

ABSL AMC

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Largest non-bank affiliated AMC

Summary

ABSL AMC is the 4th largest Asset management company in terms of QAAUM and the largest non-bank affiliated AMC as of June 2021 with an AUM of Rs 2.9trn, a market share (based on QAAUM) of 8.5% in the industry and a client base accounts 7mn folio. ABSL AMC PAT has grown at a CAGR of 15% from FY18 to FY21, and RoE has improved by 700bps during the same period to 33.7%. ABSL AMC has the second highest share from B-30 centers, (FY16: 19.3% Q1FY22: 27.4%) At upper price band, IPO is priced at a P/E of 33x discount to peers (Nippon India P/E of 39x and HDFC AMC with P/E of 50x). With focus on growing market share through higher distribution tie-ups, increasing margin accretive business through ETF and equity asset classes and improving presence in B-30 centers, we believe that the company can grow AUM in line with the industry at 12-14% over the next 5 years. We recommend subscribing the issue.

Key Investment Rationale

- **Largest non-bank affiliated AMC:** ABSL AMC has maintained its market leadership as the largest non-bank affiliated AMC since FY18 with an QAAUM growth of 14.5% from FY16 to FY21. The company has been focusing on growing the margin accretive equity and ETF segments, with the MAAUM from the equity segment growing at a CAGR of 24.9% from FY16 to FY21. The growth in AUM is testament to the strong distribution architecture built by the company.
- **Growing Individual customer base driven by strong systemic flows and B-30 penetration:** Individual investor MAAUM grew at a CAGR of 18.4% from FY16 to FY21 resulting in the mix of individual investors improving to 47.1% in FY21 from 40.0% in FY16. The total investor folios has more than doubled from 2.9m in FY16 to 7m in FY21, which represents a higher than industry level growth. The company has identified systematic transactions (such as SIPs) to help provide a steady inflow to support AUM growth. From FY16 to FY21, the SIP AUM has grown from Rs. 85.2bn to Rs. 456.9bn. The company's focus on B-30 cities has also helped improve retention rates and help grow its retail presence. Strong brand recognition has been a corner stone in the B-30 journey. The contribution from B-30 cities has also helped the company its margin accretive equity segment book.
- **Pan India presence with strong distribution:** The company has a presence in 284 locations, comprising of 194 branches in India spread across 27 states and 6 UTs, supplemented by 90 EMs located in B-30 cities. Direct, MFD, national distributors and banks contributed 47%, 30%, 14% and 8% respectively towards the QAAUM Q1FY22.

Issuer:	Aditya Birla Sun Life Asset Management Company Limited.
Transaction Type	Offer for sale of 38.9Mn equity shares (face value Rs.5 each)
Issue Open / Close	Sept 29 th 2021 / Oct 1 st 20201
Type of Offering	Offer for Sale
Total Offer Size	Rs 27,022-27,683mn
Price Band	Rs. 695-712
Total Offer Size as % of Post Issue Capital	13.5%
Percentage of Offer Size (Allocation)	<ul style="list-style-type: none"> • QIB: 50% • NIB: 15% • Retail: 35%

Share holding pattern

	Pre-Issue	Post-Issue
Promoter	100.00	86.50
Public	0.00	13.50
Total	100%	100%

Financial Snapshot

	FY18	FY19	FY20	FY21	Q1FY22
Revenue	13,231	14,061	12,338	11,910	3,332
PBT	5,215	6,458	6,607	6,959	2,059
PBT Margin (%)	39.4	45.9	53.6	58.4	61.8
PAT	3,486	4,468	4,944	5,263	1,549
PAT Margin (%)	26.3	31.8	40.1	44.2	46.5
EPS (annualized)	12.1	15.5	17.2	18.3	5.4
PE (x)	57.4	44.8	40.5	38.0	32.3
Investments	11,850	11,766	13,103	17,831	19,044
RoE (%)	30.6	36.6	37.5	30.9	8.6

Source: RHP, IDBI Capital Research

Exhibit 1: Details of Shareholding Pattern: Aditya Birla Capital to remain largest shareholder

Entity	Pre-IPO		Post-IPO	
	Number of Shares	%	Number of Shares	%
Aditya Birla Capital	14,68,79,680	51.0	14,40,28,800	50.0
Sun Life AMC	14,11,20,000	49.0	10,50,90,880	36.5
Total	28,79,99,680	100.0	24,91,19,680	86.5

Source: Company; IDBI Capital Research

Exhibit 2: Key highlights & Summary

Parameter	Comments
Scale, Leadership & Performance	
Market share	<ul style="list-style-type: none"> ■ The share of the top 10 AMCs increased from 73% in FY10 to 83% in Q1FY22. ABSL is the 4th largest AMC in terms of QAAUM ■ ABSL is the largest non-bank AMC in the industry ■ ABSL's market share in B-30 cities has also increased since FY16
Number of folios	<ul style="list-style-type: none"> ■ ABSL was ranked 7th in the industry with a total of 7mn folios as on March 2021 ■ ABSL's folio growth at a CAGR of 19% between FY16 and FY21 was higher than that of the industry
Geographical reach & distribution	
B-30 share	<ul style="list-style-type: none"> ■ ABSL's MAAUM share in B-30 was the second highest among the top five players as of June 2021 and fourth largest in terms of equity segment
Direct vs regular	<ul style="list-style-type: none"> ■ The share of direct plans has consistently increased from FY16 to FY21 and stood at 50.1%. ■ ABSL ranked 2nd in debt direct plans and 7th in equity direct plans
Investor profile	
Institutional vs Individual	<ul style="list-style-type: none"> ■ ABSL is the 5th largest player in the individual segment, with a share of 47%. The share has consistently increased since FY16.
Digital on-boarding	<ul style="list-style-type: none"> ■ ABSL ranks among the highest in terms of share of digital transactions with digital transactions contributing 85% to the overall transactions as of the financial year 2021
Financial Performance	
Revenues	<ul style="list-style-type: none"> ■ ABSL ranked 5th in terms of total revenues in FY21
Revenue as % of AAUM	<ul style="list-style-type: none"> ■ In terms of total revenue as a percentage of AAUM, ABSL ranks sixth in the list with a ratio of 0.43% for FY21.
Cost to Income ratio	<ul style="list-style-type: none"> ■ ABSL has seen improvement in the C/I ratio, which improved to 47% for FY21 from 49% in FY20
Net profit	<ul style="list-style-type: none"> ■ ABSL has consistently delivered a profit and PAT has grown at a CAGR of 15% over the last 3 years
RoE	<ul style="list-style-type: none"> ■ ABSL ranks sixth highest in terms of RoE (FY21: 33.7%)

Source: Company; IDBI Capital Research

Exhibit 3: Break-up of Revenue (%)

Break-up of Core Income	FY19	FY20	FY21	Q1FY21
Total Fees and commission income (Rs. Mn)	13,268	11,597	10,679	3,032
Asset Management and Advisory Fees (%)	92.6	94.0	95.3	96.3
Portfolio Management Fees (%)	5.8	4.6	4.1	3.5
Management Fees from Other Services (%)	1.6	1.4	0.6	0.1

Source: Company, IDBI Capital Research

Exhibit 4: Peer comparison (RoE) – %

RoE	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
SBI	28.6	32.2	36.7	35.4	36.1	37.8
HDFC	42.1	42.8	40.3	35.0	35.6	30.1
IPRU	60.5	70.1	76.0	66.3	83.1	80.3
ABSL	28.9	25.2	33.0	36.7	37.2	33.7
Kotak	66.8	27.9	41.6	65.3	51.1	35.2
Nippon	27.0	24.4	21.4	19.5	16.2	23.3
AXIS	22.6	30.9	18.3	19.3	31.2	43.1
UTI	15.9	17.1	17.1	15.2	12.4	12.9
IDFC	102.7	55.7	41.0	15.8	6.1	42.6
DSP	16.5	15.5	28.9	25.3	10.0	19.1
Average top 10	41.2	34.2	35.4	33.4	32.0	35.8

Source: Company; IDBI Capital Research

Exhibit 5: Peer comparison (Operating Profit to AuM) – %

Operating profit / AuM	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
SBI	0.25	0.21	0.24	0.22	0.21	0.22
HDFC	0.38	0.32	0.46	0.38	0.41	0.36
IPRU	0.29	0.31	0.33	0.31	0.40	0.39
ABSL	0.23	0.16	0.19	0.23	0.23	0.22
Kotak	0.13	0.07	0.10	0.24	0.22	0.19
Nippon	0.25	0.24	0.33	0.31	0.29	0.25
AXIS	0.09	0.11	0.07	0.09	0.13	0.17
UTI	0.27	0.24	0.32	0.30	0.24	0.14
IDFC	0.28	0.21	0.12	0.10	0.11	0.30
DSP	0.27	0.18	0.61	0.35	0.17	0.24
Average top 10	0.25	0.21	0.28	0.25	0.24	0.25

Source: Company; IDBI Capital Research

Exhibit 6: Peer comparison (Revenues) – Rs. Mn

Revenues (Rs. Mn)	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
SBI AMC	5,524	7,779	12,797	15,585	13,169	16,175
Growth YoY (%)		40.8	64.5	21.8	-15.5	22.8
% AuM	0.58	0.57	0.66	0.60	0.39	0.37
HDFC AMC	14,943	15,879	18,698	20,968	21,434	22,017
Growth YoY (%)		6.3	17.8	12.1	2.2	2.7
% AuM	0.87	0.73	0.67	0.65	0.57	0.57
IPRU AMC	10,124	13,497	18,958	20,043	20,068	22,337
Growth YoY (%)		33.3	40.5	5.7	0.1	11.3
% AuM	0.61	0.61	0.67	0.64	0.57	0.55
ABS L AMC	7,565	9,870	12,205	13,117	11,406	10,549
Growth YoY (%)		30.5	23.7	7.5	-13.0	-7.5
% AuM	0.57	0.57	0.53	0.53	0.45	0.43
Kotak AMC	2,400	2,912	5,125	6,513	5,961	6,453
Growth YoY (%)		21.3	76.0	27.1	-8.5	8.3
% AuM	0.44	0.38	0.45	0.47	0.34	0.32
Nippon AMC	12,710	14,004	16,806	15,890	11,343	13,257
Growth YoY (%)		10.2	20.0	-5.5	-28.6	16.9
% AuM	0.83	0.74	0.71	0.67	0.54	0.65
Axis AMC	3,805	5,310	7,524	6,846	4,807	6,553
Growth YoY (%)		39.6	41.7	-9.0	-29.8	36.3
% AuM	1.15	1.09	1.06	0.81	0.41	0.39
UTI AMC	7,496	8,532	10,188	10,083	8,618	9,682
Growth YoY (%)		13.8	19.4	-1.0	-14.5	12.3
% AuM	0.73	0.67	0.67	0.63	0.56	0.60
IDFC AMC	3,256	3,096	3,171	2,794	3,051	3,711
Growth YoY (%)		-4.9	2.4	-11.9	9.2	21.6
% AuM	0.60	0.54	0.47	0.41	0.32	0.32
DSP AMC	3,867	5,115	7,568	7,220	4,534	5,806
Growth YoY (%)		32.3	48.0	-4.6	-37.2	28.1
% AuM	1.00	0.94	0.93	0.84	0.58	0.68
Top 10	71,690	85,995	1,13,039	1,19,059	1,04,390	1,14,490
Growth YoY (%)		20.0	31.4	5.3	-12.3	9.7
% AuM	0.74	0.68	0.68	0.63	0.47	0.48

Source: Company; IDBI Capital Research

Exhibit 7: Peer comparison (Net Profit) – Rs. Mn

Net Profit (Rs. Mn)	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
SBI AMC	1,654	2,243	3,354	4,290	6,056	8,628
Growth YoY (%)		35.6	49.5	27.9	41.2	42.5
% AuM	0.17	0.16	0.17	0.17	0.18	0.20
HDFC AMC	4,779	5,502	7,113	9,302	12,593	13,258
Growth YoY (%)		15.1	29.3	30.8	35.4	5.3
% AuM	0.28	0.25	0.26	0.29	0.34	0.35
IPRU AMC	3,257	4,805	6,138	6,820	10,438	12,454
Growth YoY (%)		47.5	27.7	11.1	53.0	19.3
% AuM	0.19	0.22	0.22	0.22	0.30	0.34
ABS L AMC	2,095	2,211	3,415	4,485	4,836	5,171
Growth YoY (%)		5.5	54.5	31.3	7.8	6.9
% AuM	0.16	0.13	0.15	0.18	0.19	0.21
Kotak AMC	593	382	813	2,290	3,117	3,233
Growth YoY (%)		-35.6	112.8	181.7	36.1	3.7
% AuM	0.11	0.05	0.07	0.17	0.18	0.16
Nippon AMC	3,702	4,048	4,476	4,752	4,123	6,494
Growth YoY (%)		9.3	10.6	6.2	-13.2	57.5
% AuM	0.24	0.21	0.19	0.20	0.20	0.32
Axis AMC	316	570	430	544	1,168	2,437
Growth YoY (%)		80.4	-24.6	26.5	114.7	108.6
% AuM	0.10	0.12	0.06	0.06	0.10	0.15
UTI AMC	2,321	2,908	3,415	3,484	3,092	3,517
Growth YoY (%)		25.3	17.4	2.0	-11.3	13.7
% AuM	0.23	0.23	0.23	0.22	0.20	0.22
IDFC AMC	1,100	973	1,042	455	801	1,430
Growth YoY (%)		-11.5	7.1	-56.3	76.0	78.5
% AuM	0.20	0.17	0.15	0.07	0.08	0.12
DSP AMC	774	852	2,098	2,486	1,160	2,592
Growth YoY (%)		10.1	146.2	18.5	-53.3	123.4
% AuM	0.20	0.16	0.26	0.29	0.15	0.30
Top 10	20,590	24,494	32,293	38,906	47,384	59,214
Growth YoY (%)		19.0	31.8	20.5	21.8	25.0
% AuM	0.19	0.17	0.18	0.19	0.19	0.25

Source: Company; IDBI Capital Research

Exhibit 8: ABSL AMC – Closing AUM break-up

AuM - (Rs. Bn)	Mar-18	Mar-19	Mar-20	Mar-21
Mutual fund – Equity	847.8	941.1	656.0	963.2
% of total AUM	34.1	36.8	30.5	35.6
Mutual fund – Fixed income	1452.7	1444.1	1367.9	1631.0
% of total AUM	58.5	56.5	63.5	60.2
Mutual fund subtotal	2300.6	2385.2	2024.0	2594.2
% of total AUM	92.7	93.3	94.0	95.8
Portfolio management services	39.0	29.5	20.6	17.6
% of total AUM	1.6	1.2	1.0	0.6
Offshore	134.8	132.9	103.3	90.8
% of total AUM	5.4	5.2	4.8	3.4
Real estate	9.6	8.6	4.9	4.9
% of total AUM	0.4	0.3	0.2	0.2
Total	2483.1	2556.2	2152.7	2707.5

Source: Company; IDBI Capital Research

Exhibit 9: ABSL AMC – QAAUM break-up by asset class

AuM - (Rs. Bn)	Mar-18	Mar-19	Mar-20	Dec-21
Equity schemes	864.5	890.6	875.6	969.3
% of AUM	34.9	36.1	35.4	36.0
Debt schemes	1201.0	978.5	1101.9	1285.4
% of AUM	48.5	39.7	44.5	47.7
Liquid schemes	407.6	592.6	493.0	430.6
% of AUM	16.5	24.0	19.9	16.0
ETFs	2.2	3.1	4.7	7.5
% of AUM	0.1	0.1	0.2	0.3
Total	2475.3	2464.8	2475.2	2692.8

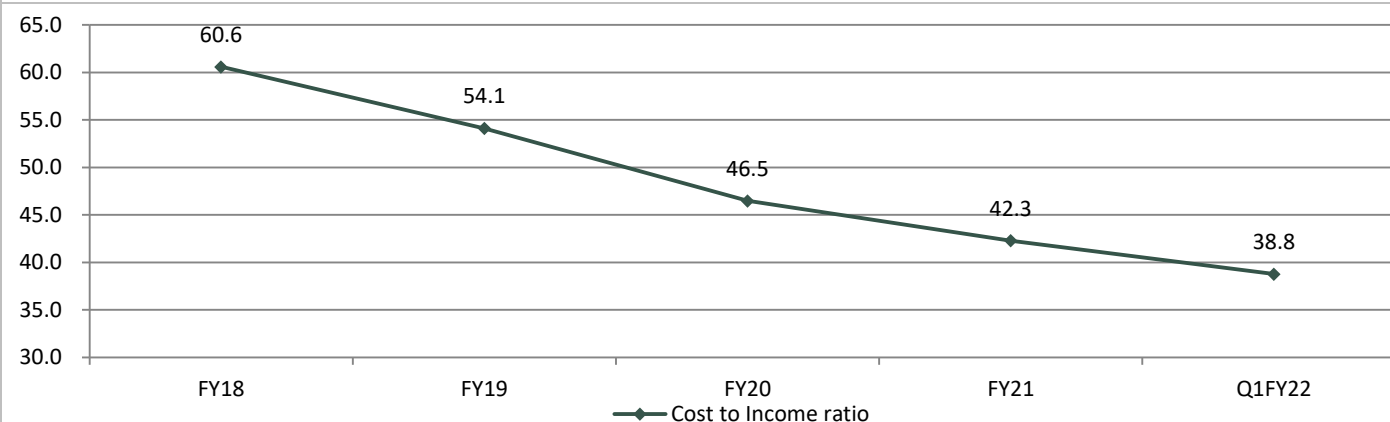
Source: Company; IDBI Capital Research

Exhibit 10: ABSL AMC – Number of schemes

Number of schemes	No. of schemes	QAAUM (Rs. Bn)
Equity	37	1026.8
Debt	68	1296.5
Liquid	2	422.3
ETF	5	9.0
Total	112	2754.5

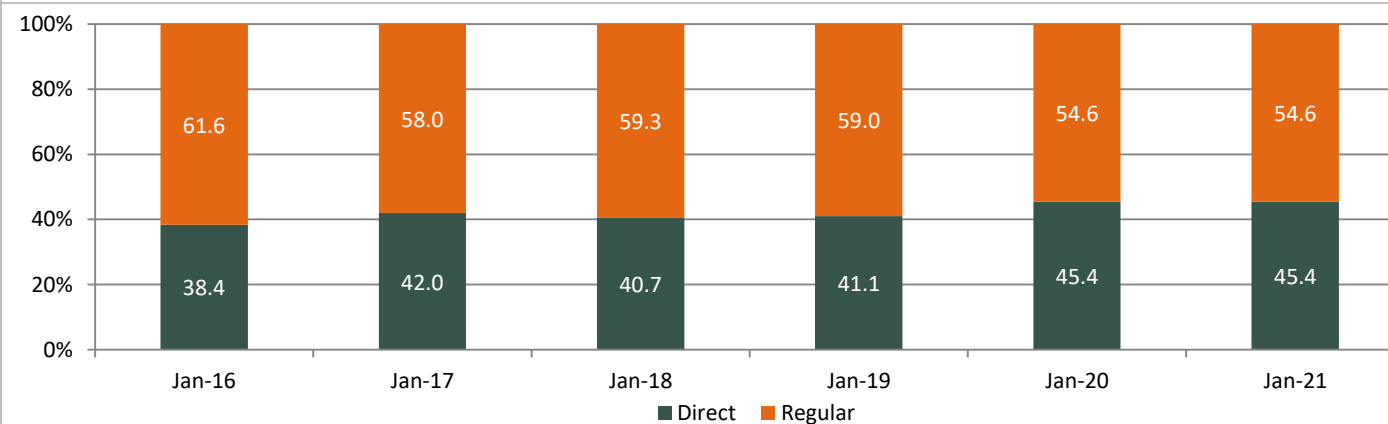
Source: Company; IDBI Capital Research

Exhibit 11: ABSL AMC has shown improvements in the cost to income ratio



Source: Company; IDBI Capital Research

Exhibit 12: Growing share of direct plans



Source: Company; IDBI Capital Research

Exhibit 13: Digital on-boarding among the best in-class for ABSL AMC

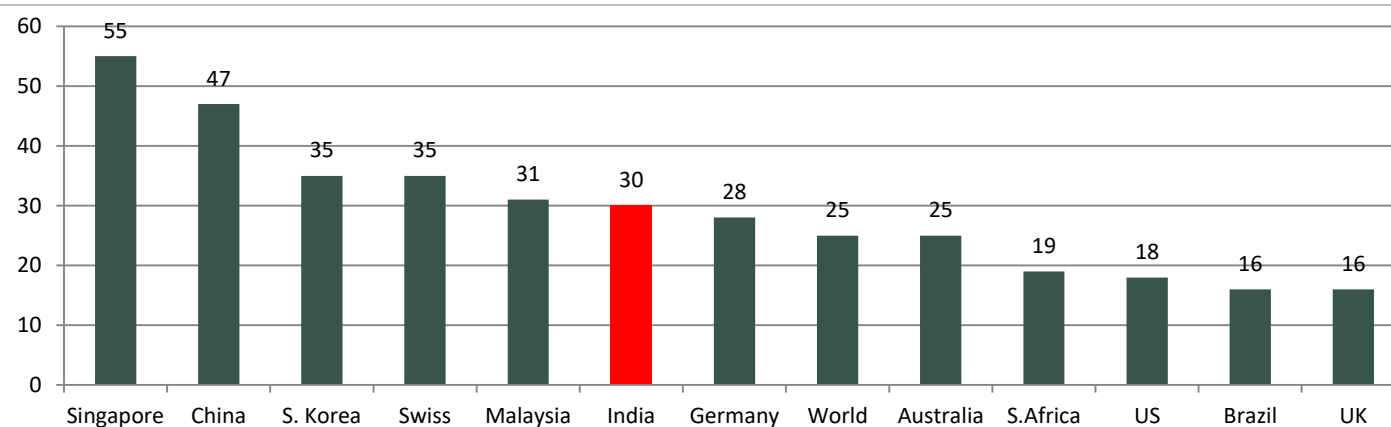
Digital on-boarding	Mar-21
ABSL AMC	85%
HDFC AMC	>80%
UTI AMC	>40%
Nippon AMC	>40%

Source: Company; IDBI Capital Research

India remains a savings oriented market with increasing financialisation of assets

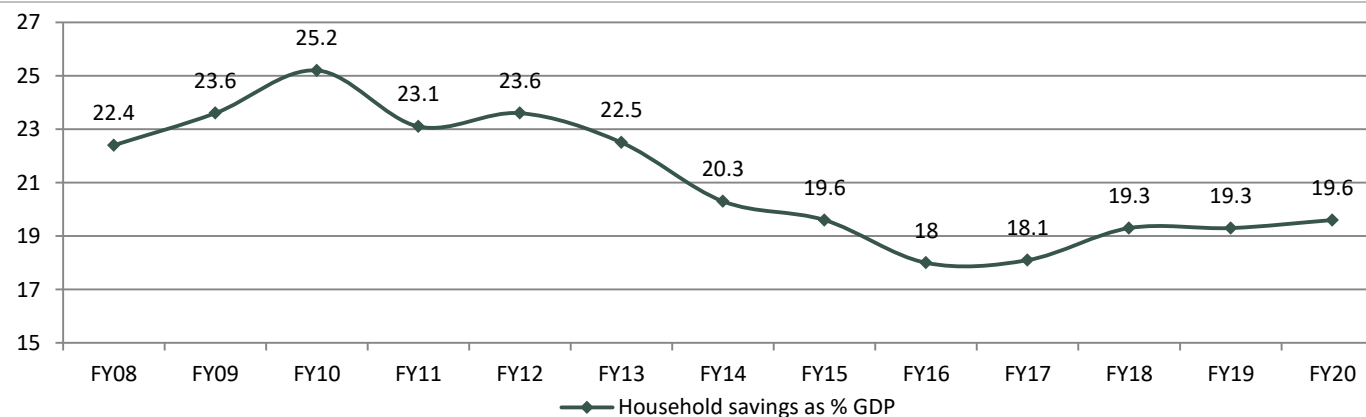
Despite slowdown during the last 10 years in the household savings, India still ranks favourably when compared to other countries such as Brazil and US in terms as a savings oriented market. The growth in household savings has been a modest 7.6% CAGR FY12-FY20. During the same period, the share of financial assets among the total savings pie has been rising and stood at 41% in FY20 as compared to 31% in FY12. This trend shows that the increasing financialisation of savings at the household level and is driven by rising middle class, increased awareness, rising inflation, etc. The proportion of disposable income allocated towards mutual funds still remains low at 1.9%.

Exhibit 14: India remains a high savings economy when compared to other countries – Gross Domestic Savings (%)



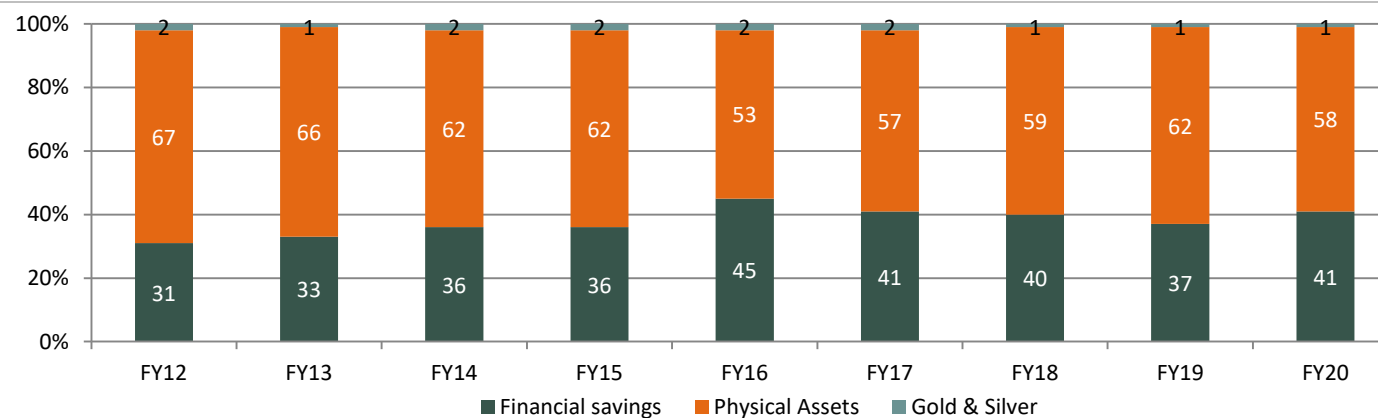
Source: MOSPI, RBI, IDBI Capital Research

Exhibit 15: Household savings as % of GDP has been rising over last 3 years



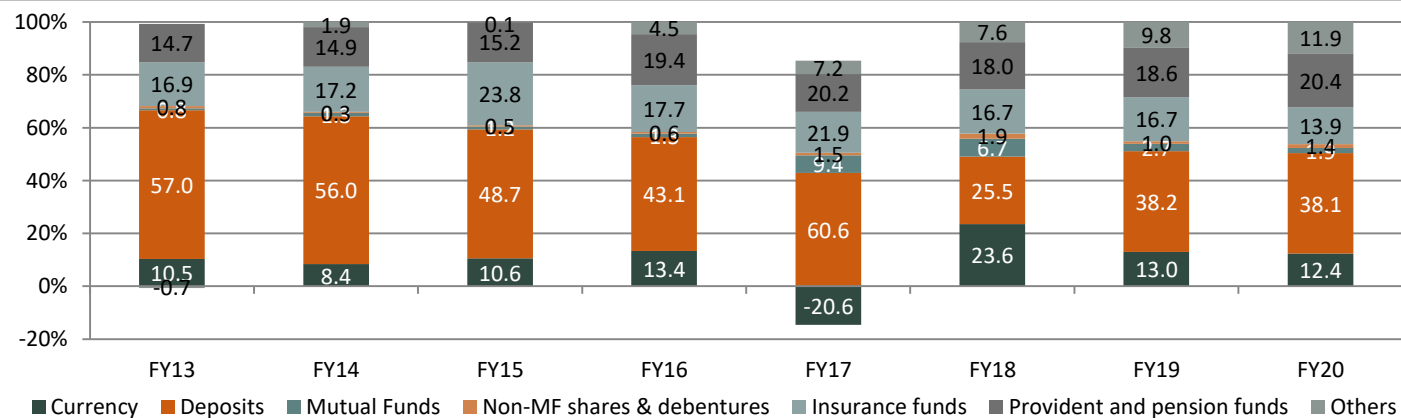
Source: MOSPI, RBI, IDBI Capital Research

Exhibit 16: Share of financial savings has been rising (%)



Source: MOSPI; IDBI Capital Research

Exhibit 17: Proportion of Mutual Funds within household savings is low

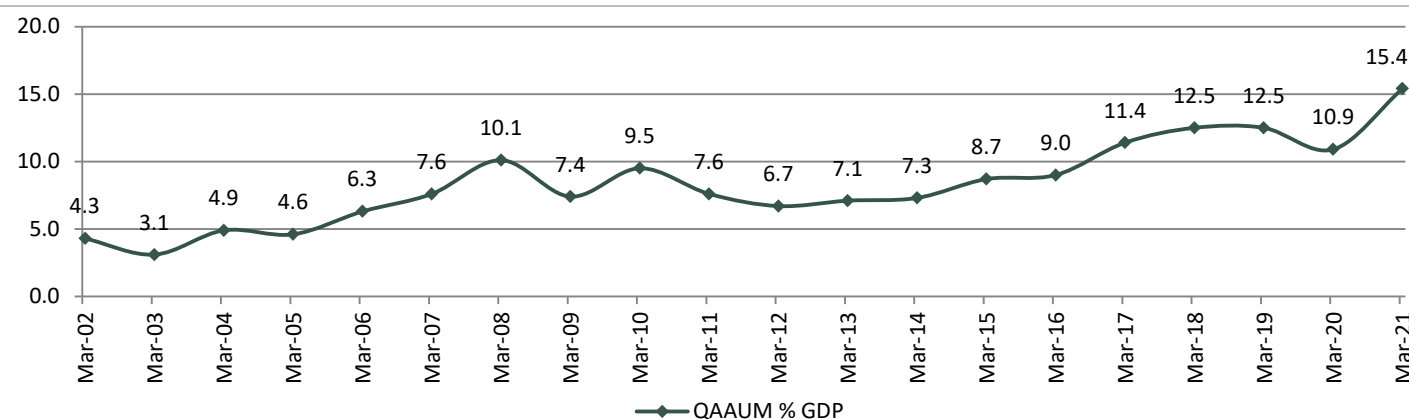


Source: RBI, IDBI Capital Research

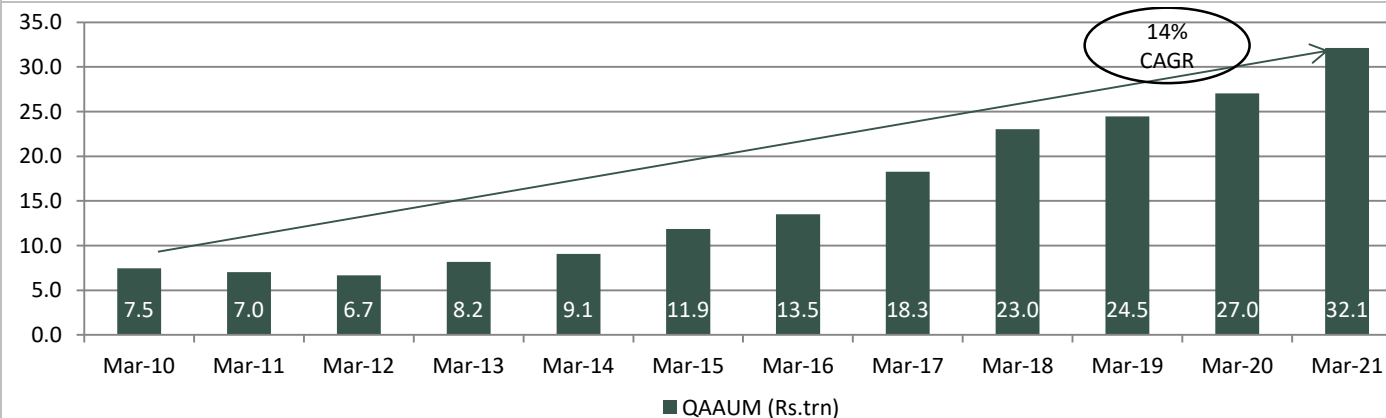
AUM has grown at a healthy pace; expect 12-14% growth over next 5 years

The aggregate AUM for the industry has grown at a healthy pace over the last decade driven by increasing inflows, expanding domestic economy, increased investor participation, etc. The QAAUM has grown at a CAGR of 14% from FY10 to FY21 which has resulted in the QAAUM as % of GDP increasing to 15.4%. According to Crisil estimates, the QAAUM is expected to grow between 12-14% over the next 5 years on the back of pick-up in corporate earnings, higher disposable income, better awareness and improvement in ease of investing. Equity and ETFs are the fastest growing segments with their respective shares within QAAUM rising to 42% and 9%. It is expected that these 2 asset classes will continue to lead the growth. The industry AUM grew by 39.2% post COVID-19 pandemic to Rs. 33.7trn as at June-21 due to increased B-30 participation, rising popularity of SIPs and economic recovery.

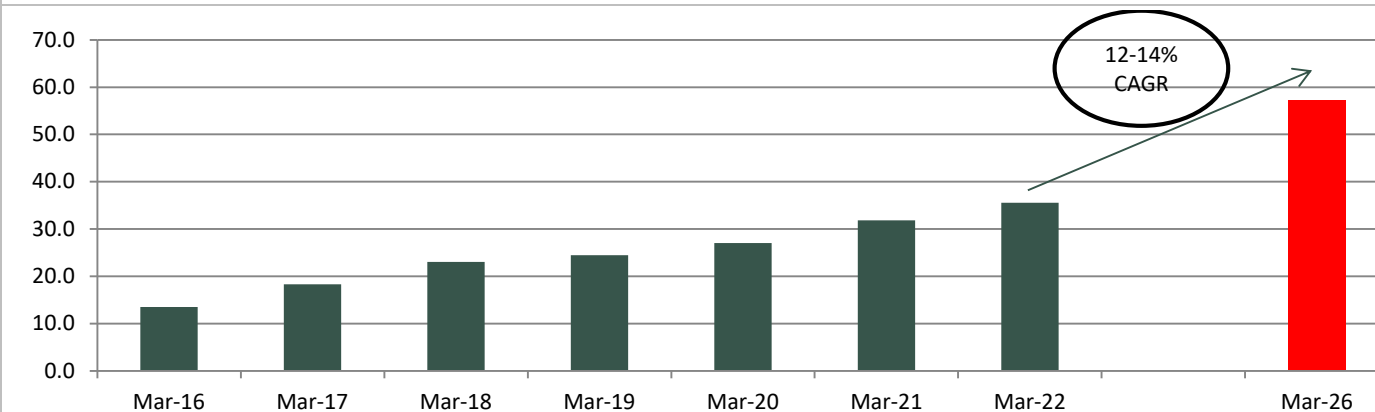
Exhibit 18: Despite a rise in QAAUM as % of GDP, penetration remains low (sector aggregate)



Source: AMFI, RBI, IMF, IDBI Capital Research

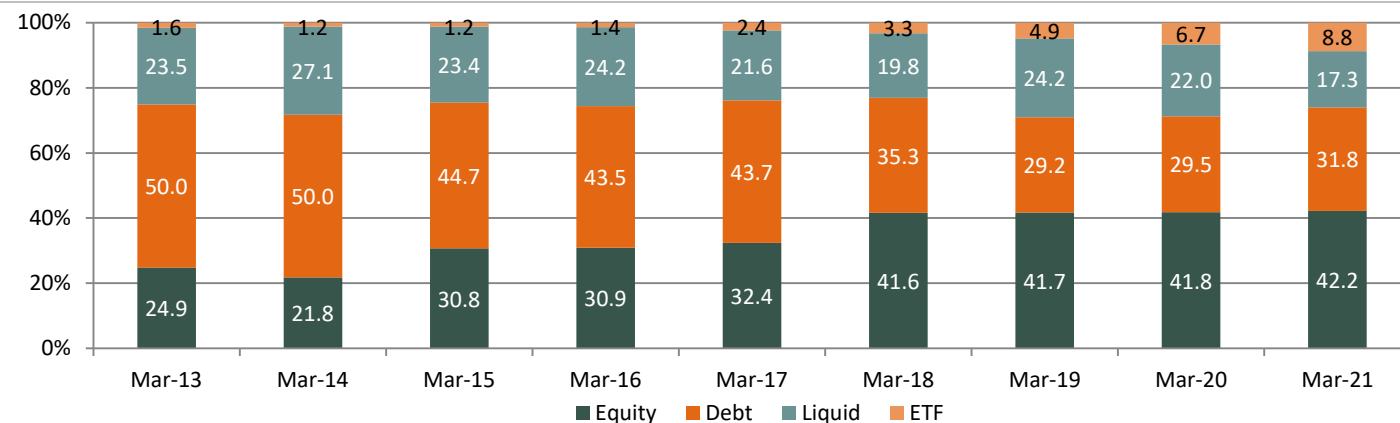
Exhibit 19: QAAUM has grown at a CAGR of 14% from FY10 to FY21 for the sector

Source: AMFI, IDBI Capital Research

Exhibit 20: QAAUM projected to grow between 10%-12% over next 5 years for the sector

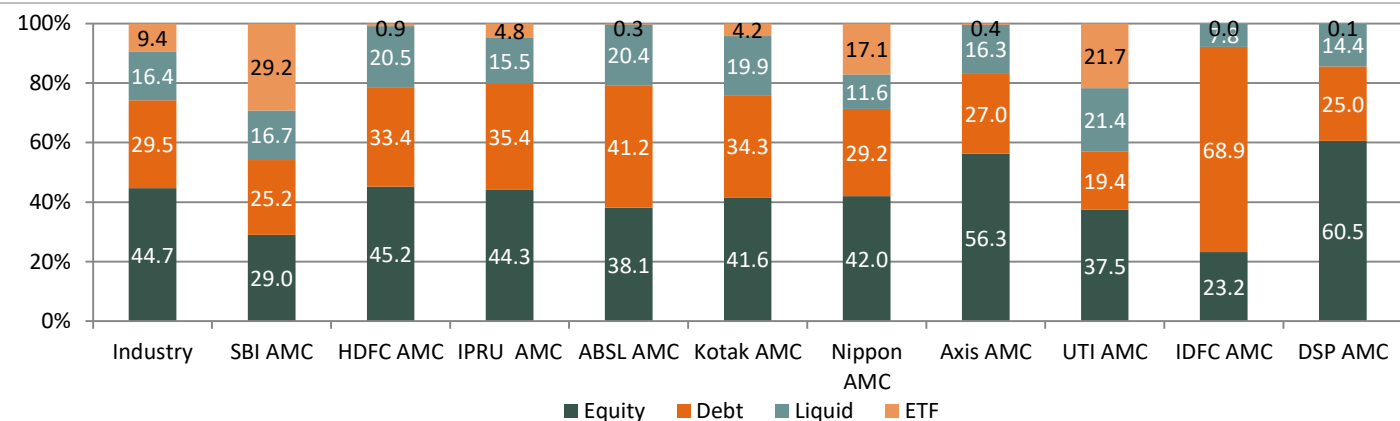
Source: AMFI, Crisil, IDBI Capital Research

Exhibit 21: Mix of equity and ETF as % of QAAUM has been rising for the sector

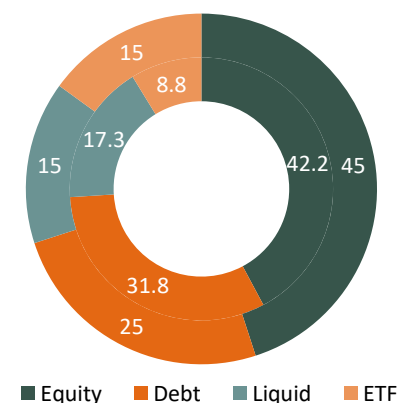


Source: AMFI, IDBI Capital Research

Exhibit 22: MAAUM break-up of top 10 AMCs



Source: AMFI, IDBI Capital Research

Exhibit 23: Mix of equity and ETF as % of QAAUM expected to rise further over next 5 years for the sector

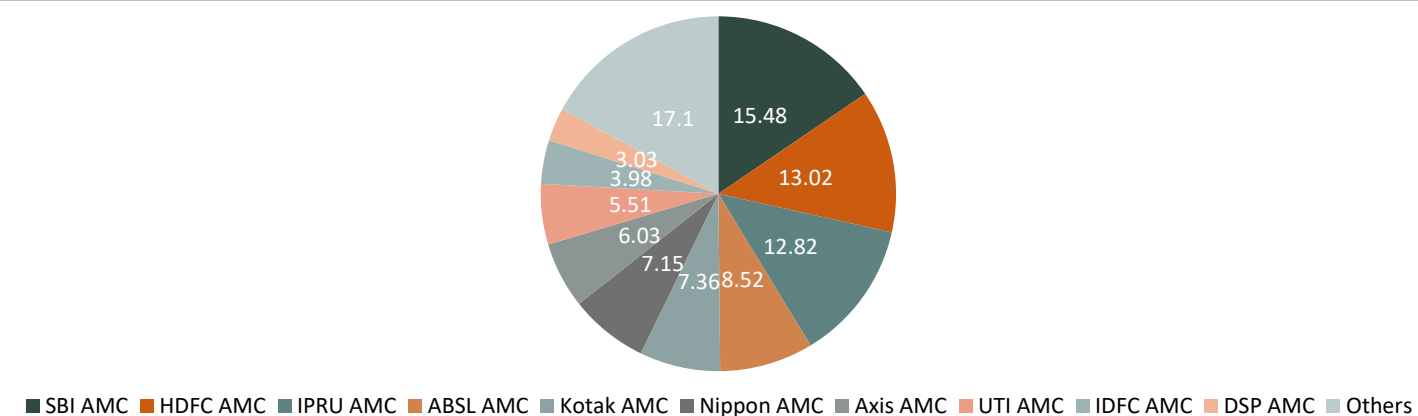
Source: AMFI, Crisil, IDBI Capital Research

Top 5 AMC's dominate the market; ABSL is the 4th largest player and largest non-bank affiliated AMC

Strong distributor tie-ups and fund performance has helped the top-5 players consolidate a market share >50%. ABSL AMC is the 4th largest AMC in the country and the largest non-bank AMC. The company has a presence in 284 locations, comprising of 194 branches in India spread across 27 states and 6 UTs, supplemented by 90 EMs located in B-30 cities. Direct, MFD, national distributors and banks contributed 47%, 30%, 14% and 8% respectively towards the QAAUM Q1FY22.

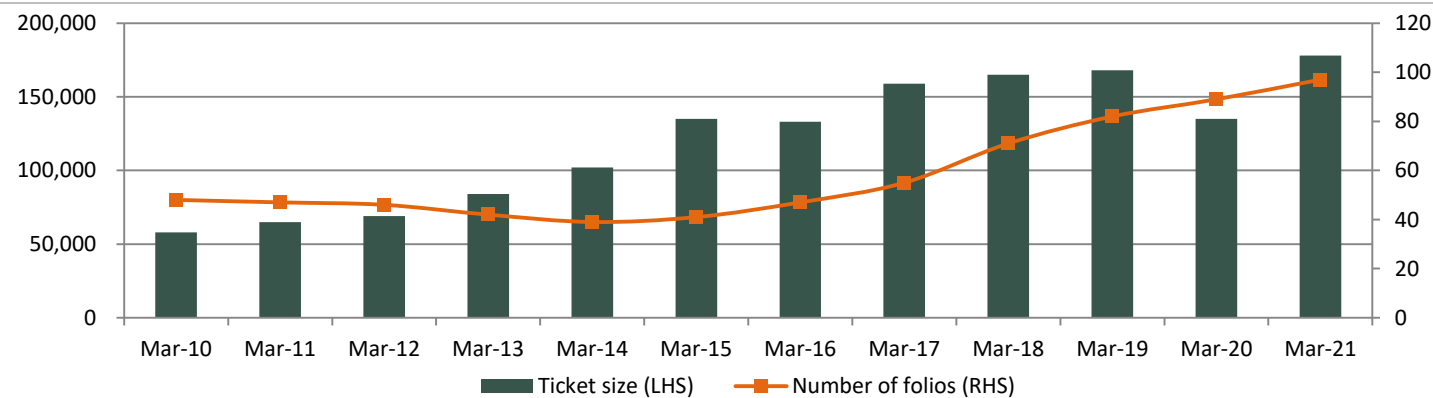
Participation from households in recent years has been increasing, as a result of growing awareness, financial inclusion and improved access to banking channels. Between March 2015 and March 2021, the industry's folios increased by approximately 61 million to approximately 103 million, representing a CAGR of approximately 15%, driven mostly by individual investors (retail and HNIs). The average ticket size increased from Rs. 135,000 as of March 31, 2015 to Rs.182,000 as of June 30, 2021.

Exhibit 24: Exhibit 5: Market share: Quarterly average AUM for the quarter ended June 30, 2021



Source: AMFI, IDBI Capital Research

Exhibit 25: Both ticket size (Rs.) and number of folios (mn) have been rising for the sector

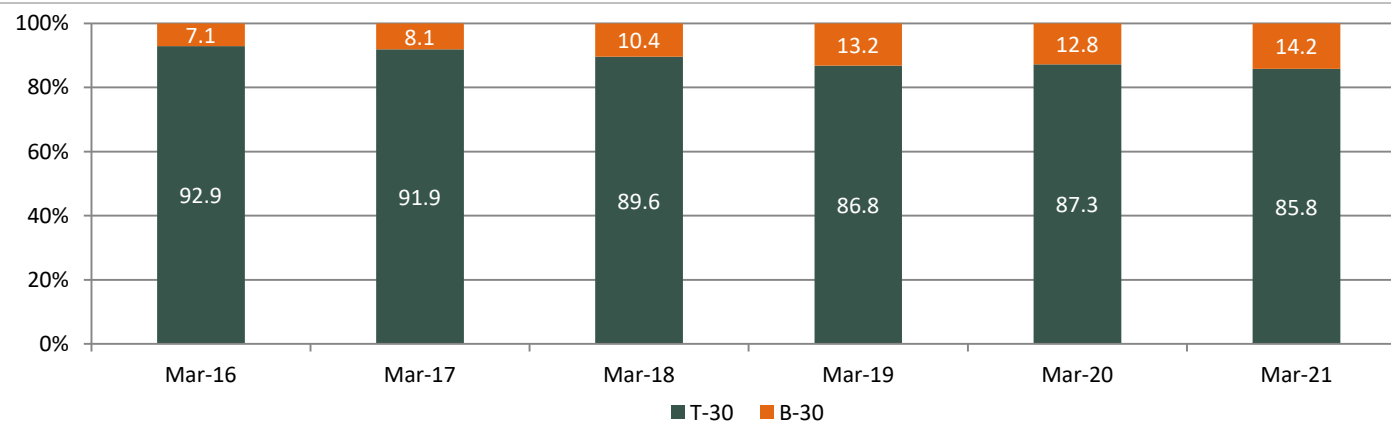


Source: AMFI, IDBI Capital Research

Share of B-30 cities has been rising steadily; ABSL has also grown increased B-30 penetration

As of June 2021, the MAAUM of the top-30 cities stood at Rs. 28.5trn while that of beyond top 30 cities stood at Rs. 5.6trn. The proportion of MAAUM from the B-30 cities has been rising which indicates increased participation. Equity proportion for the B-30 cities was 48.5% as against 33.2% from the T-30 cities. This shows that companies with strong presence in B-30 cities can generate higher fee income per unit of AUM. AMCs with higher AUM shares in B-30 cities are less susceptible to overall margin pressures than their T-30-focused peers. Since March 2019, ABSL has increased its presence in the B-30 cities as evident through the increase in B-30 mix.

Exhibit 26: Share of B-30 cities has been rising (MAAUM).



Source: CAMS database; IDBI Capital Research

Exhibit 27: ABSL ranks among top 5 players in the growing B-30 market (% of QAAUM from B-30)

Share of B-30 in total AUM	Mar-18	Mar-19	Mar-20	Mar-21
SBI AMC	28.8	23.5	22.8	22.1
HDFC AMC	18.1	13.4	13.6	14.9
IPRU AMC	17.5	12.9	13.4	14.1
ABSL AMC	16.4	13.4	14.9	16.2
Kotak AMC	10.6	7.4	9.4	9.0
Nippon AMC	21.3	19.8	17.4	17.9
AXIS AMC	24.2	20.4	17.7	18.1
UTI AMC	29.6	26.2	25.8	23.4
IDFC AMC	10.9	6.9	6.2	6.6
DSP AMC	14.9	11.1	12.7	13.7

Source: CAMS database; IDBI Capital Research

Exhibit 28: ABSL fund performance

ABSL Fund performance	QAAUM (Rs. Bn)	1-yr return	5-yr return	10-yr return	Since Inception
Equity					
Aditya Birla Sun Life Frontline Equity Fund	184.3	14.2%	10.9%	10.9%	19.6%
Benchmark		16.1%	13.4%	9.9%	
Peer average		13.4%	11.5%	11.5%	
Aditya Birla Sun Life Tax Relief 96 Fund	118.9	15.3%	11.2%	11.6%	23.3%
Benchmark		17.9%	13.3%	10.3%	
Peer average		13.9%	10.6%	11.1%	
Aditya Birla Sun Life Flexi Cap Fund	117.6	16.1%	13.2%	11.9%	22.2%
Benchmark		18.8%	12.6%	10.1%	
Peer average		15.9%	11.7%	11.5%	
Aditya Birla Sun Life Equity Hybrid '95 Fund	78.6	11.7%	8.8%	10.3%	19.0%
Benchmark		18.0%	12.4%	10.3%	
Peer average		11.6%	9.4%	9.8%	
Debt					
Aditya Birla Sun Life Corporate Bond Fund	236.1	11.9%	9.0%	9.3%	9.4%
Benchmark		12.0%	8.9%	9.2%	
Peer average		10.6%	8.6%	8.5%	
Aditya Birla Sun Life Low Duration Fund	181.3	7.7%	7.6%	8.2%	7.5%
Benchmark		6.6%	7.5%	8.3%	
Peer average		7.4%	7.1%	8.1%	
Aditya Birla Sun Life Savings Fund	168.5	7.0%	7.9%	8.7%	7.8%
Benchmark		6.2%	7.3%	8.3%	
Peer average		5.6%	6.6%	7.6%	
Aditya Birla Sun Life Banking & PSU Debt	148.3	10.9%	9.0%	9.5%	8.9%
Benchmark		10.4%	8.2%	8.7%	
Peer average		10.2%	8.4%	8.8%	

Source: Company; IDBI Capital Research

Exhibit 29: Key Management & Board profile

Name	Designation	Profile
Kumar Mangalam Birla	Non- Executive Chairman and Independent Director	He holds a B.Com. degree from University of Bombay, an MBA degree from London School of Business and is also a Chartered Account. He is also the chairman of the Aditya Birla group and the chairman on the boards of key group companies in India and globally, such as, Novelis Inc Canada, Thai Rayon Public Company Limited, Hindalco Industries Limited, Grasim Industries Limited, Aditya Birla Capital Limited, Century Textiles and Industries Limited, UltraTech Cement Limited and Aditya Birla Fashion and Retail Limited.
A Balasubramanian	CEO and Managing Director	He holds a B.Sc. degree in Mathematics and a master's degree in business administration from GlobalNxt University. He has completed advanced management programs from Indian Institute of Management, Bangalore and Harvard Business School. He has been associated with the company since 1994, and has served as the CEO and MD since 2009. Prior to this, he was the CIO of the company between 2006 and 2009. He is on the board of AMFI since 2009 and was the vice chairman of AMFI in 2015-2016. In 2016-2018, he was appointed as the chairman of the AMFI board and also chairman of the financial literacy committee.
Bobby Parikh	Independent Director	He holds a B.Com degree from University of Bombay and is also a qualified Chartered Accountant. He has been an independent director since Feb 2012 and was re-appointed for a second term in Aug 2019. He is also on the board of Aviva Life Insurance Company, Biocon Biologics Limited, Biocon Limited, Indostar Capital Finance Limited and Infosys Limited.
Bharat Patel	Independent Director	He holds a MA in Economics from University of Notre Dame and an MBA from University of Michigan. He has served on the board since June 2012 and was re-appointed for a second tenure in September 2019. He is also on the board of Sasken Technologies Limited and Sistema Smart Technologies Limited.
Alka Bharucha	Independent Director	She holds a M.A. LLB and is a qualified solicitor. She also holds a Master of Laws from the University of London. She is a Solicitor of the Supreme Court of England and is also an Advocate on Record of the Supreme Court of India. She has been on the board since March 2015 and was re-appointed in July 2020. She is also on the board of Birla Estates Private Limited, Birlasoft Limited (formerly known as KPIT Technologies Limited), Hindalco Industries Limited and Honda Cars India Limited.
Harish Engineer	Independent Director	He holds a B.Sc. degree from University of Bombay and a diploma in Business Management from Bharati Vidya Bhavan. He has been a director since June 2019. He is also on the board of ARKA Fincap Limited since June 14, 2019 and HDFC Property Ventures Limited since July 20, 2015.
Navin Puri	Independent Director	He has qualified as a Chartered Accountant and from the Institute of Chartered Accountants of India. He has served on the board since September 2019.
Ajay Srinivasan	Non-executive Director	He holds a B.A. in Economics (Honours) from St Stephen's College, University of Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He has been on the board since August 2007. He is the Chief Executive Officer at ABCL, the non-operating holding company for the financial services businesses of the Aditya Birla Group and the largest shareholder of our company.
Sandeep Asthana	Non-executive Director	He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Bombay and a post-graduate diploma in management from Indian Institute of Management, Lucknow. He has been on the board since April 2011. He is the Country – Head, India, for Sun Life Financial since 2011. His experience covers leadership roles in Reinsurance Group of America (RGA Re), Unit Trust of India (UTI) and Zurich Risk Management Services (India) Private Limited. He is also on the board of Aditya Birla Sun Life Insurance Company Limited and Aditya Birla Sun Life Pension Management Limited.
Colm Freyne	Non-executive Director	He is a chartered professional accountant in Canada and a chartered accountant in Ireland. He has been on the board since October 2016. He is the Executive Vice-President & Chief Risk Officer of Sun Life Financial Inc. and Sun Life Assurance Company of Canada.

Financial Summary

Profit & Loss Account

(Rs mn)

Year-end: March	FY18	FY19	FY20	FY21	Q1FY22
Revenue from operations					
Fees and commission income	12,491	13,268	11,597	10,679	3,032
Net gain on fair value changes	740	793	742	1,231	301
Total revenue from operations	13,231	14,061	12,338	11,910	3,332
Other income	6	12	9	148	30
Total Income	13,237	14,073	12,348	12,058	3,362
Expenses					
Fees and commission expenses	2,615	1,435	751	471	62
Finance cost	50	57	54	56	13
Employee benefit expenses	2,363	2,775	2,420	2,407	690
Depreciation and amortisation expense	257	324	365	374	90
Other expense	2,736	3,023	2,150	1,792	449
Total Expenses	8,022	7,615	5,740	5,100	1,304
Profit before tax	5,215	6,458	6,607	6,959	2,059
Income tax expense					
Current tax	1,424	2,244	1,603	1,706	547
Deferred tax	310	-261	67	-9	-38
Tax adjustment for prior years	-5	7	-7	-1	0
Income tax expense	1,729	1,990	1,663	1,696	509
Profit after tax	3,486	4,468	4,944	5,263	1,549
EPS	12.1	15.5	17.2	18.3	5.4

Balance Sheet

(Rs mn)

Year-end: March	FY18	FY19	FY20	FY21	Q1FY22
Assets					
Financial Assets					
Cash and cash equivalents	440	382	466	565	520
Bank balances	3	3	3	3	3
Trade receivables	447	257	405	310	257
Loans	0	1	1	0	0
Investments	11,407	11,381	12,634	17,263	18,521
Other financial assets	175	285	129	192	127
Total Financial Assets	12,472	12,308	13,638	18,333	19,428
Non-Financial Assets					
Current tax assets (net)	126	160	274	169	64
Property, plant and equipment	173	205	191	122	105
Right of use assets	647	646	547	516	491
Capital work-in-progress	2	12	2	1	2
Intangible assets under development	3	11	8	10	8
Other intangible assets	79	95	124	133	124
Other non-financial assets	1,992	1,548	936	562	636
Total Non-Financial Assets	3,021	2,677	2,082	1,513	1,430
Total Assets	15,493	14,985	15,720	19,846	20,859
Equity					
Equity Share Capital	180	180	180	180	1,440
Other Equity	11,195	12,026	12,989	16,866	16,582
Total Equity	11,375	12,206	13,169	17,046	18,022
Liabilities					
Financial Liabilities					
Payables					
Trade payables	1,447	755	474	374	421
Lease liabilities	700	719	621	593	570
Other financial liabilities	600	536	469	466	452
Total Financial Liabilities	2,747	2,010	1,564	1,433	1,443
Non Financial Liabilities					
Current tax liabilities (net)	1	0	0	94	155
Provisions	885	503	705	945	955
Deferred tax liabilities (net)	331	70	146	137	99
Other non-financial liabilities	153	195	135	189	184
Total Non-Financial Liabilities	1,370	769	987	1,366	1,394
Total Liabilities and Equity	15,493	14,985	15,720	19,846	20,859



Notes

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