liabilities

Aditya Birla MyUniverse Limited (formerly known as Aditya Birla Customer Services Limited) (ABMU), a subsidiary of the Company, has issued 0.001%-Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC) vide Shareholders' Agreement, dated 19th December, 2014, and Subscription Agreement dated 19th December, 2014 (SHA). Under the said SHA, the Company has granted to IFC an option to sell the shares to the Company at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC up to a maximum of 120 months from the date of subscription by IFC, in the event ABMU fails to provide an opportunity to IFC to exit from ABMU within 60 months from the date of subscription by IFC in the form of Listing, secondary sale or acquisition, etc. In the event ABMU fails to fulfill its obligation, the Company will be obligated to fulfill this obligation.

b) Capital Commitments

i) There is no capital commitment (₹ Nil as at 31st March, 2018; ₹ 1.02 Crore as at 1st April, 2017) towards Intangible Assets under Development for Digital/Technology related projects.

ii) The Company has ₹ 2.00 Crore commitments towards Equity Participation in any new formed Subsidiary Aditya Birla Capital Investments Private Limited.

The Company has ₹ NIL as at 31st March, 2018 as commitments towards Equity Participation and

The Company has ₹ 2.00 Crore as at 1st April, 2017 as commitments towards Equity Participation in Aditya Birla ARC Limited.

iii) Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by Aditya Birla Capital Limited, in respect of Aditya Birla Sun Life Insurance Company Limited, the Company agreed to infuse its share of capital from time to time to meet the solvency requirement prescribed by the regulatory authority.

Transfer of investments in Aditya Birla Sun Life Insurance Company Ltd., is restricted by the terms contained in Shareholder Agreements entered into by the Company.

31 Leases

The Company has entered into operating lease related to office premises and employee housing accommodation facility provided. The security deposits has been recognised at fair value as per Ind AS 109, at initial recognition the carrying value of the rent deposit is the present value of all expected future principal repayments discounted using market rates prevailing at the time of origination.

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Operating Lease Payment Recognised in the Statement of Profit and Loss	4.40	3.71
Total	**4.40**	**3.71**

There are no non-cancellable operating leases.

32 Payment to Statutory Auditors

During the year, the Company made following payments to statutory auditors:

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Audit Fees Including Limited Review	0.54	0.62
Tax Audit	0.03	0.03
Other Services	0.21	0.01
Reimbursement of Expenses	0.03	0.02
Total	**0.81**	**0.68**

The above disclosed figures are excluding Goods and Service Tax.

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33 Disclosure under Employee Stock Options Scheme

At the Annual General Meeting held on 19th July, 2017, the shareholders of the Company approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long Term Incentive Plans ("LTIP") identified as LTIP 1, LTIP 2, and LTIP 3. 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.

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Plan Period	2017-2019	2017-2021	2017-2018	2017-2022
Quantum of Grant	4,343,750	11,557,872	1,398,886	12,504,992
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	100% (2 years)	25% p.a. (4 years)	100% (2 years)	20% p.a. (5 years)
Vesting Condition(s)	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target
Exercise Period	5 Years From Date of Vesting	5 Years From Date of Vesting	5 Years From Date of Vesting	5 Years From Date of Vesting
Grant Date	11.08.2017	11.08.2017	11.08.2017	11.08.2017
Grant / Exercise Price (₹ Per Share)	10	115	10	115
Value of Equity Shares as on the date of Grant of Original Option (₹ Per Share)	139	139	139	139

Details of Activity in the Plan as at 31st March, 2019

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSU's Outstanding at beginning of the year	4,004,750	11,445,739	1,398,886	12,504,992
Granted during the year on 1st April, 2018	-	-	300,000	1,623,834
Exercised during the year	-	29,200	-	-
Lapsed during the year	555,250	892,454	-	-
Options/RSU's Outstanding at the end of the year	3,449,500	10,524,085	1,698,886	14,128,826
Options/RSU's unvested at the end of year	3,449,500	7,841,942	1,698,886	11,627,828
Options/RSU's exercisable at the end of the year	-	2,682,143	-	2,500,998

Details of Activity in the Plan as at 31st March, 2018

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSU's Outstanding at beginning of the year	-	-	-	-
Granted during the year on 1st April, 2018	4,343,750	11,557,872	1,398,886	12,504,992
Exercised during the year	-	-	-	-
Lapsed during the year	339,000	112,133	-	-
Options/RSU's Outstanding at the end of the year	4,004,750	11,445,739	1,398,886	12,504,992
Options/RSU's unvested at the end of year	4,004,750	11,445,739	1,398,886	12,504,992
Options/RSU's exercisable at the end of the year	-	-	-	-

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Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black - Scholes Merton Formula. The key assumptions and the Fair Value are as:

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Risk Free Interest Rate (%)	6.50%	6.5% to 6.8%	6.50%	6.5% to 7.0%
Option Life (Years)	4.5	3.5 to 6.5	4.5	3.5 to 7.5
Historical Volatility	38.50%	37.0% to 38.5%	38.50%	37.0% to 38.5%
Expected Volatility	-	-	-	-
Expected Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%
Weighted Average Fair Value per Option (₹)	131.6	70.4	131.6	73.1

34 **ABCL Incentive Plan 2017**

The Scheme titled as "ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)" was approved by the shareholders through postal ballot on 10th April, 2017. The Nomination, Remuneration and Compensation Committee of the Company at their meeting held on 15th January, 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (Collectively called as "Stock Options") to the eligible grantees pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited). Out of the above, the Company; has granted 195,040 ESOPs and 45,060 RSUs under this Scheme to a Director of the Company. The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the Grantees under the corresponding Grasim Employee Benefit Scheme 2006 and 2013

Particulars	ABCL Incentive Scheme	
	Options	RSU's
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013 and shall be subject to a minimum vesting period of one year from the date of original grant and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target.	
Exercise Period	5 years from date of Vesting	5 years from date of Vesting
Grant Date	15th January, 2018	15th January, 2018
Grant/Exercise Price (₹ Per Share)	10	10

Details of Activity in the Plan

Particulars	ABCL Incentive Scheme			
	As at 31st March, 2019		As at 31st March, 2018	
	Options	RSU's	Options	RSU's
Options/RSU's Outstanding at beginning of the year	1,354,590	218,389	1,465,927	252,310
Granted during the year	-	-	-	-
Exercised during the year	313,381	22,434	98,476	33,921
Lapsed during the year	6,820	-	12,861	-
Options/RSU's Outstanding at the end of the year	1,034,389	195,955	1,354,590	218,389
Options/RSU's unvested at the end of year	93,787	33,472	168,433	59,770
Options/RSU's exercisable at the end of the year	940,602	162,483	1,186,157	158,619

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35 Related Party Disclosures

Names of related parties where control exists

Holding Company

Grasim Industries Limited (Aditya Birla Nuvo Limited till 30th June, 2017)

Subsidiaries

Aditya Birla PE Advisors Private Limited (Formerly known as Aditya Birla Capital Advisors Private Limited)
Aditya Birla Capital Investments Private Limited (w.e.f. 12th October, 2018)
Aditya Birla MyUniverse Limited (Formerly known as Aditya Birla Customer Services Limited)
Aditya Birla Financial Shared Services Limited
Aditya Birla Trustee Company Private Limited
Aditya Birla Money Limited
Aditya Birla Money Mart Limited
Aditya Birla Insurance Brokers Limited
Aditya Birla Finance Limited
Aditya Birla Housing Finance Limited
Aditya Birla Health Insurance Co. Limited
ABCAP Trustee Company Private Limited
Aditya Birla Stressed Asset AMC Private Limited
Aditya Birla Commodities Broking Limited (Merge to Aditya Birla Money Limited w.e.f. 1st April, 2018)
Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)
Aditya Birla Sun Life Insurance Company Limited (w.e.f. 23rd March, 2017) (Formerly known as Birla Sun Life Insurance Company imited)
Aditya Birla Sun Life Pension Management Limited (100% Subsidiary of Birla Sun Life Insurance Company Limited- w.e.f. 23rd March, 2017)
Aditya Birla ARC Limited (w.e.f. 10th March, 2017)

Joint Ventures

Aditya Birla Sun Life AMC Limited (Formerly known as Birla Sun Life Asset Management Company Limited)
Aditya Birla Sun Life AMC (Mauritius) Limited (100% Subsidiary of Aditya Birla Sun Life AMC Limited)
Aditya Birla Sun Life Asset Management Company Limited; Dubai (100% Subsidiary of Aditya Birla Sun Life AMC Limited)
Aditya Birla Sun Life Asset Management Company Pte. Limited; Singapore (100% Subsidiary of Aditya Birla Sun Life AMC Limited)
Aditya Birla Sun Life Trustee Private Limited (Formerly known as Birla Sun Life Trustee Company Private Limited)
Aditya Birla Wellness Private Limited (w.e.f. 23rd June, 2016)

Entity in which Key Managerial Personnel is exercise control

Aditya Birla Management Corporation Private Limited (from 1st January, 2019)

Fellow Subsidiaries

UltraTech Cement Limited

Parent Having Significant Influence

Vodafone Idea Limited (Associate of Ultimate Parent Company upto 31st August, 2018)
Aditya Birla Idea Payments Bank Limited

Trust-Employee Retirement Benefits

Provident Fund of Aditya Birla Nuvo Limited
Aditya Birla Nuvo Employee Gratuity Fund
Grasim Industries Limited Unit Indian Rayon
Grasim Industries Limited - Employee's Gratuity Fund

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Key Managerial Personnel

Mr. Ajay Srinivasan, (Chief Executive Officer)

Mrs. Pinky Mehta (Whole-time Director from 1st July, 2017 to 26th October, 2018)

Independent Directors

Mr. Durga Prasad Rathi (Ceased to be a Director w.e.f. 23rd June, 2017)

Mrs. Vijayalakshmi Rajaram Iyer

Mr. Arun Adhikari

Mr. P. H. Ravikumar

Mr. S. C. Bhargava

Refer **Annexure 1** for the transactions with related parties.

36 **Retirement Benefits**

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

A) **Defined Benefit Plans:**

₹ crore

	Particulars	As at/Year ended 31st March, 2019	As at/Year ended 31st March, 2018	As at 1st April, 2017
i)	**Amounts recognised in the Balance Sheet in respect of Gratuity**			
	Present Value of the funded Defined Benefit Obligations at the end of the year	8.71	7.14	5.43
	Fair Value of Plan Assets	8.22	5.83	5.33
	Net (Asset)/Liability	**0.49**	**1.31**	**0.10**
	Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity			
	Current Service cost	0.87	0.90	NA
	Interest on Net Defined Benefit Liability/(Assets)	0.11	0.01	NA
	Net Gratuity Cost	**0.98**	**0.91**	**NA**
	Amount recognised in Other Comprehensive Income (OCI) for the year			
	Actual Returns on Plan Assets excluding Interest Income	(0.61)	(0.00)	NA
	Actuarial Changes Arising from changes in Demographic Assumptions	-	-	NA
	Actuarial Changes Arising from Changes in Financial Assumptions	0.22	(0.35)	NA
	Actuarial Changes Arising from Changes in Experience Assumptions	0.27	(1.14)	NA
	Closing amount recognised in OCI outside Profit and Loss Account	**(0.12)**	**(1.49)**	**NA**
ii)	**Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:**			
	Change in Net Liabilities/(Assets)			
	Opening Net Defined Benefit Liabilities/(Assets)	0.73	(0.48)	0.93
	Expense Charged to Profit and Loss	0.98	0.91	0.74
	Amount Recognised Outside Profit and Loss - OCI	(0.12)	(1.49)	-
	Employer Contribution	(1.66)	1.79	(2.15)
	Closing Net Defined Benefit Liabilities/(Assets)	**(0.07)**	**0.73**	**(0.48)**
	Change in Present Value of the Obligations:			
	Opening Defined Benefit Obligations	7.14	5.43	4.88

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Particulars	As at/Year ended 31st March, 2019	As at/Year ended 31st March, 2018	As at 1st April, 2017
Current Service Cost	0.87	0.90	0.67
Interest Cost	0.57	0.40	0.38
Actuarial Changes Arising from Changes in Financial Assumptions	0.22	(0.35)	0.13
Actuarial Changes Arising from Changes in Experience Assumptions	0.27	(1.14)	0.60
Benefits Paid	(0.36)	1.90	(1.23)
Closing Defined Benefit Obligations	**8.71**	**7.14**	**5.43**
Change in Fair Value of the Plan Assets:			
Opening Fair Value of the Plan Assets	5.83	5.33	3.96
Interest Income on Plan Assets	0.47	0.39	0.30
Actual Return on Plan Assets less Interest on Plan Assets	0.61	0.00	0.15
Contributions by the Employer	1.66	(1.79)	2.15
Benefits Paid	(0.35)	1.90	(1.23)
Closing Fair Value of the Plan Assets	**8.22**	**5.83**	**5.33**

iii) **Funding Arrangement and Policy**

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ 1.48 Crore (Previous Year ₹ 2.23 Crore).

Maturity Profile of Defined Benefit Obligation

₹ crore

Particulars	31st March, 2019	31st March, 2018	1st April, 2017
1 year	0.20	0.20	0.14
2 to 5 years	6.43	2.25	1.19
6 to 10 years	2.64	4.96	4.71
More than 10 years	7.35	7.57	4.74

The weighted average duration to the payment of these cash flows is 8 years (Previous Year 8 Years).

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iv) **Quantitative Sensitivity Analysis for Significant Assumption is as below :**

Increase / Decrease in Present Value of Defined Benefits Obligation at the end of the year ₹ crore

Particulars	31st March, 2019		31st March, 2018		1st April, 2017	
	Amount	(%)	Amount	(%)	Amount	(%)
i) 50 Bps Increase in Discount Rate	8.41	-3.50%	6.87	-3.80%	5.22	-4.00%
ii) 50 Bps Decrease in Discount Rate	9.03	3.70%	7.43	4.10%	5.66	4.20%
i) 50 Bps Increase in Rate Of Salary Increase	9.04	3.70%	7.43	4.10%	5.66	4.20%
ii) 50 Bps Decrease in Rate Of Salary Increase	8.41	-3.50%	6.86	-3.90%	5.22	4.00%
i) 50 % Increase in Employee Turnover Rate	8.49	-2.60%	6.94	-2.70%	5.27	-3.00%
ii) 50 % Decrease in Employee Turnover Rate	8.97	2.90%	7.36	3.10%	5.62	3.40%
i) 50 % Increase in Employee Mortality Rate	8.72	0.10%	7.15	0.10%	5.44	0.10%
ii) 50 % Decrease in Employee Mortality Rate	8.71	-0.10%	7.13	-0.10%	5.43	-0.10%

Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis

Disaggregation of Plan Assets	31st March, 2019	31st March, 2018	1st April, 2017
	Non-Quoted Value	Non-Quoted Value	Non-Quoted Value
Government Debt Instruments	5.10%	10.50%	11.90%
Corporate Bonds	0.29%	0.40%	0.41%
Deposit Scheme	0.00%	0.00%	2.17%
Insurer Managed Funds	38.49%	60.00%	59.73%
Others	56.12%	29.10%	25.79%
Grand Total	**100.00%**	**100.00%**	**100.00%**

There are no amount included in the Fair value of Plan Assets for:

i) Company's own financial instrument

ii) Property occupied by or other assets used by the Company

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Principal Actuarial Assumptions at the Balance Sheet Date			
Discount Rate	7.65%	8.00%	7.40%
Salary Escalation			
Salary Escalation - Staff	7.00%	7.00%	7.00%
Mortality Rate during Employment	100.00%	100.00%	100.00%
Rate of Employee Turnover			
Age - Up to 30 Years	5.00%	5.00%	5.00%
Age - 31 to 40 Years	3.00%	3.00%	3.00%
Age - 40 and above	2.00%	2.00%	2.00%

Disability :- Leaving service due to disability is included in the provision made for all causes of leaving service (as above)

The estimates of future salary increase, considered in actuarial valuation, takes in to account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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B) **Defined Contribution Plans:**

₹ crore

Particulars	31st March, 2019	31st March, 2018
Contribution to Employee Provident Fund & Pension	1.69	1.54
Contribution to Superannuation Fund	0.97	0.82
Total	**2.66**	**2.36**

37 **Fair Values**

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

38 **Financial Instruments - Accounting Classifications and Fair Value Measurements**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Principles for Estimating Fair Value

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at 31st March, 2019. The different levels have been defined as follows:

Level 1: Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2: Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable. The majority of Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

As at 31st March, 2019 ₹ crore

Particulars	Total	Fair value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	14.49	-	14.49	-
Investments in Preference Shares & Private Equity Fund	60.33	-	60.33	-
Total Financial Assets	**74.82**	-	**74.82**	-

As at 31st March, 2018 ₹ crore

Particulars	Total	Fair value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	6.54	-	6.54	-
Investments in Preference Shares & Private Equity Fund	84.92	-	84.92	-
Total Financial Assets	**91.46**	-	**91.46**	-

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As at 1st April, 2017 ₹ crore

Particulars	Total	Fair value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	30.03	-	30.03	-
Investments in Preference Shares & Private Equity Fund	194.19	-	194.19	-
Total Financial Assets	**224.22**	**-**	**224.22**	**-**

The carrying amount of trade receivable, trade payable, debt securities, other financial liabilities, loans, other financial assets, cash and cash equivalents as at 31st March, 2019, 31st March, 2018 and 1st April, 2017 are considered to the same as fair values, due to their short-term nature. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

During the reporting period ending 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

Assumptions to above:

* The fair valuation of preference shares is based on independent valuers report.

* The fair valuation of unquoted mutual funds units is done based on NAV of units.

* The fair valuation of Private Equity Fund is done based on certified NAV of funds.

39 Financial Risk Management

The Company, being a Core Investment Company as per the Core Investment Companies (RBI) Directions 2016, is required to invest or lend majority of its funds to its subsidiaries and Joint Ventures. The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include inter corporate deposits, loans, cash and cash equivalents and other receivables.

The Company is exposed to market risk, credit risk, liquidity risk and operational and business risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The major risks are summarised below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. These are primarily unquoted Compulsorily Convertible Preference Shares of subsidiaries and investments in mutual funds and other alternate funds where investments are not significant in relation to the size of its total investments. The fair value investments of these investments are regularly monitored.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities towards inter corporate deposits to subsidiaries where no significant impact on credit risk has been identified.

Equity Price Risk

The Company's investments in non-listed equity securities are accounted at cost in the financial statements net of impairment. The expected cash flows from these entities are regularly monitored to identify impairment indicators.

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through issuance of equity shares, commercial papers, etc. The Company invests its surplus funds in debt schemes of mutual funds, which carry low mark to market risks. Also Refer Note No. 40 for maturity analysis of assets and liabilities.

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The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities.

₹ crore

As at 31st March, 2019	Less than 3 Months	3 months to 12 months	12 months to 36 months	36 months to 60 months	More than 60 months
Financial Assets					
Cash and Cash Equivalents	4.26	-	-	-	-
Bank Balance other than above	0.26	-	-	-	-
Loans	0.15	127.19	1.31	-	-
Investments	54.62	0.38	9.41	91.50	8,617.99
Other Financial Assets	11.26	-	-	-	-
Total	**70.55**	**127.57**	**10.72**	**91.50**	**8,617.99**
Financial Liabilities					
Trade Payables	8.62	-	-	-	-
Debt Securities (at face value)	1,450.00	-	-	-	-
Other Financial Liabilities	0.85	20.94	0.25	-	-
Total	**1,459.47**	**20.94**	**0.25**	**-**	**-**

₹ crore

As at 31st March, 2018	Less than 3 Months	3 months to 12 months	12 months to 36 months	36 months to 60 months	More than 60 months
Financial Assets					
Cash and Cash Equivalents	1.73	-	-	-	-
Bank Balance other than above	0.23	-	-	-	-
Loans	1.30	80.36	1.75	-	-
Investments	6.54	14.55	57.80	-	7,883.37
Other Financial Assets	26.20	-	-	-	-
Total	**36.00**	**94.91**	**59.55**	**-**	**7,883.37**
Financial Liabilities					
Trade Payables	20.63	-	-	-	-
Debt Securities (at face value)	685.00	-	-	-	-
Other Financial Liabilities	-	23.22	-	-	-
Total	**705.63**	**23.22**	**-**	**-**	**-**

₹ crore

As at 1st April, 2017	Less than 3 Months	3 months to 12 months	12 months to 36 months	36 months to 60 months	More than 60 months
Financial Assets					
Cash and Cash Equivalents	2.47	-	-	-	-
Loans	-	80.49	1.59	-	-
Investments	30.03	0.05	181.57	-	4,996.16
Other Financial Assets	39.03	-	0.75	-	-
Total	**71.53**	**80.54**	**183.91**	**-**	**4,996.16**
Financial Liabilities					
Trade Payables	4.78	-	-	-	-
Debt Securities (at face value)	500.00	-	-	-	-
Other Financial Liabilities	-	13.20	-	-	-
Total	**504.78**	**13.20**	**-**	**-**	**-**

Also see note no. 40

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

40 **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. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

₹ crore

Particulars	31st March, 2019			31st March, 2018			1st April, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
(a) Cash and Cash Equivalents	4.26	-	4.26	1.73	-	1.73	2.47	-	2.47
(b) Bank Balances other than (a) above	0.26	-	0.26	0.23	-	0.23	-	-	-
(c) Receivables-Others	11.26	-	11.26	26.20	-	26.20	39.78	-	39.78
(d) Loans	115.03	5.81	120.84	69.96	12.23	82.19	11.83	-	11.83
(e) Investments	39.82	8,669.36	8,709.18	16.54	7,906.58	7,923.12	30.04	5,112.18	5,142.22
Non-Financial Assets									
(a) Current Tax Assets (net)	-	14.77	14.77	-	9.97	9.97	-	8.09	8.09
(b) Investment Property	-	16.11	16.11	-	-	-	-	-	-
(c) Property, Plant and Equipment	-	8.26	8.26	-	27.56	27.56	-	2.48	2.48
(d) Intangible Assets Under Development	-	-	-	-	0.04	0.04	-	4.67	4.67
(e) Other Intangible assets	-	3.78	3.78	-	6.01	6.01	-	1.28	1.28
(f) Other Non-Financial Assets	9.32	1.27	10.59	0.58	6.12	6.70	0.88	5.33	6.21
Total Assets	**179.95**	**8,719.36**	**8,899.31**	**115.24**	**7,968.51**	**8,083.75**	**85.00**	**5,134.03**	**5,219.03**
Financial Liabilities									
(a) Trade Payables	8.62	-	8.62	20.26	0.37	20.63	4.78	-	4.78
(b) Debt Securities	1,439.88	-	1,439.88	674.96	-	674.96	492.97	-	492.97
(c) Other Financial Liabilities	21.79	0.25	22.04	23.22	-	23.22	13.20	-	13.20
Non-Financial Liabilities									
(a) Provisions	20.03	8.21	28.24	35.49	7.14	42.63	17.90	19.38	37.28
(b) Deferred Tax Liabilities (net)	-	103.65	103.65	-	103.26	103.26	-	-	-
(c) Other Non-Financial Liabilities	1.88	-	1.88	7.75	-	7.75	1.63	-	1.63
Equity									
(a) Equity Share capital	-	2,201.40	2,201.40	-	2,201.04	2,201.04	-	1,232.24	1,232.24
(b) Other Equity	-	5,093.60	5,093.60	-	5,010.26	5,010.26	-	3,436.93	3,436.93
Total Liabilities	**1,492.20**	**7,407.11**	**8,899.31**	**761.68**	**7,322.07**	**8,083.75**	**530.48**	**4,688.55**	**5,219.03**

Note: The current liabilities of the Company exceed its current assets. The Company has "AAA" long term rating from ICRA (which is the highest long term rating) and therefore high acceptability in the market. Given the track record of the company the management is confident to reduce the mismatch by raising long term funds through equity or other long term instrument(s) and planning accordingly.

41 **Impairment on Financial Instruments**

Background of Expected Credit Loss

Expected Credit loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level

Notes
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The key components of Credit Risk assessment are:

1. Probability of Default (PD): represents the likelihood of default over a defined time horizon.
2. Exposure at Default (EAD): represents how much the obligor is likely to be borrowing at the time of default.
3. Loss Given Default (LGD): represents the proportion of EAD that is likely to be lost post-default.

The definition of default is taken as 90 days past due for all retail and corporate loans.

Delinquency buckets have been considered as the basis for the staging of all loans in the following manner:

- 0-30 days past due loans classified as stage 1
- More than 30-90 days past due loans classified as stage 2 and
- Above 90 days past due loans classified as stage 3

EAD is the total amount outstanding including accrued interest as on the reporting date.

The ECL is computed as a product of PD, LGD and EAD.

Non-Individual Loans
1.1 Credit Quality of Assets

The Non-individual/corporate book is assessed at the loan type level and the provisioning is done at an account level. In certain cases, the assessment is done at an account level based on past experience for future cash flows from the project.

The 12 month PD has been applied on stage 1 loans. The PD term structure i.e Lifetime PD has been applied on the stage 2 loans according to the repayment schedule for stage 2 loans and PD is considered to be 1 for stage 3 loans

₹ crore

Particulars	31st March, 2019				31st March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Corporate Loans	118.18	-	-	**118.18**	79.43	-	-	**79.43**

₹ crore

Particulars	1 st April, 2017			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Corporate Loans	10.11	-	-	**10.11**

1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Corporate lending is, as follows:

₹ crore

Particulars	31st March, 2019				31st March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	79.43	-	-	79.43	10.11	-	-	10.11
New assets originated or purchased	532.02	-	-	532.02	526.23	-	-	526.23
Assets derecognised or repaid (excluding write offs)	(486.78)	-	-	(486.78)	(456.00)	-	-	(456.00)
Amounts written off	(6.49)	-	-	(6.49)	(0.91)	-	-	(0.91)
Gross carrying amount closing balance	**118.18**	**-**	**-**	**118.18**	**79.43**	**-**	**-**	**79.43**

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Reconciliation of ECL balance is given below:

₹ crore

Particulars	31st March, 2019				31st March, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	(0.91)	-	-	(0.91)	-	-	-	-
ECL allowance recognised during the year	(6.49)	-	-	(6.49)	(0.91)	-	-	(0.91)
ECL allowance - closing balance	**(7.40)**	**-**	**-**	**(7.40)**	**(0.91)**	**-**	**-**	**(0.91)**

The increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.

42 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the balance sheet date and hence, disclosures relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given. Auditors have relied on this.

43 During the current year, the Company has reassessed its value of investments in Aditya Birla Money Limited ("ABML") based on the Company's last 2 years profitable business performance and future business plan. Considering investment of long term and strategic nature and based on independent valuation report obtained by the Company, no additional impairment provision is required to be made in the financial statements as at 31st March, 2019 in this regard.

In the previous years the Company had reassessed its value of investments in Aditya Birla Money Limited ("ABML") and had made a provision of ₹ 12.42 Crore as at 31st March, 2014 being 5% against equity shares and the same is carried as at 31st March, 2019.

44 During the previous year, the Company has issued and allotted 48,400,000 Equity Shares of ₹ 10 each at a premium of ₹ 135.40 per share which were subscribed by P I Opportunities Fund - 1 (AIF).

45 Composite Scheme of Arrangement:

The Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited ("ABNL"), Grasim Industries Limited ("Grasim") and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) ("ABCL"), was approved by the National Company Law Tribunal Bench at Ahmedabad on 1st June, 2017.

Pursuant to the Scheme,

- ABCL has become a subsidiary of Grasim with effect from 1st July, 2017
- The Board of Directors of Grasim and ABCL executed the demerger of the financial services business ("Demerged Undertaking") from amalgamated Grasim into ABCL effective on 4th July, 2017 and accordingly the financial services business of amalgamated Grasim has been demerged into ABCL with effect from 4th July, 2017.
- In accordance with the Scheme, the ABCL has,
  - recorded transferred assets and liabilities pertaining to Demerged Undertaking at the respective carrying values as appearing in the books of account of Grasim on the date of demerger;
  - issued 920,266,951 Equity Shares of ₹ 10 each, which have been issued and recorded at face value, to the shareholders' of Grasim as on record date; and
  - difference between the value of assets and liabilities pertaining to Demerged Undertaking, after adjusting the amount credited to share capital, has been recognised as Capital Reserve.

Notes

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Following are the assets and liabilities of transferred

₹ crore

Particulars	Amount
Assets:	
Tangible Assets	16.67
Non-Current Investments	1,728.93
Current Investments	117.13
Loans and Advances	13.43
Other Current Assets	0.21
Total Assets (A)	**1,876.37**
Liabilities:	
Deferred Tax Liability	103.26
Short-term Borrowings	51.27
Employee Liabilities	0.22
Total Liabilities (B)	**154.75**
Net Assets Acquired (C) = (A) - (B)	**1,721.62**
Consideration Paid by Issue of 920,266,951 Equity Shares of ₹ 10 each **(D)#**	920.27
Capital Reserve Recognised by the Company **(E) = (C) - (D)**	**801.35**

The Company also paid a sum of ₹ 25 Crore towards stamp duty.

• Further, to fulfil the Company's commitments under the Scheme, the Board of Directors of the Company have approved the issuance of stock options and restricted stock units under the ABCL Incentive Scheme for Stock Options and Restricted Stock Units 2017 (the "ABCL Incentive Scheme") for granting of stock options and restricted stock options to the eligible grantees of Grasim Employee Stock Option Scheme 2006and Grasim Employee Stock Option Scheme 2013 (the "Grasim Employee Benefit Schemes") in the same ratio as the ratio in which shares were issued to the shareholders of Grasim. Under the arrangement, the Company is obligated to issue equity shares not exceeding 1,718,237 at the face value of ₹ 10 each against 1,465,927 stock options and 252,310 restricted stock units granted by it to eligible employees of Grasim who held grants of stock options and restricted stock options of Grasim Employee Benefit Schemes. The stock options and restricted stock options thus granted under the ABCL Incentive Scheme would be deemed to be held by the eligible employees of Grasim for determining the minimum vesting period and the vesting conditions and dates for stock options and restricted share units under the ABCL Incentive Scheme would follow the same vesting conditions as applicable to the grantees of for stock options and restricted share units under the Grasim Employee Benefit Schemes. Accordingly, ₹ 7.37 Crore representing the pro-rata amount of the vested Employee Stock Options Reserve created by Grasim against the Grasim Employee Benefit Schemes has been transferred to the Company against which sum the Company will be entitled to an equivalent cash reimbursement. The balance pro-rata amount of Employee Stock Options Reserve would be transferred to the Company by Grasim upon vesting of the stock options and restricted stock options of Grasim Employee Benefit Schemes with a corresponding cash reimbursement.

46 With effect from 11th October, 2017, 64,422,405 Global Depositary Shares (GDSs) representing 64,422,405 Equity Shares of ₹ 10/- each have been admitted for trading on the Luxembourg Stock Exchange.

47 During the previous year, the Company has approved the grant of 24,062,864 Employee Stock Options (ESOPs) and 5,742,636 Restricted Stock Units (RSUs) in accordance with the Employee Stock Option Scheme, 2017 to its employees and employees of subsidiary companies. Further, in continuation to existing Scheme the Company additionally grant 300,000 RSUs and ESOPs 1,623,834 to employees of subsidiary companies.

48 The Company has investment in Equity Shares and Preference Shares of Aditya Birla MyUniverse Limited ("ABMU") of ₹ 71.11 Crore (Previous year ₹ 71.11 Crore) and of ₹ 60 Crore (Previous year ₹ 60 Crore) respectively and Loan given to ABCSL-Employee Welfare Trust of ₹ 10.11 Crore (Previous year ₹ 10.11 Crore). Further, the Investee Company's is making substantial losses and its net worth has been eroded.

During the current year, the Company has made an assessment of its investments in Equity Shares of Aditya Birla MyUniverse Limited ₹ 71.11 Crore and Loan given to ABCSL-Employee Welfare Trust ₹ 10.11 Crore. Based on such assessments, board approved business plan and independent valuation report, an amount of ₹ 24.01 Crore and ₹ 6.31 Crore (Previous year ₹ 0.62 Crore) has been provided as impairment loss respectively.

49 The Company has investment in 0.1%-Compulsory Convertible Debentures (CCD) of Aditya Birla Money Mart Limited ("ABMML") of ₹ 33.75 Crore (Previous year ₹ 30.96 Crore). The Investee Company (ABMML) is making losses and its net worth has been eroded. Considering the plans and the investment being strategic and long-term in nature, diminution in the value of the said investment has been considered as temporary and hence no provision is required to be made in financial statements as at 31st March, 2019 in this regard.

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50 The Company has Long-term incentive plan for selective employees. Long-term Incentive Plan includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfillment of criteria prescribed by the Company. On the basis of proposed scheme the Company has made provision of ₹ 8.26 Crore.

51 The Company has short-term rating viz. "(ICRA) A1+" and "(CRISIL) A1+" accordingly the Company raised funds through Commercial Paper to mitigate working capital requirements.

52 During the current year, the Company has let out its property on rent. Further, the Company has reclassified its property under Investment Property as per Ind AS 40. There is no change in method of calculation of depreciation, rate and useful life as specified earlier.

Investment Property Fair Value

The Company has carried out the valuation activity through the Independent valuer to assess fair value of its Investment Property. As per report provided by independent valuer the fair value is ₹ 16.03 Crore as on 31st March, 2019. The fair value of Investment Property have been derived using the Direct Comparison Method based on recent market prices without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as level 3.

The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

Information regarding Income & Expenditure of Investment property

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rental income derived from investment property	0.13	-
Direct operating expenses (including repairs and maintenance) associated with rental income	(0.07)	-
Profit arising from investment property before depreciation and indirect expenses	**0.06**	-
Depreciation for the year	0.43	-
(Loss)/Profit arising from investment property before indirect expenses	**(0.37)**	-

53 During the current year, the Company has provided; services to its subsidiaries and other financial services group companies ("Group"), such as strategy and business planning, risk and compliance, technology and operational support, marketing and public relations, human resources, etc. The Company has allocated the cost to the respective companies on the basis of time spent by senior management employees.

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Aditya Birla Sun Life Insurance Company Limited	30.45	29.35
Aditya Birla Sun Life AMC Limited	23.28	21.61
Aditya Birla Finance Limited	44.91	40.21
Aditya Birla Insurance Brokers Limited	3.33	3.55
Aditya Birla PE Advisors Private Limited	1.69	1.63
Aditya Birla Housing Finance Limited	1.37	2.85
Aditya Birla Money Limited	-	β
Aditya Birla Money Mart Limited	-	β
Aditya Birla MyUniverse Limited	-	β
Total	**105.03**	**99.20**

54 The Company's pending litigations comprise of claims by or against the Company primarily by the employees/customers/suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements and appropriate disclosure for contingent liabilities is given refer Note No. 30.

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55 Income Tax Disclosure

The Major Components of Income Tax Expense for the years ended 31st March, 2019 and 31st March, 2018 are:

1. Income Tax Recognised in Profit or Loss

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current Tax		
In respect of the current year	-	-
In respect of prior years	(2.43)	-
Deferred Tax	-	
In respect of the current year	0.39	-
Deferred tax reclassified from equity to profit or loss	-	-
Total Income tax expense recognised in the current year relating to continuing operations	**(2.04)**	**-**

2. Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Reconciliation of Profit Before Tax to Taxable Profit	**(11.64)**	**36.17**
Effect of expenses that are not deductible in determining taxable profit	64.63	43.28
Effect of incomes which are taxed at different rates	1.38	55.91
Effect of incomes which are exempt from tax	(183.43)	(159.10)
Taxable (loss)/profit	**(129.06)**	**(23.73)**
Income tax expense calculated at 29.12 % (31st March 2018 : 28.07 %)	-	-
Tax provision for earlier years	(2.43)	-
Effect on deferred tax balances due to the changes in income tax rate	0.39	-
Income tax expense recognised in statement of profit and loss	**(2.04)**	**-**

56 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.

57 **Disclosure as required under Annexure I of Master Direction - Core Investment Companies (Reserve Bank), Direction, 2016.**
Schedule to the Balance Sheet of a non-deposit taking Core Investment Company (Refer Annexure 2).

Disclosure of details as required under Clause No. 19 of Master Direction - Core Investment Companies (Reserve Bank) Direction, 2016.

a) Provisions as per CIC Guidelines – The Company has provided an amount of ₹ 0.46 Crore as per guidelines.

b) Exposure to real estate sector, both direct and indirect – Nil

c) Maturity pattern of assets and liabilities

₹ crore

Particulars	Less than 1 year	1 year to 3 year	Over 3 years	Total
Liabilities				
Borrowings	1,439.88	-	-	1,439.88
Assets				
Advances	126.29	5.81	-	132.10
Investments (Net of Provision)	39.82	57.25	8,612.11	8,709.18

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

58 First time Adoption of Ind AS

These financial statements, for the year ended 31st March, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2018, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2019, together with the comparative period data as at and for the year ended 31st March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1st April, 2017 and the financial statements as at and for the year ended 31st March, 2018.

Exemptions applied:

Ind AS 101 allows, first time adopters, certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

i) The Company has elected to apply Previous GAAP carrying amount of its equipments as deemed cost as on the date of transition to Ind AS, after making necessary adjustments, i.e. capitalisation of equipments in accordance with Ind AS.

ii) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has done the assessment of lease in contracts based on conditions in prevailing as at the transition.

iii) The Company has elected to apply previous GAAP carrying amount of its investment in subsidiaries, associates and joint venture as deemed cost as on the date of transition to Ind AS.

Exceptions:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

i) Estimates

The estimates at 1st April, 2017 and at 31st March, 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- FVPTL / FVOCI – equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with the Ind AS reflect conditions as at the transition date and as at 1st April, 2017, the date of transition to Ind AS and as of 31st March, 2018.

ii) De-recognition of financial assets and financial liabilities

The Company has elected to apply the de-recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

iii) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Notes to Adjustments :

A. Investments

Under the Previous GAAP, the Company had accounted for long term investment measured at cost less provision for other than temporary diminution in the value of investments, Current investments were carried at lower of cost and fair value.

Under Ind AS, the Company has designated investments at amortised cost or fair value through profit and loss (FVTPL) resulting fair value changes of the investments is recognised in equity as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31st March, 2018.

B. Share Based Payments

Under the previous GAAP, the cost of equity- settled employee share based plan were recognised using the intrinsic value method. Under Ind AS, the Cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity.

C. Other Adjustments

Under the previous GAAP, security deposits are recorded at their transaction value. Under Ind AS, the same are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as deferred rent expenses. Security deposits measured subsequently at amortised cost and the difference between unwinding of deposits has been recognised as interest income on security deposits in equity as at the date of transition and subsequently in profit or loss for the year ended 31st March, 2018.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS :

₹ crore

Particulars	Note No.	As at 31st March, 2018	As at 1st April, 2017
Equity as per Previous GAAP		4,943.05	3,378.66
Summary of Ind AS Adjustments:			
Fair value change on financial assets carried at fair value through profit or loss	A	23.39	42.42
Income from Preference Shares and Debentures Held at Amortised Cost Based on Effective Interest Rate	A	61.05	52.79
Fair value change related to Employee Stock Option Expenses	B	19.76	-
Others	A & C	(36.99)	(36.94)
Equity reported Ind AS		**5,010.26**	**3,436.93**

Statement of reconciliation of net profit under Ind AS and Previous GAAP

₹ crore

Particulars	Note No.	Year ended 31st March, 2018
Net Profit reported Previous GAAP		**61.49**
Income from Preference Shares and Debentures Held at Amortised Cost Based on Effective Interest Rate	A	8.26
Fair value change on financial assets carried at fair value through profit or loss	A	(19.03)
Fair value change related to Employee Stock Option Expenses	B	(14.49)
Others	C	(0.06)
Net Profit after tax as per Ind AS		**36.17**
Add: Other Comprehensive Income		0.53
Total Comprehensive Income		**36.70**

59 Reconciliation of Statement of Cash Flows

There were no material differences between statement of cash flows presented under Ind AS and Previous GAAP.

60 Segment Reporting

The main business of the Company is Investment activity, hence there are no separate reportable segments as per Ind AS 108 on 'Operating Segment'.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

Annexure 1 - Statement of Related Party Transaction and Balances for the year ended 31st March, 2019

The following inter company transactions/balances with related parties have taken place during the year and are included in the below table under respective heads:

₹ crore

	Particulars	Year ended/As at		
		31st March, 2019	31st March, 2018	1st April, 2017
	Brief description - Company wise and item wise			
1	**Investment Equity shares**			
	Aditya Birla Finance Limited	325.03	600.05	NA
	Aditya Birla Housing Finance Limited	350.00	350.00	NA
	Aditya Birla Wellness Private Limited	5.10	6.07	NA
	Aditya Birla Health Insurance Co. Limited	165.49	56.10	NA
	Aditya Birla Stressed Asset AMC Private Limited	0.25	-	NA
	Aditya Birla ARC Limited	-	100.00	NA
	ABCAP Trustee Company Private Limited	0.01	0.01	NA
	Aditya Birla Sun Life Insurance Company Limited	-	-	NA
	Grasim Industries Limited	**-**	**0.09**	**NA**
	On Account of Employee Transfer	-	0.09	NA
2	**Income from operations**			
	Dividend Received From Subsidiaries			
	Aditya Birla Insurance Brokers Limited	9.21	9.36	NA
	Dividend Received From Joint Venture			
	Aditya Birla Sun Life AMC Limited	153.00	101.90	NA
	Rent Income			
	Aditya Birla Sun Life AMC Limited	0.13	-	NA
	Interest Income on Debenture			
	Aditya Birla Money Mart Limited	2.81	2.58	NA
	Aditya Birla Finance Limited	2.59	2.38	NA
	Interest Income on Preference Shares			
	Aditya Birla Finance Limited	0.80	0.61	**NA**
	Aditya Birla Money Limited	3.21	2.74	NA
	Aditya Birla Money Mart Limited	0.01	0.01	NA
	Interest Income on Inter Corporate Deposit	**9.02**	**6.36**	**NA**
	Aditya Birla MyUniverse Limited	5.52	1.75	NA
	Aditya Birla Housing Finance Limited	2.81	4.12	NA
	Aditya Birla Money Mart Limited	0.37	0.27	NA
	Aditya Birla Money Insurance Advisory Services Limited	0.30	0.22	NA
	Aditya Birla Financial Shared Services Limited	0.02	-	NA
	Payment Made to Provident Fund Trust and Gratuity Trust	**0.31**	**3.41**	**NA**
	Provident Fund of Aditya Birla Nuvo Limited	-	2.69	NA
	Aditya Birla Nuvo Employee Gratuity Fund	-	0.10	NA
	Grasim Industries Limited Unit Indian Rayon - Rayon Division	0.31	0.62	NA
	Grasim Industries Limited - Employee's Gratuity Fund	1.31	-	NA

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended/As at		
		31st March, 2019	31st March, 2018	1st April, 2017
3	**Expenses Recovered**			
	ESOP Expenses (Transfer & Exit)	**7.49**	**1.58**	**NA**
	Aditya Birla Insurance Brokers Limited	0.35	0.11	NA
	Aditya Birla PE Advisors Private Limited	0.01	-	NA
	Aditya Birla Finance Limited	1.59	0.35	NA
	Aditya Birla Sun Life Insurance Company Limited	2.19	0.55	NA
	Aditya Birla Sun Life AMC Limited	0.96	0.12	NA
	Aditya Birla Financial Shared Services Limited	0.01	0.01	NA
	Aditya Birla MyUniverse Limited	0.52	0.10	NA
	Aditya Birla Money Limited	0.44	0.10	NA
	Aditya Birla Money Insurance Advisory Services Ltd.	0.01	-	NA
	Aditya Birla Money Mart Limited	0.01	-	NA
	Aditya Birla Wellness Private Limited	β	-	NA
	Aditya Birla Health Insurance Co. Limited	0.85	0.04	NA
	Aditya Birla Housing Finance Limited	0.55	0.20	NA
	Salary Expenses	**0.84**	**0.64**	**NA**
	Aditya Birla Sun Life Insurance Company Limited	0.84	0.64	NA
	Employee Transfer In / Out	**0.31**	**0.23**	**NA**
	Aditya Birla Financial Shared Services Limited	-	0.13	NA
	Aditya Birla MyUniverse Limited	0.01	0.02	NA
	Aditya Birla Payments Bank Limited	-	(0.02)	NA
	Aditya Birla Insurance Brokers Limited	-	0.09	NA
	Aditya Birla Sun Life AMC Limited	-	0.01	NA
	UltraTech Cement Limited	0.15	-	NA
	Aditya Birla Finance Limited	0.02	-	NA
	Aditya Birla Management Corporation Private Limited	0.04	-	NA
	Aditya Birla Sun Life Insurance Company Limited	0.08	-	NA
	Aditya Birla Health Insurance Co. Limited	-	-	NA
	Vodafone Idea Limited	0.01	-	NA
	Other Expenses	**9.92**	**3.58**	**NA**
	Aditya Birla Financial Shared Services Limited	7.92	3.24	NA
	Aditya Birla MyUniverse Limited	-	0.03	NA
	Aditya Birla Sun Life AMC Limited	1.20	-	NA
	Aditya Birla Management Corporation Private Limited	0.03	-	NA
	Grasim Industries Limited	0.77	0.31	NA
	Insurance Premium			
	Aditya Birla Health Insurance Co. Limited	-	0.02	NA
4	**Expense Reimbursement**			
	Salary & Wages	**80.05**	**69.03**	**NA**
	Aditya Birla Insurance Brokers Limited	2.54	2.54	NA
	Aditya Birla PE Advisors Private Limited	1.29	1.05	NA
	Aditya Birla Finance Limited	34.23	28.38	NA
	Aditya Birla Sun Life Insurance Company Limited	23.20	20.08	NA
	Aditya Birla Sun Life AMC Limited	17.74	15.17	NA
	Aditya Birla Housing Finance Limited	1.05	1.81	NA

Notes
forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	Year ended/As at		
	31st March, 2019	31st March, 2018	1st April, 2017
Employers Contribution to Provident Fund	**1.27**	**1.26**	**NA**
Aditya Birla Insurance Brokers Limited	0.04	0.04	NA
Aditya Birla PE Advisors Private Limited	0.02	0.02	NA
Aditya Birla Finance Limited	0.54	0.50	NA
Aditya Birla Sun Life Insurance Company Limited	0.37	0.39	NA
Aditya Birla Sun Life AMC Limited	0.28	0.27	NA
Aditya Birla Housing Finance Limited	0.02	0.04	NA
Employers Contribution to Superannuation	**0.73**	**0.68**	**NA**
Aditya Birla Insurance Brokers Limited	0.02	0.02	NA
Aditya Birla PE Advisors Private Limited	0.01	0.01	NA
Aditya Birla Finance Limited	0.32	0.27	NA
Aditya Birla Sun Life Insurance Company Limited	0.21	0.21	NA
Aditya Birla Sun Life AMC Limited	0.16	0.15	NA
Aditya Birla Housing Finance Limited	0.01	0.02	NA
Gratuity	**0.73**	**0.46**	**NA**
Aditya Birla Insurance Brokers Limited	0.02	0.01	NA
Aditya Birla PE Advisors Private Limited	0.01	0.01	NA
Aditya Birla Finance Limited	0.32	0.19	NA
Aditya Birla Sun Life Insurance Company Limited	0.21	0.15	NA
Aditya Birla Sun Life AMC Limited	0.16	0.09	NA
Aditya Birla Housing Finance Limited	0.01	0.01	NA
Other Comprehensive Income	**(0.09)**	**(0.95)**	**NA**
Aditya Birla Insurance Brokers Limited	β	(0.03)	NA
Aditya Birla PE Advisors Private Limited	β	(0.02)	NA
Aditya Birla Finance Limited	(0.04)	(0.39)	NA
Aditya Birla Sun Life Insurance Company Limited	(0.03)	(0.29)	NA
Aditya Birla Sun Life AMC Limited	(0.02)	(0.20)	NA
Aditya Birla Housing Finance Limited	β	(0.02)	NA
Other Expenses	**17.44**	**26.12**	**NA**
Aditya Birla Insurance Brokers Limited	0.55	0.88	NA
Aditya Birla PE Advisors Private Limited	0.28	0.49	NA
Aditya Birla Finance Limited	7.46	10.25	NA
Aditya Birla Sun Life Insurance Company Limited	5.05	7.94	NA
Aditya Birla Sun Life AMC Limited	3.86	5.52	NA
Aditya Birla Housing Finance Limited	0.24	0.90	NA
Aditya Birla Financial Shared Services Limited	-	0.14	NA
Statutory Dues	**6.90**	**9.54**	**NA**
Aditya Birla Insurance Brokers Limited	0.18	0.32	NA
Aditya Birla PE Advisors Private Limited	0.09	0.18	NA
Aditya Birla Finance Limited	2.41	3.92	NA
Aditya Birla Sun Life Insurance Company Limited	1.63	2.83	NA
Aditya Birla Sun Life AMC Limited	1.25	2.03	NA
Aditya Birla Housing Finance Limited	0.07	0.26	NA
Aditya Birla MyUniverse Limited	0.21	-	NA
Aditya Birla Money Limited	0.40	-	NA
Aditya Birla Health Insurance Co. Limited	0.46	-	NA

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	Year ended/As at		
	31st March, 2019	31st March, 2018	1st April, 2017
Aditya Birla Wellness Private Limited	0.20	-	NA
Depreciation	**4.90**	**2.60**	**NA**
Aditya Birla Insurance Brokers Limited	0.16	0.09	NA
Aditya Birla PE Advisors Private Limited	0.08	0.05	NA
Aditya Birla Finance Limited	2.09	1.01	NA
Aditya Birla Sun Life Insurance Company Limited	1.42	0.79	NA
Aditya Birla Sun Life AMC Limited	1.09	0.58	NA
Aditya Birla Housing Finance Limited	0.06	0.08	NA
Other Transactions			
Deposit - Paid	**-**	**0.19**	**NA**
Aditya Birla Insurance Brokers Limited	-	0.01	NA
Aditya Birla Nuvo Limited	-	0.04	NA
Aditya Birla Finance Limited	-	0.05	NA
Aditya Birla Sun Life Insurance Company Limited	-	0.01	NA
Aditya Birla Health Insurance Co. Limited	-	0.07	NA
Aditya Birla Housing Finance Limited	-	0.01	NA
Deposit - Received	**0.25**	**0.19**	**NA**
Aditya Birla Insurance Brokers Limited	-	0.01	NA
Aditya Birla Nuvo Limited	-	0.04	NA
Aditya Birla Finance Limited	-	0.05	NA
Aditya Birla Sun Life Insurance Company Limited	-	0.01	NA
Aditya Birla Health Insurance Co. Limited	-	0.07	NA
Aditya Birla Housing Finance Limited	-	0.01	NA
Aditya Birla Sun Life AMC Limited	0.25	-	NA
ESOP Charge	**71.69**	**52.51**	**NA**
Aditya Birla PE Advisors Private Limited	2.54	1.69	NA
Aditya Birla MyUniverse Limited	0.49	0.63	NA
Aditya Birla Finance Limited	15.00	13.33	NA
Aditya Birla Financial Shared Services Limited	0.84	0.52	NA
Aditya Birla Housing Finance Limited	1.70	1.50	NA
Aditya Birla Health Insurance Co. Limited	4.12	3.46	NA
Aditya Birla Insurance Brokers Limited	3.75	3.19	NA
Aditya Birla Money Limited	2.37	1.76	NA
Aditya Birla Money Mart Limited	0.01	0.01	NA
Aditya Birla Wellness Private Limited	0.06	0.04	NA
Aditya Birla Sun Life AMC Limited	11.74	10.04	NA
Aditya Birla Sun Life AMC Limited - Additional ESOP Grant	8.50	-	NA
Aditya Birla Sun Life Insurance Company Limited	19.96	16.16	NA
Birla Sun Life Pension Management Limited	0.18	0.16	NA
Aditya Birla Commodities Broking Limited	-	0.02	NA
Aditya Birla Money Insurance Advisory Services Limited	0.01	β	NA
Grasim Industries Limited	0.42	-	NA
Other Expesnes Recovery			
Aditya Birla Financial Shared Services Limited	0.14	-	NA
Vodafone Idea Limited	-	0.02	NA
Salary Recovery			
Aditya Birla MyUniverse Limited	0.60	-	NA

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended/As at		
		31st March, 2019	31st March, 2018	1st April, 2017
5	**Receivables**	**11.26**	**24.30**	**39.78**
	Aditya Birla PE Advisors Private Limited	3.91	0.17	0.20
	Aditya Birla Insurance Brokers Limited	1.19	0.65	1.85
	Aditya Birla Finance Limited	2.49	5.98	19.13
	Aditya Birla Sun Life Insurance Company Limited	1.38	2.72	7.68
	Aditya Birla Sun life AMC Limited	1.03	3.33	9.84
	Aditya Birla MyUniverse Limited	-	1.89	0.75
	Aditya Birla Money Limited	0.42	-	-
	Aditya Birla Money Mart Limited	0.01	-	-
	Aditya Birla Housing Finance Limited	0.25	1.16	0.04
	Aditya Birla Health Insurance Co. Limited	0.54	0.65	-
	Aditya Birla Wellness Private Limited	0.02	0.01	-
	Aditya Birla ARC Limited	0.01	0.18	-
	Aditya Birla Management Corporation Private Limited	0.01	-	-
	Aditya Birla Financial Shared Services Limited	-	-	0.29
	Aditya Birla Nuvo Limited	-	-	β
	Grasim Industries Limited	-	7.56	-
	Prepaid Balance			
	Aditya Birla Financial Shared Services Limited	0.04	0.02	-
	Trade Payables	**1.44**	**0.37**	**0.01**
	Aditya Birla Financial Shared Services Limited	1.29	0.29	-
	Grasim Industries Limited	0.10	-	-
	Aditya Birla Health Insurance Co. Limited	-	-	0.01
	Aditya Birla MyUniverse Limited	0.05	-	-
	Aditya Birla Money Insurance Advisory Services Limited	β	-	-
6	**Non-Current Investment**			
	Quoted:			
	Equity Shares Capital held by the Company			
	Aditya Birla Money Limited	248.30	248.30	248.30
	Unquoted:			
	Equity Shares Capital held by the Company			
	Aditya Birla PE Advisors Private Limited	3.50	3.50	3.50
	Aditya Birla Financial Shared Services Limited	0.05	0.05	0.05
	Aditya Birla MyUniverse Limited	71.11	71.11	71.11
	Aditya Birla Trustee Company Private Limited	0.05	0.05	0.05
	Aditya Birla Insurance Brokers Limited	0.30	0.30	0.30
	Aditya Birla Finance Limited	5,463.62	5,138.59	2,795.06
	Aditya Birla Money Mart Limited	0.10	0.10	0.10
	Aditya Birla Housing Finance Limited	1,117.66	767.66	417.66
	Aditya Birla Sun life AMC Limited	33.71	33.71	33.71
	Aditya Birla Sun Life Insurance Company Limited	1,206.93	1,206.93	1,206.93
	Aditya Birla Sun Life Trustee Private Limited	0.02	0.02	0.02
	Aditya Birla Wellness Private Limited	17.75	12.65	6.58
	Aditya Birla Health Insurance Co. Limited	284.55	119.06	51.23
	ABCAP Trustee Company Private Limited	0.03	0.02	0.01
	Aditya Birla ARC Limited	100.00	100.00	-

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended/As at		
		31st March, 2019	31st March, 2018	1st April, 2017
	Aditya Birla Stressed Asset AMC Private Limited	0.25	-	-
	Equity Component for Investment in Preference Shares of Aditya Birla Money Mart Limited	0.02	0.02	0.02
	Preference Shares Capital held by the Company			
	Aditya Birla Finance Limited			
	8% Cumulative Redeemable Preference Shares	10.01	10.21	-
	Interest Income Accrued on Preference Shares	0.80	0.60	0.01
	Aditya Birla Money Mart Limited			
	0.01% Redeemable Non-Convertible Non-Cumulative Preference Shares	0.10	0.10	0.10
	Interest Income Accrued on Non Convertible Non-Cumulative Preference Shares	0.07	0.06	0.05
	Aditya Birla Money Limited			
	8% Redeemable Non-Convertible Cumulative Preference Shares	30.00	30.00	30.00
	Interest Income Accrued Non-Convertible Cumulative Preference Shares	17.16	13.95	11.20
	Aditya Birla MyUniverse Limited			
	0.001% Compulsory Convertible Cumulative Preference Shares	60.00	60.00	60.00
	Aditya Birla ARC Limited			
	0.001% Compulsory Convertible Cumulative Preference Shares	-	8.00	-
	Debentures held by the Company			
	Aditya Birla Money Mart Limited			
	0.1% Cumulative Convertible Debentures (CCD)	26.01	26.01	26.01
	Interest Income Accrued on CCD	7.74	4.96	2.40
	Aditya Birla Finance Limited			
	0.1% Cumulative Convertible Debentures (CCD)	23.99	23.99	23.99
	Interest Income Accrued on CCD	7.14	4.57	2.22
	Investment in Private Equity Fund			
	Aditya Birla Private Equity - Sunrise Fund	-	1.43	16.24
	Aditya Birla Private Equity - Fund I	0.17	0.17	75.57
	Mark to Market on Private Equity Fund	0.16	23.32	42.38
7	**Loans**	**115.48**	**70.23**	**-**
	Aditya Birla MyUniverse Limited	82.08	45.00	-
	Aditya Birla Housing Finance Limited	26.00	18.00	-
	Aditya Birla Money Mart Limited	4.16	3.99	-
	Aditya Birla Money Insurance Advisory Services Limited	3.24	3.24	-
8	ABCSL Employee Welfare Trust	10.11	10.11	10.11
9	**Key Managerial Personnel ****			
	Durga Prasad Rathi (Ceased to be a Director w.e.f. 23rd June, 2017)	-	0.02	-
	S. C. Bhargava	0.04	0.08	-
	P. H. Ravikumar	0.04	0.05	-
	Arun Adhikari	0.04	0.02	-
	Vijayalakshmi R Iyer	0.05	0.05	-
	Pinky Mehta (Whole-time Director from 1st July, 2017 to 26th October, 2018)	-	0.54	-
	Ajay Srinivasan (Chief Executive Officer) ***	49.26	43.76	-

*** Figures of ₹ 50,000 or less have been denoted by β**

**** Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information. Amounts shown here are before allocation to subsidiary companies.**

***** Including ESOP valuation.**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

ANNEXURE : 2

₹ crore

Sr. No.	Particulars	Amount Outstanding	Amount Overdue
1	**Liabilities Side:**		
	Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	1,439.88	-
	(f) Other Loans (specify nature)	-	-
	Assets Side	**Amount Outstanding**	
2	**Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :**		
	(a) Secured	-	-
	(b) Unsecured (Excluding security deposits)	129.45	-
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :**	**Amount**	
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loa7ns other than (a) above	-	-
4	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	14.49	-
	(iv) Government Securities	-	-
	(v) Private Equity Fund	0.33	-

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

Sr. No.	Particulars	Amount Outstanding	Amount Overdue
	Long-term Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	235.88	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	8,275.59	-
	(b) Preference	118.01	-
	(ii) Debentures and Bonds	64.88	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
5	**Borrower group-wise classification of assets financed as in (2) and (3) above :**		
	Category	**Secured**	**Unsecured**
	1. Related Parties		
	(a) Subsidiaries -	-	126.15
	(b) Companies in the same Group	-	3.16
	(c) Other related parties	-	0.13
	(d) Other than related parties	-	-
	Total	**-**	**129.44**
6	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		
	Category	**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provisions**
	1. Related Parties		
	(a) Subsidiaries/Joint Ventures -	-	8,642.88
	(b) Companies in the same Group	-	0.33
	(c) Other related parties	-	51.48
	(d) Other than related parties	-	14.49
	Total	-	**8,709.18**

Consolidated Financial Statements

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Independent Auditor's Report

To The Members of ADITYA BIRLA CAPITAL LIMITED
(Formerly known as ADITYA BIRLA FINANCIAL SERVICES LIMITED)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Aditya Birla Capital Limited** (the "Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as the "Group") which includes the Group's share of profit (net) in joint ventures, which comprise the Consolidated Balance Sheet as at 31st March, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated 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 specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, 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 of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Impairment of carrying value of loans and advances** The Group exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances. Due to the significance of the judgements used in classifying loans and advances into various stages stipulated in Ind-AS 109 and determining related provision requirements, this audit area is considered a key audit risk. Refer Note 2.5 and 57 of consolidated financial statements.	We and other auditors for the components audited by them performed a range of audit procedures, which included: • gained understanding of the key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes; • For exposures determined to be individually impaired, tested a sample of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; and

Sr. No.	Key Audit Matter	Auditor's Response
		• For provision against exposures classified as Stage 1 and Stage 2, obtained an understanding of the provisioning methodology, assessed the reasonableness of the underlying assumptions and the sufficiency of the data used by the management. With respect to impairment methodology, our and other auditors audit procedures comprised the following: • read the Company's Ind-AS 109 based impairment provisioning policy and compared it with the requirements of Ind-AS 109; For a sample of exposures, we checked the appropriateness of the Company's staging; • checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models (the Models) used by the Company to determine impairment provisions; • appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations; • checked the completeness of loans and advances included in the ECL calculations as at the period end; • understood the theoretical soundness and tested the mathematical integrity of the Models; • Where relevant, used Information System specialists to gain comfort on data integrity; and • checked consistency of various inputs and assumptions used by the management to determine impairment provisions.
2	**Policy Liabilities** Provisions against life insurance contracts mainly comprise the provision for future policy benefits and the provision for outstanding claims. Valuation of the provision for future policy benefits is necessarily dependent on a number of assumptions. Refer in particular to discount rates, mortality and morbidity assumptions, acquisition and administration expenses, and calculated lapse rates. In accordance with applicable accounting regulations, these assumptions are determined at the start of a contract and are only adjusted if there is a significant deterioration or due to experience adjustments.	We have reconciled the underlying data used by the Company's Appointed Actuary (the "Appointed Actuary") with the trial balance and the data obtained by us from the policy administration system to ensure completeness. We have understood from the Appointed Actuary the assumptions used and the basis for the same to evaluate these assumptions with the available peer details. We have assessed the Company's methodology for calculating the policy liabilities against recognised actuarial practices. We obtained and reconciled the provision amount with the Appointed Actuary's certificate in this regard. Apart from the above, determination of the following as at and for the year ended 31st March, 2019 is the responsibility of the Group's Appointed Actuary/Actuary chosen from the panel of Actuaries: (i) The Actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31st March, 2019 in respect of subsidiary engaged in

Sr. No.	Key Audit Matter	Auditor's Response
		Life Insurance segment and the actuarial valuation of Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) as at 31st March, 2019 in respect of subsidiary engaged in Health Insurance segment is the responsibility of the subsidiaries' Appointed Actuary/Actuary chosen from the panel of Actuaries. In their respective opinions, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The charge of "Change in Valuation of Liability in Respect of Insurance Policies" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at 31st March, 2019 and "Benefits Paid – Insurance Business" includes the estimate of IBNR and IBNER. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiaries' Appointed Actuary/Actuary chosen from the panel of Actuary; and (ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuary/Actuary chosen from the panel of Actuaries by subsidiaries in the Life Insurance and Health Insurance segments are in accordance with Indian Accounting Standard 104 on Insurance Contracts: (i) Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts; (ii) Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts; (iii) Grossing up and classification of the Reinsurance Assets; and (iv) Liability adequacy test as at the reporting dates. The respective auditors of these subsidiaries have relied on the certificates of the Appointed Actuary/Actuary chosen from the panel of Actuaries in respect of above matters in forming their conclusion on the interim financial results of the said subsidiaries. Our opinion is not qualified in respect of this matter. Considering this matter has been treated as Key Audit Matter here, the same is not reported under Other Matter paragraph below.

Sr. No.	Key Audit Matter	Auditor's Response
3	**Information Technology and General Controls** The Company is highly dependent on technology due to the significant number of transactions that are processed daily across multiple and discrete Information Technology ("IT") systems. The audit approach relies extensively on automated controls and therefore on the effectiveness of controls over IT systems. IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. Management is in the process of implementing several remediation activities that are expected to contribute to reducing the risk over IT applications in the financial reporting process. These included implementation of Company wide preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature, in our risk assessment we have assessed the risk of a material misstatement arising from technology as significant for the audit.	We and other auditors for the components audited by them performed a range of audit procedures, which included: Access rights were tested over applications, operating systems and databases relied upon for financial reporting. Specifically, the tests were designed to cover the following: • New access requests for joiners were properly reviewed and authorised; • User access rights were removed/changed on a timely basis when an individual left or moved role; • Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and • Highly privileged access is restricted to appropriate personnel. Other areas that were independently assessed included password policies, security configurations, controls over changes to applications and databases and that business users and developers did not have access to change applications, the operating system or databases in the production environment. We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit.

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

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement and Management discussion and analysis (MD&A) (collectively referred to as "other information"), but does not include the consolidated financial statements and our auditor's report thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures 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 and its joint ventures 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

(a) We did not audit the financial statements of 16 subsidiaries, whose financial statements reflect total assets of ₹ 53,987.37 Crore as at 31st March, 2019, total revenues of ₹ 6,749.55 crore and net cash outflows amounting to ₹ 140.65 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.76 crore and total comprehensive loss (net) of ₹ 0.67 crore for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 5 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and 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 joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

(b) The comparative financial statements for the year ended 31st March, 2018 in respect of 15 subsidiaries (14 subsidiaries as on 1st April, 2017), and 5 joint ventures and the related transition date opening balance sheet as at 1st April, 2017 prepared in accordance with the Ind AS and included in these consolidated financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries, and joint ventures made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above 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 and comparative financial information thereon.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above 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 consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

    d) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Company, subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

e) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

g) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint ventures.

ii) The liability for insurance contracts is determined by the Subsidiary Companies' Appointed Actuary/Actuary chosen from the panel of Actuaries, and is covered by the Subsidiary Companies' Appointed Actuary's/Actuary chosen from the panel of Actuaries certificate, referred to in Key Audit Matters above, on which we have placed reliance; and the provision has been made in consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint venture companies incorporated in India.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)

Mumbai, May 4, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (hereinafter referred to as the "Holding Company") and its Subsidiary Companies and Joint Ventures, which are Companies incorporated in India, as of that date.

The estimate of claims Incurred But Not Reported ("IBNR") and claims Incurred But Not Enough Reported ("IBNER"), included under Policy Liabilities and the actuarial valuation of liabilities for life policies in force and for the policies in respect of which premium has been discontinued but liability exists as at reporting date included under Policy Liabilities as at 31st March, 2019 has been duly certified by the subsidiaries' appointed actuaries as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statement Regulations"), and has been relied upon by subsidiaries' auditors, as mentioned in "Other Matters" paragraph of our audit report on the consolidated financial statements as at and for the year ended 31st March, 2019. In view of this, the subsidiaries' auditors did not perform any procedures relating to internal financial controls over financial reporting in respect of the valuation and accuracy of the actuarial valuation of estimate of claims IBNR and claims IBNER as well as the actuarial valuation of liabilities for life policies in force and for the policies in respect of which premium has been discontinued but liability exists as at reporting date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Companies and Joint Ventures, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its Subsidiary Companies and Joint Ventures, which are Companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the Subsidiary Companies and Joint Ventures, which are Companies incorporated in India, in terms of their reports referred to in the Key Audit Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its Subsidiary Companies and its Joint Ventures, which are Companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and other auditors referred to in the Other Matters paragraph below, the Holding Company and its Subsidiary Companies and Joint Ventures, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on, the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 16 Subsidiary Companies and 5 Joint Ventures, which are Companies incorporated in India, is based solely on the corresponding reports of the auditors of such Companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, May 4, 2019

Consolidated Balance Sheet
as at 31st March, 2019

₹ crore

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
I	**ASSETS**				
	(1) **Financial Assets**				
	(a) Cash and Cash Equivalents	3	743.16	845.99	695.94
	(b) Bank Balance other than (a) above	4	342.79	210.37	73.77
	(c) Trade and Other Receivables	5	374.47	376.98	310.07
	(d) Loans	6	61,888.26	50,469.32	37,658.02
	(e) Investments				
	- Investments of Life Insurance Business				
	- Investments of Life Insurance Policyholder	7A	13,618.02	10,598.51	8,355.17
	- Investments of Life Insurance Shareholder	7B	2,130.32	1,911.54	1,705.46
	- Investments of Health Insurance Business				
	- Investments of Health Insurance Policyholder	8A	352.47	138.48	79.50
	- Investments of Health Insurance Shareholder	8B	147.32	73.11	154.70
	- Other Investments	9	1,905.22	1,550.47	1,726.51
	(f) Asset Held to Cover Linked Liabilities of Life Insurance Business	10	25,166.34	24,708.88	24,900.85
	(g) Other Financial Assets	11	341.17	298.01	291.07
		Sub-Total	**107,009.54**	**91,181.66**	**75,951.06**
	(2) **Non-Financial Assets**				
	(a) Current Tax Assets (Net)		90.31	72.45	37.63
	(b) Deferred tax assets (Net)	12	222.03	158.30	95.12
	(c) Investment Properties	13	16.11	-	-
	(d) Property, Plant and Equipment	14	135.92	137.89	95.01
	(e) Capital work-in-progress		1.09	0.74	1.05
	(f) Goodwill	15	580.03	580.03	580.03
	(g) Other Intangible assets	16	159.96	119.57	85.63
	(h) Intangible assets under development		33.08	31.91	26.11
	(i) Investments in Joint Venture Companies		635.34	592.00	528.57
	(j) Other Non-Financial assets	17	819.86	839.64	1,131.77
		Sub-Total	**2,693.73**	**2,532.53**	**2,580.92**
	Total Assets		**109,703.27**	**93,714.19**	**78,531.98**

Consolidated Balance Sheet (Contd.)

as at 31st March, 2019

₹ crore

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
II	**LIABILITIES AND EQUITY**				
	LIABILITIES				
	(1) **Financial Liabilities**				
	(a) Derivative financial instruments	18	4.36	3.17	-
	(b) Payables				
	- Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises		0.42	0.19	0.04
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		526.27	374.23	323.79
	(c) Debt Securities	19	27,280.78	24,168.81	20,218.73
	(d) Borrowings (Other than Debt Securities)	20	27,665.75	20,088.01	12,982.81
	(e) Subordinated Liabilities	21	269.98	258.83	70.81
	(f) Other Financial Liabilities	22	2,273.07	1,887.07	1,778.84
		Sub-Total	**58,020.63**	**46,780.31**	**35,375.02**
	(2) **Non-Financial Liabilities**				
	(a) Current tax liabilities (Net)		16.11	49.42	4.80
	(b) Provisions	23	231.59	202.47	177.19
	(c) Deferred tax liabilities (Net)	12	231.04	224.11	99.97
	(d) Policyholders' Liabilities	24	40,150.02	36,471.55	34,481.70
	(e) Other Non Financial Liabilities	25	384.10	392.48	323.84
		Sub-Total	**41,012.86**	**37,340.03**	**35,087.50**
	(3) **Equity**				
	(a) Equity Share capital	26	2,201.40	2,201.04	1,232.24
	(b) Other Equity	27	7,310.95	6,336.80	5,330.39
	Equity attributable to owners of the parents		**9,512.35**	**8,537.84**	**6,562.63**
	(c) Non-Controlling Interests		1,157.43	1,056.01	1,506.83
	Total Equity		**10,669.78**	**9,593.85**	**8,069.46**
	Total Equity and Liabilities		**109,703.27**	**93,714.19**	**78,531.98**

Note : The Assets and Liabilities disclosed above consists of amount relating to both shareholders' and life insurance policyholders' fund.The Company identifies these assets and liabilities separately to comply with Section 10 of Insurance Act, 1938 and are disclosed under note no. 52.

Significant Accounting Policies 2

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Consolidated Statement of Profit and Loss
for the year ended 31st March, 2019

₹ crore

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from operations			
Interest Income	28	6,418.88	4,895.70
Dividend Income	29	11.20	1.40
Fees and Commission Income		924.19	687.99
Net Gain on Fair Value Changes	30	85.40	68.48
Policyholders' Income from Life Insurance Operations	52	7,227.94	5,632.72
Policyholders' Income from Health Insurance Operations	53	490.56	233.78
Sale of Service		5.34	3.81
Net Revenue from Operations		**15,163.51**	**11,523.88**
Other Income	31	8.46	3.60
Total Income		**15,171.97**	**11,527.48**
EXPENSES			
(a) Finance Costs	32	4,109.06	3,023.65
(b) Fees and Commission Expenses		452.18	198.36
(c) Impairment on financial instruments including loss on derecognition of financial assets at amortised cost (Expected Credit Loss)	33	227.75	242.86
(d) Employee benefits expense	34	788.45	652.16
(e) Policyholders' Expense of Life Insurance Operations	52	7,130.07	5,496.29
(f) Policyholders' Expense of Health Insurance Operations	53	743.69	429.74
(g) Depreciation and amortisation expenses	35	57.89	44.27
(h) Other expenses	36	508.07	519.68
Total Expenses		**14,017.16**	**10,607.01**
Profit before share of joint ventures, exceptional items and tax		**1,154.81**	**920.47**
Share of Profit/(Loss) of Joint Venture Companies		225.84	175.37
Profit Before Tax		**1,380.65**	**1,095.84**
Relating to other than revenue account of Life Insurance policyholders			
Current Tax		605.73	457.84
Short/(Excess) Provision for Tax Related to Earlier Years (Net)		(4.40)	(1.42)
Deferred Tax		(56.02)	(53.66)
Relating to revenue accounts of Life Insurance policyholders'			
Current Tax		24.04	-
Total Tax Expenses		**569.35**	**402.76**
Profit for the year		**811.30**	**693.08**

Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March, 2019

₹ crore

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Other Comprehensive Income	37		
Relating to revenue accounts of Life Insurance policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		0.48	(1.09)
(ii) Items that will be reclassified to profit or loss in subsequent periods		50.48	(57.63)
Less: Transferred to Policyholders' Fund in the Balance Sheet		(50.96)	58.72
Relating to revenue accounts of Health Insurance policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		(0.87)	0.11
(ii) Items that will be reclassified to profit or loss in subsequent periods		(0.52)	(1.53)
Related to Others			
(i) Items that will not be reclassified to profit or loss		(2.47)	44.43
Income tax relating to items that will not be reclassified to profit or loss		2.47	(7.25)
(ii) Items that will be reclassified to profit or loss		7.77	(43.54)
Income tax relating to items that will be reclassified to profit or loss		(0.80)	(5.38)
Other Comprehensive Income for the year		**5.58**	**(13.16)**
Total Comprehensive Income for the year		**816.88**	**679.92**
Profit for the year attributable to			
- Owners of the Company		870.94	693.06
- Non-Controlling Interest		(59.64)	0.02
Other Comprehensive income for the year attributable to			
- Owners of the Company		2.19	(4.22)
- Non-Controlling Interest		3.39	(8.94)
Total Comprehensive Income			
- Owners of the Company		873.13	688.84
- Non-Controlling Interest		(56.25)	(8.92)
Basic Earnings Per Share - (₹)	38	3.96	3.55
Diluted Earnings Per Share - (₹)		3.95	3.53
(Face Value of ₹10 each)			

Significant Accounting Policies 2

The accompanying Notes are an integral part of the Financial Statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended 31st March, 2019			Year ended 31st March, 2018		
A	**Cash Flow from Operating Activities**						
	Profit Before Tax		**1,154.81**			**920.47**	
	Adjustment For -						
	Expense on Employee Stock Options Scheme	96.25			70.68		
	Impairment on financial instruments including loss on derecognition of financial assets at amortised cost (Expected Credit Loss)	230.03			241.94		
	Net gain on Fair Value Changes	(217.58)			(168.52)		
	Change in valuation of liabilities in respect of Insurance policies in force	1,353.79			42.61		
	Stamp Duty payment on acquisition of Financial Services Division	-			(25.00)		
	Gain on sale of Property, Plant and Equipment	(0.23)			(0.28)		
	Depreciation and amortisation	96.26			98.74		
	Operating Profit Before Working Capital Changes		**1,558.52**			**260.17**	
	Adjustment For -						
	Decrease/(Increase) in Trade Receivable	0.41			(66.91)		
	Decrease/(Increase) in Loans	(11,643.32)			(13,055.58)		
	Decrease/(Increase) in Other Financial Assets	(43.51)			(0.27)		
	Decrease/(Increase) in Other Current Assets	19.34			287.56		
	Decrease/(Increase) in Trade Payable	152.27			50.60		
	Decrease/(Increase) in Provisions	27.43			30.63		
	Decrease/(Increase) in Investment of Life Insurance and Health Insurance Policy holders	(1,236.91)			(59.61)		
	Decrease/(Increase) in Other Financial liabilities	407.79			97.76		
	Decrease/(Increase) in Derivatives	0.50			-		
	Decrease/(Increase) in Other liabilities	(8.37)	(12,324.37)		68.64	(12,647.18)	
	Cash Used in Operations		**(9,611.04)**			**(11,466.54)**	
	Income Taxes Refund/(paid)		(644.76)			(427.16)	
	Net Cash Used in operations			**(10,255.80)**			**(11,893.70)**
B.	**Cash Flow from Investing Activities**						
	Addition to Property, Plant and Equipment and Intangibles		(162.50)			(156.57)	
	Investments in Joint Venture Company		(5.10)			(6.07)	
	Proceeds from sale of Property, Plant and Equipment		5.09			1.23	
	Purchase of Long-term Investments		(72.42)			(245.23)	
	Proceeds from sale of Investments		41.91			138.04	
	Purchase and Sale of Insurance Shareholders Investments (Net)		(276.64)			(111.82)	
	(Purchase)/Sale of Current Investments (Net)		(249.78)			452.66	
	Bank Deposits with original maturity greater than three months (Net)		(132.42)			(136.60)	
	Dividend Received from Joint Venture Company		153.00			101.90	
	Net Cash (Used in)/from Investing Activities			**(698.86)**			**37.54**

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
C.	**Cash Flow from Financing activities**				
	Exercise of Employee Stock Options	0.69		1.58	
	Stamp Duty payment on acquisition of Financial Services Division	-		25.00	
	Proceeds from shares issued by subsidiary company to Non-Controlling Interest	159.95		66.03	
	Proceeds from Borrowings	20,640.23		9,978.80	
	Repayment of Borrowings	(6,754.99)		(3,230.20)	
	Net Proceeds/Repayment for Borrowings	(3,184.84)		4,473.43	
	Share of Proceeds from Issue of Equity Shares (Net of Share issue expenses)	-		700.93	
	Dividend paid to Non-Controlling Interest	(9.21)		(9.36)	
	Net Cash (Used in)/from financing Activities		**10,851.83**		**12,006.21**
	Net increase in Cash and Cash Equivalents		**(102.83)**		**150.05**
	Opening Cash and Cash Equivalents		**845.99**		**695.94**
	Closing Cash and Cash Equivalents		**743.16**		**845.99**

Cash Flow from Operations includes:

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Received	8,159.05	6,133.46
Interest Paid	3,913.66	2,856.89
Dividend Received	152.94	153.35

Additional Disclosure pursuant to Ind AS 7

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Non-Current Borrowing (Including current maturities of Non-Current Borrowings)	Non-Current Borrowing (Including current maturities of Non-Current Borrowings)
Opening Balance	**44,515.65**	**33,272.35**
Cash Flows	10,700.40	11,222.03
Fair Value Adjustment	0.44	(6.33)
Acquisition	-	27.60
Closing Balance	**55,216.49**	**44,515.65**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
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Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

(A) EQUITY SHARE CAPITAL

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the Beginning of the year	2,201.04	1,232.24
Changes in Equity share capital during the year	0.36	968.80
Balance at the end of the year	**2,201.40**	**2,201.04**

(B) OTHER EQUITY

For the year ended 31st March, 2018

₹ crore

Particulars	Reserve and Surplus							Items of Other Comprehensive income			Equity attributable to Shareholders of Company	Non-Controlling Interest	Total Other Equity
	Special Reserve	Capital Reserve	Securities Premium Reserve	Other Reserve		Retained Earnings		Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Foreign Currency Translation reserve			
				Capital Fund	Share Option Outstanding Account	Surplus as per Statement of Profit and Loss	General Reserve						
Balance as at 1st April, 2017	326.57	48.40	3,489.33	0.01	3.80	1,413.42	6.99	40.56	(0.34)	1.65	5,330.39	1,506.81	6,837.20
Profit for the year	-	-	-	-	-	693.06	-	-	-	-	693.06	0.02	693.08
Other Comprehensive Income/(loss) for the year (Refer Note 37)	-	-	-	-	-	3.52	-	(25.79)	17.39	0.66	(4.22)	(8.94)	(13.16)
Total Comprehensive income	-	-	-	-	-	696.58	-	(25.79)	17.39	0.66	688.84	(8.92)	679.92
Addition during the year	-	-	655.34	-	-	-	-	-	-	-	655.34	-	655.34
Issue of Shares to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	66.03	66.03
Dividend paid to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(9.36)	(9.36)
Acquisition of Financial Services Division	-	-	-	-	-	(418.62)	-	-	-	-	(418.62)	(498.80)	(917.42)
Transfer to General Reserve	-	-	-	-	-	(2.50)	2.50	-	-	-	-	-	-
Transfer to Special Reserve	165.86	-	-	-	-	(165.86)	-	-	-	-	-	-	-
Transfer to General Reserve on account of lapse of vested options	-	-	-	-	(0.61)	-	0.61	-	-	-	-	-	-
Exercise of ESOP including ESOP issued by Subsidiary company	-	-	0.34	-	(1.30)	2.09	-	-	-	-	1.13	0.25	1.38
Transfer from Holding Company pursuant to the Scheme	-	-	-	-	7.37	-	-	-	-	-	7.37	-	7.37
ESOP Charge for the year	-	-	-	-	75.16	-	-	-	-	-	75.16	-	75.16
Share issue expenses	-	-	(2.81)	-	-	-	-	-	-	-	(2.81)	-	(2.81)
Balance as at 31st March, 2018	**492.43**	**48.40**	**4,142.20**	**0.01**	**84.42**	**1,525.11**	**10.10**	**14.77**	**17.05**	**2.31**	**6,336.80**	**1,056.01**	**7,392.81**

Consolidated Statement of Changes in Equity
for the year ended 31st March, 2019

(B) OTHER EQUITY

For the year ended 31st March, 2019

₹ crore

Particulars	Reserve and Surplus							Items of Other Comprehensive income			Equity attributable to Shareholders of Company	Non-Controlling Interest	Total Other Equity
	Special Reserve	Capital Reserve	Securities Premium Reserve	Other Reserve		Retained Earnings		Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Foreign Currency Translation reserve			
				Capital Fund	Share Option Outstanding Account	Surplus as per Statement of Profit and Loss	General Reserve						
Balance as at 1st April, 2018	492.43	48.40	4,142.20	0.01	84.42	1,525.11	10.10	14.77	17.05	2.31	6,336.80	1,056.01	7,392.81
Profit for the year	-	-	-	-	-	870.94	-	-	-	-	870.94	(59.64)	811.30
Other Comprehensive Income/(loss) for the year (Refer Note 37)	-	-	-	-	-	(1.37)	-	2.21	0.60	0.75	2.19	3.39	5.58
Total Comprehensive income	-	-	-	-	-	869.57	-	2.21	0.60	0.75	873.13	(56.25)	816.88
Issue of Shares to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	159.00	159.00
Dividend paid to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(9.21)	(9.21)
Transfer to General Reserve	-	-	-	-	-	(2.47)	2.47	-	-	-	-	-	-
Transfer to Special Reserve	188.70	-	-	-	-	(188.70)	-	-	-	-	-	-	-
Reclassification of gain/loss on sale of FVOCI equity instruments	-	-	-	-	-	38.21	-	-	(38.21)	-	-	-	-
Transfer to General Reserve on account of lapse of vested options	-	-	-	-	(0.19)	-	-	-	-	-	(0.19)	0.19	-
Exercise of ESOP including ESOP issued by Subsidiary company	-	-	2.08	-	(1.16)	0.41	-	-	-	-	1.33	0.06	1.39
ESOP charge for the period	-	-	-	-	91.95	-	-	-	-	-	91.95	-	91.95
Subvention money received to subsidiary	-	-	-	-	-	7.93	-	-	-	-	7.93	7.62	15.55
Balance as at 31st March, 2019	**681.13**	**48.40**	**4,144.28**	**0.01**	**175.02**	**2,250.06**	**12.57**	**16.98**	**(20.56)**	**3.06**	**7,310.95**	**1,157.42**	**8,468.37**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (the "Company"/the "Parent") is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") registered with the RBI vide certificate no. B.01.00555 dated 16th October, 2015. The Company is a majority owned subsidiary of Grasim Industries Limited.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of financial services comprising of lending both as a non-banking financial institution and as a housing finance institution, life and health insurance, general insurance and money broking, asset management and others.

Information on the Group's structure is provided in the Annexure A to Note 1. Information on other related party relationships of the Group is provided in Note No. 43.

The Group has prepared consolidated financial statements in compliance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Group has applied Ind AS starting from financial year beginning on or after 1st April, 2018.

These consolidated financial statements as at and for the year ended 31st March, 2019 are the first consolidated financial statement the Group in accordance with Ind AS. Refer to notes to account no. 60 for information on how the Group adopted Ind AS for all periods up to and including the year ended 31st March, 2018. Upto 31st March, 2018, the Group prepared its consolidated financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013, including provision of Insurance Act, 1938 (the "Insurance Act") as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/circulars/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard, the guidelines issued by the National Housing Bank and Reserve Bank of India to the extent applicable (Previous GAAP).

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 4th May, 2019.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and liabilities at fair value.
- Employee's Defined Benefit Plan as per actuarial valuation.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Presentation of Financial Statements

The Group presents its financial statements to comply with Division III of Schedule III to the Companies Act, 2013 which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS. 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 No. 58

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Financial assets and 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 recognized 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

2.2 Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Company operates.

2.3 Principles of Consolidation:

Subsidiaries:

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an investee if, and only if, the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b) Exposure, or rights, to variable returns from its involvement with the investee, and

c) The ability to use its power over the investee to affect its returns.

The Group re-assesses whether 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 Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items. Inter-Group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Profit or Loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in OCI in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner, as would be required, if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

On account of the regulatory restrictions on transfer of surplus/funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features) arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Under the Previous GAAP fair valuation changes relating to the life insurance fund assets is accumulated within the liability group “Policyholders’ Funds” in a line item labelled “Credit/(Debit) Fair Value Change Account” separately from “Policy Liabilities”, “Insurance Reserves” and “Provision for Linked Liabilities”. Therefore, the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the “Life Insurance Policyholders’ Fund” liability group as “Fair Valuation Differences of Policyholders’ Investments” and “Policyholders’ Fund – Other Adjustments”.

Further all income and expenses pertaining to the life insurance fund have been grouped under “Income from life insurance fund” and “Expense of the life insurance fund” respectively. Assets and Liabilities of Life Insurance fund have been clubbed with respective Assets and Liabilities. Disclosure of same is provided in Note No.52.

Investment in Associates and Joint ventures

Associate:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint Venture:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group’s investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investments in the equity of an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post- acquisition profits/losses of the investee in profit or loss, and the Group’s share in other comprehensive income of the investee. Dividend received from associates and joint ventures are recognised as reduction in the carrying amount of the investments.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as ‘Share of profit/loss of an associate and a joint venture’ in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal, is recognised in the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to the Statement of Profit and Loss where appropriate. Changes in investor’s interest in other component of equity in such cases are being directly recognised in Equity.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Accounting policies of equity accounted investees have been changed where necessary to ensure consistencies with the policies adopted by the Group.

2.4 Business Combination and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when, there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.5 Financial Instruments:

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

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

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

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

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance sheet. However, the group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet.

Equity investments

Investments in Associates and Joint ventures are out of scope of Ind AS 109. As explained in item 2.3 above, such investments are accounted using the equity method.

All other equity investments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Group has irrevocable option to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet

Impairment of Financial Assets

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;

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- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured

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at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in Statement of Profit and Loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant increase in credit risk

The Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity

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of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI
- change in currency or change of counterparty
- the extent of change in interest rates, maturity, covenants
- If these do not clearly indicate a substantial modification, then;

A. In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

B. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

   - the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
   - the remaining lifetime PD at the reporting date based on the modified terms.

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For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write-off

Loans and debt securities are written-off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

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Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance Sheet as the carrying amount is at fair value.
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition:

- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

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Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of Financial Liabilities

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss, unless designated as effective hedging instruments.

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.

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2.6 Fair Value Measurement

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values 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:

a) In the principal market for the asset or liability, or

b) 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 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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.7 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less which are subject to insignificant risk of changes in value.

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2.8 Property, Plant and Equipment (PPE) and Depreciation

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2017 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation on Tangible Fixed Assets is provided on Straight-Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Group has used the following useful life to provide depreciation on its Property, Plant and Equipment.

A. Assets where useful life differs from Schedule II:-

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings/Investment Property	30 years	60 years
Office Electronic Equipment	5 years	4 years
Office Computers (end user devices desktop, laptops)	3 years	3 years to 5 years
Servers	6 years	3 years to 5 years
Vehicles	8-10 years	4 years to 5 years
Electrically operated vehicles	8 years	5 years
Furniture & Fixtures and Other Office Equipment	10 years	2 years to 10 years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by management supported by technical assessments.

The estimated useful lives and residual values of the tangible fixed assets are reviewed at the end of each financial year.

B. Leasehold Assets:

Leasehold Improvements	Period of Lease

Property, Plant and Equipment individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the Property, Plant and Equipment added / disposed of / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarded.

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

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Gains or losses arising from the retirement or disposal of tangible fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.9 Intangible Assets acquired separately and Amortisation

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

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

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Intangible Assets and their useful lives are as under:

Assets	Estimate Useful Life
Brands/Trademarks	5 to 10 years
Computer Software	2 to 6 years
Investment Management Rights	Over period of 10 years
Non-Compete Fees	3 years
Exclusive Images	3 years

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.10 Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit

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to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Product classification of Insurance Business

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, if the benefit payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit linked products or the benefit payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit linked products. Investment contracts are those contracts which are not Insurance Contracts.

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

As a Lessee

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

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Operating Lease

As a Lessee

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term, unless the lease agreements explicitly states that the increase is on account of inflation.

As a Lessor

The Group has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term, unless the lease agreements explicitly states that the increase is on account of inflation.

2.13 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed) and are measured at the amounts expected to be paid when the liabilities are settled.

The Group also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The obligations are presented as a part of "Other Financial Liabilities" or "Provisions" in the balance sheet.

Defined Contribution Plan

The Group makes defined contributions to employee provident fund and employee pension schemes administered by government organisations set up under the applicable statute and those administered by a trust set up by Grasim Industries Limited (the "Holding Company") and superannuation schemes administered by a trust set up by the Holding Company. The Group has no further payment obligations once the contributions have been paid except to contribute additionally any shortfall in the annual yield on the plan assets as compared to the annual return on such accumulated prescribed by the Central Government (there were no such additional contributions due from the Group as of 31st March, 2019, 31st March, 2018 and 1st April, 2017). The contributions are recognised as a part of "Employee Benefits Expenses" in the period in which the employee renders services against which such contributions are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The liabilities are presented within "Other Financial Liabilities" or, as the case may be, within "Provisions" in the balance sheet.

Defined Benefit Plan (gratuity obligation)

The obligation in respect of defined benefit plans, which covers Gratuity, which is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

In respect of Gratuity being Post Retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss, except with respect to life insurance business which relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under

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"Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet and the same will not be reclassified to revenue account of insurance business.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

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

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income.

The Group presents the above components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

The expected costs of other long-term employee benefits such as long-term service incentive plan benefits (not being share based payments) are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the period in which they arise. The obligations are presented as a part of "Provisions" in the balance sheet.

2.14 Employee Share based payments

Equity-settled transactions

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 the Statement of 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.

2.15 Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting

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period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences relating to qualifying effective cash flow hedges; and
- exchange difference arising on re-statement of long-term monetary items that in substance forms part of Group's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

2.16 Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI, is re-classified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture, while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is re-classified to the Statement of Profit and Loss.

2.17 Revenue Recognition

Interest Income

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

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

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

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

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Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

Insurance Companies

A. Life Insurance Business

Premium Income of Insurance Business

Premium income on Insurance contracts and Investment contracts with Discretionary participative feature (DPF) is recognised as income when due from policyholders. For unit linked business, premium income is recognsed when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. In case of linked business, top up premium paid by policyholders are considered as single premium and are unitised as prescribed by the Insurance Regulatory and Development Authority of India Financial Statements Regulations. This premium is recognised when the associated units are created.

Fees and Commission Income of Insurance Business

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Reinsurance Premium

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

B. Health Insurance Business:

Gross Premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

Reinsurance premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

Income from items other than to which Ind AS 109 Financial Instruments and Ind AS 104 Insurance contracts are applicable

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

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The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Brokerage Fee Income

Revenue recognition for brokerage fees can be divided into the following two categories:

Brokerage fees – over time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised over the term of the contract.

Brokerage fees – point in time

Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

2.18 Benefits Paid (Including Claims) pertaining to Insurance Business

Claims and benefits paid for Life Insurance Business

Gross benefits and claims for life insurance contracts and for investment contracts with Discretionary Participation Features (DPF) include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/ Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.

Gross Claims incurred for Health Insurance Business

Claims incurred comprises of claims paid, change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) and specific settlement costs comprising legal and investigation fees and other directly attributable expenses.

The provision is made for estimated value of outstanding claims at the Balance Sheet date on the basis of the ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience and progressively

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modified for changes as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.

Claims are recognized on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data as well as appropriateness of the different methods to the different lines of businesses.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.19 Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. Acquisition costs mainly consists of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Clawback of the first year commission paid, if any, in future is accounted in the year in which it is recovered.

2.20 Policy Liabilities

Insurance Contracts

The policy liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), notified by the Insurance Regulatory and Development Authority of India and Practice Standards prescribed by the Institute of Actuaries of India.

Investment Contracts

Liability in respect on Investment Contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices.

2.21 Deferred Acquisition Cost (DAC)/Deferment Origination Fees (DOF)

The Group has identified Commission, Rewards and recognition paid to its agents pertaining to 1st year as acquisition costs. Such acquisition costs are amortised over the period of the policy contract.

The Origination fees for Investment Contracts, being premium allocation charges pertaining to the 1st, 2nd and 3rd year has been deferred over the period of the policy contract and since the adjustment relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet.

Acquisition cost and Origination fees is deferred only for Investment Contracts.

2.22 Reinsurance Asset

Reinsurance Asset, being net contractual rights receivable under reinsurance contract has been recognised on the basis of Actuarial valuation.

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2.23 Provision for Current and Deferred Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and the rules framed thereunder.

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

2.24 Minimum Alternate Tax (MAT)

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented with Deferred Tax Asset.

2.25 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

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2.26 Segment Reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the chief operating decision-maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

2.27 Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.28 Statement of Cash Flows

The Statement of Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash flows from operating, investing and financing activities of the Group are segregated.

2.29 Standard issued but not yet effective

On 30th March, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the Statement of Profit and Loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from 1st April, 2019

a) Ind AS 12, Income taxes - Appendix C on uncertainty over income tax treatments

b) Ind AS 19 - Employee benefits

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c) Ind AS 23 - Borrowing costs

d) Ind AS 28 - investment in associates and joint ventures

e) Ind AS 103 and Ind AS 111 - Business combinations and joint arrangements

f) Ind AS 109 - Financial instruments

The Group is in the process of evaluating the impact of such amendments

2.30 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity, with the Ind AS requires judgments, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements

Aditya Birla Capital Limited holds either directly or through its subsidiary, more than half of the equity shareholding in following entities. However, as per the shareholders' agreement, Group need to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence the same are being accounted as per equity method of accounting

a) Aditya Birla Sun Life AMC Limited (Formerly known as Birla Sun Life Asset Management Company Limited)

b) Aditya Birla Sun Life Trustee Private Limited (Formerly known as Birla Sun Life Trustee company private Limited.)

c) Aditya Birla Wellness Private Limited

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of Defined Benefit Obligation

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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Recognition of deferred tax assets

Availability of future taxable profit against which the tax losses carried forward can be used.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-based Payments

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.

Impairment of Financial Assets

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

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's internal credit grading model, which assigns PDs to the individual grades

b) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment

c) The segmentation of financial assets when their ECL is assessed on a collective basis

d) Development of ECL models, including the various formulas and the choice of inputs

e) Determination of associations between macroeconomic scenarios and, economic inputs, such as

f) unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

g) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

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Annexure 'A' to Note – 1 "General Information and Basis of Preparation"

Particulars	Country of Incorporation	Principal Business Activity	Proportion of Ownership Interest as on 31st March, 2019	Proportion of Ownership Interest as on 31st March, 2018	Proportion of Ownership Interest as on 1st April, 2017
SUBSIDIARIES					
Aditya Birla PE Advisors Private Limited (ABPEAPL)	India	Private Equity Investment, Advisory & Management Services	100.00%	100.00%	100.00%
Aditya Birla MyUniverse Limited (ABMUL) (Formerly known as Aditya Birla Customer Services Limited)	India	Financial & IT enabled services	100.00%	100.00%	100.00%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	Trustee of Private Equity Fund	100.00%	100.00%	100.00%
ABCAP Trustee Company Private Limited (ABCTPL)	India		100.00%	100.00%	100.00%
Aditya Birla Money Limited (ABML)	India	Stock Broking	73.80%	74.25%	75.00%
Aditya Birla Commodities Broking Limited (ABCBL) (100% subsidiary of ABML)	India	Commodities Broking	NA	74.25%	75.00%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	Financial & IT enabled services	100.00%	100.00%	100.00%
Aditya Birla Finance Limited (ABFL)	India	NBFC/ Fund Based Lending	100.00%	100.00%	90.45%
Aditya Birla Housing Finance Limited (ABHFL)	India	Housing Finance	100.00%	100.00%	100.00%
Aditya Birla Health Insurance Co. Limited (ABHICL)	India	Health Insurance	51.00%	51.00%	51.00%
Aditya Birla Sun Life Insurance Company Limited (ABSLI)	India	Life Insurance	51.00%	51.00%	51.00%
Aditya Birla Sun Life Pension Management Limited (ABSPM) (100% Subsidiary of Birla Sun Life Insurance Company Limited)	India	Management of Pension Fund under NPS Scheme	51.00%	51.00%	51.00%
Aditya Birla Insurance Brokers Limited (ABIBL)	India	Composite Non-life Insurance Advisory & Broking	50.01%	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML)	India	Advertisement and Printing	100.00%	100.00%	100.00%

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Particulars	Country of Incorporation	Principal Business Activity	Proportion of Ownership Interest as on 31st March, 2019	Proportion of Ownership Interest as on 31st March, 2018	Proportion of Ownership Interest as on 1st April, 2017
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)	India	Life Insurance Advisory-Corporate Agent	100.00%	100.00%	100.00%
Aditya Birla ARC Limited	India	Asset Reconstruction Company	100.00%	100.00%	NA
ABCSL – Employee Welfare Trust	India	ESOP Employee Welfare Trust	100.00%	100.00%	100.00%
Aditya Birla Stressed Asset AMC Private Limited (w.e.f. 22nd May, 2018)	India	Fund Manager	100.00%	NA	NA
ABARC-AST-001-Trust	India	Asset Reconstruction Trust	100.00%	NA	NA
JOINT VENTURES					
Aditya Birla Sun Life Trustee Private Limited (ABSTPL)	India	Trustee of Aditya Birla Sun Life Mutual Fund	50.85%	50.85%	50.85%
Aditya Birla Wellness Private Limited (ABWPL)	India	Incentivised Wellness Business	51.00%	51.00%	51.00%
Aditya Birla Sun Life AMC Company Limited (ABSAMC)	India	Asset Management	51.00%	51.00%	51.00%
Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSAMC)	Mauritius	Asset Management	51.00%	51.00%	51.00%
Aditya Birla Sun Life Asset Management Company Ltd., Dubai (100% Subsidiary of ABSAMC)	Dubai	Asset Management	51.00%	51.00%	51.00%
Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore (100% Subsidiary of ABSAMC)	Singapore	Asset Management	51.00%	51.00%	51.00%

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 3 CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Cash on Hand	22.44	16.09	20.14
Balances with Banks			
Current Accounts	618.22	112.52	412.50
Deposit Accounts (with original maturity period of 3 months or less)	2.12	574.80	177.38
Cheques/Drafts on Hand and in transit	100.38	142.58	85.92
	743.16	**845.99**	**695.94**

NOTE: 4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Fixed Deposit Accounts (with original maturity period of more than 3 months) *	342.53	210.13	73.77
Others			
Money Due for Refund on Fractional Shares	0.26	0.24	-
	342.79	**210.37**	**73.77**

* Fixed Deposits includes:

Lien marked in favour of Insurance Regulatory Development Authority of India (IRDAI)	1.32	1.23	1.18
Margin with Exchange	182.75	171.17	38.33
Towards issue of Bank Guarantee	33.70	27.38	31.30

NOTE: 5 TRADE RECEIVABLES

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Secured, Considered Good	113.11	134.77	146.53
Unsecured, Considered Good	262.15	243.04	164.40
Unsecured, Considered doubtful	11.04	10.68	8.54
	386.30	**388.49**	**319.47**
Less: Impairment Loss allowances	(11.83)	(11.51)	(9.40)
	374.47	**376.98**	**310.07**

Trade Receivables includes pass through amounts representing dues from clients and exchange towards transactions not fully settled as at the reporting date of Stock and Securities Broking Business.

Trade Receivables includes amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 6 LOANS AND ADVANCES

(Unsecured, except otherwise stated)

(carried at amortised cost)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Security Deposits			
Unsecured	89.28	94.56	84.78
Less: Impairment Loss allowances	(7.13)	(0.19)	(0.19)
Loans and Advances of Financing Activities			
Secured			
Secured by Tangible Assets	48,379.73	39,323.36	28,747.30
Covered by Bank/Government Guarantees	244.08	333.11	220.39
Secured by Book debts, inventories, fixed deposit and other working capital items	4,091.61	2,706.30	2,407.30
Unsecured	9,466.55	8,311.38	6,339.91
Less: Impairment Loss allowances	(574.83)	(460.61)	(270.65)
Inter Corporate Deposits	20.00	30.00	30.00
Loans against Insurance Policies	114.06	74.30	53.72
Loans and advances to Employees	6.67	8.26	0.63
Others	60.35	48.86	44.84
Less: Impairment Loss allowances	(2.11)	(0.01)	(0.01)
	61,888.26	**50,469.32**	**37,658.02**

Investments outside India	-	-	-
Investments in India	61,888.26	50,469.32	37,658.02
Public Sector	432.19	560.35	225.49
Others	62,040.14	50,369.77	37,703.37
Gross (A)	**62,472.33**	**50,930.12**	**37,928.86**
Less: Impairment Allowance (B)	(584.07)	(460.80)	(270.84)
Net (A) - (B)	**61,888.26**	**50,469.32**	**37,658.02**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 7A INVESTMENTS OF LIFE INSURANCE POLICYHOLDERS'

₹ crore

	Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
A.	**Carried at Amortised Cost**						
	Quoted						
	Investments in Government or trust securities		4,991.15		3,754.54		2,752.23
	Investments in Debentures	2,880.02		1,952.62		1,497.79	
	Less: Impairment Loss Allowances for Investment in Debentures	(1.88)	2,878.14	(0.58)	1,952.04	(1.41)	1,496.38
	Unquoted						
	Investments Others	123.08		182.11		74.01	
	Less: Impairment Loss Allowances for Investment in Others	-	123.08	(0.19)	181.92	-	74.01
B.	**Carried at Fair value through other comprehensive income**						
	Quoted						
	Investments in Government or trust securities		1,902.26		1,638.56		1,395.32
	Investments in Debentures	2,381.09		1,542.45		1,423.01	
	Less: Impairment Loss Allowances for Investment in Debentures	(1.34)	2,379.75	(0.41)	1,542.04	(1.36)	1,421.65
	Unquoted						
	Investments in Equity		-		-		14.31
	Investments Others	87.57		164.81		92.28	
	Less: Impairment Loss Allowances for Investments on Others	-	87.57	(0.01)	164.80	(0.25)	92.03
C.	**Carried Fair value through Profit or Loss**						
	Quoted						
	Investments in Mutual Funds		456.06		430.43		266.50
	Investments in Equity Instruments		695.06		848.38		781.52
	Unquoted						
	Investments in Equity Instruments		104.95		85.80		61.22
	Total		**13,618.02**		**10,598.51**		**8,355.17**
	Investments outside India		-		-		-
	Investments in India		13,618.02		10,598.51		8,355.17

NOTE: 7B INVESTMENTS OF LIFE INSURANCE SHAREHOLDERS'

₹ crore

	Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
A.	**Carried at Fair value through other comprehensive income**						
	Quoted						
	Investments in Government or trust securities		679.15		731.83		721.99
	Investments in Mutual Funds						
	Investments in Debentures	1,121.99		871.49		818.02	
	Less: Impairment Loss Allowances for Investment in Debentures	(1.75)	1,120.24	(1.24)	870.25	(1.25)	816.77
	Investments in Equity		51.05		52.98		-
	Unquoted						
	Investments in Equity		0.60		0.60		14.86
	Investments Others	47.43		88.75		92.14	
	Less: Impairment Loss Allowances on Investments in Others	(0.01)	47.42	(0.02)	88.73	(0.07)	92.07
B.	**Carried Fair value through Profit or Loss**						
	Qutoed						
	Investments in Debentures/Bonds		25.75		24.88		25.18
	Investments in Mutual Funds		5.52		4.04		1.15
	Investments in Equity		200.24		138.14		30.29
	Unquoted						
	Investments in Mutual Funds		0.35		0.09		3.15
	Total		**2,130.32**		**1,911.54**		**1,705.46**
	Investments outside India		-		-		-
	Investments in India		2,130.32		1,911.54		1,705.46

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 8A INVESTMENTS OF LIFE INSURANCE POLICYHOLDERS'

₹ crore

	Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
A.	**Carried at Amortised Cost**						
	Quoted						
	Unquoted						
	Investments in Fixed Deposits		4.08		6.13		-
B.	**Carried at Fair value through other comprehensive income**						
	Quoted						
	Investments in Government or trust securities		72.30		15.09		26.24
	Investments in Debentures/Bonds	248.14		115.50		53.26	
	Less: Impairment Loss Allowances for Investment in Debentures	(1.00)	247.14	-	115.50	-	53.26
	Unquoted						
C.	**Carried at Fair value through Profit or Loss**						
	Quoted						
	Investments in Mutual Funds		28.95		1.76		-
	Unquoted						
	Total		**352.47**		**138.48**		**79.50**

Investments outside India	-	-	-
Investments in India	352.47	138.48	79.50

NOTE: 8B INVESTMENTS OF HEALTH INSURANCE SHAREHOLDERS'

₹ crore

	Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
A.	**Carried at Amortised Cost**			
	Investments in Fixed Deposits	-	-	6.93
B.	**Carried at Fair value through other comprehensive income**			
	Investments in Government or trust securities	116.13	67.81	58.80
	Investments in Debentures/Bonds	31.19	5.30	59.13
	Investments in Commercial Paper	-	-	9.86
C.	**Carried at Fair value through Profit or Loss**			
	Investments in Mutual Funds	-	-	19.98
	Total	**147.32**	**73.11**	**154.70**

Investments outside India	-	-	-
Investments in India	147.32	73.11	154.70

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 9 OTHER INVESTMENTS

₹ crore

	Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
A.	**Carried at Fair value through other comprehensive income**			
	Equity instruments	1.90	1.27	1.04
B.	**Carried at Fair value through Profit or Loss**			
	Equity Instruments	0.39	0.48	0.57
	Debentures/Bonds	1,470.47	1,124.63	1,429.56
	Mutual Funds	47.82	82.42	86.78
	Others:			
	Private Equity Fund	0.33	24.92	134.19
	Preference Shares	214.07	227.36	-
	Portfolio Management Services Investment	16.85	15.52	12.53
	Investment in Alternate Funds	153.39	73.87	61.84
		1,905.22	**1,550.47**	**1,726.51**
	Investments outside India	-	-	-
	Investments in India	1,905.22	1,550.47	1,726.51

NOTE: 10 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Quoted			
(Carried at Fair Value through Profit or Loss)			
Mutual Funds	973.06	1,118.22	1,107.18
Equity instruments	9,531.77	9,477.61	9,995.10
Government or trust securities	5,781.06	5,343.91	5,576.46
Debentures	7,695.91	7,923.30	7,408.07
Other Investments	1,011.82	767.80	728.93
Other Assets	172.72	78.04	85.11
	25,166.34	**24,708.88**	**24,900.85**
Investments outside India	-	-	-
Investments in India	25,166.34	24,708.88	24,900.85

NOTE: 11 OTHER FINANCIAL ASSETS

(Carried at amortised Cost, except otherwise stated)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Unclaimed Fund of Policyholders'	282.79	258.42	234.87
Other Receivable	58.38	39.59	56.20
	341.17	**298.01**	**291.07**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 12 DEFERRED TAX ASSETS

₹ crore

Particulars	As on 31st March, 2017	Movement P&L	Movement OCI	Acquistion through Business Combination	As on 31st March, 2018	Movement P&L	Movement OCI	MAT Credit Utilisation	As on 31st March, 2019
Expected Credit Loss Allowances	**58.11**	30.55	-		**88.66**	39.47	-		**128.13**
Employee benefit provisions and other provisions	**34.56**	37.45	(0.39)		**71.62**	24.30	0.16		**96.08**
Others	**1.93**	(5.50)	-		**(3.57)**	1.35	-		**(2.22)**
MAT Credit	**0.52**	1.07	-		**1.59**	(0.55)	-	(1.00)	**0.04**
	95.12	**63.57**	**(0.39)**	**-**	**158.30**	**64.57**	**0.16**	**(1.00)**	**222.03**

DEFERRED TAX LIABILITIES

₹ crore

Particulars	As on 31st March, 2017	Movement P&L	Movement OCI	Acquistion through Business Combination	As on 31st March, 2018	Movement P&L	Movement OCI	MAT Credit Utilisation	As on 31st March, 2019
DTL on amortised cost under Ind AS 109	**0.16**	(0.15)	-	-	**0.01**	(0.01)	-	-	**-**
Deferred tax on re-measurement gains/(losses) on defined benefit plans	**-**	-	-	0.23	**0.23**	(0.23)	-	-	**-**
Investment Property	**-**	-	-	3.01	**3.01**	0.03	-	-	**3.04**
Equity Shares of Aditya Birla Finance Limited	**-**	-	-	100.01	**100.01**	0.60	-	-	**100.61**
Fair Value Change of Investments	**-**	(3.14)	10.98	-	**7.84**	0.13	(1.62)	-	**6.35**
Deferred Tax on Undistributed earnings	**99.81**	13.20	-	-	**113.01**	8.03	-	-	**121.04**
	99.97	**9.91**	**10.98**	**103.25**	**224.11**	**8.55**	**(1.62)**	**-**	**231.04**

NOTE: 13 INVESTMENT PROPERTIES

₹ crore

Particulars	Investment Properties
Gross Block	
As at 1st April, 2017	-
Additions	-
Deletions	-
As at 31st March, 2018	-
Transferred from Property, Plant and Equipment	16.87
As at 31st March, 2019	16.87
Accumulated Depreciation	
As at 1st April, 2017	-
For the year	-
As at 31st March, 2018	-
For the year	0.43
Transferred from Property, Plant and Equipment (Refer Note No. 62)	0.33
As at 31st March, 2019	0.76
Net Block as at 1st April, 2017	-
Net Block as at 31st March, 2018	-
Net Block as at 31st March, 2019	16.11

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 14 PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Freehold Land	Freehold Buildings	Leasehold Buildings	Leasehold Improvements	Plant & Equipment	Office Equipments	Furniture & Fixtures	Vehicles	TOTAL
Gross Block									
As at 1st April, 2017	0.15	2.76	-	13.00	10.12	59.30	5.63	13.29	**104.25**
Additions	-	-	-	9.72	8.15	32.16	10.66	12.55	**73.24**
Deletions	-	-	-	0.46	0.01	5.08	0.81	1.16	**7.52**
Addition/(Deletion) on Stake Change/Divestment/ Amalgamations	-	-	16.87	-	-	0.05	-	-	**16.92**
As at 31st March, 2018	0.15	2.76	16.87	22.26	18.26	86.43	15.48	24.68	**186.89**
Additions	-	-	-	8.24	1.92	30.88	7.16	13.57	**61.77**
Deletions	-	-	-	2.45	0.35	11.69	1.18	4.84	**20.51**
Reclassified as Investment Property	-	-	16.87	-	-	-	-	-	**16.87**
As at 31st March, 2019	0.15	2.76	-	28.05	19.83	105.62	21.46	33.41	**211.28**
Accumulated Depreciation									
As at 1st April, 2017	-	-	-	0.27	-	7.77	0.42	0.78	**9.24**
For the year	-	0.05	0.33	5.98	4.81	25.98	4.34	4.86	**46.35**
Deletions	-	-	-	0.46	0.03	5.00	0.74	0.36	**6.59**
As at 31st March, 2018	-	0.05	0.33	5.79	4.78	28.75	4.02	5.28	**49.00**
For the year	-	0.05	-	6.89	5.51	19.52	3.93	6.99	**42.89**
Deletions	-	-	-	2.29	0.14	10.93	0.87	1.97	**16.20**
Reclassified as Investment Property	-	-	0.33	-	-	-	-	-	**0.33**
As at 31st March, 2019	-	0.10	-	10.39	10.15	37.34	7.08	10.30	**75.36**
Net Block as at 1st April, 2017	0.15	2.76	-	12.73	10.12	51.53	5.21	12.51	**95.01**
Net Block as at 31st March, 2018	0.15	2.71	16.54	16.47	13.48	57.68	11.46	19.40	**137.89**
Net Block as at 31st March, 2019	0.15	2.66	-	17.66	9.68	68.28	14.38	23.11	**135.92**

A. Gross Block of Tangible Assets includes

   (i) The Company is in the process of getting the lands registered in its name which is currently under dispute but management expects a favourable outcome in this matter

B. Details of Tangible Assets capitalised under Finance Lease:

   (i) Addition to office Equipments includes Nil (Previous year Nil) acquired under Finance Lease

   (ii) Net Block of office equipment includes ₹ 1.78 Crore (Previous year ₹ 2.89) acquired under Finance Lease

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 15 GOODWILL

₹ crore

Particulars	Goodwill
Gross Block	
As at 1st April, 2017	580.03
As at 31st March, 2018	580.03
Additions	-
As at 31st March, 2019	580.03
Net Block as at 1st April, 2017	580.03
Net Block as at 31st March, 2018	580.03
Net Block as at 31st March, 2019	580.03

Notes:

a) Carrying Value of Goodwill pertaining to Life Insurance Business CGU as on 31st March, 2019, 31st March, 2018 and 1st April, 2017 is ₹ 306.68 Crore. Recoverable amount for units is based on fair value less cost of disposal calculated based on comparable Company multiple.

An analysis of the sensitivity of the computation to a change in key parameters (market multiples), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

b) Carrying Value of Goodwill pertaining to Stock and Securities CGU as on 31st March, 2019, 31st March, 2018 and 1st April, 2017 is ₹ 193.63 Crore.

Recoverable amount for units is based on discounted cash flow method under income approach.

An analysis of the sensitivity of the computation to a change in key parameters, based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

NOTE: 16 INTANGIBLE ASSETS

₹ crore

Particulars	Brands/Trade Marks	Computer Software	TOTAL
Gross Block			
As at 1st April, 2017	0.19	99.62	**99.81**
Additions	-	86.27	**86.27**
Deletions	-	1.21	**1.21**
As at 31st March, 2018	0.19	184.68	**184.87**
Additions	-	93.88	**93.88**
Deletions	-	2.88	**2.88**
As at 31st March, 2019	0.19	275.68	**275.87**
Accumulated Amortisation			
As at 1st April, 2017	0.19	13.99	**14.18**
For the year	-	52.36	**52.36**
Deletions	-	1.24	**1.24**
As at 31st March, 2018	0.19	65.11	**65.30**
For the year	-	52.92	**52.92**
Deletions	-	2.31	**2.31**
As at 31st March, 2019	0.19	115.72	**115.91**
Net Block as at 1st April, 2017	-	85.63	**85.63**
Net Block as at 31st March, 2018	-	119.57	**119.57**
Net Block as at 31st March, 2019	-	159.96	**159.96**

All intangibles are other than internally generated

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 17 OTHER NON-FINANCIAL ASSETS
(Unsecured, Except otherwise stated)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Capital Advances	2.36	2.80	7.37
Unbilled revenue	3.56	1.88	0.70
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government			
Unsecured, Considered Good	65.20	95.56	41.53
Unsecured, Considered Doubtful	1.45	15.43	0.88
Less: Impairment Loss allowances	(1.45)	(15.43)	(0.88)
Advance for Expenses	30.75	23.30	4.58
Deferred Staff Cost	0.12	0.52	27.44
Receivable from Mutual Fund	0.08	-	-
Deferred Rent Expenses	12.60	13.73	9.80
Reinsurance Assets	546.28	557.88	949.56
Deferred Acquisition Cost	7.80	10.93	16.21
Prepaid expenses	47.68	37.10	24.52
Others	103.43	95.94	50.06
	819.86	**839.64**	**1,131.77**

NOTE: 18 DERIVATIVE FINANCIAL INSTRUMENTS - LIABILITY
(Carried at Fair Value through Profit or Loss)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Interest Rate Derivatives	4.36	3.17	-
	4.36	**3.17**	**-**

NOTE: 19 DEBT SECURITIES
(At Amortised Cost)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Secured			
Debentures	16,538.56	11,795.18	10,309.39
Sub-Total	**16,538.56**	**11,795.18**	**10,309.39**
Unsecured			
Debentures	1,931.93	1,682.02	1,373.21
Commercial Papers	8,810.29	10,691.61	8,536.13
Sub-Total	**10,742.22**	**12,373.63**	**9,909.34**
Total	**27,280.78**	**24,168.81**	**20,218.73**
Debt Securities:			
In India	27,280.78	24,168.81	20,218.73
Outside India	-	-	-

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 20 BORROWING OTHER THAN DEBT SECURITIES
(At Amortised Cost) ₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Secured			
Rupee Term Loans from			
Banks	23,580.57	14,718.99	9,658.84
Loans repayable on demand from Banks	3,951.97	5,254.51	2,872.56
Term Loan/Loan Repayable on Demand from Others	27.35	17.81	7.47
Finance Lease Liability (Refer Note 41)	1.16	3.22	5.08
Sub-Total	**27,561.05**	**19,994.53**	**12,543.95**
Unsecured			
Rupee Term Loans from Financial Institutions	29.16	15.37	1.81
Loan Repayable on Demand/Term Loan from Banks	75.54	78.11	429.82
Loans from Related Parties	-	-	7.23
Sub-Total	**104.70**	**93.48**	**438.86**
Total	**27,665.75**	**20,088.01**	**12,982.81**
Borrowings:			
In India	27,665.75	20,088.01	12,982.81
Outside India	-	-	-

NOTE: 21 SUBORDINATED LIABILITIES
(At Amortised Cost) ₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Preference Shares issued by Subsidiary Companies	71.00	59.99	70.81
Perpetual debt instruments to the extent they do not qualify as equity instruments	198.98	198.84	-
	269.98	**258.83**	**70.81**
Subordinated Liabilities			
In India	269.98	258.83	70.81
Outside India	-	-	-

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
A	**Debt Securities**			
	Secured Debentures			
	Redeemable Non-Convertible Debentures are secured by way of mortgage on the immovable property and first pari passu charge on certain Financial Assets of the respective subsidiaries Company:			
	The repayment terms and rate of interest of debentures are as under-			
	Repayment Terms : Maturing within 1 year, Rate of Interest 7.65% to 10.00% per annum	4,951.88	1,986.49	1,994.00
	Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.85% to 9.50% per annum	8,685.88	6,977.82	5,773.24
	Repayment Terms : Maturing after 3 years, Rate of Interest 7.60% to 9.50% per annum	2,900.80	2,830.87	2,542.15
	Unsecured Debentures			
	Subordinate Debts - Debentures 8.25% to 10.60% p.a. (Redeemable from May, 2019 to December, 2028)	1,931.93	1,682.02	1,373.21
	Commercial Papers			
	Commercial Papers - Rate of Interest 6.90% to 9.30% per annum	8,810.29	10,691.61	8,536.13
B	**Borrowing other than Debt Securities**			
	Secured Rupee Term Loan from Banks			
	The term loan from banks are secured by way of first pari passu charge on the receivables of the respective subsidiaries Company.			
	The repayment terms and rate of interest of term loans are as under-			
	Repayment Terms : Maturing within 1 year, Rate of Interest 8.27% to 9.50% per annum	2,178.33	2,407.00	1,050.00
	Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.69% to 9.50% per annum	11,670.64	5,203.62	3,723.91
	Repayment Terms : Maturing after 3 years, Rate of Interest 7.69% to 9.50% per annum	9,731.60	7,108.37	4,884.93
	Secured Loan repayable on demand			
	Cash Credit secured by way of first pari passu charge on the receivables of the respective subsidiaries Company	2,063.22	2,563.96	1,667.56
	Working Capital Demand Loan secured by way of first pari passu charge on receivables of the respective subsidiaries - Rate of Interest 8.25% to 8.95% per annum	1,691.00	2,590.00	1,205.00
	Overdraft on account of cheques issued but not presented as on the balance sheet date are backed by cash credit facilities which are secured by way of first pari passu charge on the receivables of the respective Subsidiaries. The repayment terms and rate if interest is same as applicable to cash credit facilities.	197.75	100.55	-
	Term loan from Others			
	Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April, 2019 till 1st January, 2023 with interest ranging from 8.41% to 13.33% per annum	27.35	17.81	7.47

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Finance Lease Liability			
Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April, 2019 till 1st January, 2023 with interest ranging from 8.41% to 13.33% per annum	1.16	3.22	5.08
Unsecured Rupee Term Loans from Financial Institutions			
Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April, 2019 till 1st January, 2023 with interest ranging from 10.50% to 11.93% per annum	29.16	15.37	1.81
Unsecured Loans repayable on Demand from Banks/Term laons			
Overdraft on account of cheques issued but not presented as on the balance sheet date are backed by cash credit facilities	75.55	78.11	162.25
Unsecured Term Loans from banks	-	-	267.57
Unsecured Loans repayable on Demand from Related Parties			
Inter Corporate Deposits from Erstwhile Aditya Birla Nuvo Limited repayable on Call interest of 9.25%	-	-	7.23

NOTE: 22 OTHER FINANCIAL LIABILITY

(Carried at amortised cost, except otherwise stated)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Interest Accrued but not due on borrowings	1,106.90	911.50	744.73
Other Payables			
Book Overdraft	173.63	133.70	365.27
Payable for Capex Creditors	0.89	6.68	2.78
Margin Money from Customers	12.23	1.29	2.27
Deposits	115.96	75.84	35.47
Due to Life Insurance Policyholders	580.77	465.63	409.41
Payable Related to Employees	189.40	221.92	173.82
Other Obligation	93.29	70.51	45.09
	2,273.07	**1,887.07**	**1,778.84**

NOTE: 23 PROVISIONS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Provision for Employee Benefits	231.59	202.32	177.04
Other short-term Provisions #	-	0.15	0.15
	231.59	**202.47**	**177.19**

Additional Disclosure as per Ind AS - 37 “Provisions, Contingent Liabilities and Contingent Assets”

A. Provision for Service Liability		
Opening Balance	0.15	0.15
Arising during the year	-	-
Utilised/Unused Amounts Reversed	(0.15)	-
Closing Balance	**-**	**0.15**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 24 POLICYHOLDERS' LIABILITIES (LIFE INSURANCE CONTRACT LIABILITIES AND RESTRICTED SURPLUS)

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Insurance contract liabilities	28,874.81	26,670.62	25,868.75
Investment contract liabilities	10,830.64	9,571.83	8,415.45
Fair Value changes of Policyholders' Investments			
Fair Value through Profit & Loss	67.67	41.14	24.63
Fair Value through Other Comprehensive Income	93.30	42.82	100.45
Policyholders' Fund Other Changes			
Fair Value through Profit & Loss	22.95	19.68	26.82
Fair Value through Other Comprehensive Income	0.56	0.07	1.17
Incurred but not reported (IBNR) Provision	24.72	10.66	2.92
Premium Deficiency Reserve	-	-	3.78
Unexpired premium reserve	234.43	114.49	37.73
Freelook Reserve (Net)	0.94	0.24	-
	40,150.02	**36,471.55**	**34,481.70**

NOTE: 25 OTHER NON-FINANCIAL LIABILITIES

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Income Received in Advance	188.62	197.29	184.81
Other Advances	73.28	51.29	69.87
Others			
Statutory Dues	88.79	101.20	39.80
Liability for Rent Straight lining	7.15	6.66	10.02
Others	26.26	36.04	19.34
	384.10	**392.48**	**323.84**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 26 SHARE CAPITAL

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
AUTHORISED:			
4,000,000,000 (PY 4,000,000,000, As on 1st April, 2017: 2,000,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00	2,200.00
NIL (PY NIL, As on 1st April, 2017: 1,800,000,000) Preference Shares of ₹ 10/- each (Refer Foot Note No. 4)	-	-	1,800.00
	4,000.00	**4,000.00**	**4,000.00**
ISSUED, SUBSCRIBED AND PAID-UP:			
EQUITY SHARE CAPITAL			
2,201,404,363 (PY 2,201,039,348, As on 1st April, 2017: 1,232,240,000) Equity Shares of ₹ 10/- each fully paid-up	2,201.40	2,201.04	1,232.24
Total Share Capital	**2,201.40**	**2,201.04**	**1,232.24**

1. Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Sr. No.	Description	As at 31st March, 2019		As at 31st March, 2018	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1.	No. of Shares Outstanding at the beginning of the year	2,201,039,348	-	1,232,240,000	-
2.	Allotment of fully paid-up shares during the year	365,015	-	968,799,348	-
	a) P I Opportunities Fund 1	-	-	48,400,000	-
	b) Pursuant to Composite Scheme of Arrangement (Refer Note No. 47)	-	-	920,266,951	-
	c) ABCL ESOP 2017 (Refer Note No. 46)	335,815	-	132,397	-
	d) Employee Stock Option Plan (Refer Note No. 45)	29,200	-	-	-
3.	No. of Shares Outstanding at the end of the year	2,201,404,363	-	2,201,039,348	-

2. **Term/Right Attached to Equity Shares**

   The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

   In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3. Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under:

Sr. No.	Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited*	1,232,240,000	55.98%	1,232,240,000	55.98%	-	-
2	Aditya Birla Nuvo Limited (with nominees)	-	-	-	-	1,232,240,000	100.00%

* Pursuant to the Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (Grasim) and the Company 920,266,951 equity shares of ₹ 10 each were issued to Grasim as fully paid-up in exchange of the assets of the Financial Services Business.

4. **Reclassification of Authorised Share Capital**

   During the previous year the Company had reclassified its Authorised Share Capital. The revised structure comprise of 4,000,000,000 Equity shares of ₹ 10 each.

5. During the last five years there were no Bonus Shares issued.
6. The shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note No. 45).

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 27 OTHER EQUITY

₹ crore

	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	**Special Reserve[(a)]**		
	Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
	Opening Balance	492.43	326.57
	Addition:		
	Transfer from Surplus in the Statement of Profit and Loss	167.25	159.34
		659.68	**485.91**
	Special Reserve u/s 29C of National Housing Bank Act, 1987		
	Opening Balance	0.80	-
	Addition:		
	Transfer from Surplus in the Statement of Profit and Loss	-	0.80
		0.80	**0.80**
	Reserve u/s 36(1)(viii) of the Income Tax Act, 1961		
	Opening Balance	5.72	-
	Addition:		
	Transfer from Surplus in the Statement of Profit and Loss	14.95	5.72
	Less : Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	(0.02)	-
		20.65	**5.72**
		681.13	**492.43**
2.	**Capital Reserve**		
	Opening Balance	48.40	48.40
		48.40	**48.40**
3.	**Securities Premium Reserve[(b)]**		
	Opening Balance	4,142.20	3,489.33
	Addition:		
	- During the Year	2.08	655.68
	Less: Share Issue expense	-	(2.81)
		4,144.28	**4,142.20**
4.	**Capital Fund**		
	Opening Balance	0.01	0.01
	Addition:		
	- During the Year	-	-
		0.01	**0.01**
5.	**Share Option Outstanding Account**		
	Opening Balance	84.42	3.80
	Addition:		
	Charge for the Period	91.95	75.16
	Tranferred on Scheme of Arrangement (Refer Note No. 40)	-	7.37
	Deduction:		
	Transfer to Non-Controlling interest on exercise of ESOP	-	(0.96)
	Transfer to General Reserve on account of lapse of vested options	(0.19)	(0.61)
	Transfer to Securities Premium on exercise of options	(1.16)	(0.34)
		175.02	**84.42**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
6. Surplus in Profit and Loss accounts		
Opening Balance	1,525.11	1,413.42
Addition:		
Profit for the Year	870.94	693.06
Other Comprehensive Income/(loss) for the year arising from remeasurement gains/(loss) on defined benefit plans	(1.21)	3.81
Reclassification of gain/loss on sale of FVOCI equity instruments	38.21	-
Share of JV in OCI	(0.16)	(0.29)
Subvention money received to subsidiary	7.93	-
Gain/(Loss) on Stake change in subsidiaries	0.41	(416.53)
Deduction:		
Transfer to General Reserve	(2.47)	(2.50)
Transfer to Special Reserve	(188.70)	(165.86)
	2,250.06	**1,525.11**
7. General Reserve[c]		
Opening Balance	10.10	6.99
Addition:		
Transfer to Surplus in Profit and Loss	2.47	2.50
Transfer from Share Option Outstanding Account on account of lapse of vested options	-	0.61
	12.57	**10.10**
8. Fair Value Through Other Comprehensive Income[d]		
Opening Balance	31.82	40.22
Addition:		
Reclassification of gain/loss on sale of FVOCI equity instruments	(38.21)	
Fair value gain/(loss) on Fair value Through Other Comprehensive Income (FVOCI) financial assets	2.81	(8.40)
	(3.58)	**31.82**
9. Foreign Currency Translation Reserve		
Opening Balance	2.31	1.65
Addition:		
Addition during the year	0.75	0.66
	3.06	**2.31**
Total Other Equity	**7,310.95**	**6,336.80**

NATURE AND PURPOSE OF RESERVES

(a) Special Reserve

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 percent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

As per Section 29C(i) of the National Housing Bank Act, 1987, the Housing Finance subsidiary of the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer.

(b) Securities Premium Reserve

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

(c) General Reserve

General Reserve is created by appropriation from profits of the current year and/or undistributed profits of previous years. There is no policy for regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other Comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(d) Fair Value Through Other Comprehensive Income - Reserve

This reserves represents the cumulative gains and losses arising on the revaluation of equity and debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised/disposed of. In case of debt instruments, the same is reclassified to profit and loss.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 28 INTEREST INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on Loans		
On financial Assets Measured at Amortised Cost	6,102.74	4,556.07
Interest Income from Investments		
On Financial Assets measured at fair value through OCI	146.31	136.14
On Financial Assets classified at fair value through profit or loss	140.19	184.04
Interest on deposits with Banks		
On financial Assets Measured at Amortised Cost	29.64	19.45
	6,418.88	**4,895.70**

NOTE: 29 DIVIDEND INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
On Financial Assets classified at fair value through profit or loss	11.20	1.40
	11.20	**1.40**

NOTE: 30 NET GAIN ON FAIR VALUE CHANGES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Equity investment at FVTPL	43.28	(14.33)
Debt instrument at FVTPL	27.80	14.90
Net gain/(loss) on financial instruments at fair value through OCI		
Debt instrument at FVTOCI	15.68	16.18
Net gain/(loss) on financial instruments at Amortised cost		
Equity instrument at Amortised Cost	4.14	3.90
Others		
Gain/(loss) on sale of debt FVTOCI instrument	(5.50)	47.83
	85.40	**68.48**
Fair Value changes :		
Realised	77.34	54.17
Unrealised	8.06	14.31
	85.40	**68.48**

NOTE: 31 OTHER INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income on financial assets held at Amortised cost	4.10	2.13
Foreign Exchange Gain	0.01	0.01
Profit on Sale of Property, Plant & Equipment	0.08	0.12
Miscellaneous Income (Net)	4.27	1.34
	8.46	**3.60**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 32 FINANCE COST

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on Fair Value measured at		
Debt securities	2,134.36	1,809.59
Borrowing other than Debt security	1,951.27	1,196.31
Subordinated Liabilities	17.53	11.59
Other Borrowing Costs	5.90	6.16
	4,109.06	**3,023.65**

NOTE: 33 IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
On Loans Held at Amortised Cost	225.65	237.80
On Trade Receivable	2.10	5.06
	227.75	**242.86**

NOTE: 34 EMPLOYEE BENEFITS EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	685.94	567.04
Contribution to Provident and Other Funds (Refer Note No. 44)	22.01	16.72
Contribution to Gratuity Fund (Refer Note No. 44)	7.77	6.46
Expense on Employee Stock Options Scheme (Refer Note No. 45) *	55.81	47.74
Staff Welfare Expenses	16.92	14.20
	788.45	**652.16**
* ESOP charges are net of recovery of ESOP Expense from Joint Venture Companies	**19.50**	**10.44**

NOTE: 35 DEPRECIATION AND AMORTISATION EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation of Property, plant and equipment	26.67	22.41
Depreciation on Investment Property	0.43	-
Amortisation of Intangible Assets	30.79	21.86
	57.89	**44.27**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 36 OTHER EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rent	68.31	48.18
Repairs & Maintenance-Building	0.91	0.16
Repairs & Maintenance-Others	42.48	27.90
Insurance	11.95	8.64
Rates & Taxes	10.96	41.16
Advertisement and Sales Promotion Expenses	51.88	104.95
Legal & Professional Expenses	75.37	41.99
Travelling & Conveyance	31.39	32.26
Printing and Stationery	8.11	5.65
Communication Expenses	12.24	15.94
Electricity Charges	7.88	6.41
Foreign Exchange Loss	0.62	-
Information Technology Expenses	8.86	19.64
Miscellaneous Expenses	177.11	166.80
Total	**508.07**	**519.68**

NOTE: 37 OTHER COMPREHENSIVE INCOME

₹ crore

		Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A		**Relating to Revenue Account of Life Insurance Policyholders**		
	(i)	**Items that will not be reclassified to profit or loss**		
		Remeasurement of post-employment benefit obligations	0.48	(1.09)
			0.48	**(1.09)**
		Less: Transferred to Policyholders' Fund in the Balance Sheet	(0.48)	1.09
			-	-
	(ii)	**Items that will be reclassified to profit or loss**		
		Changes in fair values of FVTOCI Debt instruments	51.17	(62.91)
		Cash flow hedge	(0.69)	5.28
			50.48	**(57.63)**
		Less: Transferred to Policyholders' Fund in the Balance Sheet	(50.48)	57.63
			-	-
B		**Relating to Revenue Account of Health Insurance Policyholders**		
	(i)	**Items that will not be reclassified to profit or loss**		
		Remeasurement of post-employment benefit obligations	(0.87)	0.11
			(0.87)	**0.11**
	(ii)	**Items that will be reclassified to profit or loss**		
		Changes in fair values of FVTOCI Debt instruments	(0.52)	(1.53)
			(0.52)	**(1.53)**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
C	**Relating to Others**		
(i)	**Items that will not be reclassified to profit or loss**		
	Remeasurement of post-employment benefit obligations	(0.83)	5.24
	Changes in fair value of FVTOCI equity instruments	(1.50)	39.60
	Share of other comprehensive income of associate and joint ventures companies accounted for using equity method of accounting	(0.14)	(0.41)
		(2.47)	**44.43**
	Income tax relating to items that will not be reclassified to profit or loss		
	Income tax relating to Remeasurement of post-employment benefit obligations	0.17	(1.58)
	Income tax relating to Changes in fair values of FVTOCI equity instruments	2.30	(5.67)
		2.47	**(7.25)**
(ii)	**Items that will be reclassified to profit or loss**		
	Changes in fair values of FVTOCI Debt instruments	7.02	(44.20)
	Cash flow hedge	-	-
	Share of other comprehensive income of associates and joint venture companies accounted for using equity method of accounting	0.75	0.66
		7.77	**(43.54)**
	Income tax relating to items that will be reclassified to profit or loss		
	Income Tax Effect-Net Movement on FVTOCI Debt Instrument	(0.80)	(5.39)
	Income Tax Effect-Net Movement on Cash Flow Hedge	-	0.01
		(0.80)	**(5.38)**
	Other Comprehensive Income	**5.58**	**(13.16)**

NOTE: 38 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

₹ crore

Particulars		As at 31st March, 2019	As at 31st March, 2018
Earnings per Share (EPS) is calculated as under:			
Weighted-average Number of Equity Shares for calculation of Basic EPS	**(A)**	2,201,322,201	1,951,975,713
Add: Dilutive impact of Employee Stock Options		1,830,962	9,060,322
Weighted-average number of Equity Shares for calculation of Diluted EPS	**(B)**	2,203,153,163	1,961,036,035
Nominal Value of Shares (₹)		10.00	10.00
Profit attributable to equity holders of the Parent:		870.94	693.06
Continuing Operations	**(C)**	870.94	693.06
Basic EPS (₹)	(C/A)	3.96	3.55
Diluted EPS (₹)	(C/B)	3.95	3.53

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 39 CONTINGENT LIABILITIES NOT PROVIDED FOR

A) Claims Against the Company not Acknowledge as debts

₹ crore

Nature of Statute	Brief description of contingent liabilty	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Goods and Service Tax Act, 2017/Service Tax, Finance Act, 1994	Various cases pertaining to like disallowance of CENVAT credit of Service Tax and show cause-cum demand notices relating to service tax.	61.48	55.64	45.41
Income Tax Act, 1961	Various cases pertaining to demand in tax assessment for various years.	40.81	41.14	11.32
Others Statutes	Claims pending in Consumer Redressal Forums, Lok Adalat, National Commission, Motor accidental claims tribunal, Arbitrator, in other Courts/authorities, other legal matter and claims against the Company not acknowledged as debts	49.51	54.27	59.71
	Grand Total	**151.80**	**151.05**	**116.44**

B)	Letter of comfort given by the Company on behalf of clients.	72.97	182.76	133.11
C)	Corporate guarantees given by Company on behalf of clients.	13.23	25.35	32.76

D) Aditya Birla MyUniverse Limited, a subsidiary of the Company, has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC) vide Shareholders Agreement dated 19th December, 2014 and Subscription Agreement dated 19th December, 2014 (SHA). Under the said SHA, the group has granted to IFC an option to sell the shares to ABCL at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC upto a maximum of 120 months from the date of subscription by IFC, in the event ABCL or ABMU fails to provide an opportunity to IFC to exit from ABCL within 60 months from the date of subscription by IFC in the form of listing, secondary sale or acquisition etc. In the event ABMU fails to fulfil its obligation, the group will be obligated to fulfil this obligation.

NOTE: 40 CAPITAL AND OTHER COMMITMENTS

₹ crore

	Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	46.70	83.16	79.25
b)	Uncalled liability on shares and other investments partly paid	564.85	157.97	0.03
c)	Other Commitments	2.00	-	2.00

d) Pursuant to the Shareholders' Agreement entered into with Sun Life Assurance Company of Canada by the Company, in respect of Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited), the Company has agreed to infuse shares/capital from time to meet the solvency requirement prescribed by the regulatory authority.

Transfer of investment in Aditya Birla Sun Life Insurance Company Ltd. (Formerly known as Birla Sun Life Insurance Company Limited), is restricted by the terms contained in Shareholder Agreements entered into by the Company.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 41 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 17 - LEASES IS AS UNDER:

₹ crore

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A.	**Assets taken on Lease:**		
	i) Operating Lease Payment recognised in the Statement of Profit and Loss		
	Minimum Lease Rent	130.82	97.45
		130.82	**97.45**

ii) The Group has taken certain Office Premises, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment on non-cancellable/cancellable operating lease.

iii) The future minimum rental payable in respect of non-cancellable operating lease are as follows:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Not later than one year	61.96	69.88	59.43
Later than one year and not later than five years	122.07	145.60	129.13
Later than five years	14.02	19.22	13.09
	198.05	**234.70**	**201.65**

iv) The details of finance lease payments payable and their Present Value of the Group as at the Balance Sheet Date :

₹ crore

	Particulars Charges Payable	Total Lease Value	Present Value	Interest
a)	Not later than one year - Current Year	1.20	1.13	0.07
	Previous Year	(2.35)	(2.06)	(0.29)
	Preceding Previous Year	*(2.55)*	*(2.01)*	*(0.54)*
b)	Later than one year and not later than five years - Current Year	0.03	0.03	0.00
	Previous Year	(1.23)	(1.16)	(0.07)
	Preceding Previous Year	*(3.41)*	*(3.07)*	*(0.34)*
	Total - Current Year	**1.23**	**1.16**	**0.07**
	Previous Year	**(3.58)**	**(3.22)**	**(0.36)**
	Preceding Previous Year	***(5.96)***	***(5.08)***	***(0.88)***

Figures in brackets represents corresponding amount of preivious year and figures in bracket and Italic represent preceeding previous year.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 42 CURRENT INCOME TAX:

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current income tax charge	629.77	457.84
Adjustments in respect of current income tax of previous year	(4.40)	(1.42)
Deferred tax:	-	-
Relating to origination and reversal of temporary differences (including MAT credit)	(56.02)	(53.66)
Income tax expense reported in the statement of profit or loss	**569.35**	**402.76**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2019		
Accounting profit before income tax	1,380.65	1,095.84
At India's statutory income tax rate of 34.944% (31st March, 2018 34.608%)	482.45	379.25
Adjustments in respect of current income tax of previous years	(4.40)	(1.42)
Differences other than temporary in nature on account of tax benefit u/s 36(1)(viii) of the Income Tax Act, 1961 and others	17.75	5.09
Deferred tax difference for earlier years recognised in current year for brought forward losses, impairment loss allowance and others share	-	(12.73)
Income not considered for tax purpose	(91.50)	(47.06)
Allocation of bonus to policyholders	29.62	
Income Taxed at different rates	(25.67)	12.62
Deferred Tax on Undistributed Earnings of subsidiaries & Joint Venture Companies	8.03	13.21
Tax effect of share of result of Joint Venture Companies	(78.90)	(60.71)
Tax impact of dividend income from Joint Venture Companies	80.83	71.39
Deferred Tax Not Created on loss making Companies	148.45	43.51
Others	2.69	(0.39)
At the effective income tax rate of 41.24% (31st March, 2018: 36.75%)	**569.35**	**402.76**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 43 LIST OF RELATED PARTIES WITH WHOM THE GROUP HAS TRANSACTIONS :

Holding Company :
Grasim Industries Limited (w.e.f. 1st July, 2017)
Aditya Birla Nuvo Limited (Upto 30th June, 2017)

Joint Venture:
Aditya Birla Sun Life AMC Limited (Formerly known as Birla Sun Life Asset Management Company Limited)
Aditya Birla Sun Life Trustee Private Limited (Formerly known as Birla Sun Life Trustee Company Private Limited)
Aditya Birla Wellness Private Limited

Fellow Subsidiaries:
Aditya Birla Sun Life Insurance Company Limited (Formerly Known as Birla Sunlife Insurance Company Limited) (Upto 23rd March, 2017)

Entity in which Holding company has Joint Control:
Vodafone Idea Limited (Formerly known as Idea Cellular Limited) (Up to 31st August, 2018)
Aditya Birla Idea Payment Bank Limited

Other related parties in which Directors are interested:
Aditya Birla Management Corporation Pvt. Ltd. (w.e.f. 01st January, 2019)

Fellow Subsidiaries
Ultratech Cement Limited

Key Management Personnel:
Mr. Ajay Srinivasan
Mr. Arun Adhikari
Mr. Durga Prasad Rathi
Mr. P. H. Ravikumar
Mr. S. C. Bhargava
Ms. Vijayalakshmi R Iyer
Ms. Pinky Mehta (Whole-Time Director from 1st July, 2017 to 26th October, 2017, CFO w.e.f. 1st July, 2017)

Post Employment Benefit Plans:
Grasim Industries Limited Employee Gratuity Fund
Provident Fund of Aditya Birla Nuvo Limited

During for the Year ended 31st March, 2019 following transactions were carried out with the related parties: ₹ crore

Particulars	Holding Company	Joint Venture	Entity in which Holding company has Joint Control	Fellow Subsidiaries	Other related parties in which Directors are interested	Post Employment Benefit Plans	Key Management Personnel	Grand Total
Interest Income								
Aditya Birla Nuvo Limited	-	-	-	-	-	-	-	**-**
	(1.09)	-	-	-	-	-	-	**(1.09)**
Aditya Birla Idea Payment Bank	-	-	-	-	-	-	-	**-**
Limited	-	-	(0.87)	-	-	-	-	**(0.87)**
Vodafone Idea Limited	-	-	1.71	-	-	-	-	**1.71**
	-	-	-	-	-	-	-	**-**
Grasim Industries Limited	4.34	-	-	-	-	-	-	**4.34**
	(3.25)	-	-	-	-	-	-	**(3.25)**
Total	**4.34**	**-**	**1.71**	**-**	**-**	**-**	**-**	**6.05**
	(4.34)	**-**	**(0.87)**	**-**	**-**	**-**	**-**	**(5.21)**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	Holding Company	Joint Venture	Entity in which Holding company has Joint Control	Fellow Subsidiaries	Other related parties in which Directors are interested	Post Employment Benefit Plans	Key Management Personnel	Grand Total
Dividend Income								
Aditya Birla Sun Life AMC Limited	-	153.00	-	-	-	-	-	**153.00**
	-	(101.90)	-	-	-	-	-	**(101.90)**
Total	**-**	**153.00**	**-**	**-**	**-**	**-**	**-**	**153.00**
	-	**(101.90)**	**-**	**-**	**-**	**-**	**-**	**(101.90)**
Brokerage Income								
Aditya Birla Sun Life AMC Limited	-	1.28	-	-	-	-	-	**1.28**
	-	(5.18)	-	-	-	-	-	**(5.18)**
Total	**-**	**1.28**	**-**	**-**	**-**	**-**	**-**	**1.28**
	-	**(5.18)**	**-**	**-**	**-**	**-**	**-**	**(5.18)**
Rent Income								
Aditya Birla Sun Life AMC Limited	-	0.13	-	-	-	-	-	**0.13**
	-	-	-	-	-	-	-	**-**
Total	**-**	**0.13**	**-**	**-**	**-**	**-**	**-**	**0.13**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Income								
Aditya Birla Sun Life AMC Limited	-	0.36	-	-	-	-	-	**0.36**
	-	(0.33)	-	-	-	-	-	**(0.33)**
Mr. Ajay Srinivasan	-	-	-	-	-	-	0.02	**0.02**
	-	-	-	-	-	-	(0.03)	**(0.03)**
Total	**-**	**0.36**	**-**	**-**	**-**	**-**	**0.02**	**0.38**
	-	**(0.33)**	**-**	**-**	**-**	**-**	**(0.03)**	**(0.36)**
Interest Expenses								
Aditya Birla Nuvo Limited	-	-	-	-	-	-	-	**-**
	(0.01)	-	-	-	-	-	-	**(0.01)**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(0.01)	**-**	**-**	**-**	**-**	**-**	**-**	**(0.01)**
Payment for Reimbursement of Revenue/Capital Expenditure								
Grasim Industries Limited	0.05	-	-	-	-	-	-	**0.05**
	(3.14)	-	-	-	-	-	-	**(3.14)**
Aditya Birla Sun Life AMC Limited	-	0.34	-	-	-	-	-	**0.34**
	-	(0.04)	-	-	-	-	-	**(0.04)**
Aditya Birla Idea Payment Bank Limited	-	-	0.01	-	-	-	-	**0.01**
	-	-	(0.02)	-	-	-	-	**(0.02)**
Aditya Birla Management Corporation Private Limited	-	-	-	-	7.59	-	-	**7.59**
	-	-	-	-	-	-	-	**-**
Vodafone Idea Limited	-	-	0.01	-	-	-	-	**0.01**
	-	-	-	-	-	-	-	**-**
Ultratech Cement Limited	-	-	-	0.26	-	-	-	**0.26**
	-	-	-	-	-	-	-	**-**
Total	**0.05**	**0.34**	**0.02**	**0.26**	**7.59**	**-**	**-**	**8.26**
	(3.14)	**(0.04)**	**(0.02)**	**-**	**-**	**-**	**-**	**(3.20)**

Notes

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₹ crore

Particulars	Holding Company	Joint Venture	Entity in which Holding company has Joint Control	Fellow Subsidiaries	Other related parties in which Directors are interested	Post Employment Benefit Plans	Key Management Personnel	Grand Total
Receipts against Reimbursement of Expenses								
Grasim Industries Limited	1.18	-	-	-	-	-	-	**1.18**
	(0.48)	-	-	-	-	-	-	**(0.48)**
Aditya Birla Wellness Private Limited	-	1.49	-	-	-	-	-	**1.49**
	-	(2.16)	-	-	-	-	-	**(2.16)**
Vodafone Idea Limited	-	-	0.80	-	-	-	-	**0.80**
	-	-	(0.39)	-	-	-	-	**(0.39)**
Aditya Birla Sun Life AMC Limited	-	73.09	-	-	-	-	-	**73.09**
	-	(55.76)	-	-	-	-	-	**(55.76)**
Total	**1.18**	**74.58**	**0.80**	**-**	**-**	**-**	**-**	**76.56**
	(0.48)	**(57.92)**	**(0.39)**	**-**	**-**	**-**	**-**	**(58.79)**
Other Expenses								
Aditya Birla Management Corporation Private Limited	-	-	-	-	0.03	-	-	**0.03**
	-	-	-	-	-	-	-	**-**
Aditya Birla Wellness Private Limited	-	4.86	-	-	-	-	-	**4.86**
	-	(4.82)	-	-	-	-	-	**(4.82)**
Total	**-**	**4.86**	**-**	**-**	**0.03**	**-**	**-**	**4.89**
	-	**(4.82)**	**-**	**-**	**-**	**-**	**-**	**(4.82)**
Contribution to PF/Gratuity Fund Trust								
Providend Fund of Aditya Birla Nuvo Limited	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	(3.50)	-	**(3.50)**
Grasim Industries Limited Employee Gratuity Fund	-	-	-	-	-	**1.89**	-	**1.89**
	-	-	-	-	-	(0.64)	-	**(0.64)**
Total	**-**	**-**	**-**	**-**	**-**	**1.89**	**-**	**1.89**
	-	**-**	**-**	**-**	**-**	**(4.14)**	**-**	**(4.14)**
Payment to Key Management Personnel*								
Mr. Ajay Srinivasan**	-	-	-	-	-	-	49.26	**49.26**
	-	-	-	-	-	-	(43.76)	**(43.76)**
Mr. Arun Adhikari	-	-	-	-	-	-	0.09	**0.09**
	-	-	-	-	-	-	(0.03)	**(0.03)**
Mr. Durga Prasad Rathi	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	(0.02)	**(0.02)**
Mr. P. H. Ravikumar	-	-	-	-	-	-	0.08	**0.08**
	-	-	-	-	-	-	(0.08)	**(0.08)**
Mr. S. C. Bhargava	-	-	-	-	-	-	0.12	**0.12**
	-	-	-	-	-	-	(0.16)	**(0.16)**
Ms. Vijayalakshmi R. Iyer	-	-	-	-	-	-	0.07	**0.07**
	-	-	-	-	-	-	(0.07)	**(0.07)**
Ms. Pinky Mehta	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	(0.54)	**(0.54)**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**49.62**	**49.62**
	-	**-**	**-**	**-**	**-**	**-**	**(44.66)**	**(44.66)**
Loans taken Repaid (including Inter-Corporate Deposits)								
Aditya Birla Idea Payment Bank Limited	-	-	-	-	-	-	-	**-**
	-	-	(50.00)	-	-	-	-	**(50.00)**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**(50.00)**	**-**	**-**	**-**	**-**	**(50.00)**

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₹ crore

Particulars	Holding Company	Joint Venture	Entity in which Holding company has Joint Control	Fellow Subsidiaries	Other related parties in which Directors are interested	Post Employment Benefit Plans	Key Management Personnel	Grand Total
Loans/Deposit Taken								
Aditya Birla Nuvo Limited	-	-	-	-	-	-	-	**-**
	(0.04)	-	-	-	-	-	-	**(0.04)**
Aditya Birla Sun Life AMC Limited	-	0.25	-	-	-	-	-	**0.25**
	-	-	-	-	-	-	-	**-**
Total	**-**	**0.25**	**-**	**-**	**-**	**-**	**-**	**0.25**
	(0.04)	**-**	**-**	**-**	**-**	**-**	**-**	**(0.04)**
Deposit Repaid	**-**							
Aditya Birla Nuvo Limited	-	-	-	-	-	-	-	**-**
	(0.04)	-	-	-	-	-	-	**(0.04)**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(0.04)	**-**	**-**	**-**	**-**	**-**	**-**	**(0.04)**
Issue of ICD	**-**							
Aditya Birla Idea Payment Bank	-	-	-	-	-	-	-	**-**
Limited	-	-	(50.00)	-	-	-	-	**(50.00)**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**(50.00)**	**-**	**-**	**-**	**-**	**(50.00)**
Investment made in Equity Share	**-**							
Aditya Birla Wellness Private Limited	-	5.10	-	-	-	-	-	**5.10**
	-	(6.07)	-	-	-	-	-	**(6.07)**
Total	**-**	**5.10**	**-**	**-**	**-**	**-**	**-**	**5.10**
	-	**(6.07)**	**-**	**-**	**-**	**-**	**-**	**(6.07)**
Equity Accounted Investment	**-**							
Aditya Birla Sun Life AMC Limited	-	623.86	-	-	-	-	-	**623.86**
	-	(583.26)	-	-	-	-	-	**(583.26)**
	-	*(522.95)*	-	-	-	-	-	***(522.95)***
Aditya Birla Sun Life Trustee Limited	-	0.49	-	-	-	-	-	**0.49**
	-	(0.38)	-	-	-	-	-	**(0.38)**
	-	*(0.33)*	-	-	-	-	-	***(0.33)***
Aditya Birla Wellness Private Limited	-	11.00	-	-	-	-	-	**11.00**
	-	(8.36)	-	-	-	-	-	**(8.36)**
	-	*(5.30)*	-	-	-	-	-	***(5.30)***
Total	**-**	**635.35**	**-**	**-**	**-**	**-**	**-**	**635.35**
	-	**(592.00)**	**-**	**-**	**-**	**-**	**-**	**(592.00)**
	-	***(528.58)***	**-**	**-**	**-**	**-**	**-**	***(528.58)***
Outstanding balances as on 31st March 2019:	-							
Amount Receivable	53.51	5.37	-	-	0.11	-	-	**58.99**
	(59.02)	(7.64)	-	-	-	-	-	**(66.66)**
	(52.03)	*(10.93)*	-	-	-	-	-	***(62.96)***
Amount Payable	6.47	0.34	0.01	-	4.32	-	-	**11.14**
	(5.44)	(6.19)	(0.01)	-	-	-	-	**(11.64)**
	-	*(0.71)*	*(0.21)*	-	-	-	-	***(0.92)***

- Figures in brackets represent corresponding amount of Previous Year and Figures in brackets and Italics represent preceeding Previous year.
- Figures of ₹ 50,000 or less have been denoted by β.
- Related parties relationships have been identified by the management and relied upon by auditors.
- Refer Note No. 47 for demerger related transaction with Grasim Industries Limited.

* Expenses towards LTIP, grauity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

** Including ESOP valuation

Notes

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NOTE: 44 RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

A. The details of the Group's Defined Benefit Plans in respect of Gratuity (funded by the Group):

General Description of the plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Nature of Benefits

The Group operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group.

Regulatory Framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is Income tax approved, the Group and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act and Rules. Besides this if the Group is covered by the Payment of Gratuity Act, 1972 then the Group is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of the Plan:

The Group has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Inherent Risks:

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

₹ crore

Particulars	As at/for the Year ended 31st March, 2019	As at/for the Year ended 31st March, 2018
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the period	91.40	73.53
Fair Value of Plan Assets	81.78	72.46
Net (Asset)/Liability	**9.62**	**1.07**
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service cost	13.89	12.98
Interest on net defined benefit liability/(assets)	(0.31)	0.71
Less: Recovery from Joint Venture Companies	(0.34)	(0.66)
Net Gratuity Cost	**13.24**	**13.03**
Amount recognised in Other Comprehensive Income (OCI) for the period		
Actual return on plan assets excluding interest income	(2.39)	(0.82)
Actuarial changes arising from changes in demographic assumptions	0.17	(3.16)
Actuarial changes arising from changes in financial assumptions	1.34	(3.35)
Actuarial changes arising from changes in experience assumptions	2.85	2.18
Less: Amount Recovered from Joint Venture Companies	(0.65)	0.90
Closing amount recognised in OCI outside profit and loss account	**1.32**	**(4.25)**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	As at/for the Year ended 31st March, 2019	As at/for the Year ended 31st March, 2018
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Change in net liability/assets		
Opening net defined benefit liability/(assets)	1.07	8.21
Expense charged to statement of profit and loss (Inclusive of Recovery from Joint Venture Company)	13.58	13.69
Amount recognised outside statement of profit and loss (Inclusive of Recovery from Joint Venture Company)	1.96	(5.15)
Employer Contributions	(7.10)	(18.83)
Impact of liability assumed or (settled)	-	0.05
Opening liability transferred from Unfunded to Funded	0.11	3.10
Closing net defined benefit liability/(asset)	**9.62**	**1.07**
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligations	73.53	60.58
Current Service Cost	13.89	12.98
Interest Cost	5.19	4.21
Actuarial (Gain)/Loss	4.35	(4.34)
Benefits Paid	(5.67)	(3.21)
Liability assumed on amalgamation	-	0.21
Opening liability transferred from Unfunded to Funded	0.11	3.10
Closing Defined Benefit Obligations	**91.40**	**73.53**
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	72.46	52.37
Interest Income on plan assets	5.50	3.50
Actual return on plan assets less interest on plan assets	2.39	0.82
Contributions by the Employer	7.10	18.81
Asset acquired on amalgamation	-	0.17
Benefits Paid	(5.67)	(3.21)
Closing Fair Value of the Plan Assets	**81.78**	**72.46**

Funding Arrangement and Policy

The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes.

Maturity Profile of Defined Benefit Obligations

Within the next 12 months (next annual reporting period)	11.10	6.70
more than 1 and upto 5 years	37.48	25.61
more than 5 and upto 10 years	30.23	27.35
Above 10 Years	69.27	62.87
The weighted-average duration to the payment of these cash flows	4 years to 17 years	4 years to 17 years

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	As at/for the Year ended 31st March, 2019	As at/for the Year ended 31st March, 2018
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/decrease on present value of defined benefits obligation at the end of the period		
i) 50 bps increase in discount rate	-3.81%	-3.47%
ii) 50 bps decrease in discount rate	4.13%	3.97%
iii) 50 bps increase in the rate of salary increase.	4.17%	3.98%
iv) 50 bps decrease in the rate of salary increase.	-3.84%	-3.50%
Sensitivity Analysis Method		
These sensitivities have been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.		
Disaggregation of the Plan Assets		
Non-Quoted Value		
Government of India Securities	1.70%	3.07%
Corporate Bonds	0.07%	0.06%
Special Deposit Scheme	0.01%	0.00%
Insurer Managed Fund	81.33%	88.56%
Others	16.89%	8.31%
	100%	**100%**
Fair Value of the Plan Assets include:		
Company's own Financial Instruments	66.51	64.17
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	6.6% - 7.85%	6.8% - 8%
Salary escalation	6% - 10%	6% - 10%

B. **The details of the Group's Defined Benefit Plans in respect of Gratuity (unfunded by the Group):**

Particulars	As at/for the Year ended 31st March, 2019	As at/for the Year ended 31st March, 2018
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the unfunded Defined Benefit Obligation at the end of the period	0.44	0.71
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost (unfunded)	0.09	0.14
Interest on Defined Benefit Obligations	0.04	0.06
Net Gratuity Cost	**0.13**	**0.20**
Amount recognised in Other Comprehensive Income (OCI) for the period		
Actuarial changes arising from changes in financial assumptions	0.01	(0.02)
Actuarial changes arising from changes in experience assumptions	(0.12)	(0.13)
	(0.11)	**(0.15)**

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₹ crore

Particulars	As at/for the Year ended 31st March, 2019	As at/for the Year ended 31st March, 2018
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Change in net liability/assets		
Opening net defined benefit liability/(assets)	0.71	4.06
Expense charged to the statement of profit and loss	0.13	0.20
Amount recognised outside to the statement of profit and loss	(0.11)	(0.15)
Opening liability transferred from Unfunded to Funded	-	(3.10)
Benefits Paid	(0.29)	(0.30)
Closing net defined benefit liability/(asset)	**0.44**	**0.71**
Reconciliation of Present Value of the Obligation:		
Opening Defined Benefit Obligation	0.71	4.06
Current Service Cost	0.09	0.14
Interest Cost	0.04	0.06
Actuarial changes arising from changes in financial assumptions	0.01	(0.02)
Actuarial changes arising from changes in experience assumptions	(0.12)	(0.13)
Actuarial (Gain)/Loss	(0.10)	-
Liability in respect of Employees transferred from unfunded plan	-	(3.10)
Benefits Paid	(0.29)	(0.30)
Closing Defined Benefit Obligation	**0.44**	**0.71**
Maturity Profile of Defined Benefit Obligations		
Within the next 12 months (next annual reporting period)	0.07	0.09
more than 1 and upto 5 years	0.24	0.48
more than 5 and upto 10 years	0.15	0.21
Above 10 Years	0.26	0.45
The weighted-average duration to the payment of these cash flows	3 years to 6 years	2 years to 7 years
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/decrease on present value of defined benefits obligation at the end of the period (in %)		
i) 50 bps increase in discount rate	-1.97%	-4.46%
ii) 50 bps decrease in discount rate	3.68%	1.46%
iii) 50 bps increase in the rate of salary increase.	3.98%	1.16%
iv) 50 bps decrease in the rate of salary increase.	-1.87%	-4.16%
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	6.75% - 6.90%	7.20% - 7.30%
Salary escalation	6.50% - 7.00%	6.50% - 7.00%

Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is ₹ 22.86 Crore (31st March, 2018 ₹ 13.13 Crore).

C **Defined Contribution Plan**

Amount Recognised as an expense and included in the Note: as "Contribution to Provident and Other Fund"	47.88	27.18
Contribution to Group Provident Fund Trust	4.56	14.35

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 45 DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME OF THE COMPANY

(A) Aditya Birla Capital Limited

At the Annual General Meeting held on 19th July, 2017, the shareholders of the Company approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long-term Incentive Plans ("LTIP") identified as LTIP 1, LTIP 2, and LTIP 3. 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.

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Plan Period	2017-2019	2017-2021	2017-2018	2017-2022
Quantum of Grant	4,343,750	11,557,872	1,398,886	12,504,992
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	100% (2 years)	25% p.a. (4 years)	100% (2 years)	20% p.a. (5 years)
Vesting Condition(s)	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target
Exercise Period	5 years from date of vesting	5 years from date of vesting	5 years from date of vesting	5 years from date of vesting
Grant Date	11th August, 2017	11th August, 2017	11th August, 2017	11th August, 2017
Grant/Exercise Price (₹ Per Share)	10.00	115.00	10.00	115.00
Value of Equity Shares as on the date of Grant of Original Option (₹ Per Share)	139.00	139.00	139.00	139.00

Details of Activity in the Plan as at 31st March, 2019

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSU's Outstanding at beginning of the year	4,004,750	11,445,739	1,398,886	12,504,992
Granted during the year on 1st April, 2018	-	-	300,000	1,623,834
Exercised during the year	-	29,200	-	-
Lapsed during the year	555,250	892,454	-	-
Options/RSU's Outstanding at the end of the year	3,449,500	10,524,085	1,698,886	14,128,826
Options/RSU's unvested at the end of year	3,449,500	7,841,942	1,698,886	11,627,828
Options/RSU's exercisable at the end of the year	-	2,682,143	-	2,500,998

Details of Activity in the Plan as at 31st March, 2018

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSU's Outstanding at beginning of the year	-	-	-	-
Granted during the year on 1st April, 2018	4,343,750	11,557,872	1,398,886	12,504,992
Exercised during the year	-	-	-	-
Lapsed during the year	339,000	112,133	-	-
Options/RSU's Outstanding at the end of the year	4,004,750	11,445,739	1,398,886	12,504,992
Options/RSU's unvested at the end of year	4,004,750	11,445,739	1,398,886	12,504,992
Options/RSU's exercisable at the end of the year	-	-	-	-

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Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as:

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Risk Free Interest Rate (%)	6.50%	6.5% to 6.8%	6.50%	6.5% to 7.0%
Option Life (Years)	4.5	3.5 to 6.5	4.5	3.5 to 7.5
Historical Volatility	38.50%	37.0% to 38.5%	38.50%	37.0% to 38.5%
Expected Volatility	-	-	-	-
Expected Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%
Weighted Average Fair Value per Option (₹)	131.6	70.4	131.6	73.1

OF SUBSIDIARY COMPANIES

(B) Aditya Birla Money Limited

Stock options granted under ABML–Employee Stock Option Scheme – 2014

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Aditya Birla Money Limited (ABML) as well as to motivate them to contribute to its growth and profitability.

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the ABML's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the ABML for this purpose since the exercise price at which the options have been granted by the ABML to eligible employees are at the market price of the ABML and further, the vesting of options is due only in the upcoming years.

Stock options granted under ABML–Employee Stock Option Scheme – 2014

ABML had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated 9th September, 2014. The Scheme provides that the total number of options granted thereunder will be 2,770,000. Each option, on exercise, is convertible into one equity share of the ABML having face value of ₹ 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on 2nd December, 2014 has granted 2,509,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of ₹ 34.25/-. The Exercise Price was based on the latest available closing price, prior to the 2nd December, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognized stock exchanges on which the shares of the ABML are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme–2014 is as under	As at 31st March, 2019
Options granted on 2nd December, 2014	2,509,341
Options outstanding as on 1st April, 2018	699,531
No. of options granted during the Year	Nil
Method of Accounting	Fair Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (₹ per share)	₹ 34.25/-
Market price as on the date of the grant	₹ 34.25/-(previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the period	Nil
Options exercised during the period	179,219
Options outstanding as on 31st March, 2019	520,312

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Summary of Stock Options granted under ABML ESOP Scheme–2014 is as under	As at 31st March, 2018
Options granted on 2nd December, 2014	2,509,341
Options outstanding as on 1st April, 2017	1,445,845
No. of options granted during the period	Nil
Method of Accounting	Fair Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (₹ per share)	₹ 34.25/-
Market price as on the date of the grant	₹ 34.25/-(previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the period	24,176
Options exercised during the period	722,138
Options outstanding as on 31st March, 2018	699,531

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

Sr. No.	Vesting Dates	% of options that shall vest
1	12 months from the date of grant	25% of the grant
2	24 months from the date of grant	25% of the grant
3	36 months from the date of grant	25% of the grant
4	48 months from the date of grant	25% of the grant

ABML has granted options to the eligible employees at an exercise price of ₹ 34.25 per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the ABML is not required to account the accounting value of option as per SEBI ESOP Regulations.

Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

Risk-free interest rate (%)	8.13%
Expected life (No. of years)	5
Expected volatility (%)	54.26%
Dividend yield (%)	0.00
Weighted Average Fair Value per Option (₹) Fair Value	₹ 34.25/-

NOTE: 46 ABCL INCENTIVE PLAN 2017

The Scheme titled as “ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)” was approved by the shareholders through postal ballot on 10th April, 2017. The Nomination, Remuneration and Compensation Committee of the Company at their meeting held on 15th January, 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (Collectively called as “Stock Options”) to the eligible grantees pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (Refer Note No. 47). Out of the above, the Company; has granted 195,040 ESOPs and 45,060 RSUs under this Scheme to a Director of the Company. The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the Grantees under the corresponding Grasim Employee Benefit Scheme 2006 and 2013.

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Particulars	ABCL Incentive Scheme	
	Options	RSU's
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013 and shall be subject to a minimum vesting period of one year from the date of original grant and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target.	
Exercise Period	5 years from date of vesting	5 years from date of vesting
Grant Date	15th January, 2018	15th January, 2018
Grant/Exercise Price (₹ Per Share)	10	10

Details of Activity in the Plan

Particulars	ABCL Incentive Scheme			
	31st March, 2019		31st March, 2018	
	Options	RSU's	Options	RSU's
Options/RSU's Outstanding at beginning of the year	1,354,590	218,389	1,465,927	252,310
Granted during the year	-	-	-	-
Exercised during the year	313,381	22,434	98,476	33,921
Lapsed during the year	6,820	-	12,861	-
Options/RSU's Outstanding at the end of the year	1,034,389	195,955	1,354,590	218,389
Options/RSU's unvested at the end of year	93,787	33,472	168,433	59,770
Options/RSU's exercisable at the end of the year	940,602	162,483	1,186,157	158,619

NOTE: 47 COMPOSITE SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited ("ABNL"), Grasim Industries Limited ("Grasim") and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) ("ABCL"), was approved by the Hon'ble National Company Law Tribunal Bench at Ahmedabad on 1st June, 2017.

Pursuant to the Approved Scheme:

1 ABCL has become a subsidiary of Grasim with effect from 1st July, 2017.

2 The Board of Directors of Grasim and ABCL executed the demerger of the financial services business ("Demerged Undertaking") from Grasim (post its amalgamation with ABNL) into ABCL effective on 4th July, 2017 and accordingly the financial services business of amalgamated Grasim has been demerged into ABCL with effect from 4th July, 2017.

3 In accordance with the Scheme, the ABCL has:

- recorded transferred assets and liabilities pertaining to Demerged Undertaking at the respective carrying values as appearing in the books of account of Grasim on the date of demerger;

- issued 920,266,951 equity shares of ₹ 10 each, which have been issued and recorded at face value, to the shareholders' of Grasim as on record date;

- difference between the value of assets and liabilities pertaining to Demerged Undertaking, after adjusting the amount credited to share capital, has been recognised as Capital reserve.

- Post demerger, Aditya Birla Finance Limited (ABFL), became a wholly owned subsidiary of the Company. The difference between carring amount of minority interest and the value of investments in ABFL transferred from Grasim has been adjusted in reserves.

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4 Following are the assets and liabilities of transferred business:

₹ crore

Particulars	Amount
Assets:	
Tangible Assets	16.67
Non-Current Investments	
- Minority stake in Aditya Birla Finance Limited, a subsidiary	1718.73
- Preference Shares issued Aditya Birla Finance Limited	10.20
Current Investments	117.13
Loans and Advances	13.43
Other Current Assets	0.21
Total Assets (A)	**1876.37**
Liabilities:	
Deferred Tax Liability	103.26
Short-term Borrowings	51.27
Employee Liabilities	0.22
Total Liabilities (B)	**154.75**
Net Assets Acquired (C) = (A) - (B)	**1721.62**
Consideration Paid by Issue of 920,266,951 Equity Shares of ₹ 10 each **(D)** #	920.27
Capital Reserve Recognised (E) = (C) – (D)	**801.35**

The Company also paid a sum of ₹ 25 crore towards stamp duty

5 As a result of the acquisition of a minority interest in a subsidiary, viz. Aditya Birla Finance Limited, the excess of the consideration paid over the share of minority in the book value of asset in that entity was adjusted against Reserves and Surplus as under:

₹ crore

Particulars	Amount
Against Capital Reserve	801.35
Against Surplus in Statement in Profit and Loss	418.62
	1,219.97

6 Further, to fulfil the Company's commitments under the Scheme, the Board of Directors of the Company have approved the issuance of stock options and restricted stock units under the ABCL Incentive Scheme for Stock Options and Restricted Stock Units 2017 (the "ABCL Incentive Scheme") for granting of stock options and restricted stock options to the eligible grantees of Grasim Employee Stock Option Scheme 2006 and Grasim Employee Stock Option Scheme 2013 (the "Grasim Employee Benefit Schemes") in the same ratio as the ratio in which shares were issued to the shareholders of Grasim. Under the arrangement, the Company is obligated to issue equity shares not exceeding 1,718,237 at the face value of ₹ 10 each against 1,465,927 stock options and 252,310 restricted stock units granted by it to eligible employees of Grasim who held grants of stock options and restricted stock options of Grasim Employee Benefit Schemes. The stock options and restricted stock options thus granted under the ABCL Incentive Scheme would be deemed to be held by the eligible employees of Grasim for determining the minimum vesting period and the vesting conditions and dates for stock options and restricted share units under the ABCL Incentive Scheme would follow the same vesting conditions as applicable to the grantees of for stock options and restricted share units under the Grasim Employee Benefit Schemes. Accordingly, ₹ 7.37 Crore representing the pro-rata amount of the vested Employee Stock Options Reserve created by Grasim against the Grasim Employee Benefit Schemes has been transferred to the Company against which sum the Company will be entitled to an equivalent cash reimbursement. The balance pro-rata amount of Employee Stock Options Reserve would be transferred to the Company by Grasim upon vesting of the stock options and restricted stock options of Grasim Employee Benefit Schemes with a corresponding cash reimbursement.

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NOTE: 48 SEGMENT DISCLOSURES

Operating segments are defined as components of an enterprise for which discrete financial information so available that is evaluated regularly by Chief Operating decision-maker (CODM), in deciding how to allocate resources and assessing performance.

The Group has considered business segment as reportable segment for disclosure. The products and services included in each of the reported business segments are as follows:

SEGMENT	ACTIVITIES
NBFC	Non-Bank Financial Services
Housing Finance	Housing Finance
Life Insurance	Life Insurance
Asset Management	Asset Management
General Insurance Broking	Insurance Broking
Stock and Securities Broking	Equity and Commodity Broking
Health Insurance	Health Insurance and ancillary services
Other Financial Services	Private Equity, Wealth Management, General Insurance Advisory and Assets Reconstruction.

Information about Business Segments

₹ crore

Segment Revenue	For the Year ended 31st March, 2019			For the Year ended 31st March, 2018		
	External	Inter-Segment	Total	External	Inter-Segment	Total
NBFC	5,599.48	7.79	5,607.27	4,421.77	14.62	4,436.39
Housing Finance	1,025.05	-	1,025.05	590.22	-	590.22
Life Insurance	7,406.96	4.72	7,411.68	5,789.34	4.42	5,793.76
Asset Management	1,407.18	-	1,407.18	1,318.33	5.18	1,323.51
General Insurance Broking	446.10	2.54	448.64	256.65	8.28	264.93
Stock and Securities Broking	169.49	2.03	171.52	162.27	2.30	164.57
Health Insurance	499.81	-	499.81	240.13	8.20	248.33
Other Financial Services	16.30	10.56	26.86	62.36	12.23	74.59
Segment Revenue	**16,570.37**	**27.64**	**16,598.01**	**12,841.07**	**55.23**	**12,896.30**
Less: Inter Segment Revenue			(27.64)			(55.23)
Total Segment Revenue from Operations			**16,570.37**			**12,841.07**
Less: Revenue of joint venture entities, profits of which are equity accounted under the Ind AS framework			(1,415.52)			(1,326.02)
Add: Elimination of Intra Group revenue from transactions with joint venture entities			8.66			8.83
Total Revenue from Operation			**15,163.51**			**11,523.88**

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₹ crore

Segment Result (PBT)	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
NBFC	1,328.01	1,050.89
Housing Finance	106.94	34.11
Life Insurance	131.46	130.41
Asset Management	646.76	523.12
General Insurance Broking	27.35	39.15
Stock and Securities Broking	14.00	10.10
Health Insurance	(256.89)	(197.05)
Other Financial Services	(200.71)	(153.05)
Total Segmental Results	**1,796.92**	**1,437.68**
Less: Share of joint venture partners (not included in share of profits of the Group) in joint venture entities	(416.27)	(341.84)
Profit Before Tax	**1,380.65**	**1,095.84**

₹ crore

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on			Carrying Amount of Segment Liabilities as on		
	31st March, 2019	31st March, 2018	1st April, 2017	31st March, 2019	31st March, 2018	1st April, 2017
Segments						
NBFC	52,035.27	43,671.92	35,096.83	44,745.80	37,499.56	30,206.02
Housing Finance	11,474.47	8,191.90	4,164.73	10,308.91	7,444.40	3,792.86
Life Insurance	43,382.35	39,569.84	37,477.06	40,933.53	37,240.49	35,276.55
Asset Management	1,417.91	1,471.96	1,291.04	202.52	311.01	271.41
General Insurance Broking	128.74	147.00	92.41	105.80	94.09	35.34
Stock and Securities Broking	880.13	729.54	480.15	670.84	528.43	288.80
Health Insurance	667.88	362.15	326.45	475.19	247.00	167.63
Other Financial Services	412.66	423.31	396.12	1,749.81	980.07	752.99
Total Segment	**110,399.41**	**94,567.62**	**79,324.79**	**99,192.40**	**84,345.05**	**70,791.60**
Inter-Segment Elimination	(203.42)	(194.42)	(172.76)	(203.42)	(194.42)	(172.76)
Add: Unallocated Corporate Liabilities	328.50	243.43	141.00	255.18	307.46	107.27
Total Segment Assets/Liabilities	**110,524.49**	**94,616.63**	**79,293.03**	**99,244.16**	**84,458.09**	**70,726.11**
Less: Assets/Liabilities of joint venture entities, which are equity accounted under the Ind AS framework	(1,462.27)	(1,507.52)	(1,299.97)	(216.38)	(350.83)	(273.94)
Add: Elimination of Intra Group Assets/Liabilities from transactions with joint venture entities	5.71	13.08	10.35	5.71	13.08	10.35
Add: Investment in joint venture entities which are equity accounted under the Ind AS framework	635.34	592.00	528.57	-	-	-
Total Assets/Liabilities	**109,703.27**	**93,714.19**	**78,531.98**	**99,033.49**	**84,120.34**	**70,462.52**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Other Information	Depreciation and Amortisation for the Year ended	
	31st March, 2019	31st March, 2018
Segments		
NBFC	24.77	14.81
Housing Finance	5.90	4.71
Life Insurance	25.69	43.36
Asset Management	13.15	10.03
General Insurance Broking	4.00	3.85
Stock and Securities	2.09	2.18
Health Insurance	13.95	11.43
Other Financial Services	20.89	18.51
Total Segment	**110.44**	**108.88**
Less: Depreciations of joint venture entities	14.18	10.14
Less: Depreciations of Life Insurance Policyholders' Business	25.44	43.14
Less: Depreciations of Health Insurance Policyholders' Business	12.93	11.33
Total Depreciation and Amortisation	**57.89**	**44.27**

₹ crore

Other Information	Interest Income		Interest Expenses	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
NBFC	5,192.97	4,130.29	3,276.01	2,596.76
Housing Finance	998.89	576.67	721.38	397.32
Life Insurance	1,030.98	792.26	0.06	2.52
Asset Management	109.90	44.37	-	-
General Insurance Broking	2.36	2.84	-	-
Stock and Securities	51.91	36.49	30.44	10.91
Health Insurance	25.38	16.59	-	-
Other Financial Services	17.01	10.73	95.36	32.33
Sub-Total	7,429.40	5,610.24	4,123.25	3,039.84
Less: Inter Segment Elimination	(14.13)	(13.68)	(14.13)	(13.68)
Interest Income/Expenses	**7,415.27**	**5,596.56**	**4,109.12**	**3,026.16**
Less: Interest Income of Joint Ventures Companies	109.90	44.37	-	-
Less: Interest Income of Life Insurance Policyholders' Business	869.74	647.18	0.06	2.51
Less: Interest Income of Health Insurance Policyholders' Business	16.75	9.31	-	-
Total Interest Income/Expenses	**6,418.88**	**4,895.70**	**4,109.06**	**3,023.65**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Bad Debts and Provision for Bad and Doubtful Debts and Advances including Contingency Provision for Standard Assets of NBFC and HFC	For the Year ended	
	31st March, 2019	31st March, 2018
NBFC	206.71	214.91
Housing Finance	18.57	22.89
Life Insurance	2.28	(0.92)
General Insurance Broking	1.49	1.14
Stock and Securities	0.29	3.48
Other Financial Services	0.69	0.44
Total	**230.03**	**241.94**
Less: Impairment of Life Insurance Policyholders' Business	2.28	(0.92)
Grand Total	**227.75**	**242.86**

Information about Geographical Segments

₹ crore

Particulars	For the Year ended	
	31st March, 2019	31st March, 2018
Revenue by Geographical Market		
In India	16,548.82	12,808.04
Outside India	21.55	33.03
	16,570.37	**12,841.07**

₹ crore

Particulars	As at		
	31st March, 2019	31st March, 2018	1st April, 2017
Carrying Amount of Non-Current Assets			
In India	83,349.82	73,030.12	63,694.02
Outside India	0.48	0.46	0.56
	83,350.30	**73,030.58**	**63,694.58**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 49

ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 FOR CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

₹ crore

Name of the Entity	Net Assets*		Share in Profit or Loss		Shares in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited(Formerly known as Aditya Birla Financial Services Limited)	76.69	7,294.98	(1.10)	(9.60)	1.41	0.03	(1.10)	(9.57)
SUBSIDIARY COMPANIES								
Aditya Birla PE Advisors Private Limited	0.12	11.34	(1.74)	(15.16)	(28.67)	(0.63)	(1.81)	(15.79)
Aditya Birla MyUniverse Limited	(2.72)	(258.82)	(4.22)	(36.76)	4.92	0.11	(4.20)	(36.65)
Aditya Birla Trustee Company Private Limited	-	0.41	-	0.04	-	ß	-	0.04
Aditya Birla Money Limited	0.23	21.48	1.15	9.99	11.24	0.25	1.17	10.24
Aditya Birla Financial Shared Services Limited	0.01	0.58	0.01	0.12	-	ß	0.01	0.12
Aditya Birla Finance Limited	77.95	7,416.54	99.75	868.72	4.35	0.10	99.53	868.82
Aditya Birla Insurance Brokers Limited	0.62	59.10	2.28	19.89	5.58	0.12	2.29	20.01
Aditya Birla Money Mart Limited	(0.08)	(7.79)	(0.35)	(3.03)	(0.06)	ß	(0.35)	(3.03)
Aditya Birla Money Insurance Advisory Services Limited	(0.02)	(1.90)	(0.01)	(0.07)	(0.21)	ß	(0.01)	(0.07)
Aditya Birla Housing Finance Limited	12.51	1,190.32	8.57	74.63	(9.55)	(0.21)	8.52	74.42
Aditya Birla Health Insurance Company Limited	1.64	156.13	(28.93)	(251.97)	73.45	1.61	(28.67)	(250.36)
ABCSL Employee Welfare Trust	-	ß	-	ß	-	ß	-	ß
ABCAP Trustee Company Private Limited	-	ß	-	(0.01)	-	ß	-	(0.01)
Aditya Birla Sun Life Insurance Company Limited	22.58	2,147.63	12.77	111.23	229.87	5.05	13.32	116.28
Aditya Birla Sun Life Pension Management Limited	0.28	26.98	(0.46)	(4.00)	-	ß	(0.46)	(4.00)
Aditya Birla ARC Limited	1.01	95.61	(0.38)	(3.30)	-	ß	(0.38)	(3.30)
Aditya Birla Stressed Asset AMC Private Limited	-	(0.15)	(0.02)	(0.15)	-	ß	(0.02)	(0.15)
ABARC-AST-001-Trust	-	ß	-	ß	-	ß	-	ß
JOINT VENTURE								
Aditya Birla Sun Life Asset Management (Consolidated including Foreign Subsidiary)	6.56	623.92	26.21	228.25	25.75	0.56	26.21	228.81
Aditya Birla Wellness Private Limited	0.12	11.00	(0.29)	(2.51)	2.11	0.05	(0.28)	(2.46)
Aditya Birla Sun Life Trustee Company Private Limited	0.01	0.48	0.01	0.11	-	ß	0.01	0.11
Eliminations/Consolidation Adjustments	(97.51)	(9,275.49)	(13.25)	(115.48)	(220.19)	(4.86)	(13.78)	(120.34)
Total	100.00	**9,512.35**	100.00	**870.94**	100.00	**2.19**	100.00	**873.13**

Notes:

** Net Assets = Total Assets - Total liabilities*

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 FOR CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

₹ crore

Name of the Entity	Net Assets*		Share in Profit or Loss		Shares in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)	84.46	7,211.25	5.22	36.17	(12.61)	0.53	5.33	36.70
SUBSIDIARY COMPANIES								
Aditya Birla PE Advisors Private Limited	0.33	28.02	(1.14)	(7.87)	(3.83)	0.16	(1.12)	(7.71)
Aditya Birla MyUniverse Limited	(2.60)	(222.06)	(6.00)	(41.61)	(3.63)	0.15	(6.02)	(41.46)
Aditya Birla Trustee Company Private Limited	-	0.37	0.01	0.04	-	ß	0.01	0.04
Aditya Birla Money Limited	0.14	12.11	0.96	6.78	10.05	(0.42)	-	ß
Aditya Birla Commodity Broker Limited**	0.06	4.87	0.07	0.50	0.05	ß	-	ß
Aditya Birla Financial Shared Services Limited	0.01	0.67	0.01	0.06	-	ß	0.01	0.06
Aditya Birla Finance Limited	72.94	6,228.98	100.37	695.98	(61.60)	2.60	101.41	698.57
Aditya Birla Insurance Brokers Limited	0.73	62.61	3.56	24.67	(0.41)	0.02	3.58	24.69
Aditya Birla Money Mart Limited	(0.06)	(4.76)	(0.17)	(1.20)	0.78	(0.03)	(0.18)	(1.24)
Aditya Birla Money Insurance Advisory Services Limited	(0.02)	(1.83)	(0.26)	(1.81)	(0.01)	ß	(0.26)	(1.81)
Aditya Birla Housing Finance Limited	8.96	766.80	5.41	37.53	(17.67)	0.75	5.56	38.28
Aditya Birla Health Insurance Company Limited	0.98	83.66	(27.57)	(191.06)	84.79	(3.58)	(28.26)	(194.64)
ABCSL Employee Welfare Trust	-	-	-	ß	-	ß	-	ß
ABCAP Trustee Company Private Limited	-	-	-	ß	-	ß	-	ß
Aditya Birla Sun Life Insurance Company Limited	23.66	2,020.26	19.56	135.57	342.97	(14.47)	17.58	121.10
Aditya Birla Sun Life Pension Management Limited	0.30	25.96	(0.27)	(1.87)	-	ß	(0.27)	(1.87)
Aditya Birla ARC Limited	1.16	98.91	(0.16)	(1.09)	-	ß	(0.16)	(1.09)
Aditya Birla Stressed Asset AMC Private Limited	-	-	-	ß	-	ß	-	ß
ABARC-AST-001-Trust	-	-	-	ß	-	ß	-	ß
JOINT VENTURE								
Aditya Birla Sun Life Asset Management (Consolidated including Foreign Subsidiary)	6.83	583.26	25.74	178.38	(6.10)	0.26	25.93	178.64
Aditya Birla Wellness Private Limited	0.10	8.36	(0.44)	(3.05)	(0.12)	0.01	(0.44)	(3.05)
Aditya Birla Sun Life Trustee Private Limited	-	0.37	0.01	0.04	-	-	0.01	0.04
Eliminations/Consolidation Adjustments	(97.98)	(8,369.97)	(24.91)	(173.10)	(232.66)	9.80	(22.71)	(156.41)
Total	100.00	**8,537.84**	100.00	**693.06**	100.00	**(4.22)**	100.00	**688.84**

Notes:

* *Net Assets = Total Assets - Total liabilities*

** *Merged with Aditya Birla Money Ltd.*

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 50 MATERIAL PARTLY-OWNED SUBSIDIARIES

(1) Financial information of subsidiaries that have material non-controlling interest is provided below

(A)

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		
		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited) including Aditya Birla Sun Life Pension Management Limited (100% subsidiary of Aditya Birla Sun Life Insurance Company Limited)	India	51.00%	51.00%	51.00%

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Proportion of interest held by Non-Controlling entities as at	51.00%	51.00%	51.00%
Accumulated balances of material Non-Controlling interest	1,049.98	987.34	928.92
Summarised Financial information for Balance Sheet			
Current Assets	6,925.49	5,405.60	4,037.38
Non-Current Assets	62,682.56	33,889.49	33,163.18
Current Liabilities	3,253.90	2,434.35	1,879.03
Non-Current Liabilities	37,686.37	34,814.49	33,398.78

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit/(loss) allocated to material non-controlling interest:	52.54	65.15
Summarised Financial information for Statement of Profit and Loss		
Revenue from Operations	7,411.68	5,793.76
Profit for the period	107.23	133.70
Other Comprehensive income	5.05	(14.47)
Total Comprehensive Income	112.28	119.23
Summarised Financial information for Cash Flows		
Cash flows from Operating activities	351.88	(649.14)
Cash flows from Investing activities	(316.58)	758.50
Cash flows from Financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	35.30	109.35

(B) Aditya Birla Insurance Brokers Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		
		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Aditya Birla Insurance Brokers Limited	India	50.002%	50.002%	50.002%

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Proportion of interest held by Non-Controlling entities as at	50.002%	50.002%	50.002%
Accumulated balances of material Non-Controlling interest	25.72	26.21	25.50
Summarised Financial information for Balance Sheet			
Current Assets	115.95	134.18	79.02
Non-Current Assets	49.32	22.89	16.98
Current Liabilities	106.17	94.43	36.85
Non-Current Liabilities	-	0.03	0.03

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit/(loss) allocated to material non-controlling interest:	8.66	10.03
Dividend paid to Non-Controlling interest	9.21	9.36
Summarised Financial information for Statement of Profit and Loss		
Revenue from Operations	444.60	260.98
Profit for the period	19.89	24.67
Other Comprehensive income	0.12	0.02
Total Comprehensive income	20.01	24.69
Summarised Financial information for Cash Flows		
Cash flows from Operating activities	(4.12)	43.40
Cash flows from Investing activities	13.74	(7.77)
Cash flows from Financing activities	(22.20)	(22.53)
Net increase/(decrease) in cash and cash equivalents	(12.58)	13.10

(C) Aditya Birla Health Insurance Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		
		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Aditya Birla Health Insurance Company Limited	India	51.00%	51.00%	51.00%

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Proportion of interest held by non-controlling entities as at	51.00%	51.00%	51.00%
Accumulated balances of material non-controlling interest	76.49	40.16	70.38
Summarised Financial information for Balance Sheet			
Current Assets	127.89	73.89	85.56
Non-Current Assets	499.36	259.65	225.69
Current Liabilities	463.35	243.12	166.35
Non-Current Liabilities	7.77	6.76	1.28

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit/(loss) allocated to material non-controlling interest:	(123.46)	(93.62)
Summarised Financial information for Statement of Profit and Loss		
Revenue from Operations	499.34	248.00
Profit for the period	(251.97)	(191.06)
Other Comprehensive income	1.61	(3.58)
Total Comprehensive Income	(250.36)	(194.64)
Summarised Financial information for Cash Flows		
Cash flows from Operating activities	(48.15)	(143.00)
Cash flows from Investing activities	(284.17)	3.81
Cash flows from Financing activities	324.50	132.98
Net increase/(decrease) in cash and cash equivalents	(7.82)	(6.21)

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(D) Aditya Birla Finance Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest
		As at 1st April, 2017
Aditya Birla Finance Limited	India	90.23%

₹ crore

Particulars	As at 1st April, 2017
Proportion of interest held by Non-Controlling entities as at	90.23%
Accumulated balances of material Non-Controlling interest	482.57
Summarised Financial information for Balance Sheet	
Current Assets	10,639.96
Non-Current Assets	24,494.84
Current Liabilities	14,082.67
Non-Current Liabilities	16,122.60

Post demerger of Financial services business, Aditya Birla Finance Limited (ABFL), became a wholly-owned subsidiary of the Company. The difference between the carrying amount of minority interest and the value of investments in ABFL transferred from Grasim has been adjusted under Reserves.

₹ crore

Particulars	Amount
Fair Value of Equity Investment transferred	1,718.73
Less : Non-Controlling interest acquired	498.76
Loss on Stake dilution	1,219.97

NOTE: 51 INTEREST IN JOINT VENTURES AND ASSOCIATES

(1) Below are the Joint venture of the group which, in the opinion of management are material to the group which have been accounted as per equity method of accounting.

₹ crore

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest			Quoted Fair Value		
		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Aditya Birla Sun Life AMC Limited Consolidated (Formerly known as Birla Sun Life Asset Management Company Limited)	India	51.00%	51.00%	51.00%	-*	-*	-*

* Unlisted equity - No quoted price available

(i) Aditya Birla Sun Life AMC Limited ("ABSL AMC", Formerly known as Birla Sun Life Asset Managament Company Limited) was incorporated on 5th September, 1994. ABSL AMC is a joint venture between the Aditya Birla Group and Sun Life Financial, Inc. The share capital of the Company is owned by Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) - and Sun Life (India) AMC Investments Inc., (wholly owned subsidiary of Sun Life Financial, Inc.)

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 manages the investment portfolios of Aditya Birla Sun Life Mutual Fund, India Advantage Fund Ltd., Mauritius, India Excel (Mauritius) Fund and Aditya Birla Real Estate Fund . The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides portfolio management services and investment advisory services to offshore funds and high net worth investors. Aditya Birla Sun Life AMC Limited has set-up two Alternate Investment Fund (AIF) one under Category III & other under Catregory II with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. Aditya Birla Sun Life AMC Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(2) Summarised Financial information of material Joint venture and Associate

a) Summarised Balance Sheet

₹ crore

Aditya Birla Sun Life AMC Limited Consolidated (Formerly known as Birla Sun Life Asset Management Company Limited)	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Current assets			
Cash and cash equivalents	38.22	44.03	25.91
Other assets	1,020.03	1,012.60	918.26
Total Current assets	**1,058.25**	**1,056.63**	**944.17**
Total Non-Current Assets	**375.63**	**427.90**	**355.13**
Current Liabilities	-	-	-
Financial Liabilities (Excluding trade payables)	53.07	59.97	49.44
Other Liabilities	122.54	248.20	169.42
Total Current Liabilities	**175.61**	**308.17**	**218.86**
Non-Current Liabilities	-	-	-
Other Liabilities	34.90	36.76	55.06
Total Non-Current Liabilities	**34.90**	**36.76**	**55.06**
Net Assets	**1,223.37**	**1,139.60**	**1,025.38**
Group Share in %	**51.00%**	**51.00%**	**51.00%**
Group Share in INR	**623.92**	**578.94**	**522.94**
ESOPs Issued by Aditya Birla Capital Limited	**-**	**4.30**	**-**
Carrying Amount	**623.92**	**583.24**	**522.94**

b) Summarised Statement of Profit and Loss

₹ crore

Aditya Birla Sun Life AMC Limited Consolidated (Formerly known as Birla Sun Life Asset Management Company Limited)	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue	1,406.06	1,323.06
Depreciation and amortisation	13.15	10.03
Income tax expense	199.22	173.36
Profit from Continuing operations	447.54	349.77
Profit for the year	447.54	349.77
Group Share	228.25	178.38
Other Comprehensive Income	1.11	0.50
Group Share	0.57	0.26
Total Comprehensive Income	448.65	350.27
Group Share	228.81	178.64
Dividend received	153.00	101.90

(3) Commitments and Contingent liabilities in respect of joint ventures and associates

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Group share in Commitments in respect of joint ventures and associates not being included in Note No. 33	2.69	4.06	1.16
Group share in Contingent Liability in respect of joint ventures and associates not being included in Note No. 32	3.25	2.88	2.33

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(4) Individually immaterial Joint ventures

The group also has interest in number of individually immaterial joint ventures and associate that are accounted for using equity method of accounting. Below is the combined financial information with respect to those entities

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Aggregate carrying amount of individually immaterial Joint ventures	11.48	8.75	5.62

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Aggregate amount of group share of:		
Profit/(Loss) from continuing operations	(2.41)	(3.01)
Other Comprehensive Income	0.04	(0.01)

(5) As per the Share holders' agreements, Aditya Birla Sun Life AMC Limited, (ABSAMC), Aditya Birla Sun Life Trustee Private Limited and Aditya Birla Wellness Private Limited cannot distribute its profits until its obtains consent from other venture partners.

(6) Aditya Birla Capital Limited holds either directly or through its subsidiary, more than half of the equity share holding in following entities. However, as per the shareholders' agreement/statute, Group need to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence the same are being accounted as per equity method of accounting

a) Aditya Birla Sun Life AMC Limited (Formerly known as Birla Sun Life Asset Management Company Limited)

b) Aditya Birla Sun Life Trustee Company Private Limited (Formerly known as Birla Sun Life Trustee company private Limited.)

c) Aditya Birla Wellness Limited.

NOTE: 52 ANNEXURE 1 : ASSETS & LIABILITIES OF THE POLICYHOLDERS OF LIFE INSURANCE BUSINESS

₹ crore

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Assets				
Financial Assets				
(a) Cash and cash equivalents	(i)	643.81	608.45	499.06
(b) Bank balances other than (a) above		0.25	-	-
(c) Derivative Financial Instruments		-	-	-
(d) Trade Receivables				
(i) Trade receivables	(ii)	206.52	166.82	133.99
(ii) Other receivables		-	-	-
(e) Loans	(iii)	202.61	163.27	159.63
(f) Investments				
Investments Policyholders	(iv)	13,618.02	10,598.52	8,355.17
(g) Asset Held to Cover Linked Liabilities	(v)	25,166.34	24,708.88	24,900.85
(h) Other Financial Assets	(vi)	289.07	265.74	234.87
Sub-Total		**40,126.62**	**36,511.68**	**34,283.57**
Non-Financial Assets				
(a) Property, Plant and Equipment	(vii)	34.38	30.32	32.22
(b) Other Intangible assets	(viii)	61.43	39.26	34.65
(c) Other Non-Financial assets	(ix)	650.83	709.75	1,061.68
Sub-Total		**746.64**	**779.33**	**1,128.55**
Total Assets of Policyholders of Life Insurance Business		**40,873.26**	**37,291.01**	**35,412.12**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Equity and Liabilities				
Financial Liabilities				
(a) Derivative financial instruments	(x)	4.36	3.60	-
(b) Payables				
(i) Trade payables				
- Micro enterprises and small enterprises		-	-	-
- Credit other than micro enterprises and small enterprises	(xi)	301.86	185.44	209.76
(c) Other Financial Liabilities	(xii)	617.26	565.82	521.58
Sub-Total		**923.48**	**754.86**	**731.34**
Non-Financial Liabilities				
(a) Current tax liabilities (net)		-	-	-
(b) Provisions	(xiii)	66.08	58.52	53.83
(c) Deferred tax liabilities (net)		6.31	7.82	-
(d) Life Insurance Contract Liabilities and restricted surplus pertaining to Shareholders	(xiv)	39,888.86	36,345.09	34,436.20
(d) Other non-financial liabilities	(xv)	53.07	81.28	54.08
Sub-Total		**40,014.32**	**36,492.71**	**34,544.11**
Total Liabilities of Policyholders of Life Business		**40937.80**	**37.247.57**	**35275.45**

NOTE (I): CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Cash on hand	22.36	16.03	20.12
Balances with Banks			
- Current Accounts	519.34	38.05	219.21
- Deposit with original maturity of less than three months	1.73	467.07	177.33
Cheques , drafts on hand	100.38	87.29	82.40
	643.81	**608.44**	**499.06**
Note(i)(a): Bank balances other than above			
Balances at Banks			
- Deposit with original maturity of more than three months	0.25	-	-
	0.25	**-**	**-**

NOTE (II): TRADE AND OTHER RECEIVABLES

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Trade Receivables at amortised cost			
Secured, considered good	-	-	-
Unsecured, considered good	206.52	166.82	133.99
	206.52	**166.82**	**133.99**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (III): LOANS AT AMORTISED COST

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Loans and advances:			
Subsidiaries	0.39	0.54	1.25
Other related party	1.47	2.86	8.23
Agents' Balances (gross)	14.53	15.13	14.69
Less: Provision for doubtful debts	(13.94)	(13.84)	(13.05)
Advances recoverable in cash or in kind or for value to be received	37.58	25.26	36.66
Lease accommodation loan	0.16	0.18	0.49
Loan against policies	114.06	74.30	53.72
Security deposits	48.36	58.84	57.64
	202.61	**163.27**	**159.63**
Secured			
Secured by tangible assets	114.06	74.30	53.72
Unsecured	88.55	88.97	105.91
	202.61	**163.27**	**159.63**
Loans within India			
Public Sector	-	-	-
Others	202.61	163.27	159.63
	202.61	**163.27**	**159.63**

NOTE (IV): FINANCIAL ASSET - INVESTMENTS POLICYHOLDER

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
A. Investments in Mutual Funds			
Quoted investments	-	-	-
Quoted investments - At fair value through profit or loss	456.06	430.43	266.50
	-	-	-
B. Investments in Equity instruments	-	-	-
Unquoted investments	-	-	-
Other investments - At fair value through other comprehensive income	-	-	14.31
Other investments - At fair value through profit or loss	104.95	85.81	61.22
Quoted investments	-	-	-
Other investments - At fair value through other comprehensive income	-	-	-
At fair value through profit or loss	695.06	848.38	781.52
	800.01	**934.19**	**857.05**
C. Investments in Government or trust securities			
Quoted investments	-	-	-
At amortised cost	4,991.15	3,754.54	2,752.23
At fair value through other comprehensive income	1,902.26	1,638.56	1,395.32
	6,893.41	**5,393.10**	**4,147.55**
D. Investments in Debentures			
Quoted investments			
At amortised cost	2,880.02	1,952.62	1,497.79
Less: Allowance for Impairment Loss	1.88	0.58	1.41
	2,878.14	1,952.04	1,496.38
At fair value through other comprehensive income	2,381.09	1,542.45	1,423.01
Less: Allowance for Impairment Loss	1.34	0.41	1.36
	2,379.75	1,542.04	1,421.65
	5,257.89	**3,494.08**	**2,918.03**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

₹ crore

	Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
E.	**Other investments**			
	Unquoted investments			
	At amortised cost	123.08	182.11	74.01
	Less: Allowance for Impairment Loss	-	0.19	0.00
		123.08	181.92	74.01
	At fair value through other comprehensive income	87.57	164.81	92.28
	Less: Allowance for Impairment Loss	-	0.01	0.25
		87.57	164.80	92.03
		210.65	**346.72**	**166.04**
		13,618.02	**10,598.52**	**8,355.17**

NOTE (V): ASSETS HELD TO COVER LINKED LIABILITIES:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Quoted Investments at fair value through profit or loss			
Mutual Funds	973.06	1,118.22	1,107.18
Equity instruments	9,531.77	9,477.61	9,995.10
Government or trust securities	5,781.06	5,343.91	5,576.46
Debentures	7,695.91	7,923.30	7,408.07
Other Investments	1,011.82	767.80	728.93
Other Assets	172.72	78.04	85.11
	25,166.34	**24,708.88**	**24,900.85**

NOTE (VI): OTHER FINANCIAL ASSETS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Unclaimed Maturity Fund	282.79	258.42	234.87
MTM Margin - FRA receivable	6.28	7.32	-
	289.07	**265.74**	**234.87**

NOTE (VII): PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Information Technology Equipment	Others (Leasehold Improvement)	Furniture and fixtures	Vehicles	Office equipments	Total
As at 31st March, 2019						
Gross Carrying amount						
Opening gross carrying amount	20.78	8.24	4.62	5.34	4.54	43.52
Additions	5.73	2.42	3.06	3.58	1.00	15.79
Disposals	8.20	1.81	0.65	1.69	1.19	13.54
	18.31	**8.85**	**7.03**	**7.23**	**4.35**	**45.77**
Accumulated Depreciation						
Opening depreciation	8.34	2.23	1.51	1.04	0.05	13.17
Depreciation for the year	3.61	2.58	1.31	1.69	1.56	10.75
Disposals	8.18	1.79	0.64	0.75	1.17	12.53
	3.77	**3.02**	**2.18**	**1.98**	**0.44**	**11.39**
Net carrying amount	**14.54**	**5.83**	**4.85**	**5.25**	**3.91**	**34.38**
As at 31st March, 2018						
Gross Carrying amount						
Opening gross carrying amount	17.51	6.21	3.07	1.99	3.44	32.22
Additions	6.89	2.49	2.25	3.51	2.47	17.61
Disposals	3.62	0.46	0.70	0.16	1.38	6.32
	20.78	**8.24**	**4.62**	**5.34**	**4.53**	**43.51**
Accumulated Depreciation						
Depreciation for the year	11.93	2.69	2.22	1.10	1.42	19.36
Disposals	3.58	0.46	0.70	0.06	1.37	6.17
	8.35	**2.23**	**1.52**	**1.04**	**0.05**	**13.19**
Net carrying amount	**12.43**	**6.01**	**3.10**	**4.30**	**4.48**	**30.32**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (VIII): INTANGIBLE ASSETS

₹ crore

Particulars	Software
As at 31st March, 2019	
Gross carrying amount	
Opening gross carrying amount	63.05
Additions	36.93
Disposals	1.34
	98.64
Accumulated amortisation	
Opening amortisation	23.79
Amortisation for the year	14.70
Disposals	1.28
	37.21
Net carrying amount	**61.43**
As at 31st March, 2018	
Gross Carrying amount	
Opening gross carrying amount	34.65
Additions	28.40
Disposals	-
	63.05
Accumulated amortisation	
Opening amortisation	-
Amortisation for the year	23.79
Disposals	-
	23.79
Net carrying amount	**39.26**

Note : All intangibles are other than internally generated.

NOTE (IX): OTHER NON-FINANCIAL ASSETS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Capital Advances	0.01	0.13	5.94
Re-Insurance Assets	546.28	557.88	949.56
Prepaid Expenses	16.61	17.68	19.69
Deferred Lease Assets	3.91	4.90	4.06
Deferred Acquisition cost	7.80	10.93	16.21
Leave encashment Fund	31.32	28.85	26.82
Gratuity Fund	35.87	33.66	28.57
Advance to Supplier	8.05	6.14	0.19
Other statutory receivables	0.55	49.17	9.76
Advances to employees	0.43	0.41	0.88
	650.83	**709.75**	**1,061.68**

NOTE (X): DERIVATIVE FINANCIAL INSTRUMENTS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest Rate Derivatives (cash flow hedge)	4.36	3.60
	4.36	**3.60**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (XI): TRADE PAYABLES

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Due to micro and small enterprises	-	-	-
Due to others:			
Due to subsidiaries	-	-	-
Trade Payables	301.86	185.44	209.76
	301.86	**185.44**	**209.76**

Terms and conditions of the above financial liabilities:

i) Trade payables are non-interest bearing and are normally settled on 60-90 day terms.

ii) Other payables are non-interest bearing and have an average term of six months.

For explanations on the Company's credit risk management processes.

NOTE (XII): FINANCIAL LIABILITIES AT AMORTISED COST

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Payable for Salary, Wages, Bonus and Other Employee Benefits	28.89	80.70	85.59
Payables for Capital Expenditure	0.55	0.88	0.70
Due to Policyholders	297.88	207.21	173.16
Unclaimed amounts of policyholders	282.79	258.42	236.25
Deposits	0.81	0.75	0.88
Subvention Money Received	6.34	17.86	25.00
	617.26	**565.82**	**521.58**

NOTE (XIII): PROVISIONS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Provision for Employee Benefits	66.08	58.52	53.83
	66.08	**58.52**	**53.83**

NOTE (XIV): LIFE INSURANCE CONTRACT LIABILITIES AND RESTRICTED SURPLUS PERTAINING TO SHAREHOLDERS

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Contract Liabilities of Life Insurance			
Insurance contract liabilities	28,874.81	26,670.62	25,868.75
Investment contract liabilities	10,830.64	9,571.83	8,415.45
Fair Value changes of Policyholder Investments			
Fair Value through Profit & Loss	66.60	40.07	23.56
Fair Value through Other Comprehensive Income	93.30	42.82	100.45
Policyholder Fund Other Changes			
Fair Value through Profit & Loss	22.95	19.68	26.82
Fair Value through Other Comprehensive Income	0.56	0.07	1.17
	39,888.86	**36,345.09**	**34,436.20**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (XV): OTHER NON-FINANCIAL LIABILITIES

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Advance from Customers	14.39	11.83	15.39
Other payables:			
Liability for Rent straight lining	7.13	6.64	9.52
Deferred Liability for Deposit	0.06	0.13	-
Deferred Fee	3.77	5.26	7.76
Statutory dues	26.89	56.86	20.06
Deposits for Agents Training and others	0.83	0.56	1.35
	53.07	**81.28**	**54.08**

NOTE (XVI): INCOME FROM LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Life Insurance Premium (Net of Service Tax/GST)		6,423.56	5,046.92
Reinsurance ceded		(225.64)	(181.55)
Fees and commission Income		1.49	2.50
Interest income	(xvi)A	869.74	647.18
Dividend income		23.95	16.19
Fair Value Change	(xvi)B	130.46	99.23
Other Income	(xvi)C	4.38	2.25
		7,227.94	**5,632.72**

NOTE (XVI) A: INTEREST INCOME OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on Loans		
On Financial Assets measured at fair value through OCI	-	-
On Financial Assets Measured at Amortised Cost	9.01	7.13
On Financial Assets classified at fair value through profit or loss	2.74	-
Interest Income from Investments		
On Financial Assets measured at fair value through OCI	308.89	247.38
On Financial Assets Measured at Amortised Cost	508.79	373.70
On Financial Assets classified at fair value through profit or loss	20.50	-
Interest on deposits with Banks		
On Financial Assets measured at fair value through OCI	2.72	3.86
On Financial Assets Measured at Amortised Cost	7.11	10.34
On Financial Assets classified at fair value through profit or loss	2.62	-
Other Interest Income		
On Financial Assets Measured at Amortised Cost	7.36	4.77
	869.74	**647.18**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (XVI) B: NET GAIN/(LOSS) ON FAIR VALUE CHANGES OF LIFE INSURANCE OPERATIONS

₹ crore

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A.	**On financial instruments at fair value through profit or loss**		
	On trading portfolio		
	Debt	21.38	(32.16)
	Equity	111.69	141.11
	Derivatives	(2.89)	(8.45)
B.	**On financial instruments at fair value through other comprehensive income**		
	Debt	5.21	(1.01)
C.	**On financial instruments at Amortised Cost**	-	-
	Debt	(4.93)	(0.26)
Total Net gain/(loss) on fair value changes		**130.46**	**99.23**
	Fair Value changes:		
	Realised	76.77	98.64
	Unrealised	53.69	0.59

NOTE (XVI) C: OTHER INCOME OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Changes in market value of Leave Encashment Fund	2.47	2.03
Notional Interest Income	0.84	-
Deferred lease Income on Refundable deposit	0.06	0.06
Profit on sale/discard of fixed assets (Net)	0.15	0.16
Others	0.86	-
	4.38	**2.25**

NOTE (XVII): EXPENSE OF THE LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Finance Costs	(xvii)A	0.06	2.51
Fees and Commission Expenses		419.19	267.91
Impairment on Financial Instruments	(xvii)B	2.28	(0.92)
Employee Benefits Expenses	(xvii)C	637.45	528.20
Benefits payout	(xvii)D	4,553.36	4,581.43
Claims ceded to reinsurers		(178.46)	(151.66)
Change in valuation of liabilities	(xvii)E	1,191.79	(47.71)
Depreciation and Amortisation	(xvii)F	25.45	43.15
Operating Expenses	(xvii)G	451.66	264.01
		7,102.78	**5,486.92**
Add: Restricted life insurance surplus retained in Policyholders' Fund		27.30	9.38
		7,130.08	**5,496.30**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (XVII) A: FINANCE COST OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on Deposits at amortised cost	0.06	2.51
	0.06	**2.51**

NOTE (XVII) B: IMPAIRMENT ON FINANCIAL INSTRUMENTS OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Provision for doubtful Investments	2.03	(1.83)
Provision for standard and non-standard assets	(0.02)	0.13
Provision for doubtful debts (Agent balances)	0.27	0.78
	2.28	**(0.92)**

NOTE (XVII) C: EMPLOYEE BENEFITS EXPENSES OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	579.92	476.87
Contribution to provident and other funds	25.21	21.14
Gratuity expenses	4.68	4.69
Staff Welfare Expenses	14.28	11.97
ESOP Expenses	13.36	13.53
	637.45	**528.20**

NOTE (XVII) D: BENEFITS PAYOUTS OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Claims by Death	465.38	433.95
Claims by Maturity	800.13	279.26
Annuities/Pension Payments	7.19	5.74
Surrender and Withdrawals	3,204.46	3,787.89
Other benefits (Riders)	76.20	74.59
	4,553.36	**4,581.43**

NOTE (XVII) E: CHANGE IN VALUATION OF LIABILITY IN RESPECT OF LIFE INSURANCE POLICIES IN FORCE OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Change in Valuation of Liability in respect of Life Insurance Policies	3,386.22	2,331.25
Change in Premium Discontinuance Fund	(7.87)	(98.34)
Investment (Income)/Loss on life insurance policyholders' fund related to Linked business	(2,186.56)	(2,280.62)
	1,191.79	**(47.71)**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (XVII) F: DEPRECIATION AND AMORTISATION EXPENSE OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation of Tangible Assets	10.75	19.36
Amortisation of Intangible Assets	14.70	23.79
	25.45	**43.15**

NOTE (XVII) G: OTHER EXPENSES OF LIFE INSURANCE OPERATIONS

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rent	51.00	41.93
Repairs & Maintenance of:		
Buildings	2.48	2.22
Others	23.54	25.32
Rates & Taxes	38.05	26.58
Electricity expenses	13.94	13.94
Advertisement	137.65	47.87
Distribution expenses	33.11	29.66
Legal & Profession Fees	14.16	16.29
Printing & Stationery	7.01	6.30
Travelling & Conveyance	25.50	23.40
Communication Expenses	8.38	6.77
Information Technology Expenses	66.39	59.55
Miscellaneous Expenses	86.31	40.00
Other Expenses	26.14	26.10
Expenses of Life Insurance Operations borne by Shareholder	(82.01)	(101.89)
	451.65	**264.04**

NOTE: 53 POLICYHOLDER INCOME HEALTH INSURANCE OPERATIONS

₹ crore

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Health Insurance Premium	(i) A	496.80	236.43
Reinsurance ceded	(i) A	(27.94)	(14.19)
Fees and commission Income	(i) B	3.17	1.41
Interest income	(i) C	16.75	9.31
Net gain on fair value changes	(i) D	1.72	0.81
Other Income	(i) E	0.06	0.01
		490.56	**233.78**

NOTE (I) A: HEALTH INSURANCE PREMIUM

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gross Written Premium	496.80	236.43
Less: Reinsurance ceded	(27.94)	(14.19)
Net Written Premium	**468.86**	**222.24**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE (I) B: FEES AND COMMISSION INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Fees and Commission Income	3.17	1.41
	3.17	**1.41**

NOTE (I) C: INTEREST INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Income from Investments		
On Financial Assets measured at fair value through OCI	16.50	9.08
Interest on deposits with Banks		
On financial Assets Measured at Amortised Cost	0.25	0.23
	16.75	**9.31**

NOTE (I) D: NET GAIN ON FAIR VALUE CHANGES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Equity investment at FVTPL	-	-
Debt instrument at FVTPL	-	-
Mutual Fund Investment at FVTPL	-	-
Others		
Gain/(loss) on sale of debt FVOCI instrument	1.72	0.81
Derivative gain/(loss) financial instruments at FVTPL	-	-
Profit on sale of current investments	-	-
Change in market value and cost of investments	-	-
Net Gain on MTM/Fair Value Changes	**1.72**	**0.81**
Fair Value changes :		
Realised	1.72	0.81
Unrealised	-	-

NOTE (I) E: OTHER INCOME

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Miscellaneous income	0.06	0.01
	0.06	**0.01**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE 53: EXPENSE OF THE HEALTH INSURANCE OPERATIONS

₹ crore

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Fees and Commission Expenses	(ii) A	48.44	12.01
Employee Benefits Expenses	(ii) B	190.17	115.93
Benefits paid	(ii) C	188.65	131.06
Claims ceded to reinsurers	(ii) C	(9.98)	(6.80)
Change in valuation of liabilities	(ii) D	134.70	80.94
Depreciation and amortization	(ii) E	12.93	11.33
Other Expenses	(ii) F	178.78	85.27
EXPENSES FROM NON-LIFE INSURANCE BUSINESS		**743.69**	**429.74**

NOTE (II) A: FEES AND COMMISSION EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Commission paid	48.44	12.01
	48.44	**12.01**

NOTE (II) B: EMPLOYEE BENEFIT EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and allowances	175.70	104.14
Gratuity expenses	0.79	1.87
Contribution to provident fund and other funds	5.23	3.68
Staff welfare expenses	5.17	2.79
ESOP Expenses	3.28	3.45
	190.17	**115.93**

NOTE (II) C: BENEFITS & CLAIMS PAID

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gross Benefit & claims paid	188.65	131.06
Less: Claims ceded to reinsurers	(9.98)	(6.80)
	178.67	**124.26**

NOTE (II) D: CHANGE IN VALUATION OF POLICYHOLDERS' LIABILITY

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Incurred but not reported (IBNR) Provision	14.06	7.73
Premium Deficiency Reserve	-	(3.78)
Reserve for unexpired risk	126.82	81.74
Less: Reinsurer's share in reserve for unexpired risk	(6.87)	(4.99)
Freelook Reserve	0.69	0.24
	134.70	**80.94**

Notes

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NOTE (II) E: DEPRECIATION AND AMORTISATION EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation and amortisation expenses	12.93	11.33
	12.93	**11.33**

NOTE (II) F: OTHER EXPENSES

₹ crore

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rent	11.51	7.34
Insurance	0.09	0.08
Repairs and maintenance - Building	0.53	0.56
Repairs and maintenance - Computers	0.66	-
Rates and taxes	1.68	1.64
Recruitment expenses	2.40	2.97
Advertisement	72.48	33.39
Legal and professional expenses	8.52	3.17
Training/conferences expenses	5.89	1.68
Printing and stationery	6.80	2.55
Travelling and conveyance	9.20	5.05
Postage Expenses	0.98	0.45
Electricity Charges	1.67	1.42
Information Technology Expenses	5.35	2.22
Other Expenses	24.39	14.13
Miscellaneous expenses	26.63	8.62
	178.78	**85.27**

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

NOTE: 54

Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

₹ crore

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets related to Life Insurance Business	7,992.37	8,213.02	5,889.05	5,727.06	4,323.25	4,192.20
Financial Assets related to Health Insurance Business	4.08	4.08	6.11	6.11	-	6.93
Loans of NBFC Business	50,187.60	49,885.32	42,079.62	41,846.06	33,320.35	33,369.72
Total	**58,184.05**	**58,102.42**	**47,974.78**	**47,579.23**	**37,643.60**	**37,568.85**
Financial Liabilities at Ammortised Cost						
Debt Securities, Sub-Debts & NCCPS	27,280.78	27,675.81	24,168.81	24,548.91	20,218.73	20,456.97
Borrowings	27,665.75	27,664.93	20,088.00	20,088.07	12,982.82	13,016.60
Prefrence Shares	269.96	263.77	258.84	262.35	70.80	70.80
Total	**55,216.49**	**55,604.51**	**44,515.65**	**44,899.33**	**33,272.35**	**33,544.37**

The management assessed that Loan against policies, Leave encashment, advances to related party and others, cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial liabilities and Assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments measured at fair value – Fair value hierarchy

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:** category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.
- **Level 2:** category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of Group's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.
- **Level 3:** category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

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.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

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Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2019:

₹ crore

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
FVOCI Assets				
Equity	-	-	1.90	1.90
Financial Assets related to Life Insurance Business				
Policyholders	1.30	4,309.11	-	4,310.41
Shareholders	98.47	1,858.91	0.60	1,957.98
Financial Assets related to Health Insurance Business				
Policyholders	72.29	247.17	-	319.46
Shareholders	116.13	31.19	-	147.32
FVTPL Assets:				
Equity	0.39	-	-	0.39
Mutual Funds	14.49	32.98	-	47.47
Debenture/Bonds	1,189.90	-	-	1,189.90
Other Investments	-	665.06	0.15	665.21
Financial Assets related to Insurance Business				
Policyholders	11,835.93	14,612.58	-	26,448.51
Shareholders	5.52	200.24	-	205.76
Financial Assets related to Health Insurance Business				
Policyholders	28.93	-	-	28.93
Shareholders	-	-	-	-
	13,363.35	**21,957.24**	**2.65**	**35,323.24**
Assets for which fair values are disclosed:				
Government bonds	-	-	-	-
Loans of NBFC Business	-	7,730.03	42,155.28	49,885.31
Corporate bonds & Debentures	-	-	-	-
Other Investments	-	-	11,461.90	11,461.90
Financial Assets related to Insurance Business				
Policyholders	27.78	8,185.24	-	8,213.02
Shareholders	-	-	-	-
Financial Assets related to Health Insurance Business				
Policyholders	-	4.08	-	4.08
Shareholders	-	-	-	-
	27.78	**15,919.35**	**53,617.18**	**69,564.31**
Liabilities for which fair values are disclosed:				
Debt Securities, Sub Debts & Non Compulsory Convertible Preference Share	16,175.88	11,499.93	-	27,675.81
Borrowings	-	19,466.40	8,198.53	27,664.93
Subordinated Liabilities	-	192.77	71.00	263.77
	16,175.88	**31,159.10**	**8,269.53**	**55,604.51**

There have been no transfers between Level 1 and Level 2 during the period.

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Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2018:

₹ crore

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
FVOCI Assets				
Equity	-	-	1.27	1.27
Financial Assets related to Insurance Business				
Policyholders	26.69	3,266.07	-	3,292.76
Shareholders	140.77	1,655.75	0.60	1,797.12
Financial Assets related to Health Insurance Business				
Policyholders	15.08	115.54	-	130.62
Shareholders	67.81	5.30	-	73.11
FVTPL Assets:				
Equity	0.48	-	-	0.48
Mutual Funds	30.83	51.26	-	82.09
Debenture/Bonds	1,009.02	-	-	1,009.02
Other Investments	21.29	435.99	-	457.28
Financial Assets related to Insurance Business				
Policyholders	11,951.20	14,147.27	-	26,098.47
Shareholders	4.04	138.14	-	142.18
Financial Assets related to Health Insurance Business				
Policyholders	1.75	-	-	1.75
Shareholders	-	-	-	-
	13,268.96	19,815.32	1.87	33,086.15
Assets for which fair values are disclosed				
Government bonds	-	-	-	-
Loans of NBFC Business	-	7,267.95	34,578.11	41,846.06
Corporate bonds & Debentures	-	-	-	-
Other Investments	-	-	8,172.64	8,172.64
Financial Assets related to Insurance Business				
Policyholders	97.18	5,629.88	-	5,727.06
Shareholders	-	-	-	
Financial Assets related to Health Insurance Business				
Policyholders	-	6.11	-	6.11
Shareholders	-	-	-	-
	97.18	12,903.94	42,750.75	55,751.87
Liabilities for which fair values are disclosed:				
Debt Securities, Sub Debts & Non-Compulsory Convertible Preference Share	11,505.51	13,043.40	-	24,548.91
Borrowings	-	14,605.27	5,482.80	20,088.07
Subordinated Liabilities	-	202.35	60.00	262.35
	11,505.51	27,851.02	5,542.80	44,899.33

There have been no transfers between Level 1 and Level 2 during the period.

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Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2017

₹ crore

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
FVOCI Assets				
Equity	-	-	1.04	1.04
Financial Assets related to Insurance Business				
Policyholders	38.83	2,841.84	-	2,880.67
Shareholders	91.24	1,596.54	0.55	1,688.33
Financial Assets related to Health Insurance Business				
Policyholders	26.24	53.26	-	79.50
Shareholders	58.80	69.00	-	127.80
FVTPL Assets:				
Equity	0.57	-	-	0.57
Mutual Funds	30.03	56.75	-	86.78
Debenture/Bonds	1,429.56	-	-	1,429.56
Other Investments	-	208.55	-	208.55
Financial Assets related to Insurance Business				
Policyholders	12,388.32	13,650.09	-	26,038.41
Shareholders	1.15	30.29	-	31.44
Financial Assets related to Health Insurance Business				
Policyholders	-	-	-	-
Shareholders	19.97	-	-	19.97
	14,084.71	18,506.32	1.59	32,592.62
Assets for which fair values are disclosed				
Government bonds	-	-	-	-
Loans of NBFC Business	-	5,232.17	28,137.55	33,369.72
Corporate bonds & Debentures	-	-	-	-
Other Investments	-	-	4,152.04	4,152.04
Financial Assets related to Insurance Business				
Policyholders	45.00	4,147.20	-	4,192.20
Shareholders	-	-	-	-
Financial Assets related to Health Insurance Business				
Policyholders	-	-	-	-
Shareholders	-	6.93	-	6.93
	45.00	9,386.30	32,289.59	41,720.89
Liabilities for which fair values are disclosed:				
Debt Securities, Sub Debts & Non Compulsory Convertible Preference Share	9,931.65	10,525.32	-	20,456.97
Borrowings	-	10,431.69	2,584.91	13,016.60
Subordinated Liabilities	-	10.80	60.00	70.80
	9,931.65	20,967.81	2,644.91	33,544.37

There have been no transfers between Level 1 and Level 2 during the period.

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Level 3 fair value measurements

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31st March, 2019, 31st March, 2018 and 1st April, 2017 are as shown below:

₹ crore

Financial Assets/Liabilities related to Insurance business	Valuation techniques	Significant Unobservable Inputs	Range	Sensitivity of the input to fair value
For 31st March, 2019				
Private equity investment funds	Price to Book value method	Valuation at 10% discount compare to peer group	0.45	5.3
Private equity investment funds		Valuation at par with peer group	0.5	5.85
Private equity investment funds		Valuation at 10% Premium compare to peer group	0.55	6.4
For 31st March, 2018				
Private equity investment funds	Price to Book value method	Valuation at 10% discount compare to peer group	0.45	5.1
Private equity investment funds		Valuation at par with peer group	0.5	5.7
Private equity investment funds		Valuation at 10% Premium compare to peer group	0.55	6.2
For 1st April, 2017				
Private equity investment funds	Price to Book value method	Valuation at 10% discount compare to peer group	0.45	4.6
Private equity investment funds		Valuation at par with peer group	0.5	5.1
Private equity investment funds		Valuation at 10% Premium compare to peer group	0.55	5.6

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

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

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

₹ crore

	Fair value			
Financial Assets related to other buisness	Level 3 assets 31st March, 2019	Level 3 liabilities 31st March, 2019	Valuation technique	Significant unobservable inputs
Equity Shares	1.90	-	Net worth of investee company	Instrument Price

₹ crore

	Fair value			
Financial Assets related to other buisness	Level 3 assets 31st March, 2018	Level 3 liabilities 31st March, 2018	Valuation technique	Significant unobservable inputs
Equity Shares	1.27	-	Net worth of investee company	Instrument Price

₹ crore

	Fair value			
Financial Assets related to other buisness	Level 3 assets 1st April, 2017	Level 3 liabilities 1st April, 2017	Valuation technique	Significant unobservable inputs
Equity Shares	1.04	-	Net worth of investee company	Instrument Price

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Sensitivity of fair value measurements to changes in unobservable market data ₹ crore

	31st March, 2019		31st March, 2018		1st April, 2017	
Particulars	**Favourable changes (+10%)**	**Unfavourable changes (-10%)**	**Favourable changes (+10%)**	**Unfavourable changes (-10%)**	**Favourable changes (+10%)**	**Unfavourable changes (-10%)**
Equity Shares	0.19	(0.19)	0.13	(0.13)	0.10	(0.10)

Reconciliation of level 3 fair value instruments For the year ended 31st March, 2019 ₹ crore

Particulars	Year ended 2018-19	Year ended 2017-18
Balance at the beginning	1.87	1.58
Total gains or losses		
in profit or loss	-	-
in OCI	0.63	0.29
Purchases	0.15	-
Sales	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Balance at the year end	**2.65**	**1.87**

NOTE: 55 RISK RELATED TO INSURANCE BUSINESS

Insurance and financial risk

The principal risk the group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

1. **Life insurance contracts and investment contracts with and without DPF**

   Ind AS 104 requires products offered by the Insurance group to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

   A contract would be an insurance contract and investment contracts with DPF if the benefit payable on death is higher by:

   at least 5% of the fund value at any time during the life on the contract for unit linked products, or

   at 5% of the premium at any time during the life of the contract for other than unit linked products

   All other contract are categorised as Investment contracts

   For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, the group charges for death and disability risks on a quarterly basis. Under these contracts the group has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the group.

   The main risks that the group is exposed to are as follows:

   i) **Persistency risk** – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

   ii) **Mortality risk** – risk of loss arising due to policyholder death experience being different than expected

   iii) **Morbidity risk** – risk of loss arising due to policyholder health experience being different than expected

   iv) **Longevity risk** – risk of loss arising due to the annuitant living longer than expected

   v) **Investment return risk** – risk of loss arising from actual returns being different than expected

   vi) **Expense risk** – risk of loss arising from expense experience being different than expected

   vii) **Product and pricing risk** – risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions

   viii) **Reinsurance risk** – The group enters into reinsurance agreements in order to mitigate insurance risk. However, this leads to default risk from the reinsurer at the time of claim payment or also concentration risk if all the risk is insured to one reinsurer.

   ix) **Concentration risk** – The group faces concentration risk by selling business to specific geography or by writing only single line business etc.

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Control Measures

The actuarial department has set up systems to continuously monitor the group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by the group also have an investment guarantee. The group has set aside additional reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The group has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the group's experience, and so there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favourable experience. At the present stage in the group's development, the focus is on building new distribution and so geographical diversification is actively taking place. In future, the actuarial team will need to be alert to assess potential risk aggregations.

The Group has a Board approved risk management policy covering underwriting, claims and reserving for policy liabilities. The group has a detailed claims processing manual in place. Complicated and large claims are referred to the Group's Claims Review Committee.

Insurance contracts liabilities: Change in liabilities ₹ crore

Particulars	31st March, 2019				31st March, 2018			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	1,592.39	19,725.11	5,353.11	**26,670.61**	934.57	20,388.67	4,545.51	**25,868.75**
Add/(Less)								
Premium	1,189.42	2,015.61	2,231.69	**5,436.72**	908.99	1,889.52	1,662.71	**4,461.22**
Unwinding of the discount/ Interest credited	156.08	1,688.03	537.07	**2,381.18**	96.75	1,885.41	375.00	**2,357.16**
Changes in valuation for expected future benefits	-	-	-	**-**	-	-	-	**-**
Insurance liabilities released	(199.84)	(3,330.76)	(867.64)	**(4,398.24)**	(184.83)	(3,900.45)	(563.32)	**(4,648.60)**
Undistributed Participating Policyholders surplus (FFA)	-	-	-	**-**	-	-	-	**-**
Others (Expense overrun, Contribution from S/H and Profit/Loss)	(498.88)	(601.71)	(114.88)	**(1,215.47)**	(163.09)	(538.04)	(666.78)	**(1,367.91)**
Gross Liability at the end of the year	2,239.17	19,496.28	7,139.35	**28,874.80**	1,592.39	19,725.11	5,353.12	**26,670.62**
Recoverable from Reinsurance	3.33	56.28	486.67	**546.28**	4.03	79.48	474.37	**557.88**
Net Liability	**2,235.84**	**19,440.00**	**6,652.68**	**28,328.52**	**1,588.36**	**19,645.63**	**4,878.75**	**26,112.74**

Investment Contracts Liabilities ₹ crore

Particulars	31st March, 2019				31st March, 2018			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the year	3,869.00	5,409.28	293.54	**9,571.82**	3,230.14	4,917.93	267.38	**8,415.45**
	-	-	-	-	-	-		
Additions	-	-	-	-	-	-		
Premium	1,099.05	904.94	70.56	**2,074.55**	696.89	723.94	20.95	**1,441.78**
Interest and Bonus credited to policyholders	204.27	511.67	54.78	**770.72**	209.95	410.06	68.39	**688.40**
Others	-	-	-	-	-	-		
Deductions	-	-	-	-	-	-		
Withdrawals/Claims	712.45	867.46	9.28	**1,589.19**	354.59	622.31	5.56	**982.46**
Fee Income and Other Expenses	6.18	15.87	5.67	**27.72**	7.83	15.75	3.75	**27.33**
Others Profit and Loss	(126.46)	(129.62)	226.66	**(29.42)**	-	-	-	**-**
Others (includes DAC, DOF and Profit/Loss)	-	(1.05)	-	**(1.05)**	(94.43)	4.58	53.87	**(35.98)**
At the end of the year	**4,580.15**	**6,073.23**	**177.27**	**10,830.65**	**3,868.99**	**5,409.29**	**293.54**	**9,571.82**

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Reinsurance Assets

₹ crore

Particulars	31st March, 2019	31st March, 2018
At the beginning of the year	**557.88**	**949.56**
Add/(Less)		
Premium	225.64	181.55
Unwinding of the Discount/Interest credited	30.24	31.40
Change in valuation for expected future benefits	-	-
Insurance liabilities released	(178.46)	(151.66)
Others (experience variations)	(89.02)	(452.97)
At the end of the year	**546.28**	**557.88**

Deferred acquisition cost

₹ crore

Particulars	Amount
As at 1st April, 2017	**16.21**
Expenses deferred	-
Amortisation	(5.28)
As at 31st March, 2018	**10.93**
Expenses deferred	-
Amortisation	(3.13)
As at 31st March, 2019	**7.80**

Insurance contracts liabilities : Change in liabilities of Health Insurance Business

₹ crore

Particulars	31st March, 2019	31st March, 2018
Gross Liability at the beginning of the year	**125.39**	**44.44**
Add/(Less)	-	-
Incurred but not reported Provision	14.06	7.73
Premium Deficiency Reserve	-	(3.78)
Reserve for Unexpired Risk	126.82	81.75
Freelook Reserve	0.69	0.24
Gross Liability	-	-
Recoverable from Re-insurance	(6.87)	(4.99)
Net Liability	**260.09**	**125.39**

Key assumptions

The assumptions play vital role in calculating Insurance liabilities for the group. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumptions known as MfAD (margin for adverse deviation). The group keeps adequate MfAD, as prescribed in APS 7 issued by the Institute of Actuaries of India (IAI), in all assumptions over best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender etc if the experience of any category is significantly different and data is credible for the respective category.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

i) **Mortality and morbidity rates**

Assumptions are based on historical experience and for new products based on industry/reinsurers data. An appropriate, but not excessive allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution channel, gender etc.

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An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

ii) **Longevity**

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

iii) **Investment return and Discount Rate**

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

An increase in investment return would lead to an increase in profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of group, current industry risk rates, adjusted for the group's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

iv) **Expenses and inflation**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

v) **Lapse, surrender and partial withdrawal rates**

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the group's experience and usually vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

The best estimate assumptions that have the greatest effect on the statement of financial position and statement of profit or loss of the company are listed below.

Portfolio assumptions by type of business impacting net liabilities	Mortality rates		Investment return		Lapse and surrender rates	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Insurance						
With DPF	60% - 200% of IALM 2006-08	100% of IALM 2006-08	7.30% p.a.	7.15% p.a.	PY1 : 30%-40% PY2 : 10%-15% PY3 + : 2%-5% (varying by product)	PY1 : 40% PY2 : 15% PY3 + : 2%-5% (varying by product)
Linked Business	55% of IALM 2006-08	55% of IALM 2006-08	a) 9.5% p.a. for assets backing linked liabilities b) 7.05% p.a. for asset backing non-unit liabilities	a) 9.5% p.a. for assets backing linked liabilities b) 6.7% p.a. for asset backing non-unit liabilities	PY1 : 10%-23% PY2 : 5%-8% PY3+: 3%-15% (varying by product and duration)	PY1 : 10%-23% PY2 : 5%-8% PY3+: 3%-15% (varying by product and duration)
Others	18%-385% of IALM 2006-08	30%-385% of IALM 2006-08	6.6%-8.25% p.a.	6.6%-8.3% p.a.	PY1 : 1%-5% PY2 : 3%-25% PY3+: 1%-25% (varying by product and duration)	PY1 : 1%-5% PY2 : 3%-15% PY3+: 5%-15% (varying by product and duration)

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Portfolio assumptions by type of business impacting net liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Insurance						
With DPF	NA	NA	383-585 Per policy	364-557 Per policy	0.05	0.05
Linked Business	0%- 3% p.a.	0%- 3% p.a.	585 Per policy	557 Per policy	0.05	0.05
Others	NA	NA	Max 585 Per policy (varies by product)	Max 557 Per policy (varies by product)	0.05	0.05

Commission scales have been allowed in accordance with the product filing with IRDA.

Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

₹ crore

Sensitivity Parameters	Current Year				Previous Year			
	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF
Lapses Increased by 10%	2,138.54	26,399.13	4,580.16	6,264.75	1,535.25	24,840.57	3,869.00	5,715.84
Lapses Decreased by 10%	2,356.77	26,625.33	4,580.16	6,265.38	1,691.92	25,053.42	3,869.00	5,716.41
Mortality Increased by 10%	2,285.09	26,680.42	4,580.16	6,265.08	1,640.46	25,105.26	3,869.00	5,716.15
Mortality Decreased by 10%	2,193.49	26,333.59	4,580.16	6,265.00	1,574.70	24,778.90	3,869.00	5,716.08
Expenses Increased by 10%	2,309.78	26,582.01	4,580.16	6,265.37	1,658.18	25,012.66	3,869.00	5,716.41
Expenses Decreased by 10%	2,170.35	26,433.71	4,580.16	6,264.75	1,558.09	24,873.11	3,869.00	5,715.84
Interest Rate Increased by 100 bps	1,724.25	25,657.78	4,580.16	6,255.49	1,237.83	24,143.00	3,869.00	5,707.39
Interest Rate Decreased by 100 bps	2,568.85	27,787.46	4,580.16	6,276.40	1,844.17	26,146.94	3,869.00	5,726.47
Inflation Rate Increased by 100 bps	2,349.39	26,617.71	4,580.16	6,265.47	1,686.62	25,046.25	3,869.00	5,716.50
Inflation Rate Decreased by 100 bps	2,155.96	26,419.09	4,580.16	6,264.71	1,547.75	24,859.35	3,869.00	5,715.81

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Financial risks

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. The group is subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Group to record realised or unrealised losses and increase our provisions for asset default, adversely impacting earnings.

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. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis.

The policyholders' funds are invested in accordance with regulatory norms, Investment policy, fund objective of unit linked funds and risk profile of the respective fund in fixed income segment, majority of the investment is made in the government securities having sovereign rating & debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Derivative financial instrument : The settlement risk the group is exposed to is mitigated by an adequate amount of margin money.

Industry Analysis

As on 31st March, 2019 ₹ crore

	Particulars	INFRA - STRUCTURE	FINANCIAL AND INSURANCE	GOVERNMENT	IT SERVICES	MANU - FACTURING	OTHERS	TOTAL
1	**FVTOCI financial assets**							
	Policyholders							
	Debt	180.77	2,052.08	-	31.77	183.61	178.67	**2,626.90**
	Government Securities	-	-	1,927.27	-	-	47.29	**1,974.56**
	Others	-	1.30	86.27	-	-	-	**87.57**
	Shareholders	-	-	-	-	-	-	
	Debt	129.47	759.87	-	16.19	168.74	77.17	**1,151.44**
	Equity	-	51.65	-	-	-	-	**51.65**
	Government Securities	-	-	769.33	-	-	25.95	**795.28**
	Others	-	47.42	-	-	-	-	**47.42**
2	**Financial Assets at FVTPL**							
	Policyholders							
	Debt	1,632.73	4,483.14	-	270.36	1,182.80	126.88	**7,695.91**
	Equity	1,355.36	3,589.87	-	1,179.36	4,010.65	196.55	**10,331.79**
	Government Securities	-	9.84	5,753.31	-	-	17.91	**5,781.06**
	Mutual Fund Units	-	1,429.12	-	-	-	28.94	**1,458.06**
	Others	24.64	588.82	373.70	-	24.66	172.72	**1,184.54**
	Shareholders							
	Debt	-	25.75	-	-	-	-	**25.75**
	Equity	-	200.24	-	-	-	-	**200.24**
	Mutual Fund Units	-	5.87	-	-	-	-	**5.87**
3	**Amortised Cost Financial Assets**							
	Policyholders							
	Debt	463.38	2,178.66	-	42.32	191.70	2.08	**2,878.14**
	Government Securities	-	-	4,991.15	-	-	-	**4,991.15**
	Others	-	-	123.08	-	-	4.08	127.16
	Total credit risk exposure	**3,786.35**	**15,423.63**	**14,024.11**	**1,540.00**	**5,762.16**	**878.24**	**41,414.49**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

As on 31st March, 2018 ₹ crore

	Particulars	INFRA - STRUCTURE	FINANCIAL AND INSURANCE	GOVERNMENT	IT SERVICES	MANU - FACTURING	OTHERS	TOTAL
1	**FVTOCI financial assets**							
	Policyholders							
	Debt	204.05	1,196.63	-	29.37	68.10	159.40	**1,657.55**
	Government Securities	-	-	1,653.65	-	-	-	**1,653.65**
	Others	-	60.48	104.32	-	-	-	**164.80**
	Shareholders							
	Debt	111.58	523.85	-	15.61	133.85	90.66	**875.55**
	Equity	-	53.58	-	-	-	-	**53.58**
	Government Securities	-	-	799.64	-	-	-	**799.64**
	Others	-	87.79	0.94	-	-	-	**88.73**
2	**Financial Assets at FVTPL**							
	Policyholders							
	Debt	1,692.89	5,106.89	-	193.02	895.46	35.04	**7,923.30**
	Equity	1,687.23	3,055.37	-	1,459.43	3,994.49	215.28	**10,411.80**
	Government Securities	-	9.93	5,317.93	-	-	16.06	**5,343.92**
	Mutual Fund Units	-	1,548.65	-	-	-	1.76	**1,550.41**
	Others	-	478.14	241.59	-	48.06	78.05	**845.84**
	Shareholders							
	Debt	-	24.88	-	-	-	-	**24.88**
	Equity	-	138.14	-	-	-	-	**138.14**
	Mutual Fund Units	-	4.14	-	-	-	-	**4.14**
3	**Amortised Cost Financial Assets**							
	Policyholders							
	Debt	415.16	1,371.09	-	39.97	123.82	1.99	**1,952.03**
	Government Securities	-	-	3,754.54	-	-	-	**3,754.54**
	Others	-	65.23	116.68	-	-	6.13	**188.04**
	Total credit risk exposure	**4,110.91**	**13,724.79**	**11,989.29**	**1,737.40**	**5,263.78**	**604.37**	**37,430.54**

Notes

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As on 1st April, 2017 ₹ crore

	Particulars	INFRA - STRUCTURE	FINANCIAL AND INSURANCE	GOVERNMENT	IT SERVICES	MANU - FACTURING	OTHERS	TOTAL
1	**FVTOCI financial assets**							
	Policyholders							
	Debt	122.46	1,067.57	-	31.83	136.73	116.31	**1,474.90**
	Equity	-	14.31	-	-	-	-	**14.31**
	Government Securities	-	-	1,421.57	-	-	-	**1,421.57**
	Others	-	92.03	-	-	-	-	**92.03**
	Shareholders							
	Debt	89.46	560.01	-	5.68	122.43	98.32	**875.90**
	Equity	-	14.86	-	-	-	-	**14.86**
	Government Securities	-	-	780.79	-	-	-	**780.79**
	Others	-	101.92	-	-	-	-	**101.92**
2	**Financial Assets at FVTPL**							
	Policyholders							
	Debt	1,516.11	4,721.79	-	91.85	1,025.56	52.76	**7,408.07**
	Equity	721.77	3,109.40	-	1,318.57	5,609.98	78.12	**10,837.84**
	Government Securities	-	-	5,576.46	-	-	-	**5,576.46**
	Mutual Fund Units	-	1,373.67	-	-	-	-	**1,373.67**
	Others	-	712.67	-	-	16.26	85.11	**814.04**
	Shareholders							
	Debt	-	25.18	-	-	-	-	**25.18**
	Equity	-	30.29	-	-	-	-	**30.29**
	Government Securities	-	-	-	-	-	-	**-**
	Mutual Fund Units	-	4.31	-	-	-	19.97	**24.28**
3	**Amortised Cost Financial Assets**							
	Policyholders							
	Debt	237.44	1,044.57	-	42.34	171.97	0.06	**1,496.38**
	Government Securities	-	-	2,752.23	-	-	-	**2,752.23**
	Others	-	74.01	-	-	-	-	**74.01**
	Shareholders							
	Other	-	-	-	-	-	6.93	**6.93**
	Total credit risk exposure	**2,687.24**	**12,946.59**	**10,531.05**	**1,490.27**	**7,082.93**	**457.58**	**35,195.66**

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Credit exposure by credit rating

As on 31st March, 2019

₹ crore

	Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1	**FVTOCI financial assets**								
	Policyholders								
	Debt	-	-	2,388.95	15.71	-	189.31	32.93	**2,626.90**
	Equity	-	-	-	-	-	-	-	**-**
	Government Securities	-	1,927.28	47.28	-	-	-	-	**1,974.56**
	Others	1.30	86.27	-	-	-	-	-	**87.57**
	Shareholders		-	-	-	-	-	-	
	Debt	-	-	787.90	42.43	68.26	215.36	37.49	**1,151.44**
	Equity	51.65	-	-	-	-	-	-	**51.65**
	Government Securities	-	769.33	25.95	-	-	-	-	**795.28**
	Others	47.42	-	-	-	-	-	-	**47.42**
2	**Financial Assets at FVTPL**								
	Policyholders								
	Debt	-	-	6,307.41	387.08	251.69	731.47	18.26	**7,695.91**
	Equity	10,084.74	-	25.52	121.11	21.00	79.42	-	**10,331.79**
	Government Securities	-	5,753.31	27.75	-	-	-	-	**5,781.06**
	Mutual Fund Units	1,429.12	-	-	-	-	-	28.94	**1,458.06**
	Others	375.75	373.70	435.09	-	-	-	-	**1,184.54**
	Shareholders								
	Debt	-	-	25.75	-	-	-	-	**25.75**
	Equity	-	-	-	101.77	5.25	93.22	-	**200.24**
	Mutual Fund Units	5.52	-	-	-	-	0.35	-	**5.87**
3	**Amortised Cost Financial Assets**								
	Policyholders								
	Debt	-	-	2,533.93	73.74	38.32	192.90	39.25	**2,878.14**
	Government Securities	-	4,991.15	-	-	-	-	-	**4,991.15**
	Others	-	123.08	-	-	-	-	4.08	**127.16**
	Total credit risk exposure	**11,995.50**	**14,024.12**	**12,605.53**	**741.84**	**384.52**	**1,502.03**	**160.95**	**41,414.49**

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As on 31st March, 2018 ₹ crore

	Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1	**FVTOCI financial assets**								
	Policyholders								
	Debt	-	-	1,510.91	14.17	-	117.12	15.35	**1,657.55**
	Equity	-	-	-	-	-	-	-	**-**
	Government Securities	-	1,653.65	-	-	-	-	-	**1,653.65**
	Others	26.69	104.32	33.79	-	-	-	-	**164.80**
	Shareholders								
	Debt	-	-	596.53	45.15	25.00	172.58	36.29	**875.55**
	Equity	53.58	-	-	-	-	-	-	**53.58**
	Government Securities	-	799.64	-	-	-	-	-	**799.64**
	Others	87.79	0.94	-	-	-	-	-	**88.73**
2	**Financial Assets at FVTPL**								
	Policyholders								
	Debt	-	-	6,562.88	265.08	127.89	949.81	17.64	**7,923.30**
	Equity	10,156.07	-	-	177.69	-	78.04	-	**10,411.80**
	Government Securities	-	5,317.93	25.99	-	-	-	-	**5,343.92**
	Mutual Fund Units	1,548.65	-	-	-	-	-	1.76	**1,550.41**
	Others	307.42	241.59	296.83	-	-	-	-	**845.84**
	Shareholders								
	Debt	-	-	24.88	-	-	-	-	**24.88**
	Equity	-	-	-	52.56	-	85.58	-	**138.14**
	Government Securities	-	-	-	-	-	-	-	**-**
	Mutual Fund Units	4.04	-	-	-	-	0.10	-	**4.14**
3	**Amortised Cost Financial Assets**								
	Policyholders								
	Debt	-	-	1,715.39	35.46	31.82	130.37	38.99	**1,952.03**
	Government Securities	-	3,754.54	-	-	-	-	-	**3,754.54**
	Others	65.23	116.68	-	-	-	-	6.13	**188.04**
	Total credit risk exposure	**12,249.47**	**11,989.29**	**10,767.20**	**590.11**	**184.71**	**1,533.60**	**116.16**	**37,430.54**

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As on 1st April, 2017 ₹ crore

	Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1	**FVTOCI financial assets**								
	Policyholders								
	Debt	-	-	1,220.40	145.56	-	108.94	-	**1,474.90**
	Equity	14.31	-	-	-	-	-	-	**14.31**
	Government Securities	-	1,421.57	-	-	-	-	-	**1,421.57**
	Others	38.83	-	-	-	-	-	53.20	**92.03**
	Shareholders								
	Debt	-	-	597.51	91.23	43.27	118.80	25.09	**875.90**
	Equity	14.86	-	-	-	-	-	-	**14.86**
	Government Securities	-	780.79	-	-	-	-	-	**780.79**
	Others	91.24	0.82	9.86	-	-	-	-	**101.92**
2	**Financial Assets at FVTPL**								
	Policyholders								
	Debt	-	-	6,329.70	296.65	115.80	638.77	27.15	**7,408.07**
	Equity	10,837.84	-	-	-	-	-	-	**10,837.84**
	Government Securities	-	5,576.46	-	-	-	-	-	**5,576.46**
	Mutual Fund Units	1,373.67	-	-	-	-	-	-	**1,373.67**
	Others	386.54	153.28	-	-	-	-	274.22	**814.04**
	Shareholders								
	Debt	-	-	25.18	-	-	-	-	**25.18**
	Equity	30.29	-	-	-	-	-	-	**30.29**
	Mutual Fund Units	1.15	-	-	-	-	3.16	19.97	**24.28**
3	**Amortised Cost Financial Assets**								
	Policyholders								
	Debt	-	-	1,239.48	95.16	52.61	84.12	25.01	**1,496.38**
	Government Securities	-	2,752.23	-	-	-	-	-	**2,752.23**
	Others	58.09	15.92	-	-	-	-	-	**74.01**
	Shareholders								
	Others	-	-	-	-	-	-	6.93	**6.93**
	Total credit risk exposure	**12,846.82**	**10,701.07**	**9,422.13**	**628.60**	**211.68**	**953.79**	**431.57**	**35,195.66**

It is the group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the group's rating policy. The attributable risk ratings are assessed and updated regularly.

The group manages its product mix to ensure that there is no significant concentration of credit risk.

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Expected Credit Loss

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

a) Financial assets that are measured at amortised cost and

b) Financial assets (debt) that are measured as at FVTOCI

ECL has been calculated on Non-ULIP portfolio as ULIP portfolio is marked-to-market. For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss.

Loss Given Default (LGD) of 75% has been assumed across all securities (maximum as per RBI directives).

The credit rating provided by the external rating agencies has been considered while assigning PD for each individual company, the PD for each rating category is as under:

Credit rating	Default Rate
Gsec	-
State	-
AAA	0.03
AAA (so)	0.03
AA	0.5
AA (so)	0.5
AA+	0.5
A+	0.74
AA-	0.74

ECL allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss (P&L). The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

ECL allowance computed, basis above, during the period under consideration is as follows:

₹ crore

Movement of Allowances	**Financial Asset**
As at 1st April, 2017	**4.34**
Provided during the year	-
Amounts written-off	-
Reversals of provision	(1.89)
Unwinding of discount	-
Transferred on account of demerger	-
As at 31st March, 2018	**2.45**
Provided during the year	2.53
Amounts written off	-
Reversals of provision	-
Unwinding of discount	-
Transferred on account of demerger	-
As at 31st March, 2019	**4.98**

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Liquidity risk

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. Group's primary funding obligations arise in connection with the payment of policyholder benefits Sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of an Group's assets and liabilities do not correspond. These can lead to non-payment/ deferment of claims, expenses, etc. Through effective cash management and capital planning, the Group ensures that, it is properly funded and maintain adequate liquidity to meet obligations. Based on the Group's historical cash flows and liquidity management processes, we believe that the cash flows from our operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due. A governance structure, in form of the ALM Committee, and well defined Asset Liability Management framework require periodic monitoring of the Asset-Liability position of the Group. Insurance Business's Asset Liability Management Techniques aims to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities as a whole so as to attain a predetermined acceptable risk/ reward ratio. Further the NAV guarantee products use proprietary monitoring mechanisms to ensure adequate ALM.

Maturity profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the group based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit-linked liabilities are repayable or transferable on demand and are included in the up-to-a-year column. Repayments which are subject to notice are treated as if notice were to be given immediately.

The group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

The group manages its product mix to ensure that there is no significant concentration of credit risk.

The table below summarises the expected utilisation or settlement of assets and liabilities.

Maturity analysis on expected maturity bases

As on 31st March, 2019

₹ crore

Particulars	Less than 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Financial assets							
Investments							
Shareholders							
Amortised Cost							-
FVTOCI	39.20	67.34	22.74	100.06	190.14	1,642.04	**2,061.52**
FVTPL	5.87	-	-	113.47	106.91	-	**226.25**
Policyholders	-						
Amortised Cost	135.09	14.53	-	177.05	409.14	7,135.84	**7,871.65**
FVTOCI	132.89	69.71	104.36	408.97	556.38	3,392.83	**4,665.14**
FVTPL	2,654.85	2,767.51	276.45	3,069.23	1,662.18	15,631.46	**26,061.68**
Trade and other receivables	206.52	-	-	-	-	-	**206.52**
Cash and cash equivalents	666.40	-	-	-	-	-	**666.40**
Other financial assets	-						
Security deposits	33.82	7.03	8.53	2.69	6.34	6.78	**65.19**
Loan against policies (Secured)	0.04	0.09	1.61	2.97	4.46	104.89	**114.06**
Others	329.28	-	0.16	-	-	-	**329.44**
Financial Liabilites							
Other financial liabilities	676.32	0.55	0.81	-	-	-	**677.68**
Derivative financial instruments	(0.27)	(0.34)	0.65	1.07	2.44	0.81	**4.36**
Trade and other payables	355.65	-	-	-	-	-	**355.65**

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As on 31st March, 2018 ₹ crore

Particulars	Less than 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Financial assets							
Investments							
Shareholders							
Amortised Cost	-						
FVTOCI	2.93	100.31	143.86	89.31	386.61	1,152.07	**1,875.09**
FVTPL	4.14	-	-	24.88	132.51	5.02	**166.55**
Policyholders							
Amortised Cost	6.16	175.46	161.12	19.84	444.70	4,843.23	**5,650.51**
FVTOCI	4.43	394.70	176.20	181.49	590.32	2,271.51	**3,618.65**
FVTPL	1,634.18	1,915.16	1,606.23	1,847.33	3,012.53	15,794.81	**25,810.24**
Trade and other receivables	166.82	-	-	-	-	-	**166.82**
Cash and cash equivalents	638.60	-	-	-	-	-	**638.60**
Other financial assets							
Security deposits	48.91	3.26	10.03	2.26	4.23	6.52	**75.21**
Loan against policies (Secured)	0.05	0.03	0.07	8.45	2.34	63.36	**74.30**
Others	310.72	-	0.18	-	-	-	**310.90**
Financial Liabilites							
Other financial liabilities	603.36	0.88	0.75	-	-	-	**604.99**
Derivative financial instruments	0.03	0.56	0.72	0.68	0.77	0.40	**3.16**
Trade and other payables	210.93	-	-	-	-	-	**210.93**

As on 1st April, 2017 ₹ crore

Particulars	Less than 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Financial assets							
Investments							
Shareholders							
Amortised Cost	7.19	-	-	-	-	-	**7.19**
FVTOCI	24.78	60.67	145.76	100.32	263.49	1,178.12	**1,773.14**
FVTPL	24.28	-	-	25.18	30.33	-	**79.79**
Policyholders							
Amortised Cost	22.05	7.65	95.10	21.18	228.46	3,853.37	**4,227.81**
FVTOCI	47.88	87.25	242.22	138.86	419.47	2,062.43	**2,998.11**
FVTPL	1,851.57	880.65	1,341.83	1,404.15	3,027.45	16,945.22	**25,450.87**
Trade and other receivables	133.84	-	-	-	-	-	**133.84**
Cash and cash equivalents	535.42	-	-	-	-	-	**535.42**
Other financial assets							**-**
Security deposits	55.10	3.41	2.25	5.44	1.91	6.51	**74.62**
Loan against policies (Secured)	1.39	0.07	0.03	0.04	7.40	44.80	**53.73**
Others	285.49	-	0.16	-	-	-	**285.65**
Financial Liabilites							
Other financial liabilities	527.79	0.70	0.88	-	-	-	**529.37**
Trade and other payables	246.13	-	-	-	-	-	**246.13**

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Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. the Group is exposed to financial and capital market risks–the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Risk Management Committee. Group have investment policy in place which deals with guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

The group issues unit–linked investment policies in a number of its operations. In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds as the policy benefits are directly linked to the value of the assets in the fund. The group's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

₹ crore

Market indices	Change in variables	As at 31st March, 2019		As at 31st March, 2018	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	25 Basis Point down	113.93	78.31	95.43	89.65
	50 Basis Point down	227.86	156.63	190.86	179.30
	25 Basis Point Up	(113.93)	(78.31)	(95.43)	(89.65)
	50 Basis Point Up	(227.86)	(156.63)	(190.86)	(179.30)

Equity price risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The group is exposed to equity risk from a number of sources. A portion of our exposure to equity market risk arises in connection with benefit guarantees on contracts. The cost of providing for these guarantees is uncertain, and will depend upon a number of factors including general capital market conditions, underlying fund performance, policyholder behaviour, and mortality experience, which may result in negative impacts on our net income and capital.

The Group has no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices i.e. BSE 100 with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the statement of profit or loss) and equity (that reflects changes in fair value of FVTPL financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

₹ crore

Market indices	Change in variables	As at 31st March, 2019		As at 31st March, 2018	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
BSE 100	10% rise	8.79	30.26	25.95	32.45
	10% fall	(8.79)	(30.26)	(25.95)	(32.45)

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks but by initiating a rigorous control framework and by monitoring and responding to potential risks, the group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

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Operational risks are governed through Operational Risk Management policy. The group maintains an operational loss database to track and mitigate risks resulting in financial losses. The group has also initiated a Risk Control & Self Assessment process to embed the control testing as a part of day-to-day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programmes is designed to equip staff at all levels to meet the demands of their respective positions.

The group has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business/technology interruption risk. Business Continuity Management System is certified against the global standard ISO 22301. 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 minimising the potential business impact to the group.

Information Security Risk is 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. Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001:2013 which is a global benchmark. The group has a comprehensive Information Security policy designed to comply with ISO 27001:2013, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008 and Notification dated 11th 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.

Fraud management is handled through an internal committee and is governed by the Fraud Reporting and Investigation Policy.

Nature and Term of Outstanding Derivative Contract

a) Forward rate Agreement

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) Total notional principal amount of forward rate agreement undertaken during the year (instrument-wise)		
7.73% Gsec 19-12-2034	-	200.00
8.30% Gsec 31-12-2042	-	86.98
8.32% Gsec 02-08-2032	-	152.37
7.40% Gsec 09-09-2035	100.00	-
ii) Total notional principal amount of forward rate agreement outstanding as on end of the year (instrument-wise)	-	-
7.73% Gsec 19-12-2034	152.25	200.00
8.30% Gsec 31-12-2042	69.42	86.98
8.32% Gsec 02-08-2032	83.82	152.37
7.40% Gsec 09-09-2035	87.12	-
iii) Notional principal amount of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet date	-	-
iv) Mark-to-market value of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet date	-	-
v) Loss which would be incurred if counter party failed to fulfil their obligation under agreements	-	-

b) The fair value mark-to-market (MTM) gains or losses in respect of Forward Rate Aggrement outstanding as at the Balance Sheet date is stated below:

₹ crore

Hedging Instrument	As at 31st March, 2019	As at 31st March, 2018
i) 7.73% Gsec 19-12-2034	(1.18)	0.73
ii) 8.30% Gsec 31-12-2042	(3.02)	(2.38)
iii) 8.32% Gsec 02-08-2032	(0.81)	(1.51)
iv) 7.40% Gsec 09-09-2035	0.64	-

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c) Movement in Hedge Reserve

₹ crore

Hedge Reserve Account	As at 31st March, 2019		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	(5.28)	**(5.28)**
ii) Add: Changes in the fair value during the Year	-	0.72	**0.72**
iii) Less: Amounts reclassified to Revenue/Profit & Loss A/c	(0.03)	-	**(0.03)**

Hedge Reserve Account	As at 31 March, 2018		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-	(5.28)	**(5.28)**
iii) Less: Amounts reclassified to Revenue/Profit & Loss A/c	-	-	-

Hedge Reserve Account	As at 1st April, 2017		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-	-	-
iii) Less: Amounts reclassified to Revenue/Profit & Loss A/c	-	-	-

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
i) Name of the Counter Party	J. P. Morgan/CITI Bank	J. P. Morgan	Not Applicable
ii) Hedge Designation	Cash flow hedge	Cash flow hedge	Not Applicable
iii) Likely impact of one percentage change in interest rate (100*PV01)			
a) Underlying being hedged	Sovereign Bonds	Sovereign Bonds	Not Applicable
b) Derivative	Forward Rate Agreement	Forward Rate Agreement	Not Applicable
iv) Credit Exposure			

Capital management objectives and policies

The group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position:

i) To maintain the required level of stability of the group thereby providing a degree of security to policyholders.

ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.

iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

iv) To align the profile of assets and liabilities taking account of risks inherent in the business.

v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The group have met all of these requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory & Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The group's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the group are subject to regulatory requirements within the jurisdictions in which it operates.

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NOTE: 56 RISK RELATED TO NBFC & HFC BUSINESS

Credit risk

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

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

Analysis of maximum exposure to credit risk and collateral and other credit enhancements ₹ crore

Particulars		As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
		Amortised Cost	Amortised Cost	Amortised Cost
i)	Secured by tangible assets	48,379.73	39,323.36	28,747.30
ii)	Covered by bank and government guarantee	244.08	333.11	220.39
iii)	Secured by book debts, inventories, fixed deposit and other working capital items	4,091.61	2,706.30	2,407.30
iv)	Unsecured	9,466.55	8,311.38	6,339.91
		62,181.97	**50,674.14**	**37,714.90**

Note : Retail loans, other than unsecured micro loans , are generally secured by an identified collateral which generally is the underlying asset financed. The secured exposures mentioned above are secured by pledge of financial securities (listed equity shares, units of mutual funds, surrender value of insurance policies), mortgage of immovable properties (residential, commercial, industrial), hypothecation of plant and machinery, hypothecation of receivables, inventory etc. collectively referred to as current assets. However, collateral securing each individual loan may not be adequate in relation to the value of the loan. If the customer fails to pay, the group would, by following the due process of law, liquidate collateral and/or set off the amount due and recoverable from the counter party. For loans where repayment is either monthly or quarterly, the group either obtains direct debit instructions in the form of madnates from the counter party and is registered with the bank account mapped to such mandate or obtains post-dated cheques from the counter party. It is a criminal offence in India to issue a debit mandate or bad cheque.

Financial Risk management and its Policies for NBFC anf HFC businesses

Liquidity risk

Liquidity risk is defined as the risk that the NBFC & HFC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the NBFC & HFC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

NBFC & HFC manages its liquidity requirement by analysing the maturity pattern of NBFC & HFC's cash flows of financial assets and financial liabilities. The Asset Liability Management of the NBFC & HFC is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the NBFC & HFC's financial assets and liabilities as at 31st March, 2019.

Financial Assets ₹ crore

As at 31st March, 2019	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More than 5 years
Loans & Advances	2,662.31	2,428.37	2,123.19	3,271.87	6,213.03	14,416.38	7,860.88	22,616.67
Trade Receivables	6.39	4.89	0.03	-	-	-	-	-
	2,668.70	**2,433.26**	**2,123.22**	**3,271.87**	**6,213.03**	**14,416.38**	**7,860.88**	**22,616.67**

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Financial Liabilities ₹ crore

As at 31st March, 2019	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More than 5 years
Trade & Other Payables	67.62	-	-	-	-	-	-	-
Other Financial Liabilities	242.63	380.31	60.90	240.96	282.29	317.94	25.22	-
Subordinate Liabilities	-	-	-	-	-	-	-	198.96
Borrowing & Debt Securities	4,008.56	1,657.87	2,796.65	2,832.46	7,648.27	19,893.37	10,123.97	4,046.07
	4,318.81	**2,038.18**	**2,857.55**	**3,073.42**	**7,930.56**	**20,211.31**	**10,149.19**	**4,245.03**

Financial Assets ₹ crore

As at 31st March, 2018	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More than 5 years
Loans & Advances	1,931.55	2,405.06	1,126.22	2,170.27	5,621.72	10,576.97	8,743.58	17,640.85
Trade Receivables	13.51	11.30	-	-	0.08	-	-	-
	1,945.06	**2,416.36**	**1,126.22**	**2,170.27**	**5,621.80**	**10,576.97**	**8,743.58**	**17,640.85**

Financial Liabilities ₹ crore

As at 31st March, 2018	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More than 5 years
Trade & Other Payables	69.12	-	-	-	-	-	-	-
Other Financial Liabilities	292.14	332.07	104.65	178.05	172.86	154.10	4.14	-
Subordinate Liabilities	-	-	-	-	-	-	-	198.84
Borrowing & Debt Securities	1,348.24	5,405.42	4,640.39	1,360.30	6,802.54	12,327.89	8,621.52	2,640.49
	1,709.50	**5,737.49**	**4,745.04**	**1,538.35**	**6,975.40**	**12,481.99**	**8,625.66**	**2,839.33**

Financial Assets ₹ crore

As at 1st April, 2017	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More than 5 years
Loans & Advances	3,602.05	783.90	768.05	1,287.82	2,845.88	8,960.44	6,524.43	12,684.69
Trade Receivables	5.51	5.51	-	-	-	-	-	-
	3,607.56	**789.41**	**768.05**	**1,287.82**	**2,845.88**	**8,960.44**	**6,524.43**	**12,684.69**

Financial Liabilities ₹ crore

As at 1st April, 2017	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More than 5 years
Trade & Other Payables	50.03	-	-	-	-	-	-	-
Other Financial Liabilities	657.71	93.79	40.57	79.42	178.30	128.73	2.21	32.95
Borrowing & Debt Securities	3,970.98	2,743.89	2,190.00	285.00	4,937.56	9,652.57	6,552.13	2,091.40
Subordinate Liabilities	-	-	-	-	-	-	-	10.81
	4,678.72	**2,837.68**	**2,230.57**	**364.42**	**5,115.86**	**9,781.30**	**6,554.34**	**2,135.16**

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Group, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2019, 31st March, 2018 and 1st April, 2017

Total market risk exposure ₹ crore

	31st March, 2019			31st March, 2018			1st April, 2017			
Particulars	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Primary risk sensitivity**
Assets										
Financial investments-FVTPL	1,574.61	1,574.61	-	1,326.25	1,326.25	-	1,504.50	1,504.50	-	Equity price
Financial investments-FVTOCI	1.90	-	1.90	1.27	-	1.27	1.04	-	1.04	
	1,576.51	**1,574.61**	**1.90**	**1,327.52**	**1,326.25**	**1.27**	**1,505.54**	**1,504.50**	**1.04**	

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 group has borrowings which are primarily at floating rate of interest and hence the group is not significantly exposed to Interest rate risk.

Interest rate sensitivity

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

₹ crore

Market indices	**Change in Interest rate**	**As at 31st March, 2019**		**As at 31st March, 2018**		**01st April, 2017**	
		Impact on profit before tax	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**
Interest rate	25 Basis Point down	48.61	31.80	36.51	24.18	26.08	18.23
	50 Basis Point down	97.22	63.60	73.03	48.37	52.16	36.47
	25 Basis Point Up	(48.61)	(31.80)	(36.51)	(24.18)	(26.08)	(18.23)
	50 Basis Point Up	(97.22)	(63.60)	(73.03)	(48.37)	(52.16)	(36.47)

Capital management objectives and policies

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 group. 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. The group monitors capital using a capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, group being a Non-Banking Finance group has to maintain 15% of capital adequacy ratio of NBFC business & 12% of capital adequacy ratio of HFC business.

The actual Capital Adequacy Ratio is as under: ₹ crore

Particulars	**31st March, 2019**	**31st March, 2018**	**1st April, 2017**
Capital Adequacy Ratio of NBFC	17.45	17.90	17.33
Capital Adequacy Ratio of HFC	16.80	14.25	12.52

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2019, 31st March, 2018 and 1st April, 2017.

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Risk Related to Other Business

Credit Risk of other companies

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

₹ crore

As at 31st March, 2019	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 Days	91 to 120 Days	> 120 days	Total
Trade Receivables	50.95	83.96	12.20	0.56	0.86	8.11	**156.64**
Total	**50.95**	**83.96**	**12.20**	**0.56**	**0.86**	**8.11**	**156.64**

₹ crore

As at 31st March, 2018	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 Days	91 to 120 Days	> 120 days	Total
Trade Receivables	21.43	119.97	33.04	1.39	1.72	7.73	**185.28**
Total	**21.43**	**119.97**	**33.04**	**1.39**	**1.72**	**7.73**	**185.28**

₹ crore

As at 1st April, 2017	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 Days	91 to 120 Days	> 120 days	Total
Trade Receivables	39.02	93.26	22.89	2.22	2.86	4.81	**165.06**
Total	**39.02**	**93.26**	**22.89**	**2.22**	**2.86**	**4.81**	**165.06**

Movement of Allowances

Particulars	31st March, 2019	31st March, 2018
Opening	**10.65**	**11.28**
Provided during the year	2.00	2.45
Amounts written off	(1.65)	(2.98)
Reversals of provision	-	(0.10)
Closing	**11.00**	**10.65**

b. **Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposit:**

Credit Risk on cash and cash equivalents, deposits with banks/financial institutions is generally low, as the said deposits have been made with banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low, as the Group enters into the Derivative Contracts with the reputed banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investments in units of quoted Mutual Funds, quoted Bonds; Non-Convertible Debentures issued by Government/Semi Government Agencies/PSU Bonds/ High Investment grade Corporates, etc. These Mutual Funds and Counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories, and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

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Financial Risk management and Its Policies for Other Businesses

Liquidity risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of undrawn credit facilities to meet obligations when due. The group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's liquidity position through rolling forecasts on the basis of expected cash flows.

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.

₹ crore

As at 31st March, 2019	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings	75.55	1,816.25	14.73	37.92	-	**1,944.45**
Preference Shares issued by subsidiaries Companies	-	-	-	60.00	-	**60.00**
Trade and Other Payables	-	79.45	23.97	-	-	**103.42**
Other Financial Liabilities	10.82	47.46	21.60	5.63	-	**85.51**
Convertible Preference Shares	-	-	-	-	11.00	**11.00**
	86.37	**1,943.16**	**60.30**	**103.55**	**11.00**	**2,204.38**

As at 31st March, 2018	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings	78.11	910.46	8.64	25.02	-	**1,022.23**
Preference Shares issued by subsidiaries Companies	-	-	-	60.00	-	**60.00**
Trade and Other Payables	-	91.78	1.52	1.07	-	**94.37**
Other Financial Liabilities	6.33	12.96	43.68	5.35	-	**68.32**
Convertible Preference Shares	-	-	-	-	-	**-**
	84.44	**1,015.20**	**53.84**	**91.44**	**-**	**1,244.92**

As at 1st April, 2017	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings	84.61	536.06	3.34	9.86	-	**633.87**
Preference Shares issued by subsidiaries Companies	-	-	-	60.00	-	**60.00**
Trade and Other Payables	-	27.67	-	-	-	**27.67**
Other Financial Liabilities	5.48	16.36	27.49	5.10	-	**54.43**
Convertible Preference Shares	-	-	-	-	-	**-**
	90.09	**580.09**	**30.83**	**74.96**	**-**	**775.97**

Capital management objectives and policies

The primary objective of the Group's capital management is to maximise the shareholder value, comply to the regulatory requirements and maintain an optimal capital structure to reduce the cost of capital to the Company. The Holding Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating.

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NOTE: 57 ECL RISK

Impairment assessment

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

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

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

Definition of default and cure

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the group on terms that the group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties and the customer has delay in his repayments over a month.

The Group's internal rating and PD estimation process

a) Internal Rating: A robust internal credit rating framework is vital for effective credit risk management. It is specified by RBI on credit risk management that lenders should have an internal rating framework and the lenders must have independent Credit Risk Control Units (CRCU) or equivalents that are responsible for the design or selection, implementation and performance of their internal rating systems. Accordingly we also have an internal rating framework developed along with CRISIL, with ratings being assigned to all the customer/portfolio pool – (eligible customers for Ratings) and used extensively in internal decision-making.

b) It is further specified in the policy that Internal rating/grading/scoring of the borrower/client is at least Investment grade rating as per ABFL's internal credit rating model or valid/live external rating.

Probability of Default (PD)

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

Exposure at Default

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

Loss Given Default (LGD)

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

Significant increase in credit risk

a) There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.

b) Further, for large borrowers after assessing the following risks in totality and deterioration in each factor , it is then assessed whether there is a significant increase in credit risk

   i. Industry Risk

   ii. Business Risk

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iii. Management Risk

iv. Financial Risk

v. Banking Conduct & Facility level Conduct.

c. Significant increase in credit risk is also gauged through Credit Rating. Credit rating is an opinion of capacity of borrower to meet its financial obligations to the depositor or bondholder (i.e. lender of money) on a particular issue or type of instrument (i.e. a domestic or foreign currency: short-term or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuers ability and willingness to repay both interest and principal over the period of the rated instrument i.e. rating signifies the risk of default of the borrower that is rated.

Grouping financial assets measured on a collective basis

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

Asset classes where the Group calculates ECL on an individual basis include:

1. Corporate Portfolio

Asset classes where the Group calculates ECL on a collective basis include:

1. Retail Portfolio

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

Analysis of risk concentration

Concentration analysis are presented for Portfolio pool, Location, Top borrower exposures, Group exposures etc. These are regularly analysed and presented for further review/action.

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

A **Reconciliation of gross carrying amount:**

₹ crore

Particulars	Stage 1	Stage 2	Stage 3	Total
31st March, 2019				
Gross carrying amount opening balance	**8,106.11**	**50.76**	**48.05**	**8,204.92**
New assets originated or purchased	5,362.02	3.74	2.72	**5,368.48**
Assets derecognised or repaid (excluding write-offs)	(2,042.65)	(5.88)	(14.24)	**(2,062.77)**
Transfers to stage 1	10.70	(9.49)	(1.21)	-
Transfers to stage 2	(124.34)	124.34	-	-
Transfers to stage 3	(34.33)	(15.16)	49.49	-
Amounts written off	-	-	(1.88)	**(1.88)**
Gross carrying amount closing balance	**11,277.51**	**148.31**	**82.93**	**11,508.75**
31st March, 2018	-	-	-	-
Gross carrying amount opening balance	**4,148.42**	**5.24**	**15.32**	**4,168.98**
New assets originated or purchased	5,089.47	3.12	3.16	**5,095.75**
Assets derecognised or repaid (excluding write-offs)	(1,057.88)	(0.74)	(1.19)	**(1,059.81)**
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(47.24)	47.24	-	-
Transfers to stage 3	(26.66)	(4.10)	30.76	-
Gross carrying amount closing balance	**8,106.11**	**50.76**	**48.05**	**8,204.92**

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B **Reconciliation of ECL balance is given below:**

₹ crore

	Stage 1	Stage 2	Stage 3*	Total
31st March, 2019				
ECL allowance - opening balance	**27.44**	**1.27**	**18.38**	**47.09**
New assets originated or purchased	13.06	0.07	0.59	**13.72**
Assets derecognised or repaid (excluding write-offs)	(6.67)	(0.04)	(4.32)	**(11.03)**
Transfers to Stage 1	0.43	(0.21)	(0.22)	-
Transfers to Stage 2	(0.58)	0.58	-	-
Transfers to Stage 3	(0.15)	(0.54)	0.69	-
Impact on year end ECL of exposures transferred between stages during the year	(0.23)	1.23	13.33	**14.33**
ECL recognised due to change in credit risk	(8.26)	(0.18)	9.12	**0.68**
Recoveries	-	-	(0.18)	**(0.18)**
Amounts written off	-	-	(0.80)	**(0.80)**
ECL allowance - closing balance	**25.04**	**2.18**	**36.59**	**63.81**
31st March, 2018				
ECL allowance - opening balance	**18.71**	**0.16**	**5.32**	**24.19**
New assets originated or purchased	17.93	0.32	1.20	**19.45**
Assets derecognised or repaid (excluding write-offs)	(4.17)	-	-	**(4.17)**
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.23)	0.23	-	-
Transfers to Stage 3	(0.08)	(0.12)	0.20	-
Impact on year end ECL of exposures transferred between stages during the year	-	0.70	11.86	**12.56**
ECL recognised due to change in credit risk	(4.72)	(0.02)	0.25	**(4.49)**
Recoveries	-	-	(0.45)	**(0.45)**
ECL allowance - closing balance	**27.44**	**1.27**	**18.38**	**47.09**

*including macro provision

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

A **Reconciliation of gross carrying amount of NBFC Business:**

₹ crore

Loans	**As at 31 March, 2019**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	41,640.90	443.19	385.14	**42,469.22**
Addition including on transfer within stages	18,774.45	657.16	473.31	**19,904.93**
Deduction on account of assets derecognised or repaid and transfer within stages (excluding write-offs)	11,484.94	87.18	13.13	**11,585.25**
Amounts written off	16.15	6.73	92.81	**115.69**
Closing	**48,914.27**	**1,006.44**	**752.50**	**50,673.21**

B **Reconciliation of ECL balance is given below for NBFC Business:**

₹ crore

ECL	**As at 31 March, 2019**			
	Stage 1	Stage 2	Stage 3	**Total**
Opening	**144.27**	**61.92**	**207.33**	**413.52**
Net addition adjusted for transfer within stages	9.54	(17.68)	221.32	**213.18**
Amounts written-off	-	-	115.69	**115.69**
Closing	**153.82**	**44.24**	**312.96**	**511.02**

Stage 1 represents 'High Grade' internal rating.
Stage 2 represents 'Sub-standard' internal rating.
Stage 3 represents 'Credit-impaired'.

Footnote: The systems of the NBFC business were not calibrated to generate similar information for the comparative period. Therefore, the comparative information has not been presented.

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NOTE: 58 MATURITY ANLAYSIS 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. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

₹ crore

Particulars	31st March, 2019			31st March, 2018			1st April, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
(1) Financial Assets									
(a) Cash and Cash Equivalents	743.16	-	743.16	845.99	-	845.99	695.94	-	695.94
(b) Bank Balance other than (a) above	342.79	-	342.79	210.37	-	210.37	73.77	-	73.77
(c) Trade and Other Receivables	374.47	-	374.47	376.98	-	376.98	310.07	-	310.07
(d) Loans	16,846.81	45,041.45	61,888.26	13,324.14	37,145.18	50,469.32	9,373.65	28,284.37	37,658.02
(e) Investments									
- **Investments of Life Insurance Business**									
- Investments of Life Insurance Policyholder	778.96	12,839.06	13,618.02	995.18	9,603.33	10,598.51	423.46	7,931.71	8,355.17
- Investments of Life Insurance Shareholder	72.87	2,057.45	2,130.32	93.60	1,817.94	1,911.54	65.89	1,639.57	1,705.46
- **Investments of Health Insurance Business**									
- Investments of Health Insurance Policyholder	63.97	288.50	352.47	7.69	130.79	138.48	42.08	37.42	79.50
- Investments of Health Insurance Shareholder	5.06	142.26	147.32	-	73.11	73.11	-	154.70	154.70
- Other Investments	1,518.61	386.61	1,905.22	1,207.09	343.38	1,550.47	915.00	811.51	1,726.51
(f) Asset Held to Cover Linked Liabilities of Life Insurance	4,931.49	20,234.85	25,166.34	3,017.15	21,691.73	24,708.88	2,443.23	22,457.62	24,900.85
(g) Other Financial Assets	306.11	35.06	341.17	291.36	6.65	298.01	280.03	11.04	291.07
Sub-Total	**25,984.30**	**81,025.24**	**107,009.54**	**20,369.55**	**70,812.11**	**91,181.66**	**14,623.12**	**61,327.94**	**75,951.06**
(2) Non-Financial Assets									
(a) Tax Assets (Net)	-	90.31	90.31	-	72.45	72.45	-	37.63	37.63
(b) Deferred tax assets (Net)	-	222.03	222.03	-	158.30	158.30	-	95.12	95.12
(c) Investment Properties	-	16.11	16.11	-	-	-	-	-	-
(d) Property, Plant and Equipment	-	135.92	135.92	-	137.89	137.89	-	95.01	95.01
(e) Capital work-in-progress	-	1.09	1.09	-	0.74	0.74	-	1.05	1.05
(f) Goodwill	-	580.03	580.03	-	580.03	580.03	-	580.03	580.03
(g) Other Intangible asset	-	159.96	159.96	-	119.57	119.57	-	85.63	85.63
(h) Intangible assets under development	-	33.08	33.08	-	31.91	31.91	-	26.11	26.11
(i) Investments in Equity instrument of Joint Venture Companies	-	635.34	635.34	-	592.00	592.00	-	528.57	528.57
(j) Other Non-Financial assets	368.67	451.19	819.86	314.06	525.58	839.64	214.28	917.49	1,131.77
Sub-Total	**368.67**	**2,325.06**	**2,693.73**	**314.06**	**2,218.47**	**2,532.53**	**214.28**	**2,366.64**	**2,580.92**
Total assets	**26,352.97**	**83,350.30**	**109,703.27**	**20,683.61**	**73,030.58**	**93,714.19**	**14,837.40**	**63,694.58**	**78,531.98**

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₹ crore

Particulars	31st March, 2019			31st March, 2018			1st April, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
II LIABILITIES AND EQUITY									
LIABILITIES									
(1) Financial Liabilities									
(a) Derivative financial instruments	4.36	-	4.36	3.17	-	3.17	-	-	-
(b) Payables									
- Trade Payables									
(i) total outstanding dues of micro enterprises and small enterprises	0.42	-	0.42	0.19	-	0.19	0.04	-	0.04
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	526.27	-	526.27	374.23	-	374.23	323.79	-	323.79
(c) Debt Securities	14,062.19	13,218.59	27,280.78	12,680.92	11,487.89	24,168.81	10,542.39	9,676.34	20,218.73
(d) Borrowings (Other than Debt Securities)	6,714.28	20,951.47	27,665.75	7,812.57	12,275.45	20,088.01	4,360.69	8,622.12	12,982.81
(e) Subordinated Liabilities	-	269.98	269.98	-	258.83	258.83	-	70.81	70.81
(f) Other Financial Liabilities	1,929.65	343.42	2,273.07	1,728.83	158.24	1,887.07	1,614.64	164.20	1,778.84
Sub-Total	**23,237.17**	**34,783.46**	**58,020.63**	**22,599.91**	**24,180.40**	**46,780.31**	**16,841.55**	**18,533.47**	**35,375.02**
(2) Non-Financial Lilibilities									
(a) Current tax liabilities (net)	16.11	-	16.11	49.42	-	49.42	4.80	-	4.80
(b) Provisions	183.96	47.63	231.59	148.31	54.16	202.47	138.00	39.19	177.19
(c) Deferred tax liabilities (net)	-	231.04	231.04	-	224.11	224.11	99.97	-	99.97
(d) Policyholders' Liabilities	2,480.54	37,669.48	40,150.02	1,676.39	34,795.16	36,471.55	1,103.45	33,378.25	34,481.70
(e) Other Non-Financial Liabilities	366.68	17.42	384.10	372.63	19.85	392.48	297.19	26.65	323.84
Sub-Total	**3,047.29**	**37,965.57**	**41,012.86**	**2,246.75**	**35,093.28**	**37,340.03**	**1,643.41**	**33,444.09**	**35,087.50**
(3) Equity									
(a) Equity Share capital	-	2,201.40	2,201.40	-	2,201.04	2,201.04	-	1,232.24	1,232.24
(b) Other Equity	-	7,310.95	7,310.95	-	6,336.80	6,336.80	-	5,330.39	5,330.39
Equity attributable to owners of the parents	**-**	**9,512.35**	**9,512.35**	**-**	**8,537.84**	**8,537.84**	**-**	**6,562.63**	**6,562.63**
(c) Non-Controlling Interests	-	1,157.43	1,157.43	-	1,056.01	1,056.01	-	1,506.83	1,506.83
Total Equity	**-**	**10,669.78**	**10,669.78**	**-**	**9,593.85**	**9,593.85**	**-**	**8,069.46**	**8,069.46**
Total Equity and Liabilities	**26,284.46**	**83,418.81**	**109,703.27**	**24,846.66**	**68,867.52**	**93,714.19**	**18,484.96**	**60,047.02**	**78,531.98**

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NOTE: 59 FOREIGN CURRENCY EXPOSURE

Particulars	Currency	31st March, 2019		31st March, 2018		1st April, 2017	
		Foreign currency	₹ crore	Foreign currency	₹ crore	Foreign currency	₹ crore
Trade Payables	CAD	476,000	24.82	643,000	3.33	54,600	2.66
	SGD	-	-	100,000	0.47	10,100	0.48
	DIRHAM	17,000	0.23	1,012,000	1.78	800	0.01
	USD	702,000	42.98	404,000	2.80	1,600	0.10
	POUND	-	-	2,000	0.02	-	-
	GBP	9,000	0.81	2,000	0.02	-	-
Trade Recievables	Bangladeshi Taka	529,579.0	0.04	529,579	0.04	-	-
	British Pound	1,401.0	0.01	994	0.01	368	ß
	EURO	19,553.3	0.15	14,870	0.12	6,703	0.05
	Kuwaiti Dinar	1,693.8	0.04	779	0.02	582	0.01
	Mozambiue New Metical	-	-	6,605	ß	6,605	ß
	Omani Rial	1.7	ß	2	ß	2	ß
	Philippines Piso	146.3	ß	56,445	0.01	146	ß
	Sri Lankan Rupees	6,557,083.8	0.26	6,539,006	0.27	3,310,499	0.14
	Tanzanian Shilingi	1,197,871.3	ß	1,197,871	ß	24,576	ß
	Thai Baht	97,225.1	0.02	-	-	566,613	0.11
	Turkish Lira	147,335.2	0.18	141,581	0.23	122,420	0.22
	United Arab Emirates Dirham	69,804.1	0.13	142,555	0.25	1,399	ß
	USD Dollar	18,434.2	0.13	27,035	0.18	9,581	0.06
	Vietnamese Dong	-	-	-	-	6,236,540	ß

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DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS :-

Exemptions and exceptions availed

These financial statements for the year ended 31st March, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For the periods up to and including the year ended 31st March, 2018, the Company prepared its financial statement in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013.

Accordingly, the Group has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2019, together with comparative date as at and for the year ended 31st March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2017, being the date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Previous GAAP financial statements.

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has opted the following exemptions:

i) The Company has considered previous GAAP carrying amount for its property, plant and equipment and Intangible assets as deemed cost as on the date of transition to Ind AS.

ii) Business combinations occurring prior to the transition date have not been restated.

iii) For Lease arrangements entered into prior to 1st April, 2017, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

iv) The Company has designated certain equity instruments as fair value through OCI as management is neither holding those instruments for trading nor these equity instruments represent contingent consideration recognised by an acquirer

Exceptions:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

a) Estimates

The estimates at 1st April, 2017 and at 31st March, 2018 in these financial statements are consistent with those made for the same dates in accordance with Previous GAAP apart from the items where application of Previous GAAP did not require estimation which mainly includes:

i) Fair Value Through Other Comprehensive Income (FVTOCI) of unquoted equity shares

ii) Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2017, the date of transition to Ind AS and as at 31st March, 2018.

b) Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Notes to Adjustments :

A. Investment

Under the Previous GAAP, the Group had accounted for long term investment measured at cost less provision for other than temporary diminution in the value of investments,Current investments were carried at lower of cost and fair value.

Under Ind AS, the Group has designated investments (Other then investment in Associates and Joint Ventures) as Fair Value Through Other Comprehensive Income (FVTOCI),or amortised cost or fair value through profit and loss (FVTPL), resulting fair value changes of the investments is recognised in equity as at the date of transition and subsequently in profit or loss/other comprehensive income for the year ended 31st March, 2018.

B. Share Based Payments

Under the previous GAAP, the cost of equity-settled employee share based plan were recognised using the intrinsic value method. Under Ind AS, the Cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity.

Under Previous GAAP, Provision for Stock Appreciation Rights Scheme (SAR) were recognised using the intrinsic value method. Under Ind AS, the cost of cash settled shared based payments is recognised based on the fair value at the balance sheet date.

C. Financial assets (loans)

Under Previous GAAP, all transaction costs and fee income in connection with loans are amortised upfront and charged to statement of profit or loss for the period. Under Ind AS, all transaction costs and fee income are included in the initial recognition amount of financial asset and charged/credited to profit or loss using the effective interest method.

D. Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings were being amortised upfront and charged to Profit and Loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly, borrowings as at 31st March, 2018 have been reduced by corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2018 reduced as a result of the additional interest expenses and there is an increase in the profit due to reversal of transaction cost.

E. Convertible Preference Shares

The Subsidiary has issued Convertible redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity. Under Ind AS, convertible preference shares are recognised in borrowings as liability components.

F. Deferred Tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to Ind AS, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Also deferred Tax on account of undistributed profits of the subsidiaries has been recognised in statements of profit and loss.

G. Recording of Impairment as per ECL

Under IGAAP, NPA and standard asset provisioning was computed based on the RBI guidelines. Under Ind AS, the impairment is computed based on Expected Credit Loss model. Under ECL, the Company impaired its trade receivable and loans to customers.

H. Interest Income on NPA Assets

Under Indian GAAP, the interest income on NPA was not recognised. Under Ind AS, the interest income on the total NPA portfolio is accrued and recognised, net of ECL in the financial statements.

I. Dividend Distribution Tax (DDT) on dividends by subsidaries and Joint Venture

In accordance with Ind AS, DDT paid outside the Group i.e. to the tax authorities should be charged as expense in the consolidated statement of Profit and Loss.

J. Other Adjustments

Under the previous GAAP, security deposits are recorded at their transaction value. Under Ind AS, all financial liability are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as deferred rent income.

K. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as “Other Comprehensive income “includes remeasurement of defined benefits plan, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVTOCI equity and debt instruments. The Concept of other comprehensive income did not exist under previous GAAP.

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial valuation basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised in balance sheet through other comprehensive income.

L. Associates/Joint Ventures

Under Previous GAAP, ABSAMC, ABST & ABWP were treated as subsidiary. Under IND AS, these entities are treated as joint venture & associates and are accounted using the equity method.

Notes
forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

M. Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS :

₹ crore

Particulars	Note No.	As at 31st March, 2018	As at 1st April, 2017
Equity as per Previous GAAP		**8,650.76**	**6,595.49**
Summary of Ind AS Adjustments:			
Fair value change on financial assets carried at fair value through profit or loss	A	93.97	200.21
Adjustments to Finance Costs pursuant to measurement using the effective interest rate (EIR) as processing costs which were charged to revenue at the time of draw downs are now being amortised through EIR	D	18.49	15.62
Reduction pursuant to measurement using the EIR as processing fees (net of cost) previously recognised on disbursement are amortised through EIR	C	(128.39)	(127.60)
Reduction in the carrying value of Loan Assets and Trade Receivables on allowances for credit losses measured using the expected credit loss model	G	(93.68)	(22.48)
Increase in Revenue from Operations on recognition of interest income (unwinding of discount) on Credit Impaired Loan Assets (Stage 3)	H	48.35	22.46
Deferred Tax on above adjustments	F	41.53	19.18
Group's share in increase in profits of joint venture entities on account of GAAP Differences	K	63.68	47.55
Share of Non-Controlling Interests in the above adjustments		(9.33)	(36.11)
ESOP expenses charged to Policyholders account	-		
Others	B,I	20.04	(0.62)
Deferred tax on Undistributed earnings	F	(108.58)	(95.77)
Securities Premium on Preference shares held by IFC shown as borrowings in Ind AS	E	(55.30)	(55.30)
Gain/(Loss) on sale due to stake change of subsidiaries due to difference in carrying amount under previous GAAP & Ind AS		(3.70)	-
Equity reported as per Ind AS		**8,537.84**	**6,562.63**

N. Reconciliation of Total Comprehensive Income

₹ crore

Particulars	Note No.	Year ended 31st March, 2018
Net profit reported as per Previous GAAP		**1,003.73**
Summary of Ind AS Adjustments		
Fair value change on financial assets carried at fair value through profit or loss	A	(67.77)
Adjustments to Finance Costs pursuant to measurement using the effective interest rate (EIR) as processing costs which were charged to revenue at the time of draw downs are now being amortised through EIR	D	2.87
Reduction pursuant to measurement using the EIR as processing fees (net of cost) previously recognised on disbursement are amortised through EIR	C	(0.80)
Reduction in the carrying value of Loan Assets and Trade Receivables on allowances for credit losses measured using the expected credit loss model	G	(71.20)
Increase in Revenue from Operations on recognition of interest income (unwinding of discount) on Credit Impaired Loan Assets (Stage 3)	H	25.90
Fair value change related to Employee Stock Option Expenses	B	(25.32)
Others	I	12.72
Deferred Tax on above adjustments	F	22.35
Deferred Tax on undistributed earnings of subsidiaries	F	(13.21)
Dividend Distribution Tax on dividend by subsidiaries		(24.55)
Stamp Duty expensed out		(24.99)
Group's share in increase in profits of joint venture entities on account of GAAP differences.	K	12.24
		(158.89)
Net Profit reported as per Ind AS		**693.08**
Add: Other Comprehensive Income (net of tax)	J	(13.16)
Total Comprehensive Income reported as per Ind AS		**679.92**

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

O. Reconciliation of statement of Cash Flows

There were no material differences between statement of cash flows presented under Ind AS and Previous GAAP

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DISCLOSURE ON REVENUE RECOGNITION AS PER IND AS 115

Reconciliation of revenue recognised from Contract liability:

₹ crore

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Closing Contract liability-Advances from Customers	188.62	197.29	184.81

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March, 2019.

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OTHER SIGNIFICANT NOTES

1. During the current year, the Company has let out its property on rent. Further, the Company has reclassified its property under Investment Property as per Ind AS 40. There is no change in method of calculation of depreciation, rate and useful life as specified earlier.

   Investment Property

   The Company has carried out the valuation activity through the Independent valuer to assess fair value of its Investment Property. As per report provided by independent valuer the fair value is ₹ 16.03 Crore as on 31st March, 2019. The fair value of Investment Property have been derived using the Direct Comparison Method based on recent market prices without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as level 3.

   The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

   Information regarding Income & Expenditure of Investment property

   ₹ crore

Particulars	31st March, 2019	31st March, 2018
Rental income derived from investment property	0.13	-
Direct operating expenses (including repairs and maintenance) associated with rental income	(0.07)	-
Profit arising from investment property before depreciation and indirect expenses	**0.06**	-
Depreciation for the year	0.43	-
Profit/(Loss) arising from investment property before indirect expenses	**(0.37)**	-

2. Figures of ₹ 50,000/- or less has been denoted by 'ß'.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 4th May, 2019

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

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Arun Adhikari
Director
(DIN: 00591057)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 4th May, 2019