

**OUR
FOCUS ON CUSTOMERS
ENABLES US TO
GROW EXPONENTIALLY.**



**Aditya Birla
Money Ltd.**

(A part of Aditya Birla Capital Ltd.)



**ADITYA BIRLA
CAPITAL**

Chairman's Message to Shareholders



Dear Members,

The financial year 2021-22 began on a challenging note with the country under the grip of the 2nd Covid wave that began in March 2021. The delta variant was more severe with a much faster spread and higher mortality rate than the 1st wave. The lockdowns though were less restrictive and disruptive than the 1st wave. The contact intensive service oriented sectors such as hotels, restaurants, retail and tourism suffered while manufacturing and agriculture were relatively insulated. The Omicron wave towards the end of the year was short-lived and mild and did not impact the economy. Rapid pace of vaccinations in between the 2 waves immunised significant chunk of the population that resulted in both lower hospitalisations and lower mortality.

The Centre's Fiscal Deficit is budgeted to be 6.4% of GDP in FY 2022-23, lower than the revised estimated of 6.9% in FY 2021-22. Tax collections were robust in the year gone by. Gross tax collections surged 33.5% to a new high of ₹27.07 Lakh Crore. India's tax-GDP ratio also improved to over a two decade high of 11.7%. As far as the market borrowing program is concerned, the Government is likely to raise ₹14.95 Lakh Crore for FY 2022-23 with 60% of it (₹8.45 Lakh Crore) in the first half to front load capex spending. The government continues to focus on increasing its capex to pump prime the economy. Revised Estimates (RE) for FY2021-22 was 9.6% higher than the Budgeted Estimates (BE). Moreover, FY2022-23 BE at ₹7.5 Lakh Crore is 24.4% higher than the FY 2021-22 RE.

Indian equity markets have managed to hold on well considering the year was marked by major events such as the Russia-Ukraine conflict, expectation of sharp interest rate hikes, economy still recovering from covid era and persistent FII selling. Despite all these challenges, Nifty delivered 18.9% return in FY 2021-2022 while Nifty Midcap 100 was up by 25.3% and Small cap 100 by 28.6%. During FY 2021-2022, FIIs were net sellers of Rs 1.4 lakh crore while DIIs have matched up similar amount on buy side led by persistent inflows into mutual funds from retail investors.

Retail investors have held their nerves and have now become a formidable force in domestic

equity markets. This has turned out to be a huge positive for the broking industry. New demat accounts surged to 89.7 mn in FY 2021-2022 vs 55.1 mn in FY 2020-2021. Successful listings in the IPO market brought more retail investors into direct equity investing. Owing to aggressive client acquisition by brokerage houses and positive experience in stock markets, the participation of retail investors in Indian stock markets is expected to further increase.

During the year, full phase implementation of peak margin continued in order to keep leverage positions under check. This impacted cash volumes with monthly cash ADTO turning volatile but still growing by 9.6% over FY 2020-2021. The peak margin norms however shifted the trading volumes to the derivative segment. The average derivative ADTO jumped by a staggering 2.6x in FY 2021-2022 to ₹71 Lakh Crore. This pace is further accelerating with month of February 2022 witnessing ADTO of ₹81.7 lakh Crore while March saw ADTO of ₹91.2 lakh Crore.

India's 10 Yr Yield averaged around 6.3% during the year. The latter half of the year saw hardening of the yields on the back of heightened inflationary concerns and the RBI sucking out excess liquidity from the system.

Overall the Indian economy remained resilient throughout the pandemic. Post Covid recovery in the services sector has been faster than expected and should continue inching towards the pre-pandemic levels in the new year barring any disruption from another Covid variant or geopolitical event.

The Russian invasion of Ukraine has disrupted the global geopolitical and economic environment. Global energy and supply chains have been wrecked by the incessant fighting and sanctions stoking inflation across both developed and emerging economies. The covid induced lockdown in China has exacerbated the already tight logistics situation further. Higher prices of commodities will impact the gross margins and eventually the profitability of the corporates. Cost push inflation is likely to dampen consumer demand in the immediate term and delay the much awaited capex cycle.

Runaway inflation has prompted central banks across the world to tighten their easy money policies and raise interest rates ahead of the curve. This has raised recession fears in the US and other developed economies. The RBI too has sounded the inflation bugle in its MPC and lowered the growth forecast for FY 2022-2023.

In the near term, energy prices are expected to remain firm on the back of global demand recovery and supply side challenges. Sanctions on Russia and under investment in fossil fuels over the years has led to tighter supplies which are likely to keep the prices elevated in the near future. India's fiscal math is likely to get challenged due to higher food and fertilizer subsidies. Higher inflationary environment is expected to impact discretionary consumption as companies pass on the higher raw material costs to consumers.

Despite these headwinds, India's aim of becoming \$5tn economy by FY 2025-2026 remains intact. Reforms undertaken over the

last few years should start bearing fruit. The PLI schemes across sectors, focus on indigenization in defence, thrust on infrastructure development through the ambitious National Infrastructure Pipeline (NIP) and supplemented by the Gati Shakti Master Plan, focus on clean energy and technology makes India an attractive investment destination. FY 2022-2023 should also see the Govt divesting more of its assets through completion of the stake sales in BPCL, LIC, SCI, CONCOR and BEML and asset monetization announced in the National Monetisation Plan (NMP). Initial estimate suggests that the southwest monsoon in 2022 is expected to be 'normal' at ~98% LPA which is positive for rural India and will also help in taming food inflation.

The Company recorded Revenue from Operations of ₹231.31 Crore in FY 2021-22 as compared to ₹190.61 Crore in FY 2020-21, an increase of 21.35% led by higher broking and interest income. The Profit Before Tax stood at ₹35.68 Crore for FY 2021-22 as compared to ₹22.40 Crore in FY 2020-21, an increase of 59.29%. The Company constantly strive for product innovations to elevate customer experience and promote customer delight. The Company launched the Open Store platform which will allow our customers to seamlessly access select 3rd party research & advisory platforms. Our ongoing initiatives to improve our trading app with UI/UX changes and addition of relevant features led to ~26% increment in the average daily customers traded through the mobile app.

The Company continue its efforts to empower its customers with DIY services by adding 17 more services to the Whatsapp self-service platform. It also continued its efforts to educate customers on the various aspects of investing/trading vide research led webinars and creation of instructional videos.

In this era of mounting complexity, perpetual uncertainty and near-fatal disruptions like Covid-19, the Company is committed to being a leader and role model in all facets of its business by striving to be the best in class.

Going ahead, the three key factors that shall drive the Company's growth and ensure sustainability are digital transformation, optimal pricing and a wider reach and customer base.

Yours Sincerely,

GOPI KRISHNA TULSIAN

Chairman

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Equities



Derivatives



Currency



Commodities



Mutual Funds



IPO



UNLEASHING THE POWER OF 'PHYGITAL' – THE BEST OF PHYSICAL AND DIGITAL

Since inception, Aditya Birla Money has been the platform of choice for its customers for their wealth creation needs. We have successfully harnessed the power of digital to complement our physical presence to offer our customers a seamless and delightful experience right from on-boarding to investing/trading. As we continue our journey to further expand our customer franchise, we seek to further complement our physical capabilities by bolstering our technological prowess to offer the best of both worlds – physical and digital to our customers.

Aditya Birla Money is a one-stop shop for customers for their entire investment and trading needs. We offer a full range of services relating to investment in stocks, mutual funds, IPOs, SGBs, PMS etc. and trading in equity, commodity and currency derivatives. Our “phygital” approach allows us to cater to the needs of customers seeking in-person servicing and relationship management as well as DIY customers who prefer to do everything on their own. Our product and service innovations enable us to provide differentiated experiences to customers.

We constantly strive to acquire new customers on the back of innovative customer services ideas and our collective experience. To stay ahead in the digital age, our IT and product teams continuously endeavour to enhance our tech and digital capabilities. Our in-house research team has a wealth of accumulated experience and expertise covering various sectors of the economy and sound understanding of market dynamics. We have a robust risk management culture that seeks to identify and eliminate risk throughout the organization to ensure uninterrupted service to our customers.

As more and more Indians enter the world of investing driven by growing incomes, digital adoption and financial literacy, we are well placed to capitalize on the opportunity as a trusted name, driven by robust tech platforms, helmed by experienced management and supported by physical presence at strategic locations to support future growth.

Values That Propel Us



INTEGRITY

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



PASSION

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



SPEED

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



COMMITMENT

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

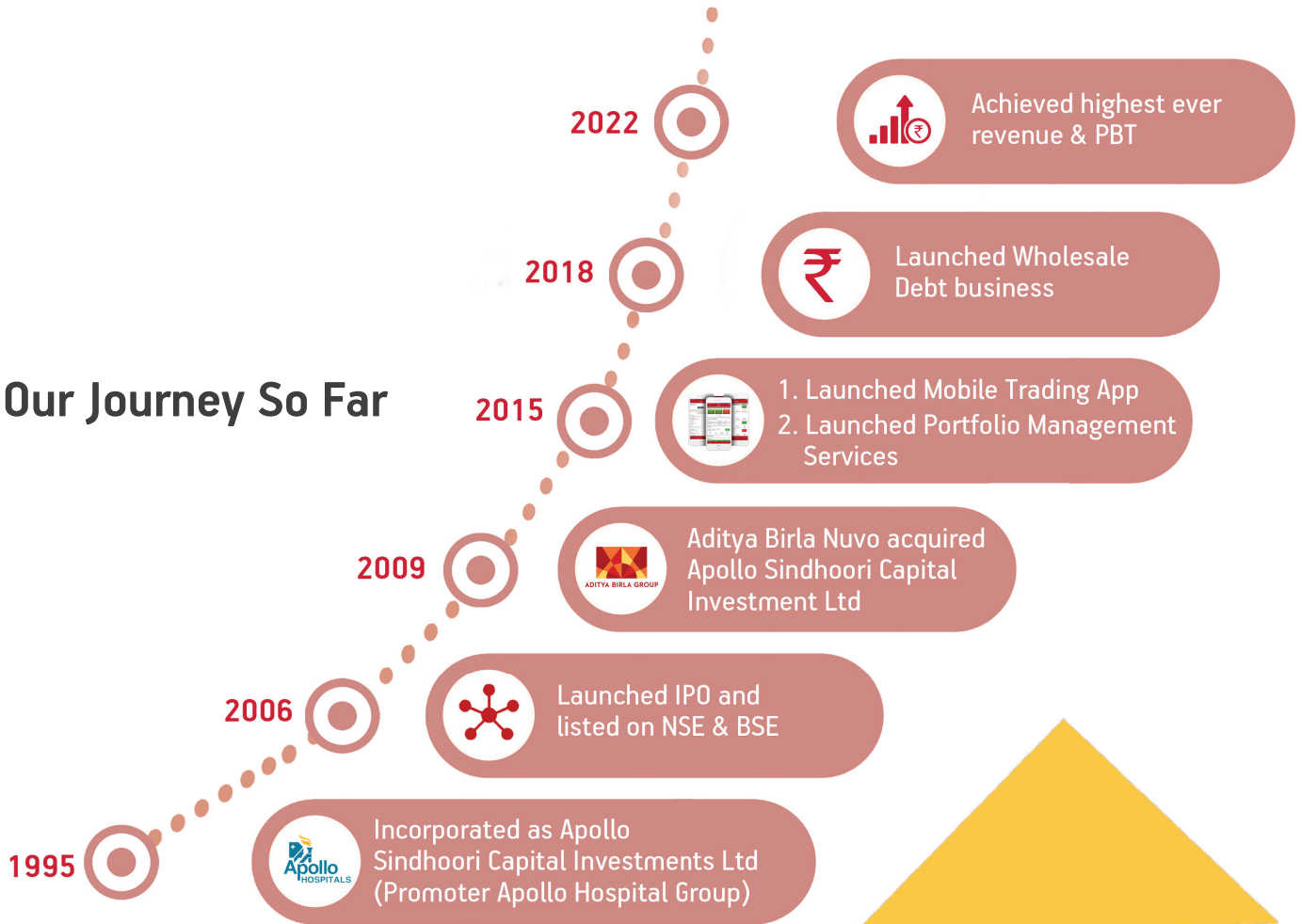


SEAMLESSNESS

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



Our Journey So Far



Business Snapshot



₹60000+Cr
DP Assets



5 lakh+
Total Customer Base



400+
Cities Present



4 Bank
Partnerships



1000+
Business
Partners



60%+
Volumes through
digital channels



33
Avg. age of clients
acquired in FY'22

Our Offerings - 360° Solutions For Wealth Creation

**Stock
Investment/Trading**

**Mutual Fund & ETF
Investment**

**Investment in IPOs, SGBs,
Debt Securities**

Derivative Trading

**Commodity & Currency
Trading**

**Portfolio Management
Services**