

September 30, 2020

Aditya Birla Finance Limited: [ICRA]A1+ assigned to commercial paper (IPO financing) programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme (IPO financing)	5,000.00	8,000.00	[ICRA]A1+; assigned/outstanding
Retail non-convertible debenture	5,000.00	5,000.00	[ICRA]AAA (Stable); outstanding
Non-convertible debenture	20,497.50	20,497.50	[ICRA]AAA (Stable); outstanding
Unsecured non-convertible debenture	1,500.00	1,500.00	[ICRA]AAA (Stable); outstanding
Bank lines	26,515.37	26,515.37	[ICRA]AAA (Stable)/[ICRA]A1+; outstanding
Subordinate debt programme	2,500.00	2,500.00	[ICRA]AAA (Stable); outstanding
Perpetual debt programme	700.00	700.00	[ICRA]AA+(hyb) (Stable); outstanding
Commercial paper programme	12,000.00	12,000.00	[ICRA]A1+; outstanding
Total	73,712.87	76,712.87	

*Instrument details are provided in Annexure-1

Rationale

ICRA has used the consolidated financials for Aditya Birla Capital Limited (collectively referred to as ABCL) as the basis for the rating.

The rating factors in the strong ultimate parentage in the form of Grasim Industries Limited (Grasim; rated [ICRA]AAA/Stable/[ICRA]A1+) and the strategic fit and importance of the ABCL Group, which houses all the financial services entities (lending, asset management and insurance), to the Aditya Birla Group. The support from the promoter group is demonstrated by the strong capital, operational and managerial support and the stated intent of the parent to ensure adequate capitalisation and liquidity of the ABCL Group. The rating also considers the improving diversity in ABCL's revenue profile and the management's vast experience in the financial services domain. The rating factors in the company's adequate risk management systems and processes, diversified funding profile and improving capitalisation for the current scale of operations. ABCL's capitalisation profile has been supported by internal capital generation and regular capital infusions from the parent.

ICRA takes note of the limited vintage of some of the company's business lines like digital finance, unsecured retail lending and housing finance. The company's ability to manage the asset quality in these segments, as the book seasons, will remain a key rating monitorable. ICRA notes the deterioration in the asset quality in FY2020 with slippages of a few corporate accounts. The timely resolution of these will be closely monitored. The rating is partially offset by the high share of corporate lending in the portfolio (including large and mid-corporate with a share of 37% and small and medium enterprises (SME) lending with a share of 22% as on June 30, 2020), with the

top 20 borrowers forming 10% of the portfolio as of December 2019. ICRA takes note of the increase in the gross and net stage 3 to 3.1% and 1.9%, respectively, as on June 30, 2020, for the lending businesses and the expected overall asset quality pressure in the near term on account of the Covid-19-related lockdown. ICRA also takes note of the profitability of the ABCL Group, which has been impacted by the health insurance and housing finance businesses that are in the growth phase, and the likely impact of the lending business on profitability with the expected spike in credit costs. However, ICRA notes the diversification of the revenue profile of the ABCL Group, with income from lending, asset management, insurance and other businesses. Going forward, the company's ability to manage its asset quality indicators while maintaining its solvency, with further growth in the business in the current challenging business environment, will remain a key rating sensitivity.

Key rating drivers and their description

Credit strengths

Strong ultimate parentage of Grasim; key management personnel with vast experience in financial services domain – ABCL

ABCL is a subsidiary of Grasim, which held 54.24% as of June 30, 2020 while the other promoters had a 16.24% stake. It is the holding company of all the financial services entities of the Aditya Birla Group and is a prominent growth driver for the Group. Its strategic significance to the ABCL Group is reflected in the regular capital support from the parent (Rs. 4,783 crore in the last four years). The ABCL Group enjoys strong financial flexibility by virtue of being a part of the Aditya Birla Group. ICRA expects Grasim to maintain a shareholding of more than 51% in the entity. ICRA also takes into consideration the vast experience of ABCL's key management personnel in the financial services domain.

Aditya Birla Finance Limited (ABFL)

Aditya Birla Finance Limited (ABFL) is a wholly-owned subsidiary of ABCL. It is registered as a non-banking financial company (NBFC) and provides corporate loans, project finance, mortgage loans, retail unsecured loans, real estate loans, etc. It also has a wealth management business. Its portfolio stood at Rs. 45,939 crore as on June 30, 2020, with the retail, high net worth individuals (HNI) & others, SME, and large & mid-corporate segments forming 19%, 8%, 27% and 45% of the portfolio, respectively.

Capitalisation supported by recent equity infusion –

ABCL

ABCL's capitalisation improved following a capital infusion of Rs. 2,100 crore in FY2020 from the promoters/promoter group and external investors. The leverage has moderated with an adjusted gearing (borrowings divided by adjusted net worth¹) of 4.9 times in March 2020 (6.70 times in March 2019), given the reduction in borrowings (in line with the decline in the portfolio) and the capital infusion of Rs. 2,100 crore in FY2020. ICRA takes note of the historical support through equity infusions by the parent.

Aditya Birla Finance Limited (ABFL)

ABFL's gearing improved to 4.94 times as on June 30, 2020, from 5.96 times in March 2019 with a reduction in the loan book. It is adequately capitalised with a capital adequacy of 20.1% as of June 30, 2020 (17.5% as on March 31,

¹ Adjusted net worth is calculated as sum of net worth and minority interest less net worth of insurance subsidiaries

2019) against the regulatory minimum of 15%. ICRA takes note of the likely increase in the gearing for ~one to two weeks when the company would utilise commercial paper for IPO financing. However, the company ensures that the regulatory capital adequacy requirements are met at all points of time.

Diversified funding profile with access to market-based instruments –

ABCL

ABCL's (lending businesses) borrowing profile remains diversified with bank term loans, debentures, commercial paper, and external commercial borrowings forming 57%, 31%, 7% and 6%, respectively, of the total borrowing profile as on June 30, 2020. The share of commercial paper borrowings reduced to 7%, as on June 30, 2020, from 16% in March 2019. The Group maintains adequate unutilised bank lines and has a board-approved inter-corporate deposit (ICD) line from Grasim, which can be utilised in the event of a liquidity crunch. ABFL raised Rs. 1,464 crore (USD 205 million) via external commercial borrowings (ECBs) at competitive rates in FY2020 while Aditya Birla Housing Finance Limited (ABHFL) raised Rs. 354 crore (USD 50 million) during the period.

ABFL

ABFL's borrowing profile comprised bank borrowings, commercial papers, non-convertible debentures, ECBs and subordinated debt & others with a share of 49%, 8%, 29%, 4% and 10%, respectively, as on June 30, 2020. The proportion of commercial paper borrowings reduced to 8% as on June 30, 2020 from 15% as of March 2019. ICRA also notes the diversification in the borrower profile as ABFL has borrowings from corporate treasuries, banks, mutual funds, insurance companies and HNIs.

Credit challenges

Asset quality indicates deterioration due to slippages from corporate accounts; sizeable unseasoned loan assets in portfolio –

ABCL

ABCL reported consolidated gross and net stage 3 assets of 3.10% and 1.94%, respectively, in the lending businesses as on June 30, 2020, compared to 1.34% and 0.79%, respectively, as on March 31, 2019. An increase in delinquencies from March 2019 was seen in segments like corporate loans, digital loans and mortgage loans. ABFL, which was primarily a capital market lender till FY2012, has successfully diversified across segments and has scaled up its portfolio significantly in the past few years through new product offerings and geographical expansion, while ABHFL began its lending operations in FY2015. However, with significant ramp up in its retail loan book over the last few years, the company has sizeable unseasoned retail book.

Further, the likely impact of Covid-19 on its borrowers' cash flow could exert pressure on the company's asset quality. ICRA notes that the company is currently carrying additional Covid-19-related provisions of Rs. 170 crore (~29 bps on the loan book). ICRA would monitor the extent of the impact of the asset quality on the company's risk profile as a sizeable share of the portfolio remained under moratorium till August 2020.

ABFL

ABFL's gross and net stage 3 asset levels stood at 3.60% and 2.24%, respectively, as on June 30, 2020 (1.49% and 0.87%, respectively, as on March 31, 2019). Net stage 3 assets/net worth increased to 12.4% as on June 30, 2020 from 5.9% as on March 31, 2019.

High share of non-retail lending in portfolio –

ABCL

ABCL's consolidated lending book stood at Rs. 58,073 crore as on June 30, 2020, with corporate lending [large & mid-corporate (37%) and SME lending (22%)] contributing a share of 58% (62% in March 2019 and 66% in March 2018) while the balance comprised retail, HNI and treasury investments. The assets under management (AUM) declined by 6% on a YoY basis with a decline being witnessed across all segments barring retail. While the mix of retail loans continues to improve with increased focus on loans like mortgage, digital, unsecured loans and housing loans, the exposure to the top 20 borrowers formed 10% of the portfolio as of December 2019. ICRA also notes that a large part of the total portfolio is secured (80% of ABCL's portfolio and 100% of ABHFL's portfolio), which helps to reduce the losses in the event of defaults. ICRA also notes that the Group plans to reduce the concentration of its top exposures and largely limit its lending to operating companies, going forward. Higher growth in retail lending and cautious lending to corporate are expected to improve the granularity of the portfolio in the long term.

ABFL

ABFL's AUM was lower by 8% on a YoY basis as on June 30, 2020 and stood at Rs. 45,939 crore. Corporate loans (large & mid-corporate loans - 45% and SME loans - 27%) formed 72% of the portfolio as on June 30, 2020, including real estate loans (construction finance and lease rental discounting) which formed 12% of the portfolio.

Moderate profitability indicators with health and housing in initial stages of operations –**ABCL**

ABCL reported profit after tax (PAT; excluding minority interest)/average net worth of 8.33% in FY2020 (9.65% in FY2019), which is low compared to peers of a similar size. The muted profits from the life insurance subsidiary and losses from the health insurance subsidiary impacted the overall profitability. PAT was also impacted by the Covid-19 provision (Rs. 108 crore) made in Q4 FY2020. For Q1 FY2021, the company reported PAT of Rs. 198 crore (Rs. 144 crore in Q4 FY2020 and Rs. 270 crore in Q1 FY2020) with a spike in provisioning (Covid-19 provision of Rs. 62 crore). Going forward, the profitability would depend on the ability of the Group to manage its credit costs in the lending business in light of the impact of Covid-19. ICRA notes the diverse revenue stream of the Group with income from lending companies, asset management business, life insurance business, etc, which will help the company tide over weak economic cycles in a better manner in the long term.

ABFL

ABFL's net interest margins (NIMs)² remained stable at ~4% in FY2020. While the company witnessed an increase in the share of higher-yielding retail loans, the same was offset by higher slippages. With a growing presence across different regions and growth in the retail portfolio, the operating expenses remained elevated at 1.63% of the average total assets (ATA) in FY2020 (1.67% in FY2019 and 1.45% in FY2018). The credit costs spiked to 1.36% of ATA in FY2020 from 0.43% of ATA in FY2019, on account of the increasing stage 3 assets and higher provision due to Covid-19 (Rs. 90 crore). Consequently, ABFL reported a net profit of Rs. 805 crore (return on assets (RoA) of 1.6%) in FY2020 compared to a net profit of Rs. 869 crore (RoA of 1.8%) in FY2019. For Q1 FY2021, the company reported a net profit of Rs. 140 crore vis-à-vis Rs. 137 crore in the previous quarter and Rs. 262 crore in Q1 FY2020.

² As per ICRA calculations

It created an additional provision of Rs. 50 crore due to Covid-19 in Q1 FY2021 and increased its coverage on the stage 3 assets, which resulted in lower profitability.

The impact of higher credit costs on the profitability and the ability to maintain the operating expenses with the current slowdown in the loan book growth will be the key monitorables for ABFL.

Liquidity position: Strong (consolidated)

The ABCL Group had cash and liquid investments of Rs. 2,372 crore and unutilised bank lines of Rs. 7,534 crore as on August 31, 2020 against debt repayments of Rs. 5,627 crore due in the next six months. The liquidity profile is also supported by a board-approved ICD line from Grasim.

At the standalone level, as on August 31, 2020, ABFL has debt amounting to Rs. 5,115 crore maturing by February 2021, against which it has cash and liquid investments worth Rs. 1,973 crore and undrawn bank lines of Rs. 4,825 crore.

Rating sensitivities

Negative triggers – A material change in the expected level of support or a material deterioration in the credit risk profile of the parent could warrant a rating downgrade. Pressure on the ratings could also arise if there is a deterioration in the solvency levels (net stage 3 assets divided by net worth adjusted for net worth of insurance companies) to less than 20% on a sustained basis or if the adjusted gearing remains above 7.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Impact of Parent or Group Support on an Issuer's Credit Rating
Parent/Group Support	Parent/Investor: Grasim Industries Limited (Grasim; rated [ICRA]AAA/Stable/[ICRA]A1+) ICRA factors in the strategic fit and importance of ABCL to the Aditya Birla Group, which is demonstrated in the strong capital, operational and managerial support from the parent.
Consolidation / Standalone	The ratings are based on the consolidated financial statements of the issuer.

About the company

Aditya Birla Capital Limited (ABCL) is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India (RBI). It is the holding company of the financial services businesses of the Aditya Birla Group. Pursuant to the merger of Aditya Birla Nuvo Limited (ABNL) and Grasim Industries Limited, ABCL got listed on the Bombay Stock Exchange and the National Stock Exchange in September 2017. As on June 30, 2020, the promoter group held a stake of 70.48% (of which Grasim holds 55.24%) in ABCL.

On a consolidated basis, the company posted a net profit of Rs. 866 crore in FY2020 on an asset base of Rs. 1,13,769 crore against a net profit of Rs. 811 crore in FY2019 on an asset base of Rs. 1,09,703 crore.

Aditya Birla Finance Limited (ABFL) is a step-down subsidiary of Grasim and is registered with the RBI as a systemically important non-deposit taking non-banking finance company. It offers loan products to different customer segments like retail, HNI, SME and corporates. In FY2020, the company reported a net profit of Rs. 805

crore on a total asset base of Rs. 51,975 crore as on March 31, 2020 compared to a net profit of Rs. 869 crore in FY2019 on a total asset base of Rs. 52,178 crore as on March 31, 2019.

Grasim Industries Limited

Grasim Industries Limited, the flagship company of the Aditya Birla Group, is a ~\$10-billion conglomerate comprising businesses in chemicals and textiles on a standalone basis, and includes cement and financial services at the consolidated level. It began as a textile manufacturer in India in 1947. It is a leading global player in VSF, with a global market share of ~9% in terms of installed capacity, and the largest cement (through UTCL; grey cement capacity of 114.8 million metric tonne per annum) and chlor-alkali producer in India.

The merger of ABNL with Grasim, through a composite scheme of amalgamation, was made effective on July 01, 2017. Post the scheme becoming effective, Grasim has emerged as a diversified conglomerate with a presence in growth sectors such as financial services (life insurance, asset management, non-banking financial company, private equity, broking, wealth management, housing finance and general insurance advisory) and solar, and a leadership position in various manufacturing businesses such as VSF, cement, chemicals, linen, agri-business, rayon and insulators.

Key financial indicators – ABFL (standalone)

Rs. crore	FY2018	FY2019	FY2020
Total income	4,438	5,613	6,208
Profit after tax	696	869	805
Net worth	6,229	7,417	8,078
Total portfolio	43,242	51,714	47,057
Total assets	43,777	52,178	51,975
Return on average assets	1.76%	1.81%	1.55%
Return on average equity	12.41%	12.73%	10.39%
Gearing	5.95	5.96	5.37
Gross stage 3 / Gross advances	0.92%	1.49%	3.61%
Net stage 3 / Net advances	0.65%	0.87%	2.43%
Net stage 3 / Net worth	2.86%	5.93%	14.00%
Tier I capital ratio	14.62%	14.33%	15.15%
Capital adequacy ratio	17.90%	17.45%	19.08%

Key financial indicators – ABCL (consolidated)

Rs. crore	FY2018	FY2019	FY2020
Total income	11,527	15,172	16,810
Profit after tax	693	811	866
Net worth	8,538	9,512	12,576
Total portfolio	51,380	63,119	58,073
Total assets	93,714	1,09,703	1,13,769
Return on average assets	0.81%*	0.80%	0.82%
Return on average equity	9.15%*	9.65%	8.33%
Adjusted gearing	6.1	6.7	4.9
Gross stage 3/ Gross advances	0.85%	1.34%	3.12%
Net stage 3 / Net advances	0.42%	0.79%	2.10%
Net stage 3/ Adjusted net worth	2.8%	5.9%	10.9%

**Average of assets and net worth of FY2018 as per Ind-AS and FY2017 as per Indian GAAP accounting*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Sr. No.	Instrument	Type	Current Rating (FY2021)		Amount Outstanding (Rs. crore)*	FY2020				FY2019				FY2018			
			Amount Rated (Rs. crore)			30-Sep-20	17-Mar-20	15-Jan-20	22-Nov-19	16-Apr-19	13-Mar-19	30-Jan-19	04-Sep-18	28-Aug-18	25-July-18	28-June-18	30-Oct-17
1	Commercial Paper Programme (IPO financing)	Short Term	8,000.00	NA	[ICRA]A1 +; assigned /outstanding	[ICRA]A1 +	-	-	-	-	-	-	-	-	-	-	-
2	Term Loans/ Cash Credit / WCDL / Short-term Loans	Long Term / Short Term	26,515.37	26,090.27	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA + (stable)/ [ICRA]A1 +	[ICRA]AA + (stable)/ [ICRA]A1 +	[ICRA]AA + (stable)/ [ICRA]A1 +	[ICRA]A+ (stable)/ [ICRA]A1+ (stable)
3	Retail Non-convertible Debenture	Long Term	5,000.00	-	[ICRA]AA A (stable)	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)/ [ICRA]A1 +	[ICRA]AA A (stable)	-	-	-	-	-	-	-
4	Non-convertible Debenture	Long Term	20,497.50	10,622.60	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]A+ (stable)
5	Unsecured Non-convertible Debenture	Long Term	1,500.00	56.00	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	-
6	Subordinated Debt Programme	Long Term	2,500.00	1,549.00	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]A+ (stable)
7	Perpetual Debt Programme	Long Term	700.00	200.00	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA + (hyb) (stable)	[ICRA]AA (hyb) (stable)	[ICRA]AA (hyb) (stable)	[ICRA]AA (hyb) (stable)	[ICRA]A (hyb) (stable)

Sr. No.	Instrument	Type	Current Rating (FY2021)		Current Rating (FY2020)												
			Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	FY2020					FY2019					FY2018		
					30-Sep-20	17-Mar-20	15-Jan-20	22-Nov-19	16-Apr-19	13-Mar-19	30-Jan-19	04-Sep-18	28-Aug-18	25-July-18	28-June-18	30-Oct-17	04-Aug-17
8	Commercial Paper Programme	Short Term	12,000.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

*Outstanding as on August 31, 2020

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument	Date of Issuance	Coupon Rate	Maturity Date	Rated Amount (Rs. in crore)	Rating Assigned along with Outlook
INE860H07797	Non-convertible debenture	13-Jan-15	9.15%	13-Jan-22	10.00	[ICRA]AAA (stable)
INE860H07BS1	Non-convertible debenture	10-Sep-15	8.85%	9-Sep-22	20.00	[ICRA]AAA (stable)
INE860H07BU7	Non-convertible debenture	7-Oct-15	8.77%	7-Oct-22	60.00	[ICRA]AAA (stable)
INE860H07BV5	Non-convertible debenture	12-Oct-15	8.77%	12-Oct-22	21.00	[ICRA]AAA (stable)
INE860H07BW3	Non-convertible debenture	12-Oct-15	8.75%	12-Oct-20	105.00	[ICRA]AAA (stable)
INE860H07BX1	Non-convertible debenture	19-Oct-15	8.77%	17-Oct-25	15.00	[ICRA]AAA (stable)
INE860H07BZ6	Non-convertible debenture	3-Nov-15	8.71%	31-Oct-25	500.00	[ICRA]AAA (stable)
INE860H07CE9	Non-convertible debenture	9-Dec-15	8.71%	9-Dec-20	60.00	[ICRA]AAA (stable)
INE860H07CG4	Non-convertible debenture	7-Jan-16	Zero coupon	10-Jun-21	15.00	[ICRA]AAA (stable)
INE860H07CH2	Non-convertible debenture	7-Jan-16	8.70%	7-Jan-21	5.00	[ICRA]AAA (stable)
INE860H07CIO	Non-convertible debenture	25-Jan-16	8.75%	25-Jan-21	10.00	[ICRA]AAA (stable)
INE860H07CK6	Non-convertible debenture	23-Feb-16	8.85%	23-Feb-21	5.00	[ICRA]AAA (stable)
INE860H07CL4	Non-convertible debenture	23-Feb-16	8.85%	23-Feb-26	10.00	[ICRA]AAA (stable)
INE860H07CM2	Non-convertible debenture	9-Mar-16	8.90%	6-Mar-26	10.00	[ICRA]AAA (stable)
INE860H07CN0	Non-convertible debenture	9-Mar-16	Zero coupon	23-Jul-21	3.50	[ICRA]AAA (stable)
INE860H07CO8	Non-convertible debenture	9-Mar-16	Zero coupon	23-Aug-21	2.00	[ICRA]AAA (stable)
INE860H07CP5	Non-convertible debenture	11-Mar-16	8.90%	11-Mar-21	10.00	[ICRA]AAA (stable)
INE860H07CR1	Non-convertible debenture	21-Mar-16	8.90%	19-Mar-21	20.00	[ICRA]AAA (stable)
INE860H07CS9	Non-convertible debenture	21-Mar-16	8.90%	20-Mar-26	5.00	[ICRA]AAA (stable)
INE860H07CW1	Non-convertible debenture	29-Mar-16	8.90%	19-Mar-21	20.00	[ICRA]AAA (stable)
INE860H07DA5	Non-convertible debenture	12-Apr-16	8.70%	9-Apr-21	10.00	[ICRA]AAA (stable)
INE860H07DF4	Non-convertible debenture	6-May-16	8.75%	6-May-21	39.00	[ICRA]AAA (stable)
INE860H07DG2	Non-convertible debenture	2-Jun-16	8.67%	2-Jun-21	5.00	[ICRA]AAA (stable)
INE860H07DJ6	Non-convertible debenture	24-Jun-16	8.75%	24-Jun-21	50.00	[ICRA]AAA (stable)
INE860H07EN6	Non-convertible debenture	10-Mar-17	8.00%	10-Mar-22	250.00	[ICRA]AAA (stable)
INE860H07EO4	Non-convertible debenture	20-Mar-17	8.00%	18-Mar-22	200.00	[ICRA]AAA (stable)
INE860H07EP1	Non-convertible debenture	24-Mar-17	8.00%	24-Mar-22	140.00	[ICRA]AAA (stable)
INE860H07FD4	Non-convertible debenture	13-Jun-17	Zero coupon	11-Jun-27	5.00	[ICRA]AAA (stable)
INE860H07FF9	Non-convertible debenture	19-Jun-17	7.80%	17-Jun-22	50.00	[ICRA]AAA (stable)
INE860H07FG7	Non-convertible debenture	29-Jun-17	7.80%	29-Jun-22	200.00	[ICRA]AAA (stable)

INE860H07FH5	Non-convertible debenture	24-Jul-17	Zero coupon	20-Aug-20	50.00	[ICRA]AAA (stable)
INE860H07FI3	Non-convertible debenture	28-Jul-17	7.60%	16-Sep-20	150.00	[ICRA]AAA (stable)
INE860H07FJ1	Non-convertible debenture	1-Aug-17	7.60%	16-Oct-20	60.00	[ICRA]AAA (stable)
INE860H07FK9	Non-convertible debenture	14-Aug-17	7.70%	12-Aug-22	50.00	[ICRA]AAA (stable)
INE860H07FL7	Non-convertible debenture	18-Aug-17	7.60%	18-Aug-22	100.00	[ICRA]AAA (stable)
INE860H07FM5	Non-convertible debenture	23-Aug-17	7.60%	19-Jul-22	150.00	[ICRA]AAA (stable)
INE860H07FN3	Non-convertible debenture	7-Sep-17	7.60%	7-Sep-22	325.00	[ICRA]AAA (stable)
INE860H07FP8	Non-convertible debenture	18-May-18	Zero coupon	18-May-21	400.00	[ICRA]AAA (stable)
INE860H07FR4	Non-convertible debenture	26-Jun-18	Zero coupon	25-Jun-21	450.00	[ICRA]AAA (stable)
INE860H07FS2	Non-convertible debenture	26-Jun-18	8.90%	24-Sep-21	25.00	[ICRA]AAA (stable)
INE860H07FT0	Non-convertible debenture	26-Jun-18	8.90%	26-Jun-25	51.00	[ICRA]AAA (stable)
INE860H07FR4	Non-convertible debenture	6-Jul-18	Zero coupon	25-Jun-21	18.50	[ICRA]AAA (stable)
INE860H07FS2	Non-convertible debenture	6-Jul-18	8.90%	24-Sep-21	55.00	[ICRA]AAA (stable)
INE860H07FJ1	Non-convertible debenture	10-Jul-18	7.60%	16-Oct-20	50.00	[ICRA]AAA (stable)
INE860H07FU8	Non-convertible debenture	20-Jul-18	8.58%	20-Jul-21	260.00	[ICRA]AAA (stable)
INE860H07FV6	Non-convertible debenture	27-Jul-18	8.90%	27-Jul-23	15.00	[ICRA]AAA (stable)
INE860H07FS2	Non-convertible debenture	9-Aug-18	8.90%	24-Sep-21	50.00	[ICRA]AAA (stable)
INE860H07FS2	Non-convertible debenture	4-Sep-18	8.90%	24-Sep-21	200.00	[ICRA]AAA (stable)
INE860H07FP8	Non-convertible debenture	7-Sep-18	Zero coupon	18-May-21	40.20	[ICRA]AAA (stable)
INE860H07GC4	Non-convertible debenture	26-Oct-18	9.48%	29-Dec-20	135.00	[ICRA]AAA (stable)
INE860H07GD2	Non-convertible debenture	26-Oct-18	Zero coupon	12-Oct-21	66.20	[ICRA]AAA (stable)
INE860H07GE0	Non-convertible debenture	26-Oct-18	Zero coupon	8-Apr-22	159.00	[ICRA]AAA (stable)
INE860H07GG5	Non-convertible debenture	31-Oct-18	Zero coupon	16-Aug-21	145.00	[ICRA]AAA (stable)
INE860H07GH3	Non-convertible debenture	31-Oct-18	9.48%	18-Mar-22	115.00	[ICRA]AAA (stable)
INE860H07GC4	Non-convertible debenture	6-Nov-18	9.48%	29-Dec-20	22.80	[ICRA]AAA (stable)
INE860H07GE0	Non-convertible debenture	6-Nov-18	Zero coupon	8-Apr-22	17.90	[ICRA]AAA (stable)
INE860H07797	Non-convertible debenture	11-Dec-18	9.15%	13-Jan-22	280.00	[ICRA]AAA (stable)
INE860H07FV6	Non-convertible debenture	11-Dec-18	8.90%	27-Jul-23	145.00	[ICRA]AAA (stable)
INE860H07GE0	Non-convertible debenture	11-Dec-18	Zero coupon	8-Apr-22	119.00	[ICRA]AAA (stable)
INE860H07GL5	Non-convertible debenture	21-Dec-18	9.15%	21-Dec-23	70.00	[ICRA]AAA (stable)
INE860H07GM3	Non-convertible debenture	21-Dec-18	9.15%	21-Dec-28	15.00	[ICRA]AAA (stable)
INE860H07GL5	Non-convertible debenture	27-Dec-18	9.10%	21-Dec-23	81.00	[ICRA]AAA (stable)

INE860H07GM3	Non-convertible debenture	27-Dec-18	9.10%	21-Dec-28	69.00	[ICRA]AAA (stable)
INE860H07GE0	Non-convertible debenture	27-Dec-18	Zero coupon	8-Apr-22	50.00	[ICRA]AAA (stable)
INE860H07GE0	Non-convertible debenture	7-Jan-19	Zero coupon	8-Apr-22	32.00	[ICRA]AAA (stable)
INE860H07GL5	Non-convertible debenture	7-Jan-19	9.15%	21-Dec-23	16.00	[ICRA]AAA (stable)
INE860H07GE0	Non-convertible debenture	25-Jan-19	Zero coupon	8-Apr-22	30.50	[ICRA]AAA (stable)
INE860H07GM3	Non-convertible debenture	12-Feb-19	9.15%	21-Dec-28	38.50	[ICRA]AAA (stable)
INE860H07CP5	Non-convertible debenture	20-Feb-19	8.90%	11-Mar-21	160.00	[ICRA]AAA (stable)
INE860H07GM3	Non-convertible debenture	29-Mar-19	9.15%	21-Dec-28	150.00	[ICRA]AAA (stable)
INE860H07GE0	Non-convertible debenture	25-Apr-19	Zero coupon	8-Apr-22	75.00	[ICRA]AAA (stable)
INE860H07GS0	Non-convertible debenture	20-May-19	9.00%	50% - May 19, 2028 50% - May 18, 2029	1,500.00	[ICRA]AAA (stable)
INE860H07CR1	Non-convertible debenture	31-May-19	8.90%	19-Mar-21	150.00	[ICRA]AAA (stable)
INE860H07DF4	Non-convertible debenture	31-May-19	8.75%	6-May-21	150.00	[ICRA]AAA (stable)
INE860H07DG2	Non-convertible debenture	12-Jun-19	8.67%	2-Jun-21	10.00	[ICRA]AAA (stable)
INE860H07GT8	Non-convertible debenture	12-Jun-19	8.65%	12-Jun-24	173.00	[ICRA]AAA (stable)
INE860H07GT8	Non-convertible debenture	24-Jun-19	8.65%	12-Jun-24	198.00	[ICRA]AAA (stable)
INE860H07GT8	Non-convertible debenture	28-Jun-19	8.65%	12-Jun-24	111.60	[ICRA]AAA (stable)
INE860H07GU6	Non-convertible debenture	4-Jul-19	8.70%	4-Jul-29	29.20	[ICRA]AAA (stable)
INE860H07GT8	Non-convertible debenture	24-Jul-19	8.65%	12-Jun-24	98.70	[ICRA]AAA (stable)
INE860H07GW2	Non-convertible debenture	4-Dec-19	7.75%	9-Dec-22	150.00	[ICRA]AAA (stable)
INE860H07GX0	Non-convertible debenture	20-Jan-20	8.15%	18-Jan-30	1,000.00	[ICRA]AAA (stable)
INE860H07GY8	Non-convertible debenture	17-Apr-20	7.75%	17-May-23	205.00	[ICRA]AAA (stable)
INE860H07GZ5	Non-convertible debenture	28-Apr-20	7.57%	28-Jun-23	225.00	[ICRA]AAA (stable)
INE860H07HA6	Non-convertible debenture	28-Apr-20	7.69%	25-Apr-25	25.00	[ICRA]AAA (stable)
INE860H07HB4	Non-convertible debenture	26-Jun-20	6.78%	26-Apr-22	250.00	[ICRA]AAA (stable)
NA	Non-convertible debenture*	-	-	-	6,345.5	[ICRA]AAA (stable)
INE860H08EC7	Unsecured non-convertible debenture	06-Aug-20	7.57%	03-Aug-25	56.00	[ICRA]AAA (stable)
NA	Unsecured non-convertible debenture*	-	-	-	1,444.00	[ICRA]AAA (stable)

INE860H08DL0	Subordinated debt programme	17-Jun-15	9.25%	6-Jun-25	25	[ICRA]AAA (stable)
INE860H08DM8	Subordinated debt programme	14-Jul-15	9.25%	11-Jul-25	30	[ICRA]AAA (stable)
INE860H08DN6	Subordinated debt programme	25-Aug-15	9.25%	22-Aug-25	33	[ICRA]AAA (stable)
INE860H08DP1	Subordinated debt programme	8-Mar-16	9.10%	6-Mar-26	25	[ICRA]AAA (stable)
INE860H08DQ9	Subordinated debt programme	10-Mar-16	9.10%	10-Mar-26	8	[ICRA]AAA (stable)
INE860H08DR7	Subordinated debt programme	18-Mar-16	9.10%	10-Mar-26	25.5	[ICRA]AAA (stable)
INE860H08DS5	Subordinated debt programme	23-Jun-16	9.10%	23-Jun-26	52.5	[ICRA]AAA (stable)
INE860H08DT3	Subordinated debt programme	28-Jul-16	8.97%	28-Jul-26	100	[ICRA]AAA (stable)
INE860H08DU1	Subordinated debt programme	28-Jul-16	8.95%	28-Jul-26	75	[ICRA]AAA (stable)
INE860H08DV9	Subordinated debt programme	29-Sep-16	8.90%	29-Sep-26	200	[ICRA]AAA (stable)
INE860H08DW7	Subordinated debt programme	21-Nov-16	8.90%	20-Nov-26	200	[ICRA]AAA (stable)
INE860H08DX5	Subordinated debt programme	9-Mar-17	8.25%	9-Mar-27	10	[ICRA]AAA (stable)
INE860H08DY3	Subordinated debt programme	18-May-17	8.50%	18-May-27	165	[ICRA]AAA (stable)
INE860H08EA1	Subordinated debt programme	4-Dec-18	9.76%	4-Dec-28	250	[ICRA]AAA (stable)
INE860H08EB9	Subordinated debt programme	6-Jun-19	8.95%	6-Jun-29	200	[ICRA]AAA (stable)
INE860H08EB9	Subordinated debt programme	30-Dec-19	8.95%	6-Jun-29	100	[ICRA]AAA (stable)
INE860H08EB9	Subordinated debt programme	13-Feb-20	8.95%	6-Jun-29	50	[ICRA]AAA (stable)
NA	Subordinated debt programme*	-	-	-	951	[ICRA]AAA (stable)
INE860H08DZ0	Perpetual debt programme	21-Jul-17	8.70%	-	200	[ICRA]AA+(hyb) (stable)
NA	Perpetual debt programme*	-	-	-	500	[ICRA]AA+(hyb) (stable)
NA	Term loans/ Cash credit / WCDL / Short-term loans	-	-	2021-23	26,515.37	[ICRA]AAA(stable) / [ICRA]A1+
NA	Commercial paper	-	-	7-365 days	12,000.00	[ICRA]A1+
NA	Commercial paper (IPO financing)	-	-	7-30 days	8,000	[ICRA]A1+
NA	Retail non-convertible debenture programme*	-	-	-	5,000	[ICRA]AAA (stable)

*Proposed

Source: Aditya Birla Finance Limited

Annexure-2: List of entities considered for consolidated analysis

Company name	Ownership	Consolidated approach
Aditya Birla PE Advisors Private Limited	100%	Full consolidation
Aditya Birla MyUniverse Limited	100%	Full consolidation
Aditya Birla Trustee Company Private Limited	100%	Full consolidation
ABCAP Trustee Company Private Limited	100%	Full consolidation
Aditya Birla Money Limited	73.80%	Full consolidation
Aditya Birla Financial Shared Services Limited	100%	Full consolidation
Aditya Birla Finance Limited	100%	Full consolidation
Aditya Birla Housing Finance Limited	100%	Full consolidation
Aditya Birla Health Insurance Co. Limited	51%	Full consolidation
Aditya Birla Sun Life Insurance Company Limited	51%	Full consolidation
Aditya Birla Sun Life Pension Management Limited	51%	Full consolidation
Aditya Birla Insurance Brokers Limited	50.002%	Full consolidation
Aditya Birla Money Mart Limited	100%	Full consolidation
Aditya Birla Money Insurance Advisory Services Limited	100%	Full consolidation
Aditya Birla ARC Limited	100%	Full consolidation
ABCSL – Employee Welfare Trust	100%	Full consolidation
Aditya Birla Stressed Asset AMC Private Limited	100%	Full consolidation
ABARC-ARC-001-Trust	100%	Full consolidation
Aditya Birla Sun Life Trustee Private Limited	50.85%	Equity method
Aditya Birla Wellness Private Limited	51%	Equity method
Aditya Birla Sun Life AMC Company Limited	51%	Equity method
Aditya Birla Sun Life AMC (Mauritius) Ltd.	51%	Equity method
Aditya Birla Sun Life Asset Management Company Ltd., Dubai	51%	Equity method
Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore	51%	Equity method

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