

## Life Insurance

Aditya Birla Sun Life Insurance Company Ltd.

(A subsidiary of Aditya Birla Capital Ltd.)



**ADITYA BIRLA  
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

**July 29, 2022**

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

**Scrip: 973339/ 973603**

**National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor,  
Plot. C/1, G-Block, Bandra-Kurla Complex,  
Bandra (East),

Mumbai 400 051

**Scrip: ABSL31**

Dear Sir/ Madam,

**Sub: Newspaper advertisement pertaining to Financial Results of Q1 FY2023**

Pursuant to the provisions of Regulation 52(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copies of newspaper advertisement pertaining to Financial Results of the Company for the quarter and period ended June 30, 2022. The advertisement was published in Business Standard, English Newspaper on July 29, 2022.

This above is for your information and record.

**For Aditya Birla Sun Life Insurance Company Limited**

**Sangeeta Shetty  
Company Secretary**

**Cc: Axis Trustee Services Limited**

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CIN: U99999MH2000PLC128110

# Despite Q1 miss, experts upbeat on CG Consumer

Market-share gains, entry into premium kitchen appliances seen as positives

RAM PRASAD SAHU  
Mumbai, 28 July

The June quarter (Q1) results of Crompton Greaves Consumer fell short of Street estimates. Revenues for the company, which makes home and kitchen appliances, were broadly in line with analyst estimates, but the operational performance was disappointing.

Despite the Q1 miss most brokerages are bullish on the stock, given its entry into the premium kitchen appliance segment, market share gains in core categories of fans, pumps, and LED lights. It has expanded its presence by acquiring Butterfly Gandhimathi Appliances.

The near-term trigger for the stock, which has remained flat since its results, would be demand trends, raw material prices and margin trajectory. The operating profit margin in Q1 came in at 11.8 per cent, down 300 basis points on a sequential basis and below the Street estimates of over 13 per cent.

The drop in profitability (operating profit at ₹220 crore) was on account of increased investments in brands and initial costs related to new-category launches. Advertising and promotion expenditure of ₹45 crore was at an all-time high level, which coupled with higher-than-expected variable pay dented margins.

The company is looking at tackling raw material inflation and maintaining



## TURNING IT UP A NOTCH

(₹crore)	FY22	FY23E	FY24E
Net sales	5,394	7,308	8,327
Change (YoY %)	12.3	35.5	13.9
Operating profit	769	1,006	1,242
Change (YoY %)	6.7	30.8	23.5
Margin (%)	14.3	13.8	14.9
Net profit	598	659	833
Change (YoY %)	9.8	10.1	26.5

E: Estimates; Source: Prabhudas Lilladher Research

profitability by increasing prices, improving its business mix and by saving cost. There could, however, be some impact on demand trends given the higher input costs.

"The near-term demand appears sombre amid the inflationary scenario.

Crompton expects to pass on the impact of softening commodity prices to its channel partners from Q2FY23. Channel partners are now loaded with high-cost stocks," said Nirav Vasa, of Anand Rathi Research. This could be felt more in the pump category, which has seen a 20-25 per cent hike and for which the GST rate was recently increased from 12 per cent to 18 per cent.

The Street will track the traction the company gets in the built-in kitchen appliance segment it entered a couple of months ago. The segment, which includes chimneys and hobs, has a market size of ₹2,200 crore and the company is eyeing the top position in the next three years with a share of 10 per cent.

Siddhartha Bera and Kapil Singh, of Nomura Research, said growth for the company would come from Butterfly's focus on non-South markets and retail channels and steady growth/market share gains in fans which should help the company drive annual growth of 13 per cent over the FY23-25 period.

Commodity tailwinds and better margins in Butterfly should help improve overall operating profit margins to 14.3 per cent in FY24 and 14.8 per cent in FY25, they said.

At the current price, the stock is trading at 28.4 times its FY24 earnings estimates. With target prices around the ₹500 mark, there is a substantial 32 per cent upside from the current levels. Investors can consider the stock for the long term on dips

# Utilise price corrections to buy gold; this safe haven's here to stay

If the Fed turns less aggressive, the yellow metal could stage a comeback

SARBAJEET K SEN

Gold has seen significant price erosion in recent months, especially in the international market. Investors may find this perplexing. With the equity markets also experiencing a downturn, gold would, in normal circumstances, be expected to act as a safe haven and protect the portfolio.

On April 19, gold was trading at around \$1,950 per troy ounce. By July 27, it had declined to \$1,723. It even slid below \$1,700 briefly on July 20. Over the same period, the Dow Jones Industrial Average corrected from 35,160 to 31,874. The BSE Sensex slipped from a high of 60,611 on April 4 to 55,816 on July 27.

Says Ravindra Rao, vice president and head, commodity research, Kotak Securities: "Gold and equities haven't had a positive correlation historically. Gold is considered a safe-haven asset while equities tend to outperform during times of strong economic growth. However, over the past few months, we have seen selling pressure across gold and equities as market players have moved out of riskier assets to the safety of the US dollar due to aggressive monetary tightening by the US Federal Reserve."

## Rising rates impacting gold

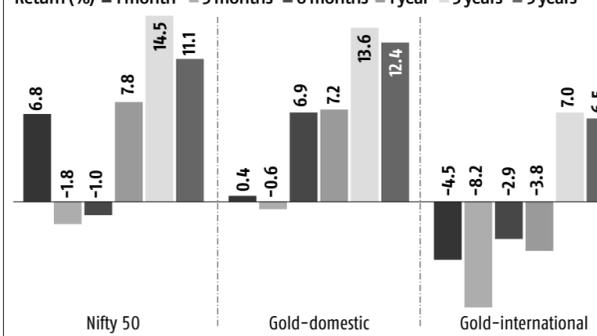
Experts attribute the fall in the price of gold primarily to rising interest rates in the US. "Gold yields no interest. So, when interest rates rise, it increases the opportunity cost of holding the metal," says Rao.

The Fed's actions will have a bearing on gold prices in the future. Says Chirag Mehta, chief investment officer, Quantum Asset Management Company: "The 40-year high inflation in the US has compelled the Fed to hike interest rates in order to slow down the economy. This has, however, ignited worries of a recession. A recession would propel central banks to cut interest rates and boost the economy. How the Fed balances growth and inflation in the coming months will be crucial. If the Fed turns dovish, that will bode well for gold prices."



## DIRECTIONALLY SIMILAR RETURNS IN INDIA

Six-month period is the only exception when returns between the Nifty-50 and domestic gold have diverged



Source: Exchange, IBIA; Compiled by BS Research

## The dollar factor

The strengthening of the US dollar has also had a negative impact on gold. Says Rao: "The dollar index has surged on safe-haven buying and expectations that the Fed may lead other central banks in monetary tightening. It needs to be seen whether the US dollar can continue to strengthen, with US economic activity slowing, and other central banks also tightening their monetary policies."

According to Hareesh V, head, commodities research, Geojit Financial Services, "A correction in the US dollar will support gold prices."

## Russia-Ukraine war

The Russia-Ukraine war should ideally have caused gold prices to rise. Says Hareesh V: "Gold usually trades higher during periods of economic or political uncertainty. However, the Russia-Ukraine war raised inflation globally

and caused major central banks to start hiking interest rates."

An escalation of the conflict could cause gold prices to firm up.

## Where is gold headed?

The near future for gold remains uncertain but the long-term trend may be upwards. Says Hareesh V: "The immediate outlook of London spot gold is 'choppy with mild negative'. But over the long term it remains positive. If it breaks the support of \$1,645, it may extend towards \$1,350 or more initially. The immediate upside turnaround point is \$1,880."

Rao has similar targets. "Gold may remain under pressure unless we see a correction in the US dollar index. The dollar may lose momentum if US economic growth slows and the Fed slows the pace of rate hikes. If this materialises, gold could stabilise and recover. In the near term, it could correct to \$1,650-\$1,670 and stabilise, and then revert towards \$1,800-1,850 levels," says Rao.

## SEBI CORNER

### Religare Finvest fund reroute: ₹60-cr fine on Singh brothers

The Securities and Exchange Board of India (Sebi) on Thursday imposed a penalty of ₹60 crore on 10 entities in the fund diversion case at Religare Finvest (RFL) — a subsidiary of Religare Enterprises. Erstwhile promoters Malvinder Singh and Shivinder Singh have been asked to pay ₹10 crore each and barred from accessing the capital market for a period of three years. The case relates to alleged siphoning of ₹2,315 crore from RFL to benefit promoters and connected entities. Earlier, Sebi had passed orders directing RFL to take necessary steps to recover the amount with interest.

BS REPORTER

### Markets regulator relaxes new exchange-traded funds' norms

The markets regulator has deferred implementation of a key clause in the new framework on exchange-traded funds that came into effect this month. Clause 2(IV)(A) under the new framework mandates all purchase and redemption orders directly placed with the fund house have to be greater than ₹25 crore. Those below this threshold have to mandatorily take place on the stock exchange platform. "Feedback was received from stakeholders expressing certain challenges with respect to implementation of the above clause. Considering the same, it has been decided that the applicability of Clause 2(IV)(A) of the circular shall be November 1," it said in a circular.

BS REPORTER



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## Aditya Birla Sun Life Insurance Company Limited : Newspaper Publication Publishing Purpose : Standalone

[Regulation 52 (8) read with Regulation 52 (4) of the Listing Regulations]

(Amounts in lacs of Indian Rupees)

Sr No.	Particulars	Quarter ending 30 <sup>th</sup> June, 2022	Quarter ending 30 <sup>th</sup> June, 2021	Year Ended 31 <sup>st</sup> March, 2022
		(Audited)	(Audited)	(Audited)
1	Premium Income (Gross) (Refer note (b))	2,59,129	1,73,443	12,01,870
2	Net Profit / (Loss) for the period (before tax, Exceptional and / or Extraordinary items#)	2,912	2,826	14,090
3	Net Profit / (Loss) for the period before tax (after Exceptional and / or Extraordinary items#) (Refer note (c))	2,912	2,826	14,090
4	Net Profit / (Loss) for the period after tax (after Exceptional and / or Extraordinary items#)	2,317	2,457	12,684
5	Total Comprehensive income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] Refer note (d)	NA	NA	NA
6	Equity Share Capital (as at date)	1,90,121	1,90,121	1,90,121
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet (Refer note (e))	61,678	47,581	60,082
8	Securities Premium Account	20,000	20,000	20,000
9	Net Worth	2,55,970	2,40,921	2,54,863
10	Paid up Debt Capital / Outstanding Capital	50,000	15,000	50,000
11	Outstanding Redeemable Preference Shares	NA	NA	NA
12	Earning Per Share (Basic and Diluted), Face Value of Rs. 10 (in Rs.) (not annualized for three months)	0.12	0.13	0.67
13	Debt Equity Ratio (as at date) (no of times)	0.20	0.06	0.20
14	Capital Redemption Reserve (as at date)	6,829	6,829	6,829
15	Debenture Redemption Reserve (as at date)	5,000	1,500	5,000
16	Debt service coverage ratio (no of times)	5.14	14.55	8.06
17	Interest service coverage ratio (no of times)	5.14	14.55	8.06

**Note:**

- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)) and the Company's website <https://lifeinsurance.adityabirlacapital.com>)
- Premium income is gross of reinsurance and net of GST
- Net Profit / (Loss) before tax, for the period is Profit before tax as appearing in Profit and Loss Account (Shareholders' Account)
- Line item No. 5 would be disclosed when Ind-AS becomes applicable for Insurance Companies.
- Reserves are shown excluding Revaluation reserve and fair value change account
- #-Exceptional and / or Extraordinary items adjusted in the statement of Policyholders' and Shareholders' account with Ind-AS Rules/AS Rules, whichever is applicable

Mumbai, July 27, 2022

For and on behalf of the Board of Directors

**Kamlesh Rao**  
Managing Director & CEO  
(DIN: 07665616)

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