

Independent Auditor's Review Report on the Quarterly and half yearly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Aditya Birla Finance Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Aditya Birla Finance Limited (the "Company") for the half year ended September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005



per Viren H. Mehta
Partner
Membership No.: 048749
UDIN: 19048749AAAABCY3824
Mumbai
November 06, 2019

UNAUDITED FINANCIAL RESULTS FOR SIX MONTHS ENDED 30 SEPTEMBER, 2019

(₹ in Crores, except per share data)

| Particulars | Six months ended September 30 | | Year ended March 31 | |
|---|-------------------------------|---------------------|---------------------|-------------------|
| | 2019 (Unaudited) | 2018 (Unaudited) | 2019 (Audited) | 2018 (Audited) |
| (1) Revenue from Operations | | | | |
| (a) Interest Income | 2,884.86 | 2,415.13 | 5,192.97 | 4,130.29 |
| (b) Dividend Income | 8.20 | 8.20 | 11.00 | 0.86 |
| (c) Fees and Commission Income | 196.54 | 183.59 | 347.97 | 294.44 |
| (d) Net gain on Fair Value Changes | 83.53 | 10.94 | 55.32 | 10.79 |
| Total Revenue from Operations | 3,173.13 | 2,617.86 | 5,607.26 | 4,436.38 |
| (2) Other Income | 7.17 | 4.98 | 5.61 | 1.85 |
| (3) Total Income (1+2) | 3,180.30 | 2,622.84 | 5,612.87 | 4,438.23 |
| (4) Expenses | | | | |
| (a) Finance costs | 1,834.71 | 1,528.53 | 3,276.01 | 2,596.76 |
| (b) Impairment on Financial Instruments | 230.68 | 78.87 | 206.71 | 214.91 |
| (c) Employee benefit expenses | 221.38 | 216.04 | 445.73 | 351.64 |
| (d) Depreciation, Amortization and Impairment | 22.57 | 11.65 | 24.77 | 14.81 |
| (e) Other expenses | 153.22 | 135.57 | 331.64 | 209.23 |
| Total Expenses | 2,462.56 | 1,970.66 | 4,284.86 | 3,387.35 |
| (5) Profit before exceptional items and tax (3-4) | 717.74 | 652.18 | 1,328.01 | 1,050.88 |
| (6) Tax Expenses | | | | |
| (a) Current Tax | 194.96 | 240.16 | 518.16 | 404.03 |
| (b) Deferred Tax Expenses / (Benefits)- (Net) | 50.37 | (17.93) | (56.74) | (47.70) |
| (c) Prior year adjustments | (8.39) | (0.45) | (2.14) | (1.42) |
| Total Tax Expenses | 236.94 | 221.78 | 459.28 | 354.91 |
| (7) Profit for the period/year (5-6) | 480.80 | 430.40 | 868.73 | 695.97 |
| (8) Other Comprehensive Income (OCI) | | | | |
| (a) Items that will not be reclassified to profit and loss | | | | |
| - Re-measurement profit / (loss) on defined benefit plans | (1.90) | 0.04 | (0.48) | 3.70 |
| - Income tax effect of above | 0.48 | (0.01) | 0.17 | (1.28) |
| - Gain/(Loss) on Investments | (0.14) | - | 0.63 | 0.23 |
| - Income tax effect of above | 0.04 | - | (0.22) | (0.05) |
| Total other comprehensive income | (1.52) | 0.03 | 0.10 | 2.60 |
| (9) Total Comprehensive Income for the period/year (7+8) | 479.28 | 430.43 | 868.83 | 698.57 |
| (10) Paid up Equity share Capital of ₹ 10 each | 656.25 | 653.39 | 656.25 | 645.68 |
| (11) Reserve excluding Revaluation Reserve | | | 6,760.30 | 5,583.30 |
| (12) Basic/Diluted Earnings per share (in ₹) | 7.33 | 6.67 | 13.37 | 11.01 |
| (Not annualised except for year ended 31 March, 2019 and 31 March 2018) | | | | |

Notes :

1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective Meeting held on 06 November, 2019.

*For Identification Purpose
Only*



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

₹ in Crores

| SEGMENT REPORTING | Six months ended September 30 | | Year ended March 31 | |
|---|-------------------------------|---------------------|---------------------|-------------------|
| | 2019 (Unaudited) | 2018 (Unaudited) | 2019 (Audited) | 2018 (Audited) |
| Segment Revenue | | | | |
| Financing Activities | 3,101.67 | 2,569.85 | 5,507.82 | 4,296.51 |
| Trading Activities | 57.44 | 15.59 | 41.22 | 49.65 |
| Wealth Business | 21.19 | 37.40 | 63.83 | 92.07 |
| Total Income | 3,180.30 | 2,622.84 | 5,612.87 | 4,438.23 |
| Segment Results (Profit before tax and after interest on finance activities) | | | | |
| Financing Activities | 670.42 | 646.98 | 1,307.19 | 1,008.67 |
| Trading Activities | 52.52 | 6.80 | 30.11 | 23.80 |
| Wealth Business | (5.20) | (1.60) | (9.29) | 18.41 |
| Total profit before Tax | 717.74 | 652.18 | 1,328.01 | 1,050.88 |
| Capital Employed | | | | |
| Financing Activities | 7,254.16 | 6,710.30 | 7,165.63 | 6,042.86 |
| Trading Activities | 357.29 | - | 36.84 | - |
| Wealth Business | 1.62 | 19.06 | 6.82 | 16.10 |
| Unallocated Corporate Assets | 276.46 | 173.77 | 207.26 | 170.02 |
| Total Capital Employed | 7,889.53 | 6,903.13 | 7,416.55 | 6,228.98 |

- 3 The Company has adopted Ind AS 116, which is effective from 1 April, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April, 2019). Accordingly the Company has not restated comparative information, instead, the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April, 2019. This has resulted in recognising a right-of-use asset of ₹ 82.06 crores, a corresponding lease liability of ₹ 90.46 crores and deferred tax assets created on the same for ₹ 2.12 crores by adjusting retained earnings by ₹ 6.29 crores as at 1 April, 2019. In the Profit and Loss account for the current period, the nature of expenses in respecting of Operating Lease has changed from lease rent expense in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

The impact on the Profit and Loss account for the six months ended 30 September, 2019 is as below:

| Particulars | Amount without Ind AS 116 application | Amount due to Ind AS 116 Impact | Impact on PBT |
|------------------|---------------------------------------|---------------------------------|--------------------------|
| | | | For the six months ended |
| | | | 30 Sept, 2019 |
| Rent Expense | 21.49 | 10.37 | 11.12 |
| Depreciation | 13.58 | 22.57 | (8.99) |
| Interest Expense | 1,831.25 | 1,834.71 | (3.46) |

- 4 Pursuant to The Taxation Laws (Amendment) Ordinance 2019, promulgated on 20 September 2019, the Company intends to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year.

Accordingly, charge of ₹ 13.91 crores is recognised in the profit after tax for the quarter ended 30 September, 2019. This was a result of the gain arising due to the reduction in income tax rate amounting to ₹ 41.03 crores pertaining to the quarter ended 30 September, 2019 offset by a charge on account of re-measurement of opening deferred tax assets amounting to ₹ 54.94 crores.

Cumulative benefit of ₹ 13.66 crores is recognised in the profit after tax which was a result of the gain arising due to reduction in income tax rate amounting to ₹ 68.60 crores for the half year ended 30 September, 2019 offset by a charge on account of re-measurement of opening deferred tax assets amounting to ₹ 54.94 crores.

- 5 At the meeting of the Board of Directors held on September 10, 2019, the Board had approved the Scheme of Arrangement under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, for merger of Transaction business of Aditya Birla MyUniverse Limited with the Company. Applications were made to National Company Law Tribunal, bench at Ahmedabad (NCLT) on September 12, 2019. NCLT passed an order on September 25, 2019 in favour of both the companies for dispensing the requirement of holding meetings of secured/ unsecured creditors, equity and preference shareholders. The petitions for the Merger were made to NCLT on October 17, 2019 and its hearing date is awaited. Both the companies are wholly owned subsidiaries of Aditya Birla Capital Limited.

- 6 Previous period / year figures have been regrouped / rearranged wherever necessary to conform to the current period / year figures.

For Identification Purpose

Only



Place: Mumbai
Date: 06 November, 2019



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

Ajay Srinivasan

Ajay Srinivasan
Director
(DIN - 00121181)

Rakesh Singh

Rakesh Singh
Managing Director & CEO
(DIN - 07006067)

ADITYA BIRLA FINANCE LIMITED

Website : www.abfl.adityabirlacapital.com

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

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

Tel.: 91-22-43567100 Fax: 91-22-43567265

CIN : U65990GJ1991PLC064603

Statement of assets and Liabilities are as under-

₹ in Crore

| Particulars | As at 30 September, 2019 | As at 31 March, 2019 | As at 30 September, 2018 |
|---|-----------------------------|-------------------------|-----------------------------|
| ASSETS | | | |
| FINANCIAL ASSETS | | | |
| (a) Cash and cash equivalents | 667.67 | 59.08 | 117.12 |
| (b) Receivables | | | |
| Trade and Other Receivables | 11.67 | 9.75 | 21.28 |
| (c) Loans | 47,362.71 | 50,187.60 | 47,078.46 |
| (d) Investments | 3,498.09 | 1,576.51 | 993.50 |
| (e) Other Financial assets | 10.61 | 28.24 | 16.54 |
| | 51,550.75 | 51,861.18 | 48,226.90 |
| NON- FINANCIAL ASSETS | | | |
| (a) Current Tax Assets (Net) | 128.32 | 10.87 | 16.15 |
| (b) Deferred tax assets (Net) | 148.14 | 196.39 | 157.62 |
| (c) Property, Plant and Equipments | 19.11 | 20.83 | 19.39 |
| (d) Intangible assets under development | 22.08 | 15.09 | 4.98 |
| (e) Other Intangible assets | 21.36 | 28.21 | 31.86 |
| (f) Right to use of Assets | 75.77 | - | - |
| (g) Other non-financial assets | 57.02 | 45.50 | 46.46 |
| | 471.80 | 316.89 | 276.46 |
| TOTAL ASSETS | 52,022.55 | 52,178.07 | 48,503.36 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| FINANCIAL LIABILITIES | | | |
| (a) Payables | | | |
| Trade and Other Payables | | | |
| - Micro and small enterprises | - | - | - |
| - Other than micro and small enterprises | 87.47 | 48.52 | 45.27 |
| (b) Debt Securities | 21,509.12 | 23,559.68 | 23,242.67 |
| (c) Borrowings (Other than Debt Securities) | 20,474.92 | 19,442.66 | 17,060.40 |
| (d) Subordinated Liabilities | 209.42 | 209.76 | 209.55 |
| (e) Lease Liability | 83.22 | - | - |
| (f) Other financial liabilities | 1,599.82 | 1,362.08 | 907.89 |
| | 43,963.97 | 44,622.70 | 41,465.78 |
| NON- FINANCIAL LIABILITIES | | | |
| (a) Current tax liabilities (Net) | 29.13 | 15.72 | 32.07 |
| (b) Provisions | 110.03 | 87.98 | 74.08 |
| (c) Other non-financial liabilities | 29.89 | 35.12 | 28.30 |
| | 169.05 | 138.82 | 134.45 |
| Equity | | | |
| (a) Equity Share capital | 656.25 | 656.25 | 653.39 |
| (b) Other equity | 7,233.28 | 6,760.30 | 6,249.74 |
| Total Equity | 7,889.53 | 7,416.55 | 6,903.13 |
| TOTAL LIABILITIES AND EQUITY | 52,022.55 | 52,178.07 | 48,503.36 |

For Identification Purpose Only



Place: Mumbai
Date: 06 November, 2019



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

Ajay Srinivasan
Ajay Srinivasan
Director
(DIN - 00121181)

Rakesh Singh
Rakesh Singh
Managing Director & CEO
(DIN - 07006067)

ADITYA BIRLA FINANCE LIMITED

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Tel.: 91-22-43567100 Fax: 91-22-43567265

CIN : U65990GJ1991PLC064603

Annexure A : Details under Regulation 52(4) of the SEBI (LODR) Regulations, 2015

| (a) Instrument | Credit Rating Agency | Rating |
|--|--|--|
| Commercial Paper | ICRA Limited India Ratings & Research Private Limited | [ICRA] A1+ IND A1+ |
| Non Convertible Debenture | ICRA Limited India Ratings & Research Private Limited | [ICRA] AAA Stable IND AAA Stable |
| Principal Protected Market Linked Debentures | India Ratings & Research Private Limited | IND PP-MLD AAA emr Stable |
| Subordinate Debt | CARE Limited ICRA Limited India Ratings & Research Private Limited | CARE AAA Stable [ICRA] AAA Stable IND AAA Stable |
| Unsecured NCD | ICRA Limited | [ICRA] AAA Stable |
| Perpetual Debt | ICRA Limited India Ratings & Research Private Limited | [ICRA] AA+ (hyb) Stable IND AA+ Stable |
| Public Issue of NCD | ICRA Limited India Ratings & Research Private Limited | [ICRA] AAA Stable IND AAA Stable |
| Long Term Bank Loans | ICRA Limited India Ratings & Research Private Limited | [ICRA] A1+ IND AAA Stable |
| Short Term Bank Loans | ICRA Limited India Ratings & Research Private Limited | [ICRA] A1+ IND AAA Stable |

(b) Outstanding Redeemable Preference Shares

| Particulars | Number of shares | ₹ in Crores |
|---|------------------|-------------|
| 8% Redeemable Cumulative Preference Shares of Rs 10 each, fully paid up | 1,00,00,000 | 10.40 |

| (c) Key Ratio | 30 Sept, 2019 | 31 March, 2019 |
|-------------------------|---------------|----------------|
| Debt Equity Ratio | 5.35 | 5.83 |
| Net worth (₹ In Crores) | 7,889.53 | 7,416.54 |

- (d) As of 30 September, 2019, the Company had aggregate exposure of ₹ 220.24 crores to four SPVs of IL&FS group categorized as amber or red [as submitted by ILFS to NCLAT]. The said exposures have been classified by the company under Stage III carrying ECL provision of ₹ 62.32 crores, under IND AS.
The exposure mentioned above excludes exposure of ₹ 166.25 crores to one SPV of ILFS group categorized as green. The account is regular in debt servicing.
- (e) No complaint was received from debenture holders during the six month ended 30 September, 2019 and no complaint was pending at the end of 30 September, 2019.
- (f) Previous due date for redemption of Non-Convertible Debentures (NCDs) and payment of interest on NCDs was 30 September 2019. Both the payments were made on their respective due dates as per the terms of issue of NCDs.
- (g) Interest on NCDs has been paid on the respective due dates and there has been no delay thereof.
- (h) Results are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The results for year ended 31 March, 2018 have been restated to comply with Ind AS and are comparable on like to like basis.



November 06, 2019



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

Dear Sir,

Sub: Certificate of Debenture Trustee under Regulation 52(5) of SEBI (LODR) Regulations, 2015 for September 30, 2019.

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

We, Vistra ITCL (India) Limited, are acting as a Debenture Trustee for the Secured & Unsecured, Listed, Redeemable, Non-Convertible Debenture issue raised up to Rs. 17,920.80 crore (Rs. 16,071.80 crore of secured NCDs + Rs. 1,649 crore of Sub debt + Rs. 200 crore of Perpetual debt) of Aditya Birla Finance Limited (Company) as on September 30, 2019.

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

1. Financial Results for the half year ended September 30, 2019 along with information in accordance with clause 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. ICRA, CARE and India Ratings Research Credit Rating Letters for debt instruments.

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

Thanking You.

Yours sincerely,
For Vistra ITCL (India) Limited

Authorized Signatory

Place: Mumbai