

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Aditya Birla Capital Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors,



as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

The auditors of Aditya Birla Money Limited ("ABML"), without qualifying their opinion on the consolidated financial statements of ABML have drawn attention to Note no. 34 (iii) of the Notes to the Financial Statements relating to the recoverability of assets in the nature of trade receivables, advances, and other assets etc. aggregating to Rs. 18.73 Crore grouped under advances recoverable in cash or kind, which is subject to matter of claim and more fully described therein.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in



India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 34(i) to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 34(ii) to the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2017; and
 - iv. The Holding Company and subsidiaries incorporated in India have provided disclosures in Note 33 in the consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 9, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding to the holding and nature of cash transactions, including those in Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Holding Company and as produced to us by the management.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose financial statements include total assets of Rs. 41,733 Crore, and total revenues of Rs. 2185 Crore and net cash inflows of Rs. 66 Crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.
- (b) The auditors of Birla Sun Life Insurance Company Limited ('BSLI'), a subsidiary company, have reported that the actuarial valuation of liabilities of BSLI for life policies in force and for policies in respect premium has been discontinued but liability exists as at March 31, 2017 is the responsibility of BSLI's Appointed Actuary ('the appointed actuary'). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2017 has been duly certified by the appointed actuary and in appointed actuary's opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority



S.R. BATLIBOI & Co. LLP

Chartered Accountants

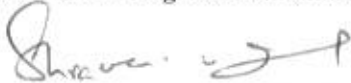
('IRDA') and the Institute of Actuaries of India in concurrence with IRDA. BSLI's auditors have relied on the appointed actuary's certificate in this regard for forming their opinion on financial statements of BSLI.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S.R. Batliboi & Co LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADITYA BIRLA CAPITAL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Aditya Birla Capital Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Aditya Birla Capital Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, including with respect to BSLI, the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA") in this regard.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and



appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on auditor's report of seven subsidiaries, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

- (a) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these seven subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.
- (b) The auditors of Birla Sun Life Insurance Company Limited ('BSLI'), a subsidiary company, have reported that the actuarial valuation of liabilities of BSLI for life policies in force and policies where premium is discontinued is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") read with Insurance Regulatory and Development



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Authority of India circular IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016, and has been relied upon by the auditors of BSLI, as mentioned in "Other Matter" para (b) of our audit report on the consolidated financial statements of the Holding Company as at and for the year ended March 31, 2017. Accordingly, auditors of BSLI have not audited the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation.

For **S.R. Batliboi & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017

Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
CIN: U67120GJ2007PLC058890
Consolidated Balance Sheet as at 31st March, 2017

	Note No.	As at 31st March, 2017	₹ in crore As at 31st March, 2016
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2A	1,232.24	2,533.62
Reserves and Surplus	3	5,363.25	1,921.18
Equity Attributable to Owners of the Parent		6,595.49	4,454.80
Minority Interest		1,951.80	755.76
Total Equity	Sub-Total - (A)	8,547.29	5,210.56
(B) Preference Share issued by Subsidiary Companies	2B	14.70	14.70
(C) Non-Current Liabilities			
Long-term Borrowings	4A	18,193.50	14,346.59
Other Long-term Liabilities	5A	177.55	202.68
Long-term Provisions	6A	285.98	179.02
Policyholders' Fund		32,199.69	-
Fund for Discontinued Policies		356.19	-
Fund for Future Appropriations		4.20	-
Sub-Total - (C)		51,217.11	14,728.29
(D) Current Liabilities			
Short-term Borrowings	4B	11,685.83	7,174.53
Trade Payables- total outstanding dues of			
- Micro enterprises and small enterprises		12.61	-
- Creditors other than micro enterprises and small enterprises		767.42	207.00
Other Current Liabilities	5B	4,804.59	2,594.21
Short-term Provisions	6B	252.57	112.24
Policyholders' Fund		544.21	-
Fund for Discontinued Policies		281.76	-
Fund for Future Appropriations		2.66	-
Sub-Total - (D)		18,351.65	10,087.98
TOTAL (A)+(B)+(C)+(D)		78,130.75	30,041.53
ASSETS			
(E) Non-Current Assets			
Fixed Assets			
Tangible Assets	7A	106.96	41.84
Intangible Assets	7B	90.78	24.73
Capital Work-in-Progress		1.05	-
Intangible Assets under Development		33.26	11.24
		232.05	77.81
Goodwill on consolidation		580.03	247.18
Non-Current Investments			
Investments of Life Insurance Business	8A	9,001.98	-
Investments of Health Insurance Business	9A	187.13	-
Other Investment	10A	391.19	366.63
Assets Held to Cover Linked Liabilities of Life Insurance Business	11A	22,086.96	-
Deferred Tax Assets (Net)	12	106.80	99.28
Long-term Loans and Advances	13A	28,735.79	18,602.64
Other Non-Current Assets	14A	42.25	1.10
Sub-Total - (E)		61,364.18	19,394.64
(F) Current Assets			
Current Investments			
Investments of Life Insurance Business	8B	477.43	-
Investments of Health Insurance Business	9B	41.79	-
Other Investment	10B	1,546.42	996.56
Assets Held to Cover Linked Liabilities of Life Insurance Business	11B	2,800.76	-
Stock of Securities of NBFC Business	15	582.78	330.20
Trade Receivables	16	369.36	178.56
Cash and Bank Balances	17	803.70	113.67
Short-term Loans and Advances	13B	9,437.76	8,641.70
Other Current Assets	14B	706.57	386.20
Sub-Total - (F)		16,766.57	10,646.89
TOTAL (E)+(F)		78,130.75	30,041.53

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date
For **S. R. Batliboi & Co LLP**
Chartered Accountants
ICAI Firm registration no.301003E/E300005

Per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 26th June, 2017



For and on behalf of the Board of Directors

Shriram Jagtani
Director
DIN-01638250

Pinky Mehta
Director
DIN : 00020429

Sailesh Daga
Company Secretary

Mumbai, 26th June, 2017



Aditya Birla Capital Limited
 (Formerly known as Aditya Birla Financial Services Limited)
 CIN: U67120GJ2007PLC058890

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

₹ in crore

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

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31st March, 2016

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31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Year Ended

31st March, 2017

Year Ended

31st March, 2016

Revenue from Operations

Note No.

Year Ended
31st March, 2017

Year Ended
31st March, 2016

Other Income

18

5,805.69

3,597.95

Total Revenue

19

80.18

71.18

5,885.87

3,669.13

Expenses

Employee Benefits Expenses

20

717.21

501.24

Brokerage and Discounts

344.56

190.35

Finance Cost relating to lending activity of Subsidiaries

21A

2,288.27

1,599.89

Finance Cost

21B

10.83

8.81

Depreciation and Amortisation Expenses

22

43.17

32.85

Benefit Paid (Insurance Business)

416.17

-

Change in valuation of liability in respect of insurance policies in force

23A

276.86

-

Other Expenses

23B

723.06

467.34

Total Expenses

4,820.13

2,800.48

Profit Before Tax and Exceptional Item

1,065.74

868.65

Less : Exceptional Items

-

-

Profit Before Tax

1,065.74

868.65

Tax Expenses

Current Tax

380.47

372.91

MAT Credit

(0.36)

(0.36)

Short/(Excess) Provision for Tax of Earlier Years (Net)

2.00

7.17

Deferred Tax

(7.52)

(35.15)

Profit for the Year

691.15

524.08

Profit for the Year Attributable to

Owners of Parent

530.00

380.53

Minority Interest

161.15

143.55

Profit for the Year (A) + (B)

691.15

524.08

Basic Earnings Per Share (₹)

6.35

5.01

Diluted Earnings per Share (₹)

24

6.35

4.34

(Face Value of ₹ 10/- each)

Significant Accounting Policies

1

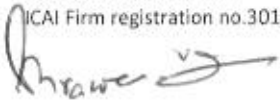
The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration no.301003E/E300005





Per Shrawan Jalan

Partner

Membership No. 102102

For and on behalf of the Board of Directors

Shriram Jagetia

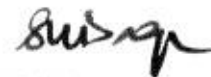
Director

DIN-01638250

Pinky Mehta

Director

DIN : 00020429



Suresh Daga

Company Secretary



Mumbai, 26th June, 2017

Mumbai, 26th June, 2017



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Consolidated Cash Flow Statement
For the year ended 31st March , 2017

₹ in Crores)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Cash Flow From Operating Activities		
Profit Before Tax	1,065.74	868.65
Adjustment For-		
Interest Income	(16.15)	(31.38)
General Contingency Provision written back	-	19.81
Depreciation	37.27	32.85
Interest Expense other than NBFC	10.83	8.81
Foreign Currency Translation Reserve	(0.44)	0.40
Net gain on sale of investments	(56.92)	(12.93)
Profit on sale of FA	(0.07)	(0.10)
Dividend Income	(1.36)	12.65
Change in valuation of liability in respect of life insurance policies in force	541.96	-
Operating Profit Before Working Capital Changes	515.12	14.81
Adjustment For-		
Decrease/(Increase) in Trade Receivable	(96.37)	(54.36)
Decrease/(Increase) in Loans	(11,102.10)	(9,923.26)
Decrease/(Increase) in Other assets	7.47	(2.47)
Decrease/(Increase) in Stock of Securities	(252.59)	137.37
Decrease/(Increase) in Trade Payable	(36.04)	22.90
Decrease/(Increase) in Provisions	200.79	40.07
Decrease/(Increase) in Other liabilities	2,503.33	(8,775.51)
Cash Generated from Operations	(7,194.65)	(8,325.29)
Income Taxes Refund/(Paid)	(386.29)	(372.13)
Net Cash flow from operations	(7,580.94)	(8,697.42)
Cash Flow from Investing Activities		
Additions to Fixed Assets	(94.83)	(27.34)
Addition to intangibles	(22.03)	(20.76)
Deletion from Fixed Assets	4.19	0.66
Dividend Income	1.36	2.65
Purchase of long term investments	-	(44.84)
Redemption of long term investment	67.38	-
MF [purchase]/Sale of investments [net]	(842.50)	(595.75)
Interest Received	15.55	35.02
ICDs[Net]	9.00	(3.00)
Bank Deposits more than 3 months [Net]	(11.25)	15.69
Acquisition of subsidiaries	(1,226.97)	-
Net Cash (Used in)/From Investing Activities	(2,100.10)	(637.67)
Cash Flow from Financing activities		
Proceeds from issue of Equity shares	2,878.06	250.00
Proceeds from issue of Preference shares (including subsidiaries)	-	755.00
Proceeds from Long term borrowing	3,565.05	5,129.10
Proceeds from Short term including current maturities	4,511.30	3,068.32
Dividend paid by subsidiaries to MI	(9.58)	(7.90)
Interest paid[Other than NBFC]	(10.83)	(8.61)
Dividend	(0.80)	(0.80)
Dividend tax	(6.98)	(1.35)
Proceeds from stake dilution in subsidiaries	334.41	-
Proceeds of partly paid up Preference shares	70.00	-
Redemption of preference share	(1,471.11)	-
Net Cash (Used in)/From financing Activities	9,859.52	9,183.76
Net increase in Cash and Cash Equivalents	178.48	(151.33)
Opening Cash and Cash Equivalents	55.30	206.63
Add : Cash and cash equivalents of a Subsidiary on acquisition thereof	499.11	-
Closing Cash and Cash Equivalents	732.89	55.30

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration no.301003E/E300005

Shrawan Jalan

Per Shrawan Jalan
Partner
Membership No. 102102

For and on behalf of the Board of Directors

Shriram Jagetiya *Pinky Mehta*

Shriram Jagetiya
Director
DIN-01638250

Pinky Mehta
Director
DIN : 00020429

Sailesh Daga

Sailesh Daga
Company Secretary



Mumbai, 26th June, 2017



Mumbai, 26th June, 2017

Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES:

I. BASIS OF PREPARATION

The Consolidated Financial Statements (CFS) comprise the financial statement of Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) ("Company") and its Subsidiaries, (herein after referred to as "Group Companies" and together as "Group") (Refer Annexure 'A' to Note – 1). The CFS of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standards (AS) notified under section 133 of the Companies Act , 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014, in case of Non-Banking Financial Companies (NBFCs) guidelines issued by the Reserve Bank of India (RBI), as applicable to NBFC and in case of Housing Finance Companies (HFC) directions and guidelines issued by the National Housing Regulators as applicable to HFC, amended from time to time. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in paragraph II below.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto twelve months for the purpose of current/non-current classification of assets and liabilities.

II. CHANGE IN ACCOUNTING POLICY

As per the requirements of pre-revised Accounting Standard (AS) 4, the Aditya Birla Finance Limited and Aditya Birla Insurance Brokers Limited used to create a liability for dividend proposed/ declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the Company cannot create provision for dividend proposed/ declared after the balance sheet date unless a statute requires otherwise. The Company need to disclose the same in notes to the financial statements. Accordingly, the Company has disclosed dividend proposed by Board of Directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss account would have been lower by Rs. 9.68 Crs and current provision would have been higher by Rs. 9.68 Crs (including dividend distribution tax of Rs. 1.64 Crs).

III. USE OF ESTIMATES

The preparation of Consolidated Financial Statements in conformity with Indian GAAP requires the management to make judgments', estimates and assumption that affect reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements and the results of operations during the reporting period end. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these judgments, assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

IV. PRINCIPLES OF CONSOLIDATION

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the



Accounting Standard (AS) – 21, “Consolidated Financial Statements”. The Consolidated Financial Statements are prepared by applying uniform accounting policies in use at the Group.

The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates, on which the investment in such entities was made, is recognised in the CFS as Goodwill/Capital reserve.

Minority Interest in the net assets of Subsidiaries consists of:

- i. The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made.
- ii. The minorities’ share of movements in equity since the date the parent –subsidiary relationship came into existence.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

List of companies included in Consolidation are mentioned in Annexure A

V. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on Tangible Fixed Assets is provided on Straight Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Group has used the following useful life to provide depreciation on its fixed assets.

A) Assets where useful life differs from Schedule II:-

<u>Asset</u>	<u>Useful Life as Prescribed by Schedule II of the Companies Act, 2013</u>	<u>Estimated Useful Life</u>
1. Buildings	30 Years	60 Years
2. Office Electronic Equipments	5 Years	4 Years
3. Office Computers (end user devices desktop, laptops)	3 Years	3 Years to 5 years
4. Servers	6 Years	3 Years to 5 Years
5. Vehicles	8-10 Years	4 Years to 5 years
6. Electrically operated vehicles	8 Years	5 Years
7. Furniture & Fixtures and Other Office Equipments	10 Years	2 Years to 10 years

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.



B) Leasehold Assets:

1. Leasehold Improvements	Period of Lease
2. Leasehold land	Period of Lease

Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarded.

VI. INTANGIBLE ASSETS AND AMORTISATION

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Assets	Estimate Useful Life
I. Brands / Trademarks	5 to10 years
II. Computer Software	2 to 6 years
III. Investment Management Rights	Over period of 10 years
V. Non- Compete Fees	3 Years
V. Goodwill on Consolidation	Not being amortised (Tested for Impairment)

Intangible assets under development

Expenditure on development eligible for capitalisation are carried as Intangible asset under development where such assets are not yet ready for intended use.

VII. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

VIII. BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

IX. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to exchange difference arising on translation/settlement of long-term foreign currency items from 1st April, 2011, the Group has adopted following policy:

- i. Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the



- depreciable asset, which would be depreciated over the balance life of the asset.
- ii. In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset/liability.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

Translation of foreign subsidiary is done in accordance with AS – 11 (Revised) - "The Effects of Changes in Foreign Exchange Rates". In the case of subsidiaries, the operation of which are considered as integral, the Balance Sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the year. Exchange Gain/(Loss) is recognised in the Statement of Profit and Loss.

In case of subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the year and items of income and expenditure have been translated at the weighted average rates, where such rates approximate the exchange rate at the date of transaction. Exchange gain/(loss) arising on conversion is recognised under Foreign Currency Translation Reserve.

X. INVESTMENT

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. but excludes pre-acquisition interest i.e. (from the previous coupon date to the transaction settlement date), if any, on purchase. If an investment is acquired in exchange of another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are stated at lower of cost and net realisable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

Investments of Life Insurance Business

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, the Insurance Regulatory and Development Authority (Investment) (Amendment) Regulations, 2001, and various other circulars/notifications issued by the Insurance Regulatory and Development Authority in this context from time to time.

➤ Debt Securities-

a) Investments of Shareholders' fund and non-linked fund of Policyholders: All debt securities, including government securities, are considered as 'held to maturity' and stated at amortised cost.

b) Policyholders' linked funds: All debt securities, including government securities, are valued using CRISIL Bond Value/CRISIL Gilt Prices, as applicable.

➤ Equity Shares –

Listed equity shares are valued and stated at fair value, using the last quoted closing prices on the National Stock Exchange (NSE), at the Balance Sheet date. If the equity shares are not traded on the NSE, then closing prices of the Bombay Stock Exchange (BSE) is considered. Equity shares acquired



through primary markets, and awaiting listing are valued at their issue price. Unlisted equity shares are valued as per the valuation policy duly approved by its Investment Committee.

➤ **Mutual Funds** - Mutual fund units are valued at previous day's Net Asset Value.

XI. STOCK OF SECURITIES OF NBFC BUSINESS

Stocks of securities of NBFC Business are valued at lower of cost and net realizable value. Cost includes cost of purchase and other directly attributable cost towards purchase costs.

Net realizable value is the estimated fair value of securities as on the Balance Sheet date.

XII. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax. In case of fixed price contracts revenue is recognised on percentage of completion method and revenue from time and materials contract is recognised as the services are provided.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate except in case of NBFC business non-performing assets are recognised on receipt basis.

Dividend income on investments is accounted for when the right to receive the payment is established.

For **Life Insurance Business**, revenue is recognised as follows:

Premium is recognised as income when due from policyholders. For unit-linked businesses, premium income is recognized when the associated units are created. Premium on lapsed policies is recognised as income when such policies are re-instated. Premiums are net of Service Tax on risk premium collected, if any.

In case of Linked Business, Top-up premiums paid by policyholders are considered as single premium and are unitised as prescribed by the regulations. This premium is recognised when the associated units are created.

Income from linked policies, which includes asset management fees, policy administration charges, mortality charges and other charges, if any, are recovered from the linked funds in accordance with the terms and conditions of the policies and recognised when due.

Accretion of discount and amortisation of premium relating to debt securities is recognised over the remaining maturity period on a straight-line basis.

The realised gain/loss on debt securities held for linked business and on sale of equity shares/mutual fund units is the difference between the net sale consideration and weighted-average cost.

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

Income from **Financial Services** includes brokerage and fees on mutual fund units, bonds, fixed deposits, IPOs private equity and other alternative products, and services which is recognised when due, on completion of transaction. Management fees are recognised on accrual basis at specific



rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. Advisory and portfolio management fees are accounted on an accrual basis as per contractual terms with clients. Income on discounted instruments is recognised over the tenure of the instrument on a straight-line basis. Stock and Commodity Brokerage Income is recognised on the trade date of the transaction upon confirmation of the transactions by the exchanges. Trusteeship fee is recognised on an accrual basis, in accordance with the terms of the Trust Deed.

XIII. BENEFITS PAID (INCLUDING CLAIMS)

In case of Life Insurance Business, deaths and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Reinsurance recoverable thereon is accounted for in the same period as the related claim. Repudiated claims, disputed before judicial authorities, are provided for based on the management prudence considering the facts and evidences available in respect of such claims.

XIV. SCHEME EXPENSES (ASSET MANAGEMENT BUSINESS)

Expenses relating to New Fund Offer are charged to the Statement of Profit and Loss. Expenses of schemes of Birla Sun Life Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996, and expenses incurred directly (inclusive of advertisement/brokerage of expenses) on behalf of the schemes of Birla Sun Life Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred. Trail Commission paid for future period for Equity Link Saving Schemes (ELSS), Fixed Tenure Schemes, Close-ended Schemes and Systematic Investment Plans (SIPs) in the different schemes during the year are treated as prepaid expenses, and such brokerage and commission are expensed out over three years in case of ELSS or duration of closed schemes or over the duration of the SIP. Any other brokerage/commission is expensed in the year in which they are incurred. Brokerage paid in advance in respect of Portfolio Management Business is amortised over the contractual period.

XV. DISTRIBUTION COST (PRIVATE EQUITY FUND)

Distribution costs incurred by the Group in respect of Private Equity - Fund I and the Aditya Birla Private –Sunrise Fund, have been accrued over the Commitment Period and the extended Commitment Period of the Fund I and the Sunrise Fund, respectively, as defined in the Fund's Private Placement Memorandum.

XVI. FUND FOR FUTURE APPROPRIATION AND FUND FOR DISCONTINUED POLICIES (LIFE INSURANCE BUSINESS)

Amounts estimated by the Appointed Actuary as Funds for Future Appropriation in respect of lapsed Unit Linked Policies are set aside in the Balance Sheet, and are not available for distribution to shareholders until expiry of the revival period. Premium Discontinuance Fund represents the fund value of all policies which are issued and discontinued after July 2010 and are set-aside in the Balance Sheet as per requirement of relevant regulations.

XVII. RETIREMENT AND OTHER EMPLOYEE BENEFITS

a) Defined Contribution Plan:

The Group makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Scheme which are recognised in the Statement of Profit and Loss on accrual basis.

b) Defined Benefit Plan



The Group's liabilities under Payment of Gratuity Act, long-term compensated absences and pension are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short-term compensated absences which are provided for based on estimates. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size maintained by the Trust set up by the Group is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

c) Long term Incentive Plan

Provision for long term incentive plan for different cadre of employees is based on the estimated future liability of long term plan and same is assessed on yearly basis.

XVIII. EMPLOYEE STOCK OPTIONS

The stock options and Stock appreciation rights (SAR) granted are accounted for as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the intrinsic value of the option is recognised as employee compensation. The employee compensation is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option.

In respect of re-pricing of existing stock options, the incremental intrinsic value of the options is accounted as employee cost over the remaining vesting period.

In case of forfeiture stock option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

XIX. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961, and tax laws prevailing in the respective tax jurisdictions the Group operates.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.



The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, deferred tax assets thereon are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Group reassesses unrecognised deferred tax assets.

Minimum Alternatives Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the companies in the Group will pay normal income tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The companies in the Group review the same at each Balance Sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

XX. OPERATING LEASES

i. As a Lessee:

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases, and lease rentals thereon are charged to the Statement of Profit and Loss on a straightline basis over the lease term.

ii. As a Lessor:

The Group has leased certain tangible assets and such leases, where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term. Initial direct costs are recognised in the Statement of Profit and Loss.

XXI. FINANCE LEASE

As a Lessee:

Leases where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee are classified as finance lease. The group has capitalised the leased item at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset whichever is less.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Finance charges are charged directly against income. Lease management fees, lease charges and other initial direct costs are capitalised.

XXII. CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.



XXIII. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group.

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense items, which are not allocated to any business segment.

XXIV. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

XXV. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XXVI. CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence.

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

In case of NBFC Business, Non-performing loans are written off/provided for, as per management estimates, subject to the minimum provision required as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Provision on Standard assets is made @ 0.30% as per the notification DNBR 009/ CGM (CDS)-2015 dated March 27, 2015 issued by Reserve Bank of India.

In case of Housing Finance Companies, Overdue loans are written off/provided for, as per management estimates, subject to the minimum provision required as per Housing Finance Companies (NHB)



Directions, 2010 as amended. Provision on Standard assets is made as per Housing Finance Companies (NHB) Directions, 2010.

Annexure 'A' to Note – 1 "Significant Accounting Policies"

Particulars	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2017	Proportion of Ownership Interest as on March 31, 2016
SUBSIDIARIES			
Aditya Birla Capital Advisors Private Limited (ABCAPL)	India	100.00%	100.00%
Aditya Birla Customer Services Limited (ABC SL) (Formerly known as Aditya Birla Customer Services Private Limited)	India	93.70%	93.70%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	100.00%	100.00%
ABCAP Trustee Company Private Limited (w.e.f. 25 th March, 2016)	India	100.00%	100.00%
Aditya Birla Money Limited (ABML)	India	75.00%	75.00%
Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)	India	75.00%	75.00%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	100.00%	100.00%
Aditya Birla Finance Limited (ABFL)	India	90.23%	90.45%
Aditya Birla Housing Finance Limited	India	100.00%	100.00%
Aditya Birla Health Insurance Co. Limited (w.e.f. 28th March, 2016)	India	51.00%	100.00%
Aditya Birla Wellness Private Limited (w.e.f. 23 rd June, 2016)	India	51.00%	Nil
Birla Sun Life Insurance Company Limited (w.e.f. 23 rd March, 2017)	India	51.00%	Nil
Aditya Birla Insurance Brokers Limited (ABIBL)	India	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML)	India	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)	India	100.00%	100.00%
Birla Sun Life Asset Management Company Limited (BSAMC)	India	51.00%	51.00%
Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of BSAMC)	Mauritius	51.00%	51.00%
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of BSAMC)	Dubai	51.00%	51.00%
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of BSAMC)	Singapore	51.00%	51.00%
India Advantage Fund Limited* (Subsidiary of BSAMC)	Mauritius	51.00%	51.00%
International Opportunities Fund SPC (IOF)** (Subsidiary of BSAMC)	Cayman islands	51.00%	51.00%
Birla Sun Life Trustee Company Private Limited (BSTPL)	India	50.85%	50.85%
Global Clean Energy Fund SPC (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd., Singapore (w.e.f 1 st April, 2016)***	Singapore	51.00%	Nil



Birla Sun Life Pension Management Limited (100% Subsidiary of Birla Sun Life Insurance Company Limited (w.e.f. 10 th March, 2017)	India	51.00%	Nil
Aditya Birla ARC Limited (w.e.f. 10th March, 2017)	India	100.00%	Nil

* India Advantage Fund Limited (IAFL), wholly owned Subsidiary of Birla Sun Life Asset Management Company Limited, is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Statement of Profit and Loss. The Profit/Loss of each such class belongs to the participating shareholders of that class. Birla Sun Life Asset Management Company Limited (BSAMC) owns 100% of the management share, and management shareholder is not entitled to any beneficial interest in the profit/loss of various classes nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.

** Aditya Birla Sun Life AMC Pte Limited, Singapore has made investment in international Opportunities Fund. International Opportunities Fund SPC(IOF) is segregated portfolio company set up as a fund in Cayman islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, IOF has various segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares has its own Balance Sheet and Profit and Loss account. The Profit/Loss each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Pte. Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit/loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IOF in the Consolidated Financial Statement.

***Aditya Birla Sun Life AMC Pte. Limited, Singapore has made investment in Global Clean Energy Fund SPC (GCEF) is established as a segregated portfolio company in Cayman Islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, GCEF has facility to create multiple segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares will have its own Balance Sheet and Profit and Loss account. The Profit / Loss arising from each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Company Pte Limited (ABSLAMC) owns 100% of the management share and management shareholder are not entitled to any beneficial interest in the profit / loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated GCEF in the Consolidated Financial Statement.



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in crore

	Number of shares	As at 31st March, 2017	As at 31st March, 2016
NOTE: 2A			
SHARE CAPITAL			
Authorised:			
Equity shares of ₹ 10/- each	2,20,00,00,000 (1,00,00,00,000)	2,200.00	1,000.00
Preference Shares of ₹ 10/- each	1,80,00,00,000 (3,00,00,00,000)	1,800.00	3,000.00
		4,000.00	4,000.00
Issued, Subscribed & Paid-up			
Equity Share Capital			
Equity shares of ₹ 10/- each fully paid-up	1,23,22,40,000 (79,60,10,000)	1,232.24	796.01
Preference Share Capital			
0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up	- (33,65,00,000)	-	336.50
6% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up	- (1,271,110,000)	-	1,271.11
8% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up	- (20,00,00,000)	-	130.00
		1,232.24	2,533.62

Note: Figures in italics represent the number of shares for the previous year.

1) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Sr. No.	Description	As at 31st March, 2017		As at 31st March, 2016	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares Outstanding at the beginning of the period	79,60,10,000	1,80,76,10,000	75,70,10,000	1,15,76,10,000
2	Allotment of fully paid up shares during the year	40,25,80,000	-	2,50,00,000	59,00,00,000
3	Allotment of partly paid up shares during the year	-	-	-	20,00,00,000
4	Conversion of Preference Shares into Equity Shares by the Promoter	3,36,50,000	(33,65,00,000)	1,40,00,000	(14,00,00,000)
5	Redemption of Preference Shares	-	(1,47,11,10,000)	-	-
6	No. of Shares Outstanding at the end of the period	1,23,22,40,000	-	79,60,10,000	1,80,76,10,000

2) Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3) Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under:

Equity Shares

Sr. No.	Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
		No of Shares Held	% of Total Paid-up Equity Share Capital	No of Shares Held	% of Total Paid-up Equity Share Capital
1	Aditya Birla Nuvo Limited (with nominees)	1,23,22,40,000	100%	79,57,10,000	99.95%

ii) Preference Shares

Sr. No.	Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
		No of Shares Held	% of Total Paid-up Preference Share Capital	No of Shares Held	% of Total Paid-up Preference Share Capital
1	Aditya Birla Nuvo Limited	-	-	1,80,76,10,000	100%

NOTE: 2B

PREFERENCE SHARE ISSUED BY SUBSIDIARY COMPANIES

0.001% Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary Company	4.70	4.70
8% Cumulative redeemable preference shares of ₹ 10/- each, fully paid up of the Subsidiary Company	10.00	10.00
	14.70	14.70



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	₹ in crore	
	As at 31st March, 2017	As at 31st March, 2016
NOTE: 3		
RESERVES AND SURPLUS		
1) Capital Reserve on consolidation		
Opening Balance as per last audited Financial Statements	64.72	102.79
Deduction: Adjustment on stake change of Aditya Birla Finance Limited	16.31	38.07
	<u>48.41</u>	<u>64.72</u>
2) Securities Premium Account		
Opening Balance as per last audited Financial Statements	766.30	392.26
Addition:		
Premium on conversion of preference shares to equity shares	302.85	126.00
Premium on allotment of fresh equity shares	2,475.48	225.00
Premium on issue of compulsory convertible preference shares of the subsidiary company	-	23.04
	<u>3,544.63</u>	<u>766.30</u>
3) Other Reserves		
i) General Reserve		
Opening Balance as per last audited Financial Statements	6.99	4.86
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	-	2.13
	<u>6.99</u>	<u>6.99</u>
ii) Special Reserve^(a)		
Opening Balance as per last audited Financial Statements	209.47	127.67
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	117.10	81.80
	<u>326.57</u>	<u>209.47</u>
iii) Capital Fund^(b)		
Opening Balance as per last audited Financial Statements	0.01	0.01
iv) Foreign Currency Translation Reserve		
Opening Balance as per last audited Financial Statements	2.09	1.67
Addition:		
Addition During the Year	-	0.42
Deduction:		
Deduction during the year	0.44	-
	<u>1.65</u>	<u>2.09</u>
v) Credit/(Debit) Fair Value Change Account		
Opening Balance as per last audited Financial Statement	-	-
Addition/ (Deduction) during the year	0.03	-
Total	<u>0.03</u>	<u>-</u>
Total Other Reserves	<u>335.25</u>	<u>218.56</u>
4) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	871.60	426.36
Addition:		
Profit of the Year	529.82	380.53
Merger of MGLRCL with ABFL	-	151.23
Stake change in Subsidiaries	155.84	-
Less: Appropriations		
Transfer to General Reserve	-	2.13
Transfer to Special Reserve	117.10	81.80
Dividend on Preference shares issued by subsidiary Company	-	0.80
Corporate Tax on Proposed Dividend of Subsidiaries	-	1.79
Corporate tax on Interim Dividend on Preference Shares	5.19	-
	<u>1,434.96</u>	<u>871.60</u>
	<u>5,363.25</u>	<u>1,921.18</u>

(a) Special Reserve

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

(b) Capital Fund

Capital fund comprises an amount received, on a non-repatriable basis from the Sponsor, as a contribution to the Birla Sun Life Mutual Fund ('the Fund') in accordance with the terms of the Trust Deed, together with accretion thereon. The amount is held by the Company in its fiduciary capacity as the trustee to the Fund and is intended to be utilised only for the purposes of settlement of claims, if any, from the unit holders of the mutual fund schemes launched by the Fund.



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₹ in crore

	As at 31st March, 2017	As at 31st March, 2016
NOTE: 4A		
LONG-TERM BORROWINGS		
SECURED		
Debentures	8,174.90	5,156.00
Rupee Term Loans from Banks	8,609.74	8,489.64
Finance Lease Liabilities	8.86	3.80
	<u>16,793.50</u>	<u>13,649.44</u>
UNSECURED		
Debentures	1,399.00	696.50
Rupee Term Loans from Others	1.00	0.65
	<u>1,400.00</u>	<u>697.15</u>
Total	<u><u>18,193.50</u></u>	<u><u>14,346.59</u></u>

NOTE: 4B
SHORT-TERM BORROWINGS

SECURED		
Term Loan	1,272.54	-
Loan Repayable on Demand from Banks	1,667.56	2,662.72
	<u>2,940.10</u>	<u>2,662.72</u>
UNSECURED		
Loan Repayable on Demand from:		
Banks	200.00	209.25
Others	7.23	-
Other Loans and Advances		
Commercial Papers*	8,538.50	4,295.82
Loans from Related Parties	-	6.74
	<u>8,745.73</u>	<u>4,511.81</u>
Total	<u><u>11,685.83</u></u>	<u><u>7,174.53</u></u>

*Commercial Papers are shown net of unamortised discounting charges.



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	As at 31st March, 2017	₹ in crore As at 31st March, 2016
NOTE: 5A		
OTHER LONG-TERM LIABILITIES		
Trade Payables	-	45.06
Interest Accrued but Not Due on Borrowings	163.89	154.84
Other Payables		
Advance from Customers	2.37	0.17
Income Received in Advance	0.15	-
Others	0.02	2.61
Liability for Rent Straight Lining	11.12	-
	177.55	202.68

NOTE: 5B		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Borrowings	1,050.81	1,490.07
Current Maturities of Finance Lease Obligations	3.70	1.31
Current maturities of Redeemable Non Convertible Debentures	2,004.00	-
Interest Accrued but Not Due on Borrowings	573.52	250.52
Income Received in Advance	8.24	7.47
Other Payables		
Advance from Customers	181.45	108.37
Bank Overdraft	527.52	648.40
Payables for Capital Expenditure	8.67	3.68
Statutory Dues	38.15	20.62
Deposits	8.26	11.70
Due to Life Insurance Policyholders	174.74	-
Unallocated premium	54.73	-
Others	170.80	52.07
	4,804.59	2,594.21



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	As at 31st March, 2017	₹ in crore As at 31st March, 2016
NOTE: 6A		
LONG-TERM PROVISIONS		
Provisions for:		
Employee Benefits	68.93	17.96
Others		
Contingent Provision on Standard Asset of Financing Activities	105.76	58.94
Provision for Doubtful Loans and Advances of Financing Activities	89.03	101.94
Other Long-term Provisions#	2.04	0.18
Provision for Soft accounts	20.23	-
Total	285.98	179.02

NOTE: 6B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits	175.67	56.37
Others		
Taxation (Net of Advance Tax)	5.90	26.70
Preference shares	-	0.80
Provision for Corporate Tax on Dividend	-	-
Equity shares	-	1.62
Preference shares	-	0.17
Contingent Provision on Standard Asset of Financing Activities	33.26	26.58
Reserve for unexpired risk	37.74	-
	252.57	112.24

Additional Disclosure as per Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

A. Warranty		
Opening Balance	0.18	0.11
Arising during the year	0.01	0.07
Utilised	(0.04)	-
Unused Amounts Reversed	-	-
Closing Balance	0.15	0.18
Long-term	0.15	0.18
Short-term	-	-
	0.15	0.18



Aditya Birla Capital Limited
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NOTE: 7A
TANGIBLE ASSETS

	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant & Equipments	Furniture & Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block								
As at 1st April, 2015	0.15	0.26	24.94	16.98	14.10	71.32	6.14	133.89
Additions	-	2.62	4.37	4.20	1.27	14.68	2.98	30.12
Deletions	-	-	0.68	0.08	1.02	6.68	1.23	9.69
Foreign Exchange Translation Difference	-	-	(0.90)	-	0.04	0.05	-	(0.81)
As at 31st March, 2016	0.15	2.88	27.73	21.10	14.39	79.37	7.89	153.51
Additions	-	-	7.45	6.43	2.83	29.89	10.84	57.45
Deletions	-	-	3.78	1.41	4.95	19.41	2.06	31.61
Foreign Exchange Translation Difference	-	-	(0.03)	-	(0.02)	(0.03)	-	(0.08)
Stake Change/Merger/Divestment/Demergers/ Acquisition	-	-	36.33	2.66	15.20	106.17	2.65	163.02
As at 31st March, 2017	0.15	2.88	67.70	28.78	27.45	196.00	19.32	342.29
Accumulated Depreciation								
As at 1st April, 2015	-	0.04	19.88	13.41	10.43	58.58	2.64	104.99
For the year	-	0.03	3.19	1.70	1.86	8.48	1.37	16.63
Deletions	-	-	0.62	0.08	0.96	6.63	0.81	9.10
Foreign Exchange Translation Difference	-	-	(0.92)	-	0.03	0.04	-	(0.85)
As at 31st March, 2016	-	0.07	21.53	15.04	11.36	60.47	3.20	111.67
For the year	-	0.05	4.60	2.95	2.24	13.95	2.62	26.42
Deletions	-	-	3.59	1.39	4.56	18.53	1.74	29.30
Foreign Exchange Translation Difference	-	-	(0.02)	-	(0.01)	(0.03)	-	(0.06)
Stake Change/Merger/Divestment/Demergers/ Acquisition	-	-	29.97	2.05	11.92	82.05	0.62	126.62
As at 31st March, 2017	-	0.12	52.49	18.65	20.95	137.91	5.20	235.35
Net Block as at 31st March, 2016	0.15	2.75	15.21	10.13	6.50	58.09	14.12	106.96
Net Block as at 31st March, 2017	0.15	2.81	6.20	6.06	3.03	18.90	4.70	41.84

A) Gross Block of Tangible Assets includes:

(i) Registration of Freehold Land of ₹ 0.15 Crore (Previous Year: ₹ 0.15 Crore) in favour of the Group is subject to resolution of disputes.



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NOTE: 7B
INTANGIBLE ASSETS

Particulars	Brands/ Trademarks	Computer Software	Investment Management Rights	Non-Compete Fees	TOTAL
Gross Block					
As at 1st April, 2015	4.64	83.56	57.62	0.33	146.15
Additions	-	17.38	-	-	17.38
Deletions	-	1.20	-	-	1.20
As at 31st March, 2016	4.64	99.74	57.62	0.33	162.33
Additions	-	52.35	-	-	52.35
Deletions	3.67	3.75	-	-	7.42
Stake Change/Merger/Divestment/Demergers/ Acquisition	3.67	159.23	-	-	162.90
As at 31st March, 2017	4.64	307.57	57.62	0.33	370.16
Accumulated Amortisation/Impairment					
As at 1st April, 2015	4.45	66.43	51.33	0.33	122.54
Amortisation for the year	0.19	12.96	3.07	-	16.22
Deletions	-	1.16	-	-	1.16
As at 31st March, 2016	4.64	78.23	54.40	0.33	137.60
Amortisation for the year	-	16.37	0.38	-	16.75
Deletions	3.67	2.93	-	-	6.60
Stake Change/Merger/Divestment/Demergers/ Acquisition	3.67	127.96	-	-	131.63
As at 31st March, 2017	4.64	219.63	54.78	0.33	279.38
Net Block as at 31st March, 2017	-	87.94	2.84	-	90.78
Net Block as at 31st March, 2016	-	21.51	3.22	-	24.73



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	As at 31st March, 2017	₹ in crore As at 31st March, 2016
NOTE: 8A		
INVESTMENTS OF LIFE INSURANCE BUSINESS: NON-CURRENT		
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	687.91	-
Equity Instrument	15.00	-
Debentures/Bonds	796.76	-
Unquoted		
Investments in		
Equity Instruments	1.25	-
Others	39.90	-
Less: Provision for diminution on investments	-	-
Sub-Total - (i)	1,540.82	-
(ii) Policyholders' Investments		
Quoted		
Investments in		
Equity Instruments	622.75	-
Preference Shares	0.26	-
Government or Trust Securities	4,042.47	-
Debentures and Bonds	2,672.38	-
Mutual Funds	0.98	-
Other	-	-
Unquoted		
Investments in		
Others (Fixed Deposits)	61.10	-
Venture Capital Funds	7.75	-
Social Capital Fund	53.47	-
Sub-Total - (ii)	7,461.16	-
Total - (i) + (ii)	9,001.98	-
Aggregate Market Value of Quoted Investments	9,400.00	-
Aggregate Book Value of Quoted Investments	8,838.51	-
Aggregate Book Value of Unquoted Investments	163.47	-



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NOTE: 8B

INVESTMENTS OF LIFE INSURANCE BUSINESS: CURRENT

(i) Shareholders' Investments

Quoted		
Investments in		
Government or Trust Securities	1.00	-
Debentures/Bonds	24.40	-
Mutual Funds	4.00	-
Unquoted		
Investments in		
Other	0.82	-
Fixed Deposits	32.15	-
Sub-Total - (i)	62.37	-

(ii) Policyholders' Investments

Quoted		
Investments in		
Government or Trust Securities	19.95	-
Debentures/Bonds	47.59	-
Mutual Funds	265.52	-
Unquoted		
Investments in		
Others	53.16	-
Fixed Deposits	12.92	-
Collateralised Borrowing and Lending Obligation	15.92	-
Sub-Total - (ii)	415.06	-
Total - (i) + (ii)	477.43	-
Aggregate Market Value of Quoted Investments	363.05	-
Aggregate Book Value of Quoted Investments	362.46	-
Aggregate Book Value of Unquoted Investments	114.98	-



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	As at 31st March, 2017	₹ in crore As at 31st March, 2016
NOTE: 9A		
INVESTMENTS OF HEALTH INSURANCE BUSINESS: NON-CURRENT		
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	84.70	-
Debentures/Bonds	102.43	-
Sub-Total - (i)	187.13	-
(ii) Policyholders' Investments		
Quoted	-	-
Unquoted	-	-
Sub-Total - (ii)	-	-
Total - (i) + (ii)	187.13	-
Aggregate Market Value of Quoted Investments	187.13	-
Aggregate Book Value of Quoted Investments	187.13	-

NOTE: 9B
INVESTMENTS OF HEALTH INSURANCE BUSINESS: CURRENT

(i) Shareholders' Investments		
Quoted		
Investments in		
Debentures/Bonds	5.04	-
Mutual Funds	19.97	-
Other	9.85	-
Unquoted		
Investments in		
Fixed Deposits	6.93	-
Sub-Total - (i)	41.79	-
(ii) Policyholders' Investments		
Quoted	-	-
Unquoted	-	-
Sub-Total - (ii)	-	-
Total - (i) + (ii)	41.79	-
Aggregate Market Value of Quoted Investments	34.87	-
Aggregate Book Value of Quoted Investments	34.86	-
Aggregate Book Value of Unquoted Investments	6.93	-



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	Face Value	Number of shares	As at		₹ in crore
			31st March, 2017	Number of shares	As at 31st March, 2016
NOTE: 10A					
OTHER INVESTMENTS : NON-CURRENT					
Investment in					
Equity Instruments					
Subsidiaries (Refer Annexure A to Note : 1-IV) (Unquoted)					
Class A in India Advantage Fund Limited, Mauritius	\$10.00	90	₹	90	₹
Class B in India Advantage Fund Limited, Mauritius	\$10.00	40	₹	40	₹
International Opportunities Fund	\$0.01	1	₹	1	₹
			₹		₹
Others					
Birla Management Centre Services Limited	10.00	2,000	₹	2,000	₹
MF Utilities India Private Limited	1.00	5,00,000	₹	5,00,000	0.05
MDIL Limited	10.00	12,245	0.46	12,245	0.46
Less: Provision for diminution					(0.21)
Apollo Sindhoori Hotels Limited.	10.00	-	-	3,005	0.01
Less: Provision for diminution					(0.01)
			<u>0.46</u>		<u>0.30</u>
Preference Shares (Unquoted)					
0.001 % Optionally Convertible Cumulative Redeemable Preference Shares in Share Microfin Limited	10.00	95,72,750	9.57	98,54,834	9.85
Less: Provision for diminution			-		(7.50)
			<u>9.57</u>		<u>2.35</u>
Debentures and Bonds					
NHAI Bonds	1000	11,126	1.11	11,126	1.11
Less: Provision for diminution			-		-
			<u>1.11</u>		<u>1.11</u>
Mutual Funds*					
			<u>205.20</u>		<u>180.02</u>
			<u>205.20</u>		<u>180.02</u>
Others					
Unquoted					
Aditya Birla Private Equity - Fund I			75.57		132.27
Aditya Birla Private Equity - Sunrise Fund			16.24		26.93
Class B Units of Aditya Birla Real Estate Fund			-		0.05
PMS Investment			5.00		3.60
Investment in Alternate Fund			60.62		20.00
Mutual Funds			27.12		-
Equity Instrument			0.09		-
Less: Provision for diminution			(9.79)		-
			<u>174.85</u>		<u>182.85</u>
			<u>391.19</u>		<u>366.63</u>
TOTAL NON-CURRENT INVESTMENT					
Aggregate Market Value of Quoted Investments			228.85		169.44
Aggregate Book Value of Quoted Investments			206.77		155.74
Aggregate Book Value of Unquoted Investments			184.42		210.89
Aggregate amount of Provision for diminution			9.79		7.73
* Includes Earmarked towards Capital Fund			0.04		0.04



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	Face Value	Number of shares	As at		₹ in crore
			31st March, 2017	Number of shares	As at 31st March, 2016
NOTE: 10B					
OTHER INVESTMENTS : CURRENT					
Debentures and Commercial Papers					
Mahindra Worldcity Jaipur Limited	10,00,000	-	-	1,650	165.00
AJ Financiers (India) Limited	10,00,000	-	-	1,000	100.00
Dalmia Cement Bharat Limited	10,00,000	-	-	1,000	100.00
KKR Financial Services Private Limited	1,00,00,000	100	100.00	50	50.00
Indiabulls Housing Finance Company	10,00,000	-	-	500	50.00
Karvy Financial Services Private Limited (Commercial papers)	5,00,000	-	-	-	-
Vijaya Bank			194.70		-
OBC Bank			107.00		-
SD Corp Private Limited			50.00		-
Bank of Baroda			125.00		-
Aliahabad Bank			17.50		-
ICICI Bank Limited			100.00		-
Axis Bank Limited			100.00		-
			794.20		465.00
			752.22		531.56
Mutual Funds			1,546.42		996.56
TOTAL CURRENT INVESTMENT			37.89		50.28
Aggregate Market Value of Quoted Investments			30.00		41.34
Aggregate Book Value of Quoted Investments			1516.42		955.22



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₹ in crore

	As at 31st March, 2017	As at 31st March, 2016
NOTE: 11A		
ASSET HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS : NON-CURRENT		
Quoted		
Investments in		
Equity Instruments	9,984.78	-
Preference Shares	10.32	-
Government or Trust Securities	4,889.63	-
Debentures or Bonds	6,757.18	-
Mutual Funds	243.97	-
	21,885.88	-
Unquoted		
Investments in		
Fixed Deposits	142.98	-
Other Current Assets		
Interest Accrued on Investments	58.10	-
	201.08	-
Total	22,086.96	-
Aggregate Market Value of Quoted Investments	20,168.63	-
Aggregate Book Value of Quoted Investments	21,885.88	-
Aggregate Book Value of Unquoted Investments	201.08	-
NOTE: 11B		
ASSET HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS : CURRENT		
Quoted		
Investments in		
Equity Instruments		
Government or Trust Securities	614.20	-
Debentures or Bonds	337.94	-
Mutual Funds	863.21	-
	1,815.35	-
Unquoted		
Investments in		
Others		
Fixed Deposits	86.02	-
Collateralised Borrowing and Lending Obligation	153.30	-
Certificate of Deposits	138.22	-
Commercial Papers	135.50	-
Other Current Assets		
Bank Balances	0.49	-
Interest Accrued on Investments	387.25	-
Dividend Receivables	1.79	-
Outstanding Contracts	82.84	-
	985.41	-
Total	2,800.76	-
Aggregate Market Value of Quoted Investments	1,542	-
Aggregate Book Value of Quoted Investments	1,815	-
Aggregate Book Value of Unquoted Investments	513	-



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in crore

	As at 31st March, 2017	As at 31st March, 2016
NOTE: 12		
DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities at the year end comprise timing differences on account of:		
Depreciation	0.60	-
	0.60	-
DEFERRED TAX ASSETS		
Deferred Tax Assets at the year end comprise timing differences on account of:		
Depreciation	5.80	5.49
Expenditure/Provisions Allowable on Payment Basis	-	16.78
Provision for Doubtful Debt and Advances	20.22	76.68
Contingent provision against standard assets	40.58	-
Others	40.80	0.33
	107.40	99.28
Net Deferred Tax Liabilities /(Assets)	(106.80)	(99.28)
Deferred Tax presented in Balance Sheet		
Deferred Tax Assets (Net)	106.80	99.28
Net Deferred Tax Liabilities / (Assets)	(106.80)	(99.28)

Deferred Tax Assets in certain subsidiaries are recognised on losses and unabsorbed depreciation only to the extent of Deferred Tax Liabilities in those subsidiaries.



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in crore

	As at 31st March, 2017	As at 31st March, 2016
NOTE: 13A		
LONG-TERM LOANS AND ADVANCES		
Capital Advance		
Unsecured, Considered Good	8.40	1.58
Security Deposits		
Unsecured, Considered Good	87.11	18.51
Unsecured, Considered Doubtful	0.19	0.09
Less: Provision for Doubtful	(0.19)	(0.09)
Other Loans and Advances	4.09	-
Loans and Advances of Financing Activities		
Secured, Considered Good	24,519.08	16,961.63
Secured, Considered Doubtful	13.94	-
Unsecured, Considered Good	3,751.34	1,358.78
Unsecured, Considered Doubtful	157.18	160.47
Loans against Insurance Policy (Secured, Considered Good)	52.26	-
Loans & Advances to Related Parties(Unsecured)	-	0.88
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	17.34	22.81
Advance Tax (Net of Provision)	32.83	14.80
MAT Credit Entitlement	0.72	0.36
Prepaid Expenses	63.12	58.51
Advance for Expenses, Materials, Employees and Others	28.38	4.31
	28,735.79	18,602.64

	As at 31st March, 2017	As at 31st March, 2016
NOTE: 13B		
SHORT-TERM LOANS AND ADVANCES		
Security Deposits		
Unsecured, Considered Good	13.54	8.28
Unsecured, Considered Doubtful	0.09	0.05
Less: Provision for Doubtful	(0.09)	(0.05)
Other Loans and Advances	3.36	-
Loans and Advances of Financing Activities		
Secured, Considered Good	6,567.45	5,702.90
Unsecured, Considered Good	2,381.28	2,727.43
Inter-Corporate Deposits		
Unsecured, Considered Good	30.00	39.00
Related Party, Unsecured, Considered Good	1.00	-
Loans against Insurance Policy (Secured, Considered Good)	1.46	-
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	25.13	5.02
Advance Tax (Net of Provision)	13.36	39.82
Prepaid Expenses	96.19	93.70
Advance for expenses to related party	8.05	-
Agents balance	6.77	-
Advance for Expenses, Material, Employees and Others*		
Unsecured, Considered Good	290.17	25.55
Unsecured, Considered Doubtful	7.61	6.69
Less: Provision for Doubtful	(7.61)	(6.69)
	9,437.76	8,641.70

* Refer note no 34-III



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

	<u>31st March, 2017</u>	<u>₹ in crore</u> <u>31st March, 2016</u>
NOTE: 14A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances*		
Bank Deposits with more than twelve months maturity	1.08	1.08
Interest Accrued on Loans and Advances and Investments	34.61	0.02
Others	6.56	-
	<u>42.25</u>	<u>1.10</u>
*Lien Marked in favour of IRDA	1.08	1.08
NOTE: 14B		
OTHER CURRENT ASSETS		
Unbilled Revenue	-	0.82
Interest Accrued on Loans and Advances, Investments and Fixed Deposits	683.93	348.47
Receivable from related parties	10.85	-
Others	11.79	36.91
	<u>706.57</u>	<u>386.20</u>



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

	As at 31st March, 2017	₹ in crore As at 31st March, 2016
NOTE: 15		
STOCK OF SECURITIES OF NBFC BUSINESS		
Details of opening Stock, Purchases, Sales and Closing Stock in respect of Trading in securities of NBFC business are as follows:		
Units of Mutual Funds (Nos.)		
Purchase	11,64,52,707.94	24,94,97,071.77
Sales	11,64,52,707.94	24,94,97,071.77
Closing	-	-
Stock of Securities (₹ crore)		
Opening	330.20	467.57
Purchase	11,199.46	6,912.33
Sales	10,946.88	7,059.77
Closing	582.78	330.20



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

	As at 31st March, 2017	₹ in crore As at 31st March, 2016
NOTE: 16		
TRADE RECEIVABLES		
Due for period exceeding six months from the due date of payment		
Secured, Considered Good	3.84	8.27
Unsecured, Considered Good	0.38	1.30
Unsecured, Considered Doubtful	7.94	6.66
Less: Provision for doubtful	(7.94)	(6.66)
Others		
Secured, Considered Good	143.44	123.57
Unsecured, Considered Good	221.70	45.42
Unsecured, Considered Doubtful	1.21	1.78
Less: Provision for doubtful	(1.21)	(1.78)
	369.36	178.56



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

	As at 31st March, 2017	₹ in crore As at 31st March, 2016
NOTE: 17		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	449.05	53.44
Deposit Accounts (with original maturity period of three months or less)	177.78	1.84
Cash on Hand	102.54	0.02
Cheques/Drafts on Hand	3.53	-
	(A) 732.90	55.30
Other Bank Balances		
Deposit Accounts (with original maturity period of more than three months)#	71.88	59.45
	(B) 71.88	59.45
	(A) + (B) 804.78	114.75
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	1.08	1.08
	803.70	113.67
# Includes deposits placed under lien towards bank guarantees for margins with exchange/banks.	70.65	58.37



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
CIN: U67120GJ2007PLC058890
Notes forming part of Consolidated Financial Statements

	Year Ended 31st March, 2017	₹ in crore Year Ended 31st March, 2016
NOTE: 18		
REVENUE FROM OPERATIONS		
A. SALE OF SERVICES		
Interest income	3,183.85	2,380.28
Management and Advisory Fees	988.88	766.25
Life Insurance Premium	763.45	-
Health Insurance Premium	50.89	-
Other Financial Services	621.00	451.42
(A)	<u>5,608.07</u>	<u>3,597.95</u>
B. OTHER OPERATING INCOME		
Investment Income on Life Insurance Policyholders' Fund	23.23	-
Commission Income	142.26	-
Miscellaneous Other Operating Income	32.13	-
(B)	<u>197.62</u>	<u>-</u>
(A) + (B)	<u>5,805.69</u>	<u>3,597.95</u>

NOTE: 19		
OTHER INCOME		
Interest Income on Investments		
Current	3.38	20.75
Long-term	-	0.09
Interest Income - Others	12.77	10.55
Dividends Income on Investments		
Current	1.36	2.56
Long-term	-	0.09
Net Gain on Sale of Investments		
Net Gain on Sale of Current Investments	56.92	12.91
Long-term	-	0.02
Other Non-Operating Income		
Profit on Sale of Fixed Assets (Net)	0.06	0.10
General Contingency Provision written back	-	19.81
Others	5.69	4.30
	<u>80.18</u>	<u>71.18</u>



Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
CIN: U67120GJ2007PLC058890
Notes forming part of Consolidated Financial Statements

	Year Ended 31st March, 2017	₹ in crore Year Ended 31st March, 2016
NOTE: 20		
EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	659.09	458.48
Contribution to Provident and Other Funds	32.69	23.39
Staff Welfare Expenses	25.43	19.37
	717.21	501.24
NOTE: 21A		
FINANCE COST RELATING TO LENDING ACTIVITY OF SUBSIDIARIES		
Interest Expenses	2,278.81	1,597.57
Other Borrowing Costs	9.46	2.32
	2,288.27	1,599.89
NOTE: 21B		
OTHER FINANCE COST		
Interest Expenses	10.82	8.78
Other Borrowing Costs	0.01	0.03
	10.83	8.81
NOTE: 22		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	26.42	16.63
Amortisation of Intangible Assets	16.75	16.22
	43.17	32.85
NOTE: 23A		
CHANGE IN VALUATION OF LIABILITY IN RESPECT OF INSURANCE POLICIES IN FORCE		
Change in Valuation of Liability in respect of Insurance Policies	648.76	-
Release from funds from future appropriations	(1.26)	-
Change in Premium Discontinuance Fund	(98.48)	-
Investment (Income) /Loss on insurance policyholders' fund related to Linked business	(272.16)	-
	276.86	-
NOTE: 23B		
OTHER EXPENSES		
Rent	59.91	46.51
Repairs and Maintenance of:		
Buildings	0.54	0.62
Plant and Machinery	0.16	0.02
Others	30.95	22.87
Insurance	8.32	7.85
Rates and Taxes	19.90	17.58
Communication Expenses	20.07	16.30
Advertisement and Sales Promotion Expenses	178.91	108.35
Legal and Profession Expenses	63.70	45.75
Bad Debts and Provision for Bad and Doubtful Debts and Advances including Contingency	117.54	93.92
Provision for Standard Assets of NBFC		
Printing and Stationery	7.00	5.65
Travelling and Conveyance	39.04	26.31
Reserve for unexpired risk	37.74	-
Bank Charges	2.32	2.94
Electricity Charges	9.49	7.24
Foreign Exchange Loss (Net)	0.32	0.32
Information Technology Expenses	30.14	25.81
Miscellaneous Expenses	97.01	39.30
	723.06	467.34



Aditya Birla Financial Services Limited

CIN: U67120GJ2007PLC058890

Notes to Financial Statements for the year ended March 31, 2017

(Amount in ₹)

Year Ended March 31, 2017	Year Ended March 31, 2016
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Note: 24

Earnings Per Share (EPS)

The Following Reflects the Profit and Share Data Used in the Basic and Diluted EPS Computation

Basic

Earnings Per Share (EPS) is Calculated as Under:

Net Profit / (Loss) as per the Statement of Profit and Loss	530.00	380.53
Less: Preference Dividend and Tax Thereon	0.97	0.97
Net Profit for EPS	529.03	379.56
Weighted Average Number of Equity Shares for Calculation of Basic EPS	83,29,81,799	75,81,82,603
Basic EPS (₹)	6.35	5.01
Weighted average number of Equity Shares Outstanding	83,29,81,799	75,81,82,603
Add: Dilutive impact of Preference shares	-	11,68,34,972
Weighted average number of Equity Shares for calculation of Diluted EPS (Face Value of ₹ 10/- each)	83,29,81,799	87,50,17,575
Diluted EPS (₹)	6.35	4.34



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 25

CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Claims against the Group not acknowledged as debts

Nature of Statute	Brief description of contingent liability	As at 31st March 2017	As at 31st March 2016
Sales Tax	Demands raised by the VAT/Sales Tax authorities of few states.	0.11	0.11
Service Tax, Finance Act, 1994	Show Cause cum Demand Notice from Service Tax Authorities issued	-	3.16
	Various cases pertaining to disallowance of cenvat credit of Service Tax on commission paid to overseas agent, in GTA services, service for outward transportation and other services alleging not be classified as input services for availment of cenvat credit, etc.	45.41	115.54
Income Tax Act, 1961	Appeal filled by DCIT with ITAT.	0.03	0.03
	Various cases pertaining to demand in tax assessment for various years	15.30	14.50
Others Statute's	Investor claims pending in Consumer Redressal Forums, in other courts/ authorities and other legal matters.	0.54	6.30
	Claims against the Company not acknowledged as debts	34.52	8.54
	Letter of comfort given by the Company on behalf of clients	133.11	244.72
	Corporate guarantees given by the Company on behalf of the clients	32.81	5.88
	Various cases pertaining to claims made by clients on sale of securities & other Civil cases.	25.14	2.31
Grand Total		286.97	401.09



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

	<u>As at</u> <u>31st March, 2017</u>	<u>As at</u> <u>31st March, 2016</u>
NOTE: 26		
CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	21.79	11.74
b) Equity Participation / investment in ARC business	2.00	-
<p>c) Aditya Birla Customer Services Ltd. (ABC SL), a subsidiary of the Company, has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60.00 Crores to International Finance Corporation (IFC) vide Shareholder Agreement dated 19 December, 2014 and Subscription Agreement dated 19 December, 2014 (SHA). Under the said SHA, the Company, has granted to IFC an option to sell the shares to the company at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC upto a maximum of 120 months from the date of subscription by IFC, in the event ABCSL or the Company fails to provide an opportunity to IFC to exit from ABCSL within 60 months from the date of subscription by IFC in the form of Listing, Secondary Sale or Acquisition etc. In the event the Company fails to fulfil its obligation, Aditya Birla Nuvo Limited, the holding Company will be obligated to fulfil this obligation.</p>		
<p>d) Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by the Aditya Birla Financial Services Limited – the Holding Company, in respect of Birla Sun Life Insurance Company Limited, the Company agreed to infuse its share capital from time to time to meet the solvency requirement prescribed by the regulatory authority.</p>		

Transfer of investments in Birla Sun Life Insurance Company Ltd. and Aditya Birla Health Insurance Company Limited, is restricted by the terms contained in Shareholder Agreements entered into by the Company.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 27

Disclosure pursuant to Accounting Standard-19 - Leases is as under:

A. Assets taken on Lease:	Year Ended 31st March, 2017	Year Ended 31st March, 2016
i) Operating Lease Payment recognised in the Statement of Profit and Loss Minimum Lease Rent	63.21	39.13
	63.21	39.13

ii) The Group has taken certain Office Premises, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment, on noncancellable/cancellable operating lease.

iii) The future minimum rental payable in respect of non-cancellable operating lease are as follows:

	As at 31st March, 2017	As at 31st March, 2016
Not later than one year	49.68	31.20
Later than one year and not later than five years	61.68	43.84
Later than five years	38.20	8.43
	149.56	83.47

iv) The details of finance lease payments payable and their Present Value of the Group as at the Balance Sheet Date :

Particulars	Total Lease		
	Charges Payable	Present Value	Interest
a) Not later than one year	2.55	2.01	0.54
	(3.60)	(2.85)	(0.75)
b) Later than one year and not later than five years	3.41	3.07	0.34
	(5.18)	(4.48)	(0.70)
Total	5.96	5.08	0.88
	(8.78)	(7.33)	(1.45)

Figures in brackets represent corresponding amount of Previous Year.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 28

RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)

- a) The details of the Group's Defined Benefit Plans in respect of Gratuity (funded by the Group):

General Description of the Plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material, is unfunded and managed within the Group.

	As at 31st March, 2017	As at 31st March, 2016
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the year	74.25	31.87
Fair Value of Plan Assets	66.38	23.90
Net Liability/(Asset)	7.87	7.97
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of		
Current Service Cost	9.59	5.32
Interest on Defined Benefit Obligations	4.52	2.04
Expected Return on Plan Assets	(3.70)	(1.70)
Net Actuarial (Gain)/Loss recognised during the year	8.15	3.37
Past Service Cost	(0.08)	-
Net Gratuity Cost	18.48	9.02
Actual Return on Plan Assets:		
Expected Return on Plan Assets	4.29	1.70
Actuarial Gain/(Loss) on Plan Assets	2.38	(0.31)
Actual Return on Plan Assets	6.67	1.39
Reconciliation of Present Value of the Obligations and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligations	31.86	21.79
Current Service Cost	9.59	5.32
Interest Cost	4.52	2.04
Actuarial (Gain)/Loss	9.42	3.05
Liability on Stake Change/Divestment/Amalgamation of Subsidiaries/Joint Ventures	27.42	0.40
Liabilities Assumed in respect of employees transferred from Group Companies	1.35	-
Past Service Costs	(0.08)	-
Benefits Paid	(9.83)	(0.73)
Closing Defined Benefit Obligations	74.25	31.87
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	23.90	19.08
Expected Return on the Plan Assets	4.29	1.70
Actuarial Gain/(Loss)	2.38	(0.31)
Asset on Stake Change/Divestment/Amalgamation of Subsidiaries/Joint Ventures	27.42	-
Contributions by the Employer	19.66	4.16
Asset acquired on acquisition / (distributed on divestiture)	(1.44)	-
Benefits Paid	(9.83)	(0.73)
Closing Fair Value of the Plan Assets	66.38	23.90
Investment Details of the Plan Assets		
Government of India Securities	46.00%	9.34%
Corporate Bonds	0.00%	0.18%
Special Deposit Scheme	1.00%	0.94%
Insurer Managed Fund*	46.00%	79.04%
Others	7.00%	10.50%
Total	100.00%	100.00%

There are no amount included in the Fair Value of the Plan Assets for Property occupied by or other assets used by the Group.

Experience Adjustment	31st March, 2017	31st March, 2016	31st March, 2015
Defined Benefit Obligations	74.25	31.86	21.79



Plan Assets	66.38	23.90	19.08
Surplus/(Deficit)	(7.87)	(7.96)	(2.71)
Experience Adjustment on Plan Liabilities	6.10	5.40	0.61
Experience Adjustment on Plan Assets	1.86	(0.31)	0.88

Expected rate of return on assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

	₹ in Crores	
	As at 31st March, 2017	As at 31st March, 2016
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	6.50 – 7.95%	7.35% - 8.10%
Estimated Rate of Return on the Plan Assets	6.50 – 7.95%	7.60% – 9.00%
The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		

b) The details of the Group's Defined Benefit Plans in respect of Gratuity (unfunded by the Group):

	As at 31st March, 2017	As at 31st March, 2016	
Amounts recognised in the Balance Sheet in respect of Gratuity			
Present Value of the unfunded Defined Benefit Obligation at the end of the year	4.17	2.40	
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of			
Current Service Cost	0.89	0.51	
Interest on Defined Benefit Obligations	0.18	0.07	
Net Actuarial (Gain)/Loss recognised during the year	0.55	0.09	
Past services cost	0.06	-	
Net Gratuity Cost	1.68	0.67	
Reconciliation of Present Value of the Obligation:			
Opening Defined Benefit Obligation	2.40	0.99	
Past Service Cost	0.06		
Current Service Cost	0.89	0.51	
Interest Cost	0.18	0.07	
Actuarial (Gain)/Loss	0.55	0.09	
Liability in respect of Employees transferred from funded plan	-	(0.34)	
Benefits Paid	0.09	1.08	
Closing Defined Benefit Obligation	4.17	2.40	
Experience Adjustment	31st March, 2017	31st March, 2016	31st March, 2015
Defined Benefit Obligation	4.17	2.40	0.99
Experience adjustment on Plan Liabilities	-	-	0.19
Principal Actuarial Assumptions at the balance sheet date			
Discount rate	6.70 – 7.70%		7.60% - 8.10%

c) The details of the Group's Defined Benefit Plans in respect of Group owned Provident Fund Trust

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Contribution to the Group-Owned Employees' Provident Fund Trust	2.78	1.41

The Guidance Note on implementing AS-15 – 'Employee Benefits (Revised 2005)', issued by the ICAI states that the Provident Funds set-up by employers, which require interest shortfall to be met by the employer, needs to be treated as Defined Benefit Plan. The Group set-up Provident Fund does not have existing deficit of interest shortfall.

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
e) Defined Contribution Plans – Amount recognised as an expense and included in the Note : 17 as "Contribution to Provident and Other	15.74	13.52



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE : 29

Disclosure under Employee Stock Options Scheme of Subsidiary Company

(A) Aditya Birla Money Limited

Stock options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability.

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the market price of the shares under ESOP being less than the exercise price of the option. As per the ABML ESOP 2014, 25% of the stock option granted got vested at the end of twelve month from the date of grant of option but none of the employees exercised the vested option till 31st March, 2017.

Stock options granted under ABML – Employee Stock Option Scheme – 2014

The Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014. The Scheme provides that the total number of options granted there under will be 27,70,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of Rs. 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on December 2, 2014 has granted 25,09,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of Rs. 34.25/-. The Exercise Price was based on the latest available closing price, prior to the December 2, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognized stock exchanges on which the shares of the Company are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under

Options granted on December 02, 2014	Rs. 25,09,341
Options outstanding as on April 01, 2016	Rs. 19,79,120
No. of options granted during the year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year



Exercise period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (Rs. per share)	Rs. 34.25/-
Market price as on the date of the grant	Rs. 34.25/- (previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the year	Rs. 4,50,859 (due to resignation of employees)
Options exercised during the year	Nil
Options outstanding as on March 31, 2017	Rs. 14,45,845

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

Sr. No	Vesting Dates	% of options that shall vest
1	12 months from the date of grant	25% of the grant
2	24 months from the date of grant	25% of the grant
3	36 months from the date of grant	25% of the grant
4	48 months from the date of grant	25% of the grant

None of the employees have exercised the vested options.

The Company has granted options to the eligible employees at an exercise price of Rs. 34.25 per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the Company is not required to account the accounting value of option as per SEBI ESOP Regulations.

Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

Risk-free interest rate (%)	8.13%
Expected life (No. of years)	5.00
Expected volatility (%)	54.26%
Dividend yield (%)	0.00
The price of the underlying share in market at the time of option grant	Rs. 34.25/-

(B) Aditya Birla Customer Services Limited

The Company has formulated Employee Stock Option Scheme – 2015 (ABC SL ESOP Scheme – 2015) with the approval of the shareholders at the Annual General Meeting dated July 07, 2015. The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the Intrinsic Value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense



recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the Fair Value of the Company and further, the vesting of options is due only in the upcoming years.

The ABCSL ESOP Scheme – 2015 provides that the total number of options granted there under will be 1,134,853 equity shares and to follow the Fair Value method for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of Rs. 10 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on September 4, 2015 has granted 9,00,618 stock options to its eligible employees under the ABCSL ESOP Scheme – 2015 at an exercise price of Rs. 89/-. The Exercise Price was based on the Fair value method arrived at as per valuation report issued by Independent valuer.

Summary of Options granted under ABCSL ESOP Scheme 2015 is as under

Options outstanding as on 01.04.2016	7,98,884
Number of options granted during the year	0
Method of accounting	Fair value
Vesting Plan	Bullet vesting on 31.03.2018
Exercise period	Within 2 years from the date of vesting of respective options
Grant date	04.09.2015
Grant / Exercise price (Rs / share)	Rs. 89/-
Market price as on the date of the grant	NA
Options forfeited / lapsed / not opted for during the year	2,66,597
Options exercised during the year	Nil
Options outstanding as on 31.3.17	5,32,287

The vesting period in respect of the options granted under ABCSL ESOP Scheme – 2015 is as follows:

Vesting Dates	% of options that shall vest
Options shall vest at one go-bullet vesting at the end of March, 2018 or such time period as may be determined by the Compensation committee.	100% of the grant more specifically specified in the ESOP Scheme

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

Variables	Grant date 04.09.2015 vest 03.09.2020
Fair market value	Rs. 89
Volatility	0%
Risk free rate	7.83%
Exercise price	Rs. 89
Expected Life	6 years
Dividend yield	0%



Option fair value	Rs. 20.74
Vesting schedule	100%
Weighted average fair value	Rs. 20.74

Had the company used the fair value model to determine compensation, its profit / (Loss) after tax and earnings per share are reported would have changed to the amount indicated below

Particular	2016-17	2015-16
Net Profit (as reported)	530.01	380.53
Less: Dividend on Preference Shares	0.97	0.97
Net Profit for equity shareholders	529.04	379.56
Less: Compensation cost as per Fair Value	0.95	2.04
Adjusted Net Income	528.08	378.49
Weighted average number of Basic Equity Shares Outstanding (In Nos.)	83,29,81,799	75,81,82,603
Weighted average number of Diluted Equity Shares Outstanding (In Nos.)	83,29,81,799	87,50,17,575
Face value of the Equity Share (In ₹)	10	10
Reported Earning Per Share (EPS)		
- Basic EPS (₹)	6.35	5.01
- Diluted EPS (₹)	6.35	4.34
Proforma Earning Per Share (EPS)		
- Basic EPS (₹)	6.34	4.99
- Diluted EPS (₹)	6.34	4.33



NOTE: 30

DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD-18

1 List of Related Parties

Holding Company

Aditya Birla Nuvo Limited (ABNL)

Fellow Subsidiary

Birla Sunlife Insurance Company Limited (BSLI) (till 23rd March, 2017)

ABNL Investment Limited (AIL)

Aditya Birla Idea Payment Bank Limited (ABIPBL)

Key Management Personnel

Mr. Ajay Srinivasan

2 During the year, following transactions were carried out with the related parties:

₹ in Crores

Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries	Key Management Personnel	Grand Total
Revenue From Operation				
BSLI	-	2.93	-	-
	-	(3.53)	-	(3.53)
TOTAL	-	2.93	-	-
	-	(3.53)	-	(3.53)
Interest Paid				
ABNL	0.80	-	-	0.80
	(2.44)	-	-	(2.44)
TOTAL	0.80	-	-	0.80
	(2.44)	-	-	(2.44)
Payment For Reimbursement of Revenue / Capital expenditure				
ABNL	0.05	-	-	0.05
	(0.13)	-	-	(0.13)
BSLI	-	3.80	-	-
	-	(3.08)	-	(3.08)
ABIPBL	-	1.24	-	1.24
	-	-	-	-
TOTAL	0.05	5.04	-	1.29
	(0.13)	(3.08)	-	(3.21)
Receipts against Reimbursement of Expenses				
ABNL	-	-	-	-
	(0.01)	-	-	(0.01)
BSLI	-	45.46	-	45.46
	-	(39.14)	-	(39.14)
TOTAL	-	45.46	-	45.46
	(0.01)	(39.14)	-	(39.15)
Purchase of Fixed Assets				
BSLI	-	0.10	-	-
	-	(0.10)	-	(0.10)
TOTAL	-	0.10	-	-
	-	(0.10)	-	(0.10)



Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries	Key Management Personnel	Grand Total
Interest Expenses on NCD				
BSLI	-	11.04	-	-
	-	(3.15)	-	(3.15)
TOTAL	-	11.04	-	-
	-	(3.15)	-	(3.15)
Interest Expenses on ICD				
ABNL	4.22	-	-	4.22
	-	-	-	-
TOTAL	4.22	-	-	4.22
	-	-	-	-
Insurance premium				
ABNL	3.97	-	-	3.97
	-	-	-	-
TOTAL	3.97	-	-	3.97
	-	-	-	-
Loans / Deposits taken (including Inter-Corporate Deposits)				
ABNL	63.76	-	-	63.76
	(53.67)	-	-	(53.67)
TOTAL	63.76	-	-	63.76
	(53.67)	-	-	(53.67)
Advance Taken for Expense				
BSLI	-	9.73	-	-
	-	(10.06)	-	(10.06)
TOTAL	-	9.73	-	-
	-	(10.06)	-	(10.06)
Managerial Remuneration Paid*				
Mr. Ajay Srinivasan	-	-	24.35	24.35
	-	-	(12.79)	(12.79)
TOTAL	-	-	24.35	24.35
	-	-	(12.79)	(12.79)
Loans taken Repaid (including Inter-Corporate Deposits)				
ABNL	63.27	-	-	63.27
	(102.70)	-	-	(102.70)
TOTAL	63.27	-	-	63.27
	(102.70)	-	-	(102.70)
Deposits taken during the year				
ABNL	-	-	-	-
	(0.04)	-	-	(0.04)
TOTAL	-	-	-	-
	(0.04)	-	-	(0.04)
Deposits taken - Repaid during the year				
ABNL	-	-	-	-
	(0.04)	-	-	(0.04)
TOTAL	-	-	-	-
	(0.04)	-	-	(0.04)



Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries	Key Management Personnel	Grand Total
Issue of Equity Shares				
ABNL	2,877.98 (247.00)	- -	- -	2,877.98 (247.00)
AIL	- -	0.08 (3.00)	- -	0.08 (3.00)
TOTAL	2,877.98 (247.00)	0.08 (3.00)	- -	2,878.06 (250.00)
Conversion of Preference Shares to Equity Shares				
ABNL	336.50 (140.00)	- -	- -	336.50 (140.00)
TOTAL	336.50 (140.00)	- -	- -	336.50 (140.00)
Issue of Preference Shares				
ABNL	70.00 (720.00)	- -	- -	70.00 (720.00)
TOTAL	70.00 (720.00)	- -	- -	70.00 (720.00)
Redemption of Preference Shares				
ABNL	1,471.11 -	- -	- -	1,471.11 -
TOTAL	1,471.11 -	- -	- -	1,471.11 -
Outstanding Balances as on 31st March, 2017				
Loan Taken outstanding balance	- (6.74)	- -	- -	- (6.74)
Interest accrued on Loans taken	- (0.16)	- -	- -	- (0.16)
Amount Receivable	- (0.04)	0.21 (1.69)	- -	0.21 (1.73)
Amounts Payable	3.97 -	- (3.29)	- -	3.97 (3.29)
ICD Balance	3.24 -	- -	- -	3.24 -
NCD Balance	52.03 (50.99)	- -	- -	52.03 (50.99)
Equity Shares Held by	1,232.24 (1,504.01)	- (3.00)	- -	1,232.24 (1,507.01)
Preference Shares Held by	- (1,737.61)	- -	- -	- (1,737.61)
Interest Payble on NCD	- -	- (1.94)	- -	- (1.94)

- Figures in brackets represent corresponding amount of Previous Year.
- No amount, in respect of the related parties have been written off/back, is provided for during the year.
- Related parties relationships have been identified by the management and relied upon by the auditors.

* - Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

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SEGMENT DISCLOSURES

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risk and returns of these segments.

The Group has considered business segment as the primary segment for disclosure. The products and services included in each of the reported business segments are as follows:

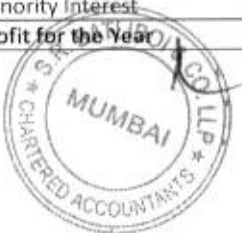
SEGMENT	ACTIVITIES
NBFC	Non-Bank Financial Services, Housing Finance
Asset Management	Asset Management
Insurance Broking	Insurance Broking
Life Insurance	Life Insurance Services
Money Broking	Equity and Commodity Broking,
Health Insurance	Health Insurance
Other Financial Services	Private Equity, Wealth Management

The Group considers secondary segment based on Services provided to customers India as "within India" and services provided to customers outside India as "outside India". Assets are segregated based on their geographical location.

Information about Primary Business Segments

Segment Revenue	For the year ended 31st March, 2017			For the year ended 31st March, 2016		
	External	Inter-Segment	Total	External	Inter-Segment	Total
NBFC	3,727.18	12.21	3,739.39	2,542.69	0.37	2,543.06
Asset Management	968.49	-	968.49	765.19	-	765.19
Life Insurance Business	787.51	-	787.51	-	-	-
Insurance Broking	119.12	1.97	121.09	96.78	-	96.78
Money Broking	123.37	1.21	124.58	119.65	-	119.65
Health Insurance	53.60	0.33	53.93	-	-	-
Other Financial Services	26.41	38.55	64.96	73.64	17.75	91.39
Total Segment	5,805.69	54.25	5,859.94	3,597.95	18.12	3,616.07
Eliminations			54.25			18.12
Total Revenue			5,805.69			3,597.95

Segment Result (PBIT)	For the year ended 31st March, 2017	For the year ended 31st March, 2016
NBFC	816.44	596.14
Asset Management	292.90	303.22
Insurance Broking	33.13	28.19
Money Broking	6.45	3.14
Life Insurance Business	39.54	-
Health Insurance	(86.67)	-
Other Financial Services	(52.59)	(71.93)
Total Segment	1,049.20	858.76
Less: Finance Cost	10.83	8.81
Add: Interest Income	12.86	10.68
Less: Inter Company Dividend Income	33.48	6.59
Add: Unallocable Income (net of unallocable expenses)	47.99	14.61
Profit before Exceptional Item and Tax	1,065.74	868.65
Exceptional Item	-	-
Profit before Tax	1,065.74	868.65
Tax Expenses	374.59	344.57
Profit before Minority Interest	691.15	524.08
Minority Interest	161.15	143.55
Profit for the Year	530.00	380.53



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
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Information about Primary Business Segments

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Financial Services				
NBFC	39,556.72	28,135.95	34,245.73	24,293.88
Asset Management	272.64	238.28	258.24	162.11
Insurance Broking	69.39	27.18	33.77	26.84
Life Insurance Business	36,293.56	-	34,182.15	-
Money Broking	481.75	445.50	211.20	144.17
Health Insurance	328.43	17.59	167.57	7.18
Other Financial Services	322.81	276.27	118.58	59.78
Total Segment	77,325.29	29,140.77	69,217.23	24,693.98
Inter-Segment Eliminations	(233.28)	(5.14)	(233.28)	(5.14)
Unallocated Corporate Assets/Liabilities	1,038.74	905.91	584.81	127.44
Total Assets/Liabilities	78,130.75	30,041.53	69,568.76	24,816.27

Other Information	Cost incurred to Acquire Segment Fixed Assets (including CWIP and Capital Advance) for the Year Ended		Depreciation / Amortisation for the Year Ended	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Financial Services				
NBFC	60.97	18.68	12.68	8.83
Asset Management	12.18	6.18	9.78	8.92
Life Insurance Business	-	-	1.03	-
Insurance Broking	8.32	3.47	2.97	1.91
Health Insurance	32.16	-	3.98	-
Money Broking	3.67	2.95	3.16	3.96
Other Financial Services	7.58	18.45	9.58	9.22
Total Segment	124.87	49.74	43.17	32.85
Unallocated	-	-	-	-
Total	124.87	49.74	43.17	32.85

Information about Secondary Business Segments

	For the Year Ended	
	31st March, 2017	31st March, 2016
Revenue by Geographical Market		
In India	5,773.81	3,570.47
Outside India	31.88	27.48
Total	5,805.69	3,597.95
Carrying Amount of Segment Assets		
In India	78,097.78	30,018.12
Outside India	32.97	23.41
Total	78,130.75	30,041.53
Cost incurred to acquire Segment Fixed Assets		
In India	124.77	49.36
Outside India	0.10	0.38
Total	124.87	49.74



NOTE: 32

ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 FOR CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Name of the Entity	Net Assets* as on 31st March, 2017		Net Assets as on 31st March, 2016*		Share in Profit or Loss for the year ended 31st March, 2017		Share in Profit or Loss for the year ended 31st March, 2016	
	% of Consolidated Net Assets	Amount	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Financial Services Limited	69.91%	4,610.90	70.25%	3,129.71	0.80%	4.24	-0.13%	(0.48)
SUBSIDIARY COMPANIES								
Aditya Birla Capital Advisors Private Limited	0.52%	33.98	0.69%	30.96	0.57%	3.02	1.19%	4.52
Aditya Birla Customer Services Limited	-0.89%	(58.68)	-0.02%	(0.97)	-10.89%	(57.71)	-18.39%	(70.00)
Aditya Birla Financial Shared Services Limited	0.01%	0.39	0.00%	0.13	0.05%	0.26	-0.02%	(0.07)
Aditya Birla Trustee Company Private Limited	0.00%	0.29	0.01%	0.26	0.00%	0.02	0.01%	0.03
Aditya Birla Money Limited Conso	0.64%	42.20	0.91%	40.42	1.37%	7.28	0.87%	3.33
Aditya Birla Money Mart Limited	-0.06%	(3.82)	-0.41%	(18.27)	-0.14%	(0.72)	-1.79%	(6.81)
Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)	-0.06%	(4.18)	-0.09%	(3.97)	-0.04%	(0.20)	-0.60%	(2.28)
Aditya Birla Insurance Brokers Limited	0.90%	59.18	0.77%	34.40	4.67%	24.77	5.60%	21.30
Aditya Birla Finance Limited	75.68%	4,991.33	82.96%	3,695.80	110.42%	585.25	107.38%	408.60
Aditya Birla Housing Finance Limited	5.57%	367.48	4.60%	204.76	-2.92%	(15.50)	-7.94%	(30.22)
Birla Sun Life Asset Management Company Limited	13.90%	916.83	18.64%	830.16	40.99%	217.25	55.05%	209.49
Birla Sun Life Trustee Company Private Limited	0.01%	0.55	0.01%	0.51	0.01%	0.04	0.01%	0.05
Aditya Birla Health Insurance Co. Limited	2.21%	145.66	0.06%	2.80	-16.35%	(86.67)	0.00%	-
ABCAP Trustee Company Private Limited	0.00%	(0.00)	0.00%	-	0.00%	(0.01)	0.00%	-
Aditya Birla Wellness Private Limited (w.e.f. June 23, 2016)	0.04%	2.48	0.00%	-	-0.45%	(2.41)	0.00%	-
Birla Sun Life Insurance Company Limited (w.e.f. March 23, 2017)	26.95%	1,777.66	0.00%	-	7.42%	39.33	0.00%	-
Birla Sun Life Pension Management Limited w.e.f. March 23, 2017	0.41%	27.07	0.00%	-	0.04%	0.21	0.00%	-
FOREIGN SUBSIDIARY COMPANIES								
Birla Sunlife AMC (Mauritius) Ltd	0.09%	6.22	0.12%	5.37	0.92%	4.87	1.37%	5.22
Aditya Birla Sun Life AMC Ltd., Dubai	0.07%	4.59	0.12%	5.18	-0.09%	(0.48)	-0.26%	(1.00)
Aditya Birla Sun Life AMC Pte Ltd., Singapore	0.21%	13.91	0.11%	4.69	0.30%	1.57	-1.75%	(6.67)
Minority Interest								
		(1,951.80)		(755.76)		(161.15)		(143.55)
Preference Share issued by Subsidiary and Joint Venture Companies								
		(14.70)		-		-		-
Consolidation Eliminations and Adjustments								
		(4,372.07)		(2,751.41)		(33.26)		(10.93)
TOTAL ATTRIBUTABLE TO OWNERS		6,595.48		4,454.80		530.01		380.53

Notes:

* Net Assets = Total Assets - Total liabilities

1. India Advantage Fund Limited (IAFL), wholly owned Subsidiary of Birla Sun Life Asset Management Company Limited, is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Statement of Profit and Loss. The Profit/Loss of each such class belongs to the participating shareholders of that class. Birla Sun Life Asset Management Company Limited (BSAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit/loss of various classes nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.

2. Aditya Birla Sun Life AMC Pte Limited, Singapore has made investment in International Opportunities Fund. International Opportunities Fund SPC(IOF) is segregated portfolio company set up as a fund in Cayman islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, IOF has various segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares has its own Balance Sheet and Profit and Loss account. The Profit/Loss of each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Pte. Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit/loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IOF in the Consolidated Financial Statement.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
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NOTE: 33

Cash transaction in specified bank notes (SBNs)

Details of specified bank notes (SBNs) and transactions therein during the period from 8th November, 2016 to 30th December, 2016 are as given below as required by the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016.

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	42,500	10,908	53,408
(+) Permitted receipts	9,556,500	108,298	9,664,798
(-) Permitted payments	(1,500)	(96,523)	(98,023)
(-) Amount deposited in Banks	(9,597,500)	-	(9,597,500)
Closing cash in hand as on 30.12.2016	-	22,683	22,683

Note:

Aditya Birla Finance Limited (ABFL), Subsidiary company of the group

During the notified period the customers of ABFL have directly deposited cash amounting to ₹ 69.40 Lakhs in the bank account of ABFL held with scheduled banks. ABFL has not transacted in the SBN's and accordingly ABFL did not have any cash balance as on 08.11.2016 and 30.12.2016

Aditya Birla Housing Finance Limited (ABHFL) Subsidiary company of the group

The SBN's are directly deposited by customers into ABHFL's central bank account towards the part payment or closure of their outstanding loan amount. ABHFL has obtained the relevant details of deposits from bank and from deposits slips provided by customers and accordingly provided the details in above table.



34. OTHER SIGNIFICANT NOTES

- i. The Group's pending litigations comprise of claims by or against the Group primarily by the employees / customers / suppliers, etc. and proceedings pending with tax and other government authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made adequate provisions in the financial statements and appropriate disclosure for contingent liabilities is given in note no 26.
- ii. The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.
- iii. Pursuant to a Share Purchase agreement ('SPA') between Aditya Birla Nuvo Limited ('ABNL' or 'the Purchaser') and Mr. Pratap C Reddy and others ("Erstwhile Promoters") dated August 28, 2008, ABNL had agreed to acquire 31 million equity shares in Aditya Birla Money Limited ("ABML"). The transaction was completed on March 6, 2009.

As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harmless the Purchaser to the extent of any Losses, resulting from or consequent upon or relating to such breach of representations or warranties, covenants or agreement including but not limited to the recoveries of receivables and other assets in the books of ABML, contingencies on tax and related matters etc.

Subsequent to the completion of the above transaction, the Purchaser noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of Rs 16.66 Crore as Losses incurred on account of breach of representation warranties in the SPA. Further, ABNL vide its letter dated March 5, 2011 made a separate claim of Rs 0.52 Crore for amounts becoming due and payable on accounts of various cases initiated by the customers of ABML. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011 with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, ABML has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of ABML as at March 31, 2017 aggregating Rs. 18.73 Crore (previous year: Rs. 18.66 Crore) and disclosed the same in Short Term Loans & Advances in Note No 13B of the Balance Sheet, as these amounts would be paid directly to ABML by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

Both report submitted by Professional Accounting firm and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013. The Respondents filed their objections to the audit report and ABNL had also filed its reply to the said objections.

Arguments in rebuttal by the Claimant was completed on 25 October 2013 and written submissions were filed by 29 October 2013. The tribunal has reserved the award.



During the FY 2014-15, Arbitral Tribunal has passed an award, allowing claim of Rs.10.24 Crore, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of Rs. 5.73 Crore, alongwith interest @ 14% from the date of award. This award was received by ABNL on 27th May 2014.

Subsequently, during the year both parties have filed petitions under Sec.34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the award and the same are admitted and pending on the file of the High Court of Madras.

In respect of such receivables, which exclude premature claims pertaining to income tax, service tax, etc., ABML has created adequate provision, which also includes claims not awarded by the Arbitral Tribunal to the extent of 44%. In respect of tax claims, ABML has obtained favourable order for certain assessment years & is confident of recovering such amount in due course. Such amounts are fully recoverable from the income tax department.

Further in the month of October 2015, Supreme Court dismissed the appeal filed by ABML against SAT order directing ABML to pay a sum of Rs. 1.66 Crore together with interest thereon. Consequently SEBI served a notice of demand on ABML seeking payment of a sum of Rs. 1.66 Crore towards turnover fee and a sum of Rs. 3.76 Crore and in the month of October 2016, Rs.0.11 Crore towards interest thereon from the respective due dates of payment of the said Turnover Fee.

As the erstwhile promoters have agreed to indemnify ABNL to the extent of any losses resulting from or consequent upon the civil appeal pending before Supreme Court vide Civil Appeal No. 3441/2007 in the SPA, the demand was communicated to the erstwhile promoters and the erstwhile promoters have paid the total turnover fee of Rs. 1.66 Crore to ABML against the payment made by ABML to SEBI.

The request of ABML to SEBI seeking waiver of the interest was not considered favourably and the review petition filed by ABML in Supreme Court was also dismissed. In the meanwhile SEBI issued a Recovery Certificate dated 12.01.2016 seeking to recover the interest amount and ABML remitted the above mentioned interest amount with SEBI under intimation to erstwhile promoters.

Based on legal opinion received by ABML in the previous year and internal assessment, the ultimate company is confident of recovering the allowed claim through the legal process. Further, we conform that ABNL has committed to transfer any funds received on settlement of arbitration order to ABML. Accordingly in our opinion there is no uncertainty in recovery of such amounts and no additional provision is necessary.

- iv. On 23rd March, 2017 the Company has acquired 51% equity shares of Birla Sun Life Insurance Company Limited ("BSLIC") from Aditya Birla Nuvo Limited. Consequently, BSLIC has become subsidiary of the Company with effect from 23rd March, 2017. Revenue and profit and loss account of BSLIC for the period from 23rd March, 2017 to 31st March, 2017 has been prepared and certified by the management of BSLIC based on estimates and extracted from audited financial statements of BSLIC for the year ended March 31, 2017. Accordingly, total revenue of Rs. 791 Crore, profit before tax of ₹ 40 Crore, and profit after tax of ₹ 40 Crore for the period from 23rd March 2017 to 31st March, 2017 have been consolidated."

v. Scheme of Arrangement between Subsidiary Companies:

- During the year, the Hon'ble High Court of Gujarat, Ahmedabad approved the Scheme of Arrangement vide order O/COMP/445/2016 dated 24th November, 2016, and the certified true copies of the scheme and order were received on December 21, 2016., whereby the Wealth Management Undertaking of Aditya Birla Money Mart Limited (ABMM), a subsidiary of the Company was demerged and transferred to Aditya Birla



Finance Limited (ABFL), also a subsidiary of the Company, with the Appointed Date of 1st April, 2016. The Scheme of Arrangement was made effective on 31st December, 2016.

- In consideration of the demerger, the Company has received 10,277,778 equity shares of ₹ 10 each of ABFL as per the share entitlement ratio determined based on an independent valuation report at 3 equity shares of ₹ 10 each in ABFL for every 8 equity shares of ₹ 10 each held in ABMM and 1 equity share of ₹ 10 each in ABFL for every 36 0.01%-Redeemable Non-Convertible Preference Shares of ₹ 10 each held in ABMM.
- As per the Scheme of Arrangement, the general purpose borrowings in ABMM have been transferred to the Company in proportion to the value of assets transferred to ABFL. Accordingly, ABFL has issued Compulsory Convertible Debentures (CCD) of value of ₹ 23.99 crore to the Company in lieu of such amount of CCD of ABMM which were transferred to ABFL. Hence the current holding pattern of CCD's by the Company is as under:
 - a) ABFL - ₹ 23.99 crore
 - b) AMML - ₹ 26.01 crore
- The carrying value of the investments in ABMM (net of impairment) is considered to be at fair value of asset given up for equity shares received from ABFL.

VI. Conversion of Preference Shares:

- During the year 5,65,00,000 0.01%-Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each are due for conversion on the existing terms and condition, accordingly the Company has converted preference shares into 56,50,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
- During the year the Company has made early conversion of its 28,00,00,000 0.01%-Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each into 2,80,00,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
- During the year the Company has reclassified its Authorised Share Capital. The revised structure comprise of 2,20,00,00,000 Equity shares of ₹ 10 each and 1,80,00,00,000 Preference Shares of ₹ 10 each.

VII. During the year the Company made early redemption of its 1,47,11,10,000 6%-Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10 each held by Aditya Birla Nuvo Limited. The same is approved by Board of Directors and accounted accordingly. The redemption is made as per existing terms and conditions.

VIII. During the year, the Board of Directors of the Company at its Board Meeting held on 11th August, 2016, had approved a Composite Scheme of Arrangement between Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (GIL) and the Company and their respective shareholders and creditors ('Scheme'). The Scheme provides for the amalgamation of ABNL with GIL on a going concern basis, demerger of the financial services business from amalgamated GIL into the Company post the amalgamation and consequent listing of the equity shares of the Company. The approval for the Scheme had been received from the Competition Commission of India. The Hon'ble National Company Law Tribunal, Bench at Ahmedabad (NCLT) had directed holding of the meeting of the Shareholders of the Company on 10th April, 2017 and the Shareholders of the Company have unanimously approved the Scheme. NCLT has approved the Scheme on June 1, 2017. The Boards of ABNL and GIL have decided July 1, 2017 to be the effective date for amalgamation of ABNL into Grasim and fixed the record date at July 6, 2017 for the same. The Board of GIL has decided July 4, 2017 to be the effective date for demerger of the financial services business.

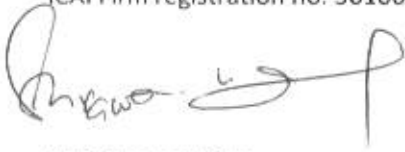


IX. Figures of ₹ 50,000 or less have denoted by 'β'.

X. Previous year's figures have been regrouped / rearranged to confirm to the current year's presentation, wherever necessary.

As per our attached report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration no. 301003E/E300005



Per Shrawan Jalan
Partner
Membership No. 102102



Mumbai, 26th June, 2017

For and on behalf of Board of Directors



Shriram Jagetiya
Director
DIN-01638250

Pinky Mehta
Director
DIN-00020429



Sailesh Daga
Company Secretary

Mumbai, 26th June, 2017



INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Aditya Birla Capital Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence



obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

The auditors of Aditya Birla Money Limited (“ABML”), without qualifying their opinion on the consolidated financial statements of ABML have drawn attention to Note no. 32 (iii) of the Notes to the Financial Statements relating to the recoverability of assets in the nature of trade receivables, advances, and other assets etc. aggregating to Rs. 18.66 Crore grouped under advances recoverable in cash or kind, which is subject to matter of claim and more fully described therein.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the ‘other matter’ paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group’s companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 32 (ii) to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 (i) to the consolidated financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2016.

Other Matter

We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs. 969 Crore as at March 31, 2016, and total revenues of Rs. 776 Crore and net cash inflows of Rs 4 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S.R. Batliboi & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADITYA BIRLA CAPITAL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Aditya Birla Capital Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Aditya Birla Capital Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on auditor's report of four subsidiaries, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and jointly controlled companies incorporated in India.

For **S.R. Batliboi & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Consolidated Balance Sheet as at 31st March, 2016

		₹ in Crores	
	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2A	2,533.62	1,914.62
Reserves and Surplus	3	1,921.18	1,055.62
Equity Attributable to Owners of the Parent		4,454.80	2,970.24
Minority Interest		755.76	306.86
Total Equity	Sub-Total - (A)	5,210.56	3,277.10
(B) Preference Share issued by Subsidiary Companies	2B	14.70	427.74
(C) Non-Current Liabilities			
Long-term Borrowings	4A	14,346.59	8,798.74
Other Long-term Liabilities	6A	202.68	39.76
Long-term Provisions	7A	179.02	139.98
	Sub-Total - (C)	14,728.29	8,978.48
(D) Current Liabilities			
Short-term Borrowings	4B	7,174.53	4,106.21
Trade Payables- total outstanding dues of			
- Micro enterprises and small enterprises		-	-
- Creditors other than micro enterprises and small enterprises		207.00	184.12
Other Current Liabilities	6B	2,594.21	2,609.64
Short-term Provisions	7B	112.24	58.86
	Sub-Total - (D)	10,087.98	6,958.83
	TOTAL (A)+(B)+(C)+(D)	30,041.53	19,642.15
ASSETS			
(E) Non-Current Assets			
Fixed Assets			
Tangible Assets	8A	41.84	28.90
Intangible Assets	8B	24.73	23.61
Capital Work-in-Progress		-	0.13
Intangible Assets under Development		11.24	7.85
		77.81	60.49
Goodwill on Consolidation		247.18	231.97
Non-Current Investments	9A	366.63	331.77
Deferred Tax Assets (Net)	5	99.28	64.15
Long-term Loans and Advances	10A	18,602.64	9,711.85
Other Non-Current Assets	11A	1.10	1.02
	Sub-Total - (E)	19,394.64	10,401.25
(F) Current Assets			
Current Investments	9B	996.56	387.89
Stock of Securities of NBFC Business	12	330.20	467.57
Trade Receivables	13	178.56	124.20
Cash and Bank Balances	14	113.67	280.89
Short-term Loans and Advances	10B	8,641.70	7,825.69
Other Current Assets	11B	386.20	154.66
	Sub-Total - (F)	10,646.89	9,240.90
	TOTAL (E)+(F)	30,041.53	19,642.15

Significant Accounting Policies

1

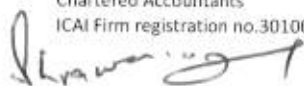
The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date

For S. R. Batliboi & CO LLP

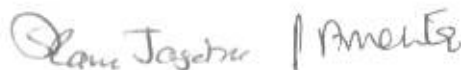
Chartered Accountants

ICAI Firm registration no.301003E/E300005



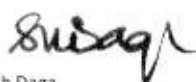
Per Shrawan Jalan
 Partner
 Membership No. 102102

For and on behalf of the Board of Directors



Shriram Jagetiya
 Director
 DIN-1638250

Pinky Mehta
 Director
 DIN : 00020429



Sailesh Daga
 Company Secretary
 Mumbai, June 26, 2017



Mumbai, June 26, 2017

Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

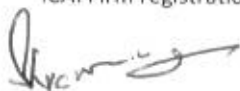
₹ in Crores

	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Revenue from Operations	15	3,597.95	2,664.04
Other Income	16	71.18	47.91
Total Revenue		3,669.13	2,711.95
Expenses			
Employee Benefits Expenses	17	501.24	426.06
Brokerage and Discounts		190.35	233.55
Finance Cost relating to lending activity of Subsidiaries	18	1,599.89	1,105.30
Other Finance Cost	19	8.81	5.32
Depreciation and Amortisation Expenses	20	32.85	37.49
Other Expenses	21	467.34	343.81
Total Expenses		2,800.48	2,151.53
Profit Before Tax and Exceptional Item		868.65	560.42
Less : Exceptional Items	24	-	41.40
Profit Before Tax		868.65	519.02
Tax Expenses			
Current Tax		372.91	225.48
MAT Credit		(0.36)	-
Short/(Excess) Provision for Tax of Earlier Years (Net)		7.17	0.82
Deferred Tax		(35.15)	(16.13)
Profit for the Year		524.08	308.85
Profit for the Year Attributable to			
Owners of Parent		380.53	239.21
Minority Interest		143.55	69.64
Profit for the Year (A) + (B)		524.08	308.85
Basic Earnings Per Share (₹)		5.01	3.31
Diluted Earnings per Share (₹)	25	4.34	2.92
(Face Value of ₹ 10/- each)			

Significant Accounting Policies 1
 The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date
For S. R. Batliboi & CO LLP
 Chartered Accountants
 ICAI Firm registration no.301003E/E300005

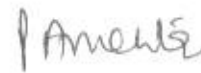
For and on behalf of the Board of Directors



Per Shrawan Jalan
 Partner
 Membership No. 102102



Shriram Jagetiya
 Director
 DIN-1638250



Pinky Mehta
 Director
 DIN : 00020429



Mumbai, June 26, 2017



Suresh Daga
 Company Secretary
 Mumbai, June 26, 2017



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Consolidated Cash Flow Statement
For the year ended 31st March, 2016

₹ in Crores

Particulars	2015-16		
Cash Flow From Operating Activities			
Profit Before Tax		868.65	
Adjustment For-			
Interest income	(31.38)		
General Contingency Provision written back	19.81		
Depreciation	32.85		
Interest Expense Other Than NBFC	8.81		
Foreign Currency Translation Reserve	0.40		
Net gain on sale of investments	(12.93)		
Profit on sale of FA	(0.10)		
Dividend Income	(2.65)		
Operating Profit Before Working Capital Changes		14.81	
Adjustment For-			
Decrease/(Increase) in Trade Receivable	(54.36)		
Decrease/(Increase) in Loans	(9,923.26)		
Decrease/(Increase) in Other Assets	(2.47)		
Decrease/(Increase) in Stock of Securities	137.37		
Decrease/(Increase) in Trade Payable	22.90		
Decrease/(Increase) in Provisions	40.07		
Decrease/(Increase) in Other liabilities	571.00		
Cash Generated from Operations		(9,208.75)	
Income Taxes Refund/(paid)		(8,325.29)	
		(372.13)	
Net Cash flow from operations			(8,697.42)
Cash Flow from Investing Activities			
Addition to Fixed Assets		(27.34)	
Addition to intangibles		(20.76)	
Deletion from Fixed Assets		0.66	
Dividend Income		2.65	
Purchase of Long term investments		(44.84)	
MF (purchase)/Sale of investments (net)		(595.75)	
Interest Received		35.02	
ICDs(Net)		(3.00)	
Bank Deposits more than 3 months (Net)		15.69	
Net Cash (Used in)/From Investing Activities			(637.67)
Cash Flow from Financing activities			
Proceeds from issue of Equity shares		250.00	
Proceeds from issue of Preference shares(including subsidiaries)		755.00	
Proceeds from Long term borrowings		5,129.10	
Proceeds from Short term including current maturities		3,068.32	
Dividend paid by subsidiaries to MI		(7.90)	
Interest paid(Other than NBFC)		(8.61)	
Dividend		(0.80)	
Dividend tax		(1.35)	
Net Cash (Used in)/From financing Activities			9,183.76
Net increase in Cash and Cash Equivalents			(151.33)
Opening Cash and Cash Equivalents			206.63
Closing Cash and Cash Equivalents			55.30

The group is preparing consolidated financial statements for the first time and is availing exemption from presenting comparatives for the cash flow statements given in transitional provisions to Accounting Standard (AS) – 21, "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date

For S. R. Batliboi & CO LLP

Chartered Accountants

ICAI Firm registration no.301003E/E300005

Shrawan Jalan

Per Shrawan Jalan

Partner

Membership No. 102102



Mumbai, June 26, 2017

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For and on behalf of the Board of Directors

Shriram Jagetiya *Pinky Mehta*

Shriram Jagetiya

Director

DIN-1638250

Pinky Mehta

Director

DIN : 00020429

Sailesh Daga

Sailesh Daga

Company Secretary

Mumbai, June 26, 2017



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES:

I. BASIS OF PREPARATION

The Consolidated Financial Statements (CFS) comprise the financial statement of Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) ("Company") and its Subsidiaries, (herein after referred to as "Group Companies" and together as "Group") (Refer Annexure 'A' to Note – 1). The CFS of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standards (AS) notified under section 133 of the Companies Act , 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014, in case of Non-Banking Financial Companies (NBFCs) guidelines issued by the Reserve Bank of India (RBI), as applicable to NBFC and in case of Housing Finance Companies (HFC) directions and guidelines issued by the National Housing Regulators as applicable to HFC, amended from time to time. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in paragraph II below.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto twelve months for the purpose of current/non-current classification of assets and liabilities.

II. CHANGE IN ACCOUNTING POLICY

- a. Aditya Birla Finance Limited (ABFL), a wholly owned subsidiary of the Company, has discontinued contingency provision in the current year created based on management judgement. Accordingly, the Company has reversed general contingency provision of ₹ 19.81 Crore lying in the books of accounts as on 31st March, 2015. As a result, the Profit before tax is higher by ₹ 19.81 Crore in the current year.
- b. ABFL has revised recognition norms of Non-Performing Assets (NPA) from six months to five months and increased provisions on standard assets from 0.25% to 0.30% pursuant to Reserve Bank of India (RBI) notification no. DNBR. 009/CGM (CDS) - 2015 dated 27th March, 2015, which has resulted in additional provision on loan portfolio of ₹ 12.56 Crore in current year. Accordingly the Profit before tax is lower by ₹ 12.56 Crore in the current year.

III. USE OF ESTIMATES

The preparation of Consolidated Financial Statements in conformity with Indian GAAP requires the management to make judgments', estimates and assumption that affect reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements and the results of operations during the reporting period end. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these judgments, assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

IV. PRINCIPLES OF CONSOLIDATION

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard (AS) – 21, "Consolidated Financial Statements". The Consolidated Financial Statements are prepared by applying uniform accounting policies in use at the Group.



The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates, on which the investment in such entities was made, is recognised in the CFS as Goodwill/Capital reserve.

Minority Interest in the net assets of Subsidiaries consists of:

- i. The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made
- ii. The minorities' share of movements in equity since the date the parent –subsidiary relationship came into existence

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

List of companies included in Consolidation are mentioned in Annexure A

V. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on Tangible Fixed Assets is provided on Straight Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Group has used the following useful life to provide depreciation on its fixed assets.

A:- Assets where useful life differs from Schedule II:-

<u>Asset</u>	<u>Useful Life as Prescribed by Schedule II of the Companies Act,2013</u>	<u>Estimated Useful Life</u>
1. Buildings	30 Years	60 Years
2. Office Electronic Equipments	5 Years	4 Years
3. Office Computers (end user devices desktop, laptops)	3 Years	3 Years to 5 years
4. Servers	6 Years	3 Years to 5 Years
5. Vehicles	8-10 Years	4 Years to 5 years
6. Electrically operated vehicles	8 Years	5 Years
7. Furniture & Fixtures and Other Office Equipments	10 Years	2 Years to 10 years

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

D: - Leasehold Assets

1. Leasehold land	Period of Lease
2. Leasehold Improvements	Period of Lease



Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Intangible assets under development

Expenditure on development eligible for capitalisation are carried as Intangible asset under development where such assets are not yet ready for intended use.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarded.

VI. INTANGIBLE ASSETS AND AMORTISATION

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Assets	Estimate Useful Life
1. Brands / Trademarks	5 to 10 years
2. Computer Software	2 to 6 years
3. Investment Management Rights	Over period of 10 years
4. Non-Compete Fees	3 Years
5. Goodwill on Consolidation	Not being amortised (Tested for Impairment)

VII. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

VIII. BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

IX. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to exchange difference arising on translation/settlement of long-term foreign currency items from 1st April, 2011, the Group has adopted following policy:

(i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

(ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset/liability.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

Translation of foreign subsidiary is done in accordance with AS – 11 (Revised) - "The Effects of Changes in Foreign Exchange Rates". In the case of subsidiaries, the operation of which are considered as integral, the Balance Sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and



expenditure items have been translated at the average rate for the year. Exchange Gain/(Loss) is recognised in the Statement of Profit and Loss.

In case of subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the year and items of income and expenditure have been translated at the weighted average rates, where such rates approximate the exchange rate at the date of transaction. Exchange gain/(loss) arising on conversion is recognised under Foreign Currency Translation Reserve.

X. INVESTMENT

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. but excludes pre-acquisition interest i.e. (from the previous coupon date to the transaction settlement date), if any, on purchase. If an investment is acquired in exchange of another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current Investments are stated at lower of cost and net realisable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

XI. STOCK OF SECURITIES OF NBFC BUSINESS

Stocks of securities of NBFC Business are valued at lower of cost and net realizable value. Cost includes cost of purchase and other directly attributable cost towards purchase costs.

Net realizable value is the estimated fair value of securities as on the Balance Sheet date.

XII. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax. In case of fixed price contracts revenue is recognised on percentage of completion method and revenue from time and materials contract is recognised as the services are provided.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate except in case of NBFC business non-performing assets are recognised on receipt basis.

Dividend income on investments is accounted for when the right to receive the payment is established

Income from **Financial Services** includes brokerage and fees on mutual fund units, bonds, fixed deposits, IPOs private equity and other alternative products, and services which is recognised when due, on completion of transaction. Management fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. Advisory and portfolio management fees are accounted on an accrual basis as per contractual



terms with clients. Income on discounted instruments is recognised over the tenure of the instrument on a straight-line basis. Stock and Commodity Brokerage Income is recognised on the trade date of the transaction upon confirmation of the transactions by the exchanges. Trusteeship fee is recognised on an accrual basis, in accordance with the terms of the Trust Deed.

XIII. SCHEME EXPENSES (ASSET MANAGEMENT BUSINESS)

Expenses relating to New Fund Offer are charged to the Statement of Profit and Loss. Expenses of schemes of Birla Sun Life Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996, and expenses incurred directly (inclusive of advertisement/brokerage of expenses) on behalf of the schemes of Birla Sun Life Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred. Trail Commission paid for future period for Equity Link Saving Schemes (ELSS), Fixed Tenure Schemes, Close-ended Schemes and Systematic Investment Plans (SIPs) in the different schemes during the year are treated as prepaid expenses, and such brokerage and commission are expensed out over three years in case of ELSS or duration of closed schemes or over the duration of the SIP. Any other brokerage/commission is expensed in the year in which they are incurred. Brokerage paid in advance in respect of Portfolio Management Business is amortised over the contractual period.

XIV. DISTRIBUTION COST (PRIVATE EQUITY FUND)

Distribution costs incurred by the Group in respect of Private Equity - Fund I and the Aditya Birla Private - Sunrise Fund, have been accrued over the Commitment Period and the extended Commitment Period of the Fund I and the Sunrise Fund, respectively, as defined in the Fund's Private Placement Memorandum.

XV. RETIREMENT AND OTHER EMPLOYEE BENEFITS

a) Defined Contribution Plan:

The Group makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Scheme which are recognised in the Statement of Profit and Loss on accrual basis.

b) Defined Benefit Plan

The Group's liabilities under Payment of Gratuity Act, long-term compensated absences and pension are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short-term compensated absences which are provided for based on estimates. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size maintained by the Trust set up by the Group is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

c) Long term Incentive Plan

Provision for long term incentive plan for different cadre of employees is based on the estimated future liability of long term plan and same is assessed on yearly basis.



XVI. EMPLOYEE STOCK OPTIONS

The stock options and Stock appreciation rights (SAR) granted are accounted for as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the intrinsic value of the option is recognised as employee compensation. The employee compensation is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option.

In respect of re-pricing of existing stock options, the incremental intrinsic value of the options is accounted as employee cost over the remaining vesting period.

In case of forfeiture stock option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

XVII. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961, and tax laws prevailing in the respective tax jurisdictions the Group operates.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, deferred tax assets thereon are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Group reassesses unrecognised deferred tax assets.

Minimum Alternatives Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the companies in the Group will pay normal income tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The companies in the Group review the same at each Balance Sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

XVIII. OPERATING LEASES

i. As a Lessee:

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases, and lease rentals thereon are charged to the Statement of Profit and Loss on a straightline basis over the lease term.



ii. **As a Lessor:**

The Group has leased certain tangible assets and such leases, where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term. Initial direct costs are recognised in the Statement of Profit and Loss.

XIX. FINANCE LEASE

As a Lessee:

Leases where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee are classified as finance lease. The group has capitalised the leased item at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset whichever is less.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Finance charges are charged directly against income. Lease management fees, lease charges and other initial direct costs are capitalised.

XX. CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

XXI. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group.

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense items, which are not allocated to any business segment.

XXII. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

XXIII. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a



corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XXIV. CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence.

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

In case of NBFC Business, Non-performing loans are written off/provided for, as per management estimates, subject to the minimum provision required as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Provision on Standard assets is made @0.30% as per the notification DNBR 009/ CGM (CDS)-2015 dated March 27, 2015 issued by Reserve Bank of India.

In case of Housing Finance Companies, Over due loans are written off/provided for, as per management estimates, subject to the minimum provision required as per Housing Finance Companies (NHB) Directions, 2010 as amended. Provision on Standard assets is made as per Housing Finance Companies (NHB) Directions, 2010.



Annexure 'A' to Note - 1 "Significant Accounting Policies"

	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2016	Proportion of Ownership Interest as on March 31, 2015
SUBSIDIARIES			
Aditya Birla Capital Advisors Private Limited (ABCAPL)	India	100.00%	100.00%
Aditya Birla Customer Services Limited (ABCSSL) (Formerly known as Aditya Birla Customer Services Private Limited)	India	93.70%	100.00%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	100.00%	100.00%
AB CAP Trustee Company Private Limited (w.e.f. 25 th March, 2016)	India	100.00%	-
Aditya Birla Money Limited (ABML)	India	75.00%	75.00%
Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)	India	75.00%	75.00%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	100.00%	100.00%
Aditya Birla Finance Limited (ABFL)	India	90.45%	100.00%
Aditya Birla Securities Private Limited (ABSPL) (ceased to be subsidiary w.e.f 10 th September, 2014)	India	-	-
Aditya Birla Housing Finance Limited	India	100.00%	100.00%
Aditya Birla Health Insurance Co. Limited (w.e.f 28 th March, 2016)	India	100.00%	-
Aditya Birla Insurance Brokers Limited (ABIBL)	India	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML)	India	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (Subsidiary of ABMML)	India	100.00%	100.00%
Birla Sun Life Asset Management Company Limited (BSAMC)	India	51.00%	51.00%
Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of BSAMC)	Mauritius	51.00%	51.00%
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of BSAMC)	Dubai	51.00%	51.00%
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of BSAMC)	Singapore	51.00%	51.00%
India Advantage Fund Limited* (Subsidiary of BSAMC)	Mauritius	51.00%	51.00%
International Opportunities Fund SPC(IOF)** (Subsidiary of BSAMC)	Cayman islands	51.00%	51.00%
Birla Sun Life Trustee Company Private Limited (BSTPL)	India	50.85%	50.85%



*India Advantage Fund Limited (IAFL), wholly owned Subsidiary of Birla Sun Life Asset Management Company Limited, is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Statement of Profit and Loss. The Profit/Loss of each such class belongs to the participating shareholders of that class. Birla Sun Life Asset Management Company Limited (BSAMC) owns 100% of the management share, and management shareholder is not entitled to any beneficial interest in the profit/loss of various classes nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.

** Aditya Birla Sun Life AMC Pte Limited, Singapore has made investment in international Opportunities Fund. International Opportunities Fund SPC(IOF) is segregated portfolio company set up as a fund in Cayman islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, IOF has various segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares has its own Balance Sheet and Profit and Loss account. The Profit/Loss each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Pte. Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit/loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IOF in the Consolidated Financial Statement.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	Numbers	As at 31st March, 2016	As at 31st March, 2015
NOTE: 2A			
SHARE CAPITAL			
Authorised:			
Equity shares of ₹ 10/- each	1,000,000,000	1,000.00	800.00
	-800,000,000		
Preference Shares of ₹ 10/- each	3,000,000,000	3,000.00	2,200.00
	-2,200,000,000		
		4,000.00	3,000.00
Issued, Subscribed & Paid-up			
EQUITY SHARE CAPITAL			
Equity shares of ₹10/- each fully paid-up	796,010,000	796.01	757.01
	-757,010,000		
PREFERENCE SHARE CAPITAL			
0.01% Non cumulative compulsorily convertible preference shares of ₹ 10/- each fully paid up	336,500,000 (476,500,000)	336.50	476.50
6% Non convertible non cumulative redeemable preference shares of ₹ 10/- each fully paid up	1,271,110,000 (681,110,000)	1,271.11	681.11
6% Non convertible non cumulative redeemable preference shares of ₹ 10/- each partly paid up Rs. 6.50 each	200,000,000	130.00	-
		2,533.62	1,914.62

1) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Sr. No.	Description	As at 31st March, 2016		As at 31st March, 2015	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares Outstanding at the beginning of the period	757,010,000	1,157,610,000	717,010,000	876,500,000
2	Allotment of fully paid up shares during the year	25,000,000	590,000,000		681,110,000
3	Allotment of partly paid up shares during the year	-	200,000,000	-	-
4	Conversion of Preference Shares into Equity Shares by the Promoter	14,000,000	(140,000,000)	40,000,000	(400,000,000)
4	No. of Shares Outstanding at the end of the period	796,010,000	1,807,610,000	757,010,000	1,157,610,000

2) Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3) Term of Conversion/Redemption of Preference Shares

A) 0.01% Non cumulative compulsorily convertible preference shares:

- ▶ On expiry of 5 (five) years from the date of allotment every 10 (ten) fully paid-up preference share shall be compulsorily converted into 1 (one) equity share of ₹ 10/- each, fully paid-up at a premium of ₹ 90/- per share.
- ▶ The equity shares to be issued as above shall rank pari passu in all respects including with respect to dividend with the then existing fully paid up equity shares of the Company, subject to the provisions of the Memorandum and Articles of Association of the Company.
- ▶ The dividend rate on these preference shares shall be 0.01% p.a.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)

Notes forming part of Consolidated Financial Statements

B) 6% Non-Convertible Non- Cumulative Redeemable Preference Shares (" NCPS ") shall:

- ▶ Carry a preferential right vis-a-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.
- ▶ be Non-participating in surplus funds.
- ▶ be Paid dividend on a non-cumulative basis.
- ▶ carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.
- ▶ be Redeemable after a period of 5 years from date of issue/allotment.

4) Equity Shares in the Company held by each shareholder holding more than 5% shares and the number of equity shares held are as under:

Equity Shares

Sr. No.	Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
		No of Shares Held	% of Total Paid-up Equity Share Capital	No of Shares Held	% of Total Paid-up Equity Share Capital
1	Aditya Birla Nuvo Limited (with nominees)	795,710,000	99.96%	757,010,000	100.00%

ii) Preference Shares

Sr.	Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
		No of Shares Held	% of Total Paid-up Preference Share Capital	No of Shares Held	% of Total Paid-up Preference Share Capital
1	Aditya Birla Nuvo Limited	1,807,610,000	100.00%	1,157,610,000	100.00%

5) Figures in brackets represent the corresponding number of shares for Previous Year

NOTE: 2B

PREFERENCE SHARE ISSUED BY SUBSIDIARY COMPANIES

0.001% Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary Company
 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary Company
 8% Cumulative redeemable preference shares of ₹ 10/- each, fully paid up of the Subsidiary Company

		₹ in Crores	
		As at 31st March, 2016	As at 31st March, 2015
		4.70	2.74
		-	425.00
		10.00	-
		14.70	427.74



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 3		
RESERVES AND SURPLUS		
1) Capital Reserves		
Opening Balance	102.79	102.79
Deduction:		
Adjustment on stake change of Aditya Birla Finance Limited	(38.07)	-
	<u>64.72</u>	<u>102.79</u>
2) Securities Premium Account		
Opening Balance	392.26	-
Addition:		
Premium on conversion of preference shares to equity shares	126.00	360.00
Premium on allotment of fresh equity shares	225.00	-
Premium on issue of compulsory convertible preference shares of the subsidiary company	23.04	32.26
	<u>766.30</u>	<u>392.26</u>
3) Other Reserves		
i) General Reserve		
Opening Balance	4.86	3.10
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	2.13	1.76
	<u>6.99</u>	<u>4.86</u>
ii) Special Reserve^(a)		
Opening Balance	127.67	73.47
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	81.80	54.20
	<u>209.47</u>	<u>127.67</u>
iii) Capital Fund^(b)		
	<u>0.01</u>	<u>0.01</u>
iv) Foreign Currency Translation Reserve		
Opening Balance	1.67	-
Addition:		
Addition During the Year	0.42	1.67
	<u>2.09</u>	<u>1.67</u>
Total Other Reserves	<u>218.56</u>	<u>134.21</u>
4) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	426.36	252.93
Addition:		
Profit of the Year	380.53	239.21
Transitional Provision of Schedule II Impact (Net of Deferred Tax Amounting of ₹ Nil Crore)	-	(9.46)
Share of Minority Interest on Transitional provision of Schedule II Impact	-	1.03
Merger of MGLRCL with ABFL	151.23	-
Less: Appropriations		
Transfer to General Reserve	2.13	1.76
Transfer to Special Reserve	81.80	54.20
Dividend on Preference shares issued by subsidiary Company	0.80	0.05
Corporate Tax on Proposed Dividend of Subsidiaries	1.79	1.34
	<u>871.60</u>	<u>426.36</u>
	<u>1,921.18</u>	<u>1,055.62</u>

(a) Special Reserve

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

(b) Capital Fund

Capital fund comprises an amount received, on a non-repatriable basis from the Sponsor, as a contribution to the Birla Sun Life Mutual Fund ('the Fund') in accordance with the terms of the Trust Deed, together with accretion thereon. The amount is held by the Company in its fiduciary capacity as the trustee to the Fund and is intended to be utilised only for the purposes of settlement of claims, if any, from the unit holders of the mutual fund schemes launched by the Fund.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 4A		
LONG-TERM BORROWINGS		
SECURED		
Debentures	5,156.00	3,003.20
Rupee Term Loans from Banks	8,489.64	5,233.08
Finance Lease Liabilities	3.80	0.86
	13,649.44	8,237.14
UNSECURED		
Debentures	696.50	550.00
Rupee Term Loans from Others	0.65	1.50
Loans from Related Parties	-	10.10
	697.15	561.60
	14,346.59	8,798.74
NOTE: 4B		
SHORT-TERM BORROWINGS		
SECURED		
Loan Repayable on Demand from Banks	2,662.72	1,315.40
	2,662.72	1,315.40
UNSECURED		
Loan Repayable on Demand from Banks	209.25	300.00
Other Loans and Advances		
Commercial Papers*	4,295.82	2,490.81
Loans from Related Parties	6.74	-
	4,511.81	2,790.81
	7,174.53	4,106.21

*Commercial Papers are shown net of unamortised discounting charges.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 5		
DEFERRED TAX ASSETS		
Deferred Tax Assets at the year end comprise timing differences on account of:		
Depreciation	5.49	4.79
Expenditure/Provisions Allowable on Payment Basis	16.78	1.14
Provision for Doubtful Debt and Advances	76.68	57.87
Others	0.33	0.35
	99.28	64.15

Deferred Tax Assets in certain subsidiaries are recognised on losses and unabsorbed depreciation only to the extent of Deferred Tax Liabilities in those subsidiaries.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 6A		
OTHER LONG-TERM LIABILITIES		
Trade Payables	45.06	18.88
Interest Accrued but Not Due on Borrowings	154.84	18.20
Other Payables		
Advance from Customers	0.17	-
Others	2.61	2.68
	202.68	39.76
NOTE: 6B		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Borrowings	1,490.07	1,909.62
Current Maturities of Finance Lease Obligations	1.31	0.57
Interest Accrued but Not Due on Borrowings	250.52	287.04
Income Received in Advance	7.47	4.50
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	-	0.01
Other Payables		
Advance from Customers	108.37	98.80
Book Overdraft	648.40	229.44
Payables for Capital Expenditure	3.68	1.49
Statutory Dues	20.62	11.21
Deposits	11.70	9.98
Others	52.07	56.98
	2,594.21	2,609.64



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 7A		
LONG-TERM PROVISIONS		
Provisions for:		
Employee Benefits	17.96	26.25
Others		
Contingent Provision on Standard Asset of Financing Activities	58.94	23.92
Provision for Doubtful Loans and Advances of Financing Activities	101.94	89.70
Other Long-term Provisions#	0.18	0.11
	179.02	139.98

NOTE: 7B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits	56.37	21.08
Others		
Taxation (Net of Advance Tax)	26.70	6.39
Preference	0.80	0.04
Provision for Corporate Tax on Dividend	-	-
Equity	1.62	1.34
Preference	0.17	0.01
Contingent Provision on Standard Asset of Financing Activities	26.58	30.00
	112.24	58.86

Additional Disclosure as per Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

A. Warranty		
Opening Balance	0.11	0.03
Arising during the year	0.07	0.10
Utilised	-	(0.02)
Unused Amounts Reversed	-	-
Closing Balance	0.18	0.11
Long-term	0.18	0.11
Short-term	-	-
	0.18	0.11



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 8A

TANGIBLE ASSETS

	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant & Equipments	Furniture & Fixtures	Office Equipment	Vehicles	TOTAL
₹ in Crores								
Gross Block								
As at 1st April, 2014	0.15	0.26	20.15	14.25	13.55	67.02	4.50	119.88
Additions	-	-	5.40	2.82	0.76	7.78	3.35	20.11
Deletions	-	-	0.55	0.09	0.23	3.47	1.71	6.05
Foreign Exchange Translation Difference	-	-	(0.06)	-	0.02	(0.01)	-	(0.05)
As at 31st March, 2015	0.15	0.26	24.94	16.98	14.10	71.32	6.14	133.89
Additions	-	2.62	4.37	4.20	1.27	14.68	2.98	30.12
Deletions	-	-	0.68	0.08	1.02	6.68	1.23	9.69
Foreign Exchange Translation Difference	-	-	(0.90)	-	0.04	0.05	-	(0.81)
As at 31st March, 2016	0.15	2.88	27.73	21.10	14.39	79.37	7.89	153.51
Accumulated Depreciation								
As at 1st April, 2014		0.04	17.67	7.59	7.89	49.47	2.11	84.77
For the Year	-	-	2.80	1.92	1.95	7.89	1.24	15.80
Deletions	-	-	0.55	0.09	0.22	3.43	0.71	5.00
Foreign Exchange Translation Difference	-	-	(0.04)	-	0.01	(0.01)	-	(0.04)
Charge to Retained earnings on account of Schedule II	-	-	-	4.00	0.80	4.66	-	9.46
As at 31st March, 2015	0.04	19.88	13.42	10.43	58.58	2.64	104.99	
For the Year	0.03	3.19	1.70	1.86	8.48	1.37	16.63	
Deletions	-	-	0.62	0.08	0.96	6.63	0.81	9.10
Foreign Exchange Translation Difference	-	-	(0.92)	-	0.03	0.04	-	(0.85)
As at 31st March, 2016	0.07	21.53	15.04	11.36	60.47	3.20	111.67	
Net Block as at 31st March, 2015	0.15	0.22	5.06	3.56	3.67	12.74	3.50	28.90
Net Block as at 31st March, 2016	0.15	2.81	6.20	6.06	3.03	18.90	4.69	41.84

A. Gross Block of Tangible Assets includes:

(i)

Registration of Freehold Land of ₹ 0.15 Crore (Previous Year: ₹ 0.15 Crore) in favour of the Group is subject to resolution of disputes.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 8B

INTANGIBLE ASSETS

₹ in Crores

	Brands/ Trademarks	Computer Software	Investment Management Rights	Non- Compete Fees	TOTAL
Gross Block					
As at 1st April, 2014	4.64	73.70	53.84	0.33	132.51
Additions	-	9.86	3.78	-	13.64
As at 31st March, 2015	4.64	83.56	57.62	0.33	146.15
Additions	-	17.38	-	-	17.38
Deletions	-	1.20	-	-	1.20
As at 31st March, 2016	4.64	99.74	57.62	0.33	162.33
Accumulated Amortisation/Impairment					
As at 1st April, 2014	4.26	50.50	45.77	0.33	100.86
Amortisation for the Year	0.19	15.93	5.56	-	21.68
As at 31st March, 2015	4.45	66.43	51.33	0.33	122.54
Amortisation for the Year	0.19	12.96	3.07	-	16.22
Deletions	-	1.16	-	-	1.16
As at 31st March, 2016	4.64	78.23	54.40	0.33	137.60
Net Block as at 31st March, 2015	0.19	17.13	6.29	-	23.61
Net Block as at 31st March, 2016	-	21.51	3.22	-	24.73



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	Face Value	Number	As at 31st March, 2016	Number	As at 31st March, 2015
NOTE: 9A					
OTHER INVESTMENTS : NON-CURRENT					
Investment in					
Equity Instruments					
Subsidiaries (Refer Annexure 'A' to Note : 1)					
Class A in India Advantage Fund Limited, Mauritius	\$10.00	90	₹	90	₹
Class B in India Advantage Fund Limited, Mauritius	\$10.00	40	₹	40	₹
International Opportunities Fund	\$0.01	1	₹	1	₹
			<u>₹</u>		<u>₹</u>
Others					
Birla Management Centre Services Limited	10.00	2,000	₹	9,000	₹
MF Utilities India Private Limited	1.00	500,000	0.05	500,000	0.05
MOIL Limited	10.00	12,245	0.46	12,245	0.46
Less: Provision for diminution			(0.21)		(0.21)
Apollo Sindhoori Hotels Limited.	10.00	3,005	0.01	6,600	0.02
Less: Provision for diminution			(0.01)		(0.01)
SWAWS Credit Corporation Private Limited		-	-	393,748	0.39
Less: Provision for diminution			-		(0.39)
			<u>0.30</u>		<u>0.32</u>
Preference Shares					
0.001 % Optionally Convertible Cumulative Redeemable Preference Shares in Share Microfin Limited	10.00	9,854,834	9.85	11,682,000	11.68
Less: Provision for diminution			(7.50)		-
			<u>2.35</u>		<u>11.68</u>
Debentures and Bonds					
NHAI Bonds	998	11,126	1.11	11,126	1.11
Optionally Convertible Debentures carrying fixed coupon rate of 12 % p.a. of SWAWS Credit Corporation Private	100.00	-	-	13,125	0.13
Less: Provision for diminution			-		(0.13)
			<u>1.11</u>		<u>1.11</u>
Mutual Funds*					
			<u>180.02</u>		<u>127.99</u>
			<u>180.02</u>		<u>127.99</u>
Others					
Unquoted					
Aditya Birla Private Equity - Fund I			132.27		158.81
Aditya Birla Private Equity - Sunrise Fund			26.93		28.11
Class B Units of Aditya Birla Real Estate Fund			0.05		0.05
PMS Investment			3.60		3.71
Investment in Alternate Fund			20.00		-
			<u>182.85</u>		<u>190.68</u>
			<u>366.63</u>		<u>331.77</u>
TOTAL NON-CURRENT INVESTMENT					
Aggregate Market Value of Quoted Investments			169.44		114.33
Aggregate Book Value of Quoted Investments			155.74		103.89
Aggregate Book Value of Unquoted Investments			210.89		227.88
Aggregate amount of Provision for diminution			7.73		0.75
* Includes Earmarked towards Capital Fund			0.04		0.04



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 9B

OTHER INVESTMENTS : CURRENT

Debentures and Commercial Papers

Mahindra Worldcity Jaipur Limited	1,000,000	1,650	165.00	-	-
AU Financiers (India) Limited	1,000,000	1,000	100.00	-	-
Dalmia Cement Bharat Limited	1,000,000	1,000	100.00	-	-
KKR Financial Services Private Limited	10,000,000	50	50.00	-	-
Indiabulls Housing Finance Company	1,000,000	500	50.00	-	-
Karvy Financial Services Private Limited {Commercial papers}	500,000	-	-	500	24.31
			465.00		24.31

Mutual Funds

531.56 **363.58**

TOTAL CURRENT INVESTMENT

996.56 **387.89**

Aggregate Market Value of Quoted Investments

50.28

Aggregate Book Value of Quoted Investments

41.34

Aggregate Book Value of Unquoted Investments

955.22

387.89

- Figures of ₹ 50,000 or less have been denoted by '₹'.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 10A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Capital Advance		
Unsecured, Considered Good	1.58	2.02
Unsecured, Considered Doubtful	-	-
Less: Provision for Doubtful	-	-
Security Deposits		
Secured, Considered Good	-	-
Unsecured, Considered Good	18.51	19.74
Unsecured, Considered Doubtful	0.09	0.09
Less: Provision for Doubtful	(0.09)	(0.09)
Other Loans and Advances		
Loans and Advances of Financing Activities		
Secured, Considered Good	16,961.63	8,853.52
Unsecured, Considered Good	1,358.78	569.56
Unsecured, Considered Doubtful	160.47	153.00
Loans & Advances to Related Parties(Unsecured)	0.88	0.88
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	22.81	5.26
Unsecured, Considered Doubtful	-	-
Less: Provision for Doubtful	-	-
Advance Tax (Net of Provision)	14.80	14.75
MAT Credit Entitlement	0.36	-
Prepaid Expenses	58.51	90.97
Advance for Expenses, Materials, Employees and Others	4.31	2.15
	18,602.64	9,711.85



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 10B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits		
Unsecured, Considered Good	8.28	2.27
Unsecured, Considered Doubtful	0.05	0.05
Less: Provision for Doubtful	(0.05)	(0.05)
Other Loans and Advances		
Loans and Advances of Financing Activities		
Secured, Considered Good	5,702.90	5,401.21
Unsecured, Considered Good	2,727.43	2,250.00
Inter-Corporate Deposits		
Unsecured, Considered Good	39.00	36.00
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	5.02	5.03
Advance Tax (Net of Provision)	39.82	27.53
Prepaid Expenses	93.70	75.85
Advance for Expenses, Material, Employees and Others*		
Unsecured, Considered Good	25.55	27.80
Unsecured, Considered Doubtful	6.69	6.38
Less: Provision for Doubtful	(6.69)	(6.38)
	8,641.70	7,825.69



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 11A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances*		
Bank Deposits with more than twelve months maturity	1.08	0.88
Interest Accrued on Loans and Advances and Investments	0.02	0.14
	1.10	1.02
*Lien Marked in favour of IRDA	1.08	0.88
NOTE: 11B		
OTHER CURRENT ASSETS		
Unbilled Revenue	0.82	0.57
Interest Accrued on Loans and Advances, Investments and Fixed Deposits	348.47	119.52
Others	36.91	34.57
	386.20	154.66



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

As at
31st March, 2016 As at
31st March, 2015

NOTE: 12

STOCK OF SECURITIES OF NBFC BUSINESS

Details of opening Stock, Purchases, Sales and Closing Stock in respect of Trading in securities of NBFC business are as follows:

Units of Mutual Funds (Nos.)

Purchase	249,497,071.77	127,028,662.65
Sales	249,497,071.77	127,028,662.65
Closing	-	-

Stock of Securities (₹ Crore)

Opening	467.57	116.72
Purchase	6,912.33	7,985.10
Sales	7,059.77	7,639.37
Closing	330.20	467.57



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 13		
TRADE RECEIVABLES		
Due for period exceeding Six months from the Due date of payment		
Secured, Considered Good	8.27	6.37
Unsecured, Considered Good	1.30	1.60
Unsecured, Considered Doubtful	6.66	5.40
Less: Provision for doubtful	(6.66)	(5.40)
Others		
Secured, Considered Good	123.57	78.71
Unsecured, Considered Good	45.42	37.52
Unsecured, Considered Doubtful	1.78	1.17
Less: Provision for doubtful	(1.78)	(1.17)
	178.56	124.20



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)

Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 14		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	53.44	203.94
Deposit Accounts (with original maturity period of three months or less)	1.84	2.68
Cash on Hand	0.02	0.01
	(A) 55.30	206.63
Other Bank Balances		
Deposit Accounts (with original maturity period of more than three months)#	59.45	75.13
Others		
Unclaimed Dividend	-	0.01
	(B) 59.45	75.14
	(A) + (B) 114.75	281.77
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	1.08	0.88
	113.67	280.89
# Includes deposits placed under lien towards bank guarantees for margins with exchange/banks.	58.37	74.25



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 15		
REVENUE FROM OPERATIONS		
Interest Income	2,380.28	1,668.29
Management and Advisory Fees	766.25	596.04
Other Financial Services	451.42	399.71
Total	3,597.95	2,664.04

NOTE: 16
OTHER INCOME

Interest Income on Investments		
Current	20.75	0.46
Long-term	0.09	0.09
Interest Income - Others	10.55	8.87
Dividends Income on Investments		
Current	2.56	2.12
Long-term	0.09	0.05
Dividends from Subsidiary Company	-	-
Net Gain on Sale of Investments		
Net Gain on Sale of Current Investments	12.91	34.30
Long-term	0.02	0.02
Other Non-Operating Income		
Foreign Exchange Gain (Net)	-	-
Profit on Sale of Fixed Assets (Net)	0.10	0.25
Unclaimed Liabilities / Excess Provision Written Back		
Bad Debts Recovered		
General Contingency Provision written back	19.81	-
Others	4.30	1.75
	71.18	47.91



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 17		
EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	458.48	393.30
Contribution to Provident and Other Funds (Refer Note: 27)	23.39	19.23
Staff Welfare Expenses	19.37	13.53
	501.24	426.06
NOTE: 18		
FINANCE COST RELATING TO LENDING ACTIVITY OF SUBSIDIARIES		
Interest Expenses	1,597.57	1,102.21
Other Borrowing Costs	2.32	3.09
	1,599.89	1,105.30
NOTE: 19		
OTHER FINANCE COST		
Interest Expenses	8.78	5.31
Other Borrowing Costs	0.03	0.01
	8.81	5.32
NOTE: 20		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	16.63	15.80
Amortisation of Intangible Assets	16.22	21.69
	32.85	37.49
NOTE: 21		
OTHER EXPENSES		
Rent	46.51	41.10
Repairs and Maintenance of:		
Buildings	0.62	0.64
Plant and Machinery	0.02	0.02
Others	22.87	19.18
Insurance	7.85	5.74
Rates and Taxes	17.58	9.52
Connectivity Charges	2.66	2.34
Advertisement and Sales Promotion Expenses	108.35	71.84
Legal and Profession Expenses	45.75	34.40
Bad Debts and Provision for Bad and Doubtful Debts and Advances including Contingency		
Provision for Standard Assets of NBFC	93.92	65.85
Printing and Stationery	5.65	4.72
Travelling and Conveyance	26.31	21.82
Communication Expenses	13.64	9.21
Bank Charges	2.94	1.87
Electricity Charges	7.24	6.16
Foreign Exchange Loss (Net)	0.32	0.37
Information Technology Expenses	25.81	23.26
Miscellaneous Expenses	39.30	25.77
	467.34	343.81



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 22

CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Claims against the Group not acknowledged as debts

₹ in Crore

Nature of Statute	Brief description of contingent liability	As at 31st March 2016	As at 31st March 2015
Sales Tax	Demands raised by the VAT/Sales Tax authorities of few states.	0.11	0.11
Service Tax, Finance Act, 1994	Show Cause cum Demand Notice from Service Tax Authorities issued	3.16	0.89
	Various cases pertaining to disallowance of cenvat credit of Service Tax on commission paid to overseas agent, in GTA services, service for outward transportation and other services alleging not be classified as input services for availment of cenvat credit, etc.	115.54	114.34
Income Tax Act, 1961	Appeal filled by DCIT with ITAT.	0.03	0.03
	Various cases pertaining to demand in tax assessment for various years	14.50	14.09
Others Statute's	Investor claims pending in Consumer Redressal Forums, in other courts/ authorities and other legal matters.	6.30	0.04
	Claims against the Company not acknowledged as debts	8.54	8.46
	Letter of comfort given by the Company on behalf of clients	244.72	214.94
	Corporate guarantees given by the Company on behalf of the clients	5.88	8.79
	Various cases pertaining to claims made by clients on sale of securities & other Civil cases.	2.31	5.08
Grand Total		401.09	366.77

b) The Birla Sun Life Mutual Fund has invested in the "Pass Through Certificates" (PTC) issued by various Securitisation Trusts. The Income Tax Department treated the interest Income from the PTC as taxable in the hands of such securitisation Trusts. The Department has also issued the demand notices to various Mutual Funds, who are the beneficiaries in such trusts. The Birla Sun Life Mutual Fund has also received the demand notice for AY 2009-10, and at present the case is being heard at ITAT. Based on expert's advice, the management does not expect the liability to crystallise, hence no provision is made in the books of account.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
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NOTE: 23

CAPITAL AND OTHER COMMITMENTS

- | | | |
|---|-------|------|
| a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances) | 11.74 | 4.31 |
| b) Aditya Birla Customer Services Ltd. (ABC SL), a subsidiary of the Company, has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60.00 Crores to International Finance Corporation (IFC) vide Shareholders Agreement dated 19 December, 2014 and Subscription Agreement dated 19 December, 2014 (SHA). Under the said SHA, the Company, has granted to IFC an option to sell the shares to the company at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC upto a maximum of 120 months from the date of subscription by IFC, in the event ABCSL or the Company fails to provide an opportunity to IFC to exit from ABCSL within 60 months from the date of subscription by IFC in the form of Listing, Secondary Sale or Acquisition etc. In the event the Company fails to fulfil its obligation, Aditya Birla Nuvo Limited, the holding Company will be obligated to fulfil this obligation. | | |

NOTE: 24

EXCEPTIONAL ITEMS

- a) During the period the Company has provided for diminution in value of its Long Term Investment in subsidiary namely Aditya Birla Money Mart Limited. The impact of diminution amounting to ₹ 41.40 Crores has been recognised as an exceptional items in Consolidated Financial Statement as an impairment of Goodwill created on acquisition of the subsidiary.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

₹ in Crores

	<u>As at</u> <u>31st March, 2016</u>	<u>As at</u> <u>31st March, 2015</u>
NOTE: 25		
DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-20 – EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS		
Earnings Per Share (EPS) is calculated as under:		
Net Profit as per the Statement of Profit and Loss attributable to Owners	380.53	239.21
Less: Preference Dividend and Tax thereon	0.97	0.05
Net Profit for EPS	(A) 379.56	239.16
Weighted-Average Number of Equity Shares for calculation of Basic EPS	(B) 758,182,603	721,831,918
Basic EPS (₹)	(A/B) 5.01	3.31
Weighted-Average Number of Equity Shares Outstanding	758,182,603	721,831,918
Add: Dilutive Impact of Preference Shares	116,834,972	96,192,898
Weighted-Average Number of Equity Shares for calculation of Diluted EPS	(C) 875,017,575	818,024,816
Diluted EPS (₹)	(A/C) 4.34	2.92
Nominal Value of Shares (₹)	10.00	10.00



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 26

Disclosure pursuant to Accounting Standard-19 - Leases is as under:

A. Assets taken on Lease:	Year Ended	₹ in Crores
	31st March, 2016	Year Ended 31st March, 2015
i) Operating Lease Payment recognised in the Statement of Profit and Loss		
Minimum Lease Rent	39.13	34.64
	39.13	34.64

ii) The Group has taken certain Office Premises, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment, on noncancellable/cancellable operating lease.

iii) The future minimum rental payable in respect of non-cancellable operating lease are as follows:

	As at	As at
	31st March, 2016	31st March, 2015
Not later than one year	31.20	28.57
Later than one year and not later than five years	43.84	51.90
Later than five years	8.43	8.89
	83.47	89.36

iv) The details of finance lease payments payable and their Present Value of the Group as at the Balance Sheet Date :

Particulars	Total Lease		
	Charges Payable	Present Value	Interest
a) Not later than one year	3.60	2.85	0.75
	(2.38)	(1.93)	(0.45)
b) Later than one year and not later than five years	5.18	4.48	0.70
	(2.69)	(2.35)	(0.34)
Total	8.78	7.33	1.45
	(5.07)	(4.28)	(0.79)

Figures in brackets represent corresponding amount of Previous Year.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 27

RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)

- a) The details of the Group's Defined Benefit Plans in respect of Gratuity (funded by the Group):

General Description of the Plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material, is unfunded and managed within the Group.

	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the year	31.86	21.79
Fair Value of Plan Assets	23.90	19.08
Net Liability/(Asset)	7.96	2.71
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	5.32	3.45
Interest on Defined Benefit Obligations	2.04	1.50
Expected Return on Plan Assets	(1.70)	(1.06)
Net Actuarial (Gain)/Loss recognised during the year	3.37	2.86
Net Gratuity Cost	9.02	6.75
Actual Return on Plan Assets:		
Expected Return on Plan Assets	1.70	1.06
Actuarial Gain/(Loss) on Plan Assets	(0.31)	0.88
Actual Return on Plan Assets	1.39	1.94
Reconciliation of Present Value of the Obligations and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligations	21.79	12.56
Opening Transferred from unfunded	-	-
Current Service Cost	5.32	3.45
Interest Cost	2.04	1.50
Actuarial (Gain)/Loss	3.05	3.74
Liability on Stake Change/Divestment/Amalgamation of Subsidiaries/Joint Ventures	0.40	(0.42)
Benefits Paid	(0.73)	0.96
Closing Defined Benefit Obligations	31.86	21.79
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	19.08	12.33
Expected Return on the Plan Assets	1.70	1.06
Actuarial Gain/(Loss)	(0.31)	0.88
Contributions by the Employer	4.16	3.85
Benefits Paid	(0.73)	0.96
Closing Fair Value of the Plan Assets	23.90	19.08
Investment Details of the Plan Assets		
Government of India Securities	9.34%	11.07%
Corporate Bonds	0.18%	0.43%
Special Deposit Scheme	0.94%	0.97%
Insurer Managed Fund*	80.04%	79.48%
Others	10.50%	9.05%
Total	100.00%	100.00%

There are no amount included in the Fair Value of the Plan Assets for Property occupied by or other assets used by the Group.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

Experience Adjustment	₹ in Crores	
	31st March, 2016	31st March, 2015
Defined Benefit Obligations	31.86	21.79
Plan Assets	23.90	19.08
Surplus/(Deficit)	(7.97)	(2.71)
Experience Adjustment on Plan Liabilities	5.40	0.61
Experience Adjustment on Plan Assets	(0.31)	0.88

Expected rate of return on assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Principal Actuarial Assumptions at the Balance Sheet Date	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Discount Rate	7.35% - 8.10%	8.00% - 9.00%
Estimated Rate of Return on the Plan Assets	7.60% - 9.00%	7.50% - 9.00%

The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

b) The details of the Group's Defined Benefit Plans in respect of Gratuity (unfunded by the Group):

Amounts recognised in the Balance Sheet in respect of Gratuity	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Present Value of the unfunded Defined Benefit Obligation at the end of the year	2.40	0.99

Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity

Current Service Cost	0.51	0.15
Interest on Defined Benefit Obligations	0.07	0.04
Net Actuarial (Gain)/Loss recognised during the year	0.09	0.31
Net Gratuity Cost	0.67	0.50

Reconciliation of Present Value of the Obligation:

Opening Defined Benefit Obligation	0.99	0.60
Current Service Cost	0.51	0.15
Interest Cost	0.07	0.04
Actuarial (Gain)/Loss	0.09	0.31
Liability in respect of Employees transferred from funded plan	(0.34)	-
Liability on Stake Change/Divestment/Amalgamation of Subsidiaries/Joint Ventures	-	(0.08)
Benefits Paid	1.08	(0.03)
Closing Defined Benefit Obligation	2.40	0.99

Experience Adjustment	31st March, 2016	31st March, 2015
Defined Benefit Obligation	2.40	0.99
Experience adjustment on Plan Liabilities	-	0.19

Principal Actuarial Assumptions at the balance sheet date

Discount rate	7.60% - 8.10%	7.75% - 8.00%
---------------	---------------	---------------



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

c) The details of the Group's Defined Benefit Plans in respect of Group owned Provident Fund Trust

	₹ in Crores	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Contribution to the Group-Owned Employees' Provident Fund Trust	1.41	1.25

The Guidance Note on implementing AS-15 – 'Employee Benefits (Revised 2005)', issued by the ICAI states that the Provident Funds set-up by employers, which require interest shortfall to be met by the employer, needs to be treated as Defined Benefit Plan. The Group set-up Provident Fund does not have existing deficit of Interest shortfall.

The actuary has provided the valuation and based on the below provided assumptions there is no shortfall as at 31st March, 2016, and 31st March, 2015. As per the actuarial valuation report, the interest shortfall liability being "Other Long-term Employee Benefits", detailed disclosures are not required.

Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach

Discount Rate for the term of the Obligations	7.82% - 7.90%	7.82% - 7.90%
Guaranteed Interest Rate	8.80%	8.75%

	₹ in Crores	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
e) Defined Contribution Plans – Amount recognised as an expense and included in the Note : 17 as "Contribution to Provident and Other Funds"	13.52	11.73



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Financial Statements

NOTE: 28

**DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME
OF SUBSIDIARY COMPANIES**

(A) Aditya Birla Money Limited

Stock options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability.

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the market price of the Company and further, the vesting of options is due only in the upcoming years.

Stock options granted under ABML – Employee Stock Option Scheme – 2014

The Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014. The Scheme provides that the total number of options granted there under will be 27,70,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of Rs. 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on December 2, 2014 has granted 25,09,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of Rs. 34.25/-. The Exercise Price was based on the latest available closing price, prior to the December 2, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognized stock exchanges on which the shares of the Company are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under

Options granted on December 02, 2014	25,09,341
Options outstanding as on April 01, 2015	2,448,901
No. of options granted during the year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (₹ per share)	34.25/-
Market price as on the date of the grant	34.25/- (previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the year	4,69,781 (due to resignation of employees)
Options exercised during the year	Nil
Options outstanding as on March 31, 2016	19,79,120

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

Sr. No	Vesting Dates	% of options that shall vest
1	12 months from the date of grant	25% of the grant
2	24 months from the date of grant	25% of the grant
3	36 months from the date of grant	25% of the grant
4	48 months from the date of grant	25% of the grant

The Company has granted options to the eligible employees at an exercise price of ₹ 34.25 per share being the latest market price as per SEBI ESOP Regulations, in view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the Company is not required to account the accounting value of option as per SEBI ESOP Regulations.

Fair Valuation:

The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

Risk-free interest rate (%)	8.13%
Expected life (No. of years)	5
Expected volatility (%)	54.26%
Dividend yield (%)	0
The price of the underlying share in market at the time of option grant	₹ 34.25/-



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Financial Statements

NOTE: 28

DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME

(B) Aditya Birla Customer Services Limited

During the year, the Company had formulated the ABCSL Employee Stock Option Scheme – 2015 (ABCSL ESOP Scheme – 2015) with the approval of the shareholders at the Annual General Meeting dated July 07, 2015. The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Scheme provides that the total number of options granted there under will be 1,134,853 equity shares and to follow the intrinsic value method for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of Rs. 10 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on September 4, 2015 has granted 9,00,618 stock options to its eligible employees under the ABCSL ESOP Scheme – 2015 at an exercise price of ₹ 89/-. The Exercise Price was based on the Fair value method arrived at as per valuation report issued by Independent Valuer.

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the Intrinsic Value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the Fair Value of the Company and further, the vesting of options is due only in the upcoming years.

Summary of Options granted under ABCSL ESOP Scheme 2015 is as under

Options outstanding as on 1.4.15	Nil
Number of options granted during the year	9,00,618
Method of accounting	Intrinsic Value
Vesting Plan	Bullet vesting on 31.3.18
Exercise period	Within 2 years from the date of vesting of respective options
Grant date	4.9.15
Grant / Exercise price (₹ / share)	89/-
Market price as on the date of the grant	NA
Options forfeited / lapsed / not opted for during	1,01,734
Options exercised during the year	Nil
Options outstanding as on 31.3.16	7,98,884

The vesting period in respect of the options granted under ABCSL ESOP Scheme – 2015 is as follows:

Vesting Dates	% of options that shall vest
Options shall vest at one go-bullet vesting at the end of March, 2018 or such time period as may be determined by the Compensation committee	100% of the grant more specifically specified in the ESOP Scheme

Had the compensation cost for the stock options granted under ESOS 2006 & 2013 been recognised based on fair value in accordance with Black - Scholes Merton

Particular	in Crore	
	2015-16	2014-15
Net Profit	380.53	239.21
Add: Compensation cost as per Intrinsic Value	-	-
Less: Compensation cost as per Fair Value	2.04	0.81
Adjusted Net Income	378.49	238.40
Weighted average number of Basic Equity Shares Outstanding (In Nos.)	758,182,603	721,831,918
Weighted average number of Diluted Equity Shares Outstanding (In Nos.)	875,017,575	818,024,816
Face value of the Equity Share (In ₹)	10	10
Reported Earning Per Share (EPS)		
- Basic EPS (₹)	5.01	3.31
- Diluted EPS (₹)	4.34	2.92
Proforma Earning Per Share (EPS)		
- Basic EPS (₹)	4.99	3.30
- Diluted EPS (₹)	4.33	2.91



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 29

DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD-18

1 List of Related Parties

Holding Company
Aditya Birla Nuvo Limited

Fellow Subsidiary
Birla Sunlife Insurance Company Limited
ABNL Investment Limited

Key Management Personnel
Mr. Ajay Srinivasan

2 During the year, following transactions were carried out with the related parties:

₹ in Crores

Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries	Key Management Personnel	Grand Total
Revenue From Operation				
BSLI	-	3.53	-	3.53
	-	(3.93)	-	(3.93)
TOTAL	-	3.53	-	3.53
	-	(3.93)	-	(3.93)
Interest Paid				
ABNL	2.44	-	-	2.44
	(3.33)	-	-	(3.33)
TOTAL	2.44	-	-	2.44
	(3.33)	-	-	(3.33)
Payment For Reimbursement of Revenue / Capital expenditure				
ABNL	0.13	-	-	0.13
	(0.27)	-	-	(0.27)
BSLI	-	3.08	-	3.08
	-	(2.57)	-	(2.57)
TOTAL	0.13	3.08	-	3.21
	(0.27)	(2.57)	-	(2.84)
Receipts against Reimbursement of Expenses				
ABNL	0.01	-	-	0.01
	(0.02)	-	-	(0.02)
BSLI	-	39.14	-	39.14
	-	(29.51)	-	(29.51)
TOTAL	0.01	39.14	-	39.15
	(0.02)	(29.51)	-	(29.53)
Purchase of Fixed Assets				
BSLI	-	0.10	-	0.10
	-	-	-	-
TOTAL	-	0.10	-	0.10
	-	-	-	-



Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries	Key Management Personnel	Grand Total
Sale of Fixed Assets				
ABNL	- (0.04)	-	-	- (0.04)
TOTAL	- (0.04)	-	-	- (0.04)
Interest Expenses on NCD				
BSLI	-	3.15	-	3.15
	-	(2.95)	-	(2.95)
TOTAL	-	3.15	-	3.15
	-	(2.95)	-	(2.95)
Loans / Deposits taken (including Inter-Corporate Deposits)				
ABNL	53.67 (32.29)	-	-	53.67 (32.29)
TOTAL	53.67 (32.29)	-	-	53.67 (32.29)
Advance Taken for Expense				
BSLI	-	10.06	-	10.06
	-	(11.39)	-	(11.39)
TOTAL	-	10.06	-	10.06
	-	(11.39)	-	(11.39)
Managerial Remuneration Paid*				
Mr. Ajay Srinivasan	-	-	12.79	12.79
	-	-	(6.96)	(6.96)
TOTAL	-	-	12.79	12.79
	-	-	(6.96)	(6.96)
Loans taken Repaid (including Inter-Corporate Deposits)				
ABNL	102.70 (36.99)	-	-	102.70 (36.99)
TOTAL	102.70 (36.99)	-	-	102.70 (36.99)
Deposits taken during the year				
ABNL	0.04	-	-	0.04
	-	-	-	-
TOTAL	0.04	-	-	0.04
	-	-	-	-
Deposits taken - Repaid during the year				
ABNL	0.04	-	-	0.04
	-	-	-	-
TOTAL	0.04	-	-	0.04
	-	-	-	-
Issue of Equity Shares				
ABNL	247.00	-	-	247.00
	-	-	-	-
ABNL Investment	-	3.00	-	3.00
	-	-	-	-
TOTAL	247.00	3.00	-	250.00
	-	-	-	-



₹ in Crores

Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries	Key Management Personnel	Grand Total
Conversion of Preference Shares to Equity Shares				
ABNL	140.00 (40.00)	- -	- -	140.00 (40.00)
TOTAL	140.00 (40.00)	- -	- -	140.00 (40.00)
Issue of Preference Shares				
ABNL	720.00 (681.11)	- -	- -	720.00 (681.11)
TOTAL	720.00 (681.11)	- -	- -	720.00 (681.11)
Outstanding Balances as on 31st March, 2016				
Loan Taken outstanding balance	6.74 (55.77)	- -	- -	6.74 (55.77)
Interest accrued on Loans taken	0.16 -	- -	- -	0.16 -
Amount Receivable	0.04 (0.04)	1.69 (2.65)	- -	1.73 (2.69)
Amounts Payable	- -	3.29 (3.35)	- -	3.29 (3.35)
Interest Payable on NCD	- -	1.94 (2.25)	- -	1.94 (2.25)

- Figures in brackets represent corresponding amount of Previous Year.
- No amount, in respect of the related parties have been written off/back, is provided for during the year.
- Related parties relationships have been identified by the management and relied upon by the auditors.

* - Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 30

SEGMENT DISCLOSURES

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risk and returns of these segments.

The Group has considered business segment as the primary segment for disclosure. The products and services included in each of the reported business segments are as follows:

SEGMENT	ACTIVITIES
NBFC	Non-Bank Financial Services, Housing Finance
Asset Management	Asset Management
Insurance Broking	Insurance Broking
Money Broking	Equity and Commodity Broking,
Health Insurance	Health Insurance
Other Financial Services	Private Equity, Wealth Management and General Insurance Advisory

The Group considers secondary segment based on Services provided to customers India as "within India" and services provided to customers outside India as "outside India". Assets are segregated based on their geographical location.

Information about Primary Business Segments

Segment Revenue	For the year ended 31st March, 2016			For the year ended 31st March, 2015		
	External	Inter-Segment	Total	External	Inter-Segment	Total
NBFC	2,542.69	0.37	2,543.06	1,778.84	-	1,778.84
Asset Management	765.19	-	765.19	596.04	-	596.04
Insurance Broking	96.78	-	96.78	73.01	-	73.01
Money Broking	119.65	-	119.65	119.08	-	119.08
Health Insurance	-	-	-	-	-	-
Other Financial Services	73.64	17.75	91.39	97.09	16.28	113.37
Total Segment	3,597.95	18.12	3,616.07	2,664.04	16.28	2,680.32
Eliminations			18.12			16.28
Total Revenue			3,597.95			2,664.04

Segment Result (PBIT)	For the year ended 31st March, 2016	For the year ended 31st March, 2015
NBFC	596.14	407.44
Asset Management	303.22	148.01
Insurance Broking	28.19	22.66
Money Broking	3.14	0.46
Health Insurance	-	-
Other Financial Services	(71.93)	(48.07)
Total Segment	858.76	530.49
Less: Finance Cost	8.81	5.32
Add: Interest Income	10.68	8.98
Less: Inter Company Dividend Income	6.59	5.01
Add: Unallocable Income (net of unallocable expenses)	14.61	31.28
Profit before Exceptional Item and Tax	868.65	560.42
Exceptional Item	-	41.40
Profit before Tax	868.65	519.02
Tax Expenses	344.57	210.17
Profit before Minority Interest	524.08	308.85
Minority Interest	143.55	69.64
Profit for the Year	380.53	239.21



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

Information about Primary Business Segments

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Financial Services				
NBFC	28,135.95	18,043.85	24,293.88	15,465.75
Asset Management	238.28	238.52	162.11	121.03
Insurance Broking	27.18	17.39	26.84	14.65
Money Broking	445.50	419.65	144.17	127.56
Health Insurance	17.59	-	7.18	-
Other Financial Services	276.27	297.38	59.78	75.61
Total Segment	29,140.77	19,016.79	24,693.96	15,804.62
Inter-Segment Eliminations	(5.14)	(4.30)	(5.14)	(4.30)
Unallocated Corporate Assets/Liabilities	905.90	629.64	127.46	136.99
Total Assets/Liabilities	30,041.53	19,642.15	24,816.27	15,937.31

Other Information	Cost incurred to Acquire Segment Fixed Assets (including CWIP and Capital Advance) for the Year Ended		Depreciation / Amortisation for the Year Ended	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Financial Services				
NBFC	18.68	12.30	8.83	6.76
Asset Management	6.18	11.92	8.92	10.66
Insurance Broking	3.47	2.30	1.91	1.18
Money Broking	2.95	1.25	3.96	5.93
Other Financial Services	18.45	8.58	9.23	12.96
Total Segment	49.73	36.35	32.85	37.49
Unallocated	-	-	-	-
Total	49.73	36.35	32.85	37.49

Information about Secondary Business Segments

	For the Year Ended	
	31st March, 2016	31st March, 2015
Revenue by Geographical Market		
In India	3,570.47	2,637.52
Outside India	27.48	26.52
Total	3,597.95	2,664.04
Carrying Amount of Segment Assets		
In India	30,018.12	19,621.83
Outside India	23.41	20.32
Total	30,041.53	19,642.15
Cost incurred to acquire Segment Fixed Assets		
In India	49.35	35.90
Outside India	0.38	0.45
Total	49.73	36.35



ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013, FOR CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹ In Crores

Name of the Entity	Net Assets as on 31st March, 2016*		Net Assets as on 31st March, 2015*		Share in Profit or Loss for the year ended 31st March, 2016		Share in Profit or Loss for the year ended 31st March, 2015	
	% of Consolidated Net Assets	Amount	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Financial Services Ltd	70.25%	3,129.71	48%	2,160.20	-0.13%	(0.48)	-12.76%	(48.56)
SUBSIDIARY COMPANIES								
Aditya Birla Capital Advisors Pvt Ltd	0.69%	30.96	0.59%	26.44	1.19%	4.52	1.17%	4.44
Aditya Birla Customer Services Ltd	-0.02%	(0.97)	0.06%	2.67	-18.39%	(70.00)	-16.12%	(61.35)
Aditya Birla Trustee Co. Pvt Ltd	0.01%	0.26	0.01%	0.23	0.01%	0.03	0.01%	0.04
Aditya Birla Money Ltd	0.83%	37.17	0.81%	35.97	0.31%	1.20	1.86%	7.08
Aditya Birla Commodities Broking Ltd	0.07%	3.26	0.02%	0.88	0.56%	2.13	-0.31%	(1.18)
Aditya Birla Financial Shared Services Ltd	0.00%	0.13	0.00%	0.20	-0.02%	(0.07)	0.02%	0.07
Aditya Birla Finance Ltd	82.96%	3,695.80	58.02%	2,584.83	107.38%	408.60	71.13%	270.68
Aditya Birla Insurance Brokers Ltd	0.77%	34.40	0.72%	32.27	5.60%	21.30	4.62%	17.59
Aditya Birla Money Mart Ltd	-0.41%	(18.27)	-0.26%	(11.46)	-1.79%	(6.81)	2.83%	10.76
Aditya Birla Money Insurance Advisory Services Ltd	-0.09%	(3.97)	-0.54%	(24.01)	-0.60%	(2.28)	-1.57%	(5.98)
Aditya Birla Housing Finance Limited	4.60%	204.76	1.03%	45.78	-7.94%	(30.22)	-1.35%	(5.13)
Birla Sun Life Asset Management Co. Ltd	18.64%	830.16	13.93%	620.67	55.05%	209.49	33.20%	126.34
Birla Sun Life Trustee Company Pvt. Ltd	0.01%	0.51	0.01%	0.46	0.01%	0.05	0.02%	0.08
Aditya Birla Health Insurance Company Limited (w.e.f 28th March, 2016)	0.06%	2.80	0.00%	-	0.00%	-	0.00%	-
Aditya Birla Securities Pvt Ltd (Upto 10th September, 2014)				-				(0.00)
FOREIGN SUBSIDIARY COMPANIES								
Aditya Birla Sunlife AMC PTE Singapore Ltd	0.11%	4.69	0.07%	3.07	-1.75%	(6.67)	-1.43%	(5.46)
Aditya Birla Sunlife AMC Dubai Ltd	0.12%	5.18	0.13%	5.85	-0.26%	(1.00)	-0.09%	(0.36)
Birla Sunlife Mauritius Ltd	0.12%	5.37	0.09%	4.14	1.37%	5.22	1.31%	5.00
Minority Interest								
	-16.96%	(755.76)	-18.00%	(801.83)	-37.72%	(143.55)	-18.30%	(69.65)
ASSOCIATES								
Birla Securities Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00
Consolidation Eliminations and Adjustments		(2,751.41)		(3,716.12)		(10.93)		(5.20)
TOTAL ATTRIBUTABLE TO OWNERS		4,454.80		2,970.24		380.53		239.21

Interest

Notes:

* Net Assets = Total Assets - Total liabilities

1. India Advantage Fund Limited (IAFL), wholly owned Subsidiary of Birla Sun Life Asset Management Company Limited, is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Statement of Profit and Loss. The Profit/Loss of each such class belongs to the participating shareholders of that class. Birla Sun Life Asset Management Company Limited (BSAMC) owns 100% of the management share, and management shareholder is not entitled to any beneficial interest in the profit/loss of various classes nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.

2. Aditya Birla Sun Life AMC pte limited, Singapore has made investment in International Opportunities Fund. International Opportunities Fund SPC(IOF) is segregated portfolio company set up as a fund in Cayman islands under the Cayman Islands Monetary Act. In terms of constitution and private placement memorandum, IOF has various segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares has its own Balance Sheet and Profit and Loss account. The Profit/Loss each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Pte. Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit/loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IOF in the Consolidated Financial Statement.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Notes forming part of Consolidated Financial Statements

NOTE: 32

OTHER SIGNIFICANT NOTES

- (i) The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.
- (ii) The Group's pending litigations comprise of claims by or against the Group primarily by the employees / customers / suppliers, etc. and proceedings pending with tax and other government authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made adequate provision in the financial statements and appropriate disclosure for contingent liabilities is given in Note 22.
- (iii) Pursuant to a Share Purchase Agreement ("SPA") between Aditya Birla Nuvo Limited (ABNL), the holding Company and Mr. Prataph C. Reddy and others, Erstwhile Promoters, Aditya Birla Money Limited (ABML), a subsidiary of ABNL, dated August 28, 2008, ABNL had agreed to acquire 31 million equity shares in ABML. The transaction was completed on March 6, 2009.

As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harmless the ABNL to the extent of any Losses, resulting from or consequent upon or relating to such breach of representations or warranties, covenants or agreement including but not limited to the recoveries of receivables and other assets in the books of ABML, contingencies on tax and related matters, etc.

Subsequent to the completion of the above transaction, the ABNL noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets, etc. Accordingly, the ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of ₹ 16.66 Crore as losses incurred on account of breach of representation warranties in the SPA. Further, the ABNL, vide its letter dated March 5, 2011, made a separate claim of ₹ 0.52 Crore for amounts becoming due and payable on accounts of various cases initiated by the customers of the ABML. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011, with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, ABML has identified all such receivables, assets, etc., which have not been recovered and other items, which are the subject matter of the claim to the extent they are in the books of account of the ABML as at March 31, 2016, aggregating ₹ 18.66 Crore (Previous Year: ₹ 14.90 Crore) and disclosed the same in Short-term Loans and Advances in Note 10B of the Balance Sheet, as these amounts would be paid directly to the ABML by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

Both parties completed filing of documents. On July 04, 2012, a hearing was held and M/s. Deloitte Haskins & Sells were asked to act as auditors by the Arbitrators with a mandate to submit a report on whether from an accounting perspective, including the accounting treatment that has been given to the items set out in the Statement of Claim, the amounts as claimed are correct as per accounting practice.

The arbitral tribunal then directed the Claimants and Respondents to file their objections if any to the audit report submitted by M/s. Deloitte Haskins & Sells and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013. The Respondents filed their objections to the audit report and ABNL had also filed its reply to the said objections.

Arguments in rebuttal by the Claimant was completed on October 25, 2013 and written submissions were filed by October 29, 2013. The tribunal has reserved the award.

During the FY 2014-15, Arbitral Tribunal has passed an award, allowing claim of ₹ 10.24 Crores, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of ₹ 5.73 Crore (being 56% of ₹ 10.23 Crores, as ABNL has purchased only 56% of shares), along with interest @ 14% from the date of award. This award was received by ABNL on 27th May 2014.

Subsequently, during the year both parties have filed petitions under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the award and the same are admitted and pending on the file of the High Court of Madras.

In respect of such receivables, which excludes premature claims pertaining to income tax, service tax, etc., ABNL has created adequate provision, which also includes claims not awarded by the Arbitral Tribunal to the extent of 44%. In respect of tax claims, ABML has obtained favourable order for certain assessment years & is confident of recovering such amount in due course. Such amounts are fully recoverable from the income tax department.

Further, during the year, the Supreme Court dismissed the appeal filed by ABML against SAT order directing the ABML to pay a sum of ₹ 1.66 Crore together with interest thereon. Consequently, SEBI served a notice of demand on ABML, seeking payment of a sum of ₹ 1.66 Crore towards turnover fee and a sum of ₹ 3.76 Crore towards interest thereon from the respective due dates of payment of the said Turnover Fee.

As the erstwhile promoters have agreed to indemnify ABNL to the extent of any losses resulting from or consequent upon the civil appeal pending before the Supreme Court, vide Civil Appeal No. 3441/2007 in the SPA, the demand was communicated to the erstwhile promoters, and the erstwhile promoters have paid the total turnover fee of ₹ 1.66 Crore to ABNL against the payment made by the ABML to SEBI.

The request of the ABML to SEBI seeking waiver of the interest was not considered favourably and the review petition filed by ABNL in the Supreme Court was also dismissed. In the meanwhile, SEBI issued a Recovery Certificate dated 12th January, 2016, seeking to recover the interest amount and ABML remitted the above mentioned interest amount with SEBI under intimation to erstwhile promoters.

Based on legal opinion received and internal assessment, the ABNL is confident of recovering the allowed claim through the legal process.



Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)

Notes forming part of Consolidated Financial Statements

- (iv) Madura Garments Lifestyle Retail Company Limited (MGLRCL), a fellow subsidiary of the Company, was amalgamated with the Aditya Birla Finance Limited in terms of the Scheme of Amalgamation (the Scheme) under Sections 391 to 394 of the Companies Act, 1956 including corresponding provisions of the Companies Act, 2013, as approved by the Hon'ble High Court of Gujarat vide its order O/Comp/392/2015 dated December 21, 2015 with an appointed date of July 01, 2015. The Scheme was made effective by the Company upon filing of Form INC - 28 with the Registrar of Companies, Gujarat on January 25, 2016.

In accordance with the said Scheme, the assets, liabilities and reserves of MGLRCL have been accounted at the values at which they were appearing in the books of MGLRCL as at July 01, 2015 and the difference between the net assets (assets and liabilities) and reserves of MGLRCL transferred to the Company is shown in the general reserves of the Company. The amalgamation has been accounted for under the "Pooling of Interest method" as prescribed by "Accounting Standard 14 (AS-14) Accounting for Amalgamation" notified under Section 133 of the Companies Act 2013.

The consideration payable to the shareholders of MGLRCL in terms of the Scheme is:

(a) 9 (Nine) equity shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up of the Company for every 32 (Thirty Two) equity shares of the face value of ₹10/- (Rupees Ten Only) each fully paid-up of MGLRCL to the equity shareholders of MGLRCL; and

(b) 1 (One) 8% Redeemable Cumulative Preference Shares of the face value of ₹10/- (Rupees Ten Only) each fully paid-up of the Company for every 1 (One) 8% Redeemable Cumulative Preference Shares of the face value of ₹10/- (Rupees Ten Only) each fully paid-up of MGLRCL to the preference shareholder of MGLRCL.

Accordingly, the ABFL has issued and allotted 53,455,883 equity shares of the face value of ₹ 10/- (Rupees Ten Only) each fully paid up to the equity shareholders of MGLRCL and 10,000,000 8% Redeemable Cumulative Preference Shares of face value of ₹ 10/- (Rupees Ten Only) each fully paid up to the preference shareholders of MGLRCL. Post issue of Shares, holding of ABFL has been reduced to 89.39%.

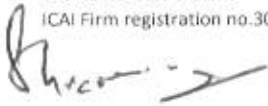
- (v) Figures of ₹ 50,000 or less have been denoted by 'B'.
(vi) Previous Year's figures have been regrouped/rearranged, wherever necessary.

As per our attached Report of even date

For S. R. Batliboi & CO LLP

Chartered Accountants

ICAI Firm registration no.301003E/E300005



Per Shrawan Jalan

Partner

Membership No. 102102



Mumbai, June 26, 2017

For and on behalf of the Board of Directors



Shriram Jagetiya

Director

DIN-1638250



Pinky Mehta

Director

DIN : 00020429



Sailesh Daga

Company Secretary

Mumbai, June 26, 2017



INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Financial Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 39 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership Number: 102102
Place of Signature: Mumbai
Date: May 09, 2017



Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Aditya Birla Financial Services Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, service tax which have not been deposited on account of any dispute.



- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 09, 2017



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADITYA BIRLA FINANCIAL SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aditya Birla Financial Services Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide



reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jaian

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 09, 2017



Aditya Birla Financial Services Limited
CIN: U67120GJ2007PLC058890
Balance Sheet as at March 31, 2017

		As at March 31, 2017	(Amount in ₹) As at March 31, 2016
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3	12,32,24,00,000	25,33,62,00,000
Reserves and Surplus	4	33,78,66,29,604	5,96,09,39,047
		46,10,90,29,604	31,29,71,39,047
(B) Current Liabilities			
Short-term Borrowings	5	4,92,96,99,303	-
Trade Payables	6	17,97,80,863	13,11,66,522
Other Current Liabilities	7	1,62,81,052	26,88,187
Short-term Provisions	8	31,94,26,087	3,22,00,864
		5,44,51,87,305	16,60,55,573
Total Equity and Liabilities		51,55,42,16,909	31,46,31,94,620
ASSETS			
(C) Non-Current Assets			
Fixed Assets			
Property, Plant and Equipments	9	2,48,23,987	80,27,585
Intangible Assets	10	1,28,09,246	34,17,792
Intangible Assets Under Development	10	4,66,61,661	-
		8,42,94,895	1,14,45,377
Non-Current Investments	11	50,53,96,75,664	31,16,35,30,305
Long-term Loans and Advances	12	8,24,41,403	5,25,22,592
		50,70,64,11,962	31,22,74,98,274
(D) Current Assets			
Current Investments	13	29,98,51,662	-
Cash and Bank Balances	14	2,46,60,627	3,12,91,265
Short-term Loans and Advances	15	1,97,93,635	2,19,34,330
Other Current Assets	16	50,34,99,023	18,24,70,751
		84,78,04,947	23,56,96,346
Total Assets		51,55,42,16,909	31,46,31,94,620

Significant Accounting Policies. 2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration no. 301003E/E300005

Shrawan

Per Shrawan Jalan
Partner
Membership No.102102



For and on behalf of Board of Directors
Aditya Birla Financial Services Limited

Subhash Chandra Bhargava

Subhash Chandra Bhargava
Director
DIN-00020021

Pinky Mehta

Pinky Mehta
Director
DIN-00020429

Ajay Srinivasan
Ajay Srinivasan
Chief Executive Officer

Anjali Makhija
Anjali Makhija
Chief Financial Officer

Sailesh Daga

Sailesh Daga
Company Secretary

Mumbai, May 09, 2017

Mumbai, May 09, 2017



Aditya Birla Financial Services Limited
CIN: U67120GJ2007PLC058890
Statement of Profit and Loss for the year ended March 31, 2017

		(Amount in ₹)	
	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	17	34,98,79,228	7,27,61,935
Other Income	18	3,38,217	7,20,051
Total Revenue		35,02,17,445	7,34,81,986
Expenses			
Employee Benefit Expenses	19	24,45,13,309	3,56,60,294
Other Expenses	20	5,65,92,184	2,52,73,908
Total Expenses		30,11,05,493	6,09,34,202
Profit Before Depreciation/Amortisation, Interest and Tax (PBDIT)		4,91,11,952	1,25,47,784
Depreciation and Amortisation Expenses	21	13,81,842	2,89,083
Finance Cost	22	53,39,553	-
Profit Before Tax		4,23,90,557	1,22,58,701
Tax Expenses			
-Current Tax		-	1,81,38,367
-Provision for Tax of Earlier Year		-	61,60,485
-Write Back of Excess Provision for Tax		-	(72,03,799)
Profit/(Loss) for the Year		4,23,90,557	(48,36,352)
Basic Earnings Per Share (₹)	23	0.05	(0.01)
Diluted Earnings Per Share (₹) (Face Value of ₹ 10/- each)		0.05	(0.01)

Significant Accounting Policies. 2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
CAI Firm registration no. 301003E/E300005

Per Shrawan Jalan
Partner
Membership No.102102



For and on behalf of Board of Directors
Aditya Birla Financial Services Limited

Subhash Chandra Bhargava
Director
DIN-00020021

Pinky Mehta
Director
DIN-00020429

Ajay Srinivasan
Chief Executive Officer

Anjali Makhija
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, May 09, 2017

Mumbai, May 09, 2017



Aditya Birla Financial Services Limited
CIN: U67120GJ2007PLC058890
Cash Flow Statement for the year ended March 31, 2017

(Amount in ₹)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
A Cash Flow From Operating Activities		
Profit/ (Loss) Before Tax	4,23,90,557	1,22,58,700
Adjustments For :		
Depreciation and Amortisation Expenses	13,81,842	2,89,083
Gain on Sale of Investments	(1,45,55,407)	(68,75,709)
Gain on Fixed Assets Sold	(1,55,427)	-
Interest Income - Others	(1,82,790)	(7,20,051)
Interest Income from Subsidiaries	(4,99,998)	(4,098)
Dividend Income Received From Subsidiary Companies	(33,48,23,823)	(6,58,82,128)
	(34,88,35,603)	(7,31,92,903)
Operating Profit / (Loss) Before Working Capital Changes	(30,64,45,046)	(6,09,34,203)
Adjustments For :		
Decrease/(Increase) in Loans and Advances	31,84,367	1,04,84,517
Decrease/(Increase) in Other Assets	(32,10,28,272)	2,77,93,165
Increase/(Decrease) in Trade Payables	4,86,14,341	(13,64,71,742)
Increase/(Decrease) in Other Liabilities	1,35,92,865	(1,65,25,931)
Increase/(Decrease) in Provisions	28,72,25,223	(1,52,64,219)
	3,15,88,524	(12,99,84,209)
Cash Generated From Operations	(27,48,56,522)	(19,09,18,412)
Income Taxes Refund/ (Paid)	(3,09,62,483)	(2,17,61,594)
Net Cash (Used In)/From Operating Activities	(30,58,19,005)	(21,26,80,005)
B Cash Flow From Investing Activities		
Sale/(Purchase) of Current Investments (Net)	(28,52,96,255)	6,26,47,506
Purchase of Fixed Assets	(7,40,75,932)	(66,93,242)
Acquisition of Additional Shares/Investment in Subsidiary	(20,05,00,09,387)	(9,90,91,17,498)
Proceeds Received from Private Equity Fund on Redemption of Units	67,38,64,028	27,74,36,185
Interest Received – Others	1,82,790	7,20,051
Interest Received from Subsidiaries	4,99,998	4,098
Dividend Income Received From Subsidiary Companies	33,48,23,823	6,58,82,129
	(19,40,00,10,936)	(9,50,91,20,771)
Net Cash Flow From Investing Activities	(19,40,00,10,936)	(9,50,91,20,771)
C Cash Flow From Financing Activities		
Increase/(Decrease) in Borrowings	4,92,96,99,303	-
Redemption of Preference Shares	(14,71,11,00,000)	-
Proceeds From Issue of Shares (Including Securities Premium)	29,48,06,00,000	9,70,00,00,000
	19,69,91,99,303	9,70,00,00,000
Net Cash Flow From Financing Activities	19,69,91,99,303	9,70,00,00,000
D Net Increase/ (Decrease) in Cash And Cash Equivalents (A+B+C)	(66,30,638)	(2,18,00,776)
Cash And Cash Equivalents at the Beginning of The Year	3,12,91,265	5,30,92,041
Cash And Cash Equivalents at the End of The Year	2,46,60,627	3,12,91,265
Note:		
Cash and Cash Equivalents includes		
Cash on Hand	-	-
Cash at Bank	2,46,60,627	3,12,91,265
	2,46,60,627	3,12,91,265

Significant Accounting Policies.

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration no. 301003E/E300005

Per Shrawan Jalan
Partner
Membership No.102102



Mumbai, May 09, 2017

For and on behalf of Board of Directors
Aditya Birla Financial Services Limited

Subhash Chandra Bhargava
Director
DIN-00020021

Pinky Mehta
Director
DIN-00020429

Jay Srinivasan
Chief Executive Officer

Anjali Makhija
Chief Financial Officer

Sallesh Daga
Company Secretary

Mumbai, May 09, 2017



Aditya Birla Financial Services Limited

CIN: U67120GJ2007PLC058890

Notes Forming Part of Accounts

1. Corporate Information

Aditya Birla Financial Services Limited (the 'Company') was incorporated on October 15, 2007. The Company is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at Indian Rayon Compound, Veraval, Gujarat - 362 266. The Company had received Certificate of Registration from the Reserve Bank of India ('RBI') on May 19, 2009 to commence/carry on the business of non-banking financial institution.

The Company is a Non-Deposit taking Systemically Important Core Investment Company (CIC-ND-SI) registered with the Reserve Bank of India vide certificate no B.01.00555 dated October 16, 2015. The Company has been set up as a holding company for the Financial Services Business of Aditya Birla Nuvo Limited.

2. Summary of Significant accounting policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

(b) Use of Estimate

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affects the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Property, Plant and Equipments

Plant and equipments, capital work in progress are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipments are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful life and depreciates them accordingly. Likewise, when a



Aditya Birla Financial Services Limited

CIN: U67120GJ2007PLC058890

Notes Forming Part of Accounts

major inspection is performed, its cost is recognized in the carrying amount of the plant and equipments as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on tangible fixed assets is provided on straight line basis using the rates arrived at based on the useful estimated life by the management. The Company has used the following useful life to provide depreciation on its fixed assets.

Asset Category	Useful life prescribed by Schedule II of The Companies Act, 2013	Estimated useful life
Furniture and fixtures	10 years	5 years
Office equipment's (computers)	3 years	4 years
Vehicles	6 years	4 years

Useful life of assets different from those prescribed in Schedule II has been estimated by the Management and supported by technical assessment.

Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the fixed assets added/disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

(d) Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are amortized on a straight line basis over their estimated useful life which is estimated at 3 years.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

(e) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.



Aditya Birla Financial Services Limited

CIN: U67120GJ2007PLC058890

Notes Forming Part of Accounts

(f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments. Current Investments are stated at lower of cost and net realizable value.

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income on investments is accounted for when the right to receive the payment is established which is generally when the shareholders approves the dividend.

Profit or loss on sale of current investments is determined on the basis of the weighted average cost method.

(h) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



Aditya Birla Financial Services Limited

CIN: U67120GJ2007PLC058890

Notes Forming Part of Accounts

Exchange Differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(i) Taxation

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognised deferred tax assets.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the



Aditya Birla Financial Services Limited

CIN: U67120GJ2007PLC058890

Notes Forming Part of Accounts

carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(j) Retirement and Other Employee Benefits

Defined Contribution Plan

Retirement benefit in the form of Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance and Superannuation Schemes is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plan

The Company operates two defined benefit plans for its employees, viz., and gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the balance sheet date.

(k) Contingent Liabilities and Provisions

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



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Notes Forming Part of Accounts

Provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(l) Leases

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(m) Cash and Cash Equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(o) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



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	As at March 31, 2017	(Amount in ₹) As at March 31, 2016
NOTE: 3		
SHARE CAPITAL		
Authorised:		
2,20,00,00,000 (Previous Year 1,00,00,00,000) Equity Shares of ₹ 10/- each	22,00,00,00,000	10,00,00,00,000
1,80,00,00,000 (Previous Year 3,00,00,00,000) Preference Shares of ₹ 10/- each	18,00,00,00,000	30,00,00,00,000
	<u>40,00,00,00,000</u>	<u>40,00,00,00,000</u>
Issued, Subscribed & Paid-up		
Equity Share Capital		
1,23,22,40,000 (Previous Year 79,60,10,000) Equity Shares of ₹ 10/- each fully paid up	12,32,24,00,000	7,96,01,00,000
	<u>12,32,24,00,000</u>	<u>7,96,01,00,000</u>
Preference Share Capital		
NIL (Previous Year 33,65,00,000) 0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (Refer Note No. 40)	-	3,36,50,00,000
NIL (Previous Year 1,27,11,10,000) 6% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up (Refer Note No. 43)	-	12,71,11,00,000
NIL (Previous Year 20,00,00,000) 6% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each partly paid up Rs. 6.50 each (Refer Note No. 43)	-	1,30,00,00,000
	<u>-</u>	<u>17,37,61,00,000</u>
Total Share Capital	<u>12,32,24,00,000</u>	<u>25,33,62,00,000</u>

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Sr. No.	Description	As at March 31, 2017		As at March 31, 2016	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No. of Shares Outstanding at the beginning of the year	79,60,10,000	1,80,76,10,000	75,70,10,000	1,15,76,10,000
2	Allotment of fully paid up shares during the year	40,25,80,000	-	2,50,00,000	59,00,00,000
3	Allotment of Partly paid up shares during the year	-	-	-	20,00,00,000
4	Conversion of preference shares into equity shares during the year	3,36,50,000	(33,65,00,000)	1,40,00,000	(14,00,00,000)
5	Redemption of preference shares	-	(1,47,11,10,000)	-	-
6	No. of Shares Outstanding at the end of the year	1,23,22,40,000	-	79,60,10,000	1,80,76,10,000

(b) **Term/Right Attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(c) Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of shares held are as under:

i) **Equity Shares**

Sr. No.	Name of Share Holder	As at March 31, 2017		As at March 31, 2016	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited (with nominees)	1,23,22,40,000	100.00%	79,57,10,000	99.96%

ii) **Preference Shares**

Sr. No.	Name of Share Holder	As at March 31, 2017		As at March 31, 2016	
		No of Shares held	% of total paid-up preference share capital	No of Shares held	% of total paid-up preference share capital
1	Aditya Birla Nuvo Limited	-	0.00%	1,80,76,10,000	100.00%



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(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
NOTE: 4		
RESERVES & SURPLUS		
A) Securities Premium Account		
Opening Balance	7,11,00,00,000	3,60,00,00,000
Addition:		
Issue of Equity Shares (Refer Note No. 42)	24,75,48,00,000	2,25,00,00,000
Conversion of Preference Shares (Refer Note No. 40)	3,02,85,00,000	1,26,00,00,000
	34,89,33,00,000	7,11,00,00,000
B) Retained Earnings		
Opening Balance	(1,14,90,60,953)	(1,14,42,24,601)
Addition:		
Profit/(Loss) for the Year	4,23,90,557	(48,36,352)
	(1,10,66,70,396)	(1,14,90,60,953)
Total Reserves and Surplus	33,78,66,29,604	5,96,09,39,047
NOTE: 5		
SHORT-TERM BORROWINGS		
Unsecured		
Commercial Papers (Refer Note No. 46)	4,92,96,99,303	-
	4,92,96,99,303	-
NOTE: 6		
TRADE PAYABLES		
Trade Payables for Salaries, Wages, Bonus and Other Employee Benefits	13,20,33,287	11,29,14,000
Trade Payables (Others)		
Outstanding Dues to Other Than Micro and Small Enterprises (Refer Note No. 28)	4,77,47,576	1,82,52,522
	17,97,80,863	13,11,66,522
NOTE: 7		
OTHER CURRENT LIABILITIES		
Statutory Dues	1,61,64,376	26,21,515
Employee's Deposit - OYCS Scheme	1,16,676	66,672
	1,62,81,052	26,88,187
NOTE: 8		
SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	1,00,36,751	2,29,46,358
Gratuity (Funded)	10,26,469	92,54,506
Long-Term Incentive Plan (Refer Note No. 47)	30,83,62,867	-
	31,94,26,087	3,22,00,864



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Notes to Financial Statements for the year ended March 31, 2017

NOTE: 9

PROPERTY, PLANT AND EQUIPMENTS

(Amount in ₹)

	Furniture's & Fixtures	Office Equipment	Vehicles	Total
Gross Block				
As at April 1, 2015	58,500	88,34,157	51,77,893	1,40,70,550
Additions	37,000	5,97,153	47,19,886	53,54,039
Deletions	-	-	-	-
As at March 31, 2016	95,500	94,31,310	98,97,779	1,94,24,589
Additions	-	69,66,689	1,70,50,022	2,40,16,711
Deletions	-	-	34,38,666	34,38,666
As at March 31, 2017	95,500	1,63,97,999	2,35,09,135	4,00,02,634
Accumulated Depreciation				
As at April 1, 2015	4,077	69,68,602	20,56,652	90,29,331
For the year	16,768	6,80,203	16,70,702	23,67,673
Deletions	-	-	-	-
As at March 31, 2016	20,845	76,48,805	37,27,354	1,13,97,004
For the year	22,753	20,20,509	40,14,194	60,57,456
Deletions	-	-	22,75,813	22,75,813
As at March 31, 2017	43,598	96,69,314	54,65,735	1,51,78,647
Net Block as at March 31, 2016	74,655	17,82,505	61,70,425	80,27,585
Net Block as at March 31, 2017	51,902	67,28,685	1,80,43,400	2,48,23,987

NOTE: 10

INTANGIBLE ASSETS

	Computer Software	Total
Gross Block		
As at April 1, 2015	-	-
Additions	35,08,750	35,08,750
Deletions	-	-
As at March 31, 2016	35,08,750	35,08,750
Additions	1,37,83,753	1,37,83,753
Deletions	-	-
As at March 31, 2017	1,72,92,503	1,72,92,503
Accumulated Amortisation		
As at March 31, 2016	90,958	90,958
For the year	43,92,299	43,92,299
Deletions	-	-
As at March 31, 2017	44,83,257	44,83,257
Intangible Assets Under Development*	-	4,66,61,661
Net Block as at March 31, 2016	34,17,792	34,17,792
Net Block as at March 31, 2017	1,28,09,246	5,94,70,907

* Related to Digital/Technology Related Projects.

Allocation of Depreciation and Amortisation to Subsidiaries

Particulars	March 31, 2017	March 31, 2016
Depreciation	60,57,456	23,67,673
Amortisation	43,92,299	90,958
Total	1,04,49,755	24,58,631
Less:		
Allocated to Subsidiaries	(90,67,913)	(21,69,548)
Charged to Statement of Profit and Loss Account	13,81,842	2,89,083



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Notes to Financial Statements for the year ended March 31, 2017

(Amount in ₹)

		As at March 31, 2017		As at March 31, 2016	
NOTE: 11					
INVESTMENTS : NON-CURRENT					
Trade Investments Valued at cost, except otherwise stated	Face Value	Number		Number	
Investment in Equity Instruments - Quoted					
Subsidiary					
Aditya Birla Money Limited (Refer Note No. 32)	1	4,15,50,000	2,48,30,28,000	4,15,50,000	2,48,30,28,000
Less : Diminution in investment of Aditya Birla Money Limited			12,41,51,400		12,41,51,400
			<u>2,35,88,76,600</u>		<u>2,35,88,76,600</u>
Investment in Equity Instruments - Unquoted					
Subsidiaries					
Aditya Birla Capital Advisors Private Limited	10	35,00,000	3,50,00,250	35,00,000	3,50,00,250
Aditya Birla Financial Shared Services Limited	10	50,000	5,00,000	50,000	5,00,000
Aditya Birla Customer Services Limited (Refer Note No. 34)	10	1,68,66,271	71,10,98,369	1,68,66,271	71,10,98,369
Aditya Birla Trustee Company Private Limited	10	50,000	5,00,250	50,000	5,00,250
Aditya Birla Insurance Brokers Limited	10	13,50,054	30,00,120	13,50,054	30,00,120
Aditya Birla Finance Limited (Refer Note No. 33)	10	56,61,35,431	27,95,06,14,630	50,61,09,697	20,00,05,74,550
Aditya Birla Money Mart Limited (Refer Note No. 33)	10	1,00,000	3,61,129	2,00,00,000	24,07,53,095
Less : Diminution in investment of Aditya Birla Money Mart Limited			-		16,85,27,167
			<u>3,61,129</u>		<u>7,22,25,929</u>
Aditya Birla Housing Finance Limited	10	33,30,50,000	4,17,66,47,500	23,92,50,000	2,39,44,47,500
Birla Sun Life Asset Management Company Limited	10	91,79,980	33,70,99,052	91,79,980	33,70,99,052
Birla Sun Life Insurance Company Limited	10	96,96,16,080	12,06,92,56,288		-
Birla Sun Life Trustee Company Private Limited	10	10,170	1,53,540	10,170	1,53,540
Aditya Birla Wellness Private Limited	10	22,27,000	6,58,10,000		-
(Includes ₹ 4,08,00,000 Share Application Money for 13,60,000 Shares allotted on April 03, 2017)					
Aditya Birla Health Insurance Co. Limited	10	5,12,25,001	51,22,50,010	1,80,00,000	18,00,00,000
ABCAP Trustee Company Private Limited	10	10,000	1,00,000	10,000	1,00,000
			<u>48,22,12,67,738</u>		<u>26,09,35,76,160</u>
Total Equity Shares Investments					
Investment in Preference Shares - Unquoted					
Subsidiaries					
0.01% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Finance Limited		-	-	17,50,00,000	1,77,79,82,191
0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Customer Services Limited (Refer Note No. 34)	10	46,95,938	59,99,99,998	46,95,938	59,99,99,998
8% Redeemable Non Convertible Non Cumulative Preference Shares of Aditya Birla Money Limited	100	10,00,000	30,00,00,000	10,00,000	30,00,00,000
0.01% Redeemable Non Convertible Cumulative Preference Shares Aditya Birla Money Mart Limited (Refer Note No. 33)	10	1,00,000	10,00,000	10,00,00,000	1,00,00,00,000
Less : Diminution in Investment of Aditya Birla Money Mart Limited			7,00,000	3,00,000	70,00,00,000
			<u>90,02,99,998</u>		<u>2,97,79,82,189</u>
Total Preference Shares Investments					
Investment in Private Equity Funds					
Investment in Aditya Birla Private Equity - Fund I	95.76	78,91,812	75,56,80,908	1,38,13,580	1,32,27,20,472
Investment in Aditya Birla Private Equity - Sunrise Fund	100	16,24,270	16,24,27,020	26,92,515	26,92,51,484
			<u>91,81,07,928</u>		<u>1,59,19,71,956</u>
Total Private Equity Fund Investments					
Investment in Debentures					
0.1% Compulsory Convertible Debentures (CCD) :					
Aditya Birla Money Mart Limited (Refer Note No. 33)	100	26,00,866	26,00,86,600	50,00,000	50,00,00,000
Aditya Birla Finance Limited (Refer Note No. 33)	100	23,99,134	23,99,13,400		-
			<u>50,00,00,000</u>		<u>50,00,00,000</u>
Total Debentures Investments					
Total Non-current Investments					
			<u>50,53,96,75,664</u>		<u>31,16,35,30,305</u>

Note:

1. Aggregate Amount of Quoted Investment ₹ 2,35,88,76,600 (March 31, 2016 ₹ 2,35,88,76,600) Market Value of ₹ 1,31,09,02,500 (March 31, 2016 ₹ 83,30,77,500)
2. Aggregate Amount of Unquoted Investment ₹ 48,18,07,99,064 (March 31, 2016 ₹ 28,80,46,53,705)
3. Aggregate Amount of Diminution in Value of Investment ₹ 12,41,51,400 (March 31, 2016 ₹ 99,26,78,567)
4. Aggregate Amount of Private Equity Fund:-
 - A) Sunrise Fund ₹ 23,47,71,986 at NAV of ₹ 144.54 (March 31, 2016 ₹ 30,66,23,608 at NAV of ₹ 113.88)
 - B) Fund I ₹ 1,10,71,42,536 at NAV of ₹ 140.29 (March 31, 2016 ₹ 1,21,37,99,275 at NAV of ₹ 87.87)



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	(Amount in ₹)	
	As at March 31, 2017	As at March 31, 2016
NOTE: 12		
LONG-TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Security Deposits	15,00,000	6,00,000
Advance Tax [Net of Provision ₹ 2,42,98,852 (March 31, 2016 ₹ 2,42,98,852)]	8,09,41,403	4,99,78,920
Loans and Advances to Employees	-	19,43,672
	8,24,41,403	5,25,22,592
NOTE: 13		
CURRENT INVESTMENTS		
Investment in Mutual Fund - Unquoted		
Birla Sun life Cash Plus - Growth [Units - 1,148,424.188 (March 31, 2016 Units - Nil)]	29,98,51,662	-
	29,98,51,662	-
Market Value as on March 31, 2017 ₹ 30,02,42,989 (March 31, 2016 ₹ Nil)		
NOTE: 14		
CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks in Current Accounts	2,46,60,627	3,12,91,265
	2,46,60,627	3,12,91,265
NOTE: 15		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Security Deposits	1,59,46,375	1,59,46,375
Service Tax Receivable	38,47,260	30,69,186
Prepaid Expenses	-	11,96,673
Loans and Advances to Employees	-	17,22,096
	1,97,93,635	2,19,34,330
NOTE: 16		
OTHER CURRENT ASSETS		
(Unsecured Considered Good)		
Advances/Receivables from Related Parties	49,84,88,781	18,24,70,751
Prepaid Expenses	47,05,421	-
Others	3,04,821	-
	50,34,99,023	18,24,70,751



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Notes to Financial Statements for the year ended March 31, 2017

(Amount in ₹)

	Year Ended March 31, 2017	Year Ended March 31, 2016
NOTE: 17		
REVENUE FROM OPERATIONS		
Gain on Sale of Mutual Funds	1,45,55,407	68,75,709
Interest Income from Subsidiaries	4,99,998	4,098
Dividend from Subsidiaries	33,48,23,823	6,58,82,128
	34,98,79,228	7,27,61,935
NOTE: 18		
OTHER INCOME		
Interest Income - Others	1,82,790	7,20,051
Gain on Sale of Fixed Assets	1,55,427	-
	3,38,217	7,20,051
NOTE: 19		
EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	23,95,29,441	3,35,65,508
Contribution to Provident & Other Funds (Refer note 26 (B))	42,59,136	16,59,223
Staff Welfare Expenses	7,24,732	4,35,563
	24,45,13,309	3,56,60,294
NOTE: 20		
OTHER EXPENSES		
Rent	39,89,759	29,33,333
Repairs and Maintenance :		
Buildings	3,21,188	3,50,102
Others	4,32,630	2,16,932
Insurance	1,79,208	2,62,005
Rates and Taxes	3,29,94,564	1,35,22,249
Advertisement	2,68,042	7,72,593
Legal & Professional Fees	1,13,63,894	26,19,658
Printing and Stationery	2,53,856	2,02,911
Travelling and Conveyance	18,87,492	16,44,668
Communication Expenses	1,63,933	1,19,280
Bank Charges	75,769	5,893
Auditors' Remuneration (Refer Note No. 27)	12,56,895	8,31,642
Electricity Charges	7,11,951	4,62,581
Miscellaneous Expenses	26,93,003	13,30,061
	5,65,92,184	2,52,73,908
NOTE: 21		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets (Refer Note No. 9)	8,01,881	1,98,125
Amortisation of Intangible Assets (Refer Note No. 10)	5,79,961	90,958
	13,81,842	2,89,083
NOTE: 22		
FINANCE COST		
Interest on Borrowings	53,39,553	-
	53,39,553	-



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Notes to Financial Statements for the year ended March 31, 2017

(Amount in ₹)

Year Ended March 31, 2017	Year Ended March 31, 2016
------------------------------	------------------------------

Note: 23

Earnings Per Share (EPS)

The Following Reflects the Profit and Share Data Used in the Basic and Diluted EPS Computation

Basic

Earnings Per Share (EPS) is Calculated as Under:

Net Profit / (Loss) as per the Statement of Profit and Loss

Less: Preference Dividend and Tax Thereon

Net Profit for EPS

Weighted Average Number of Equity Shares for Calculation of Basic EPS

Basic EPS (₹)

(Face Value of ₹ 10/- each)

Diluted EPS (₹)

4,23,90,557	(48,36,352)
-	-
4,23,90,557	(48,36,352)
83,29,81,799	75,81,82,603
0.05	(0.01)
0.05	(0.01)



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Notes Forming Part of Accounts

24. Operating Leases

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Lease payments recognised in the profit and loss	2,65,00,050	2,69,78,400

Future minimum rentals payable under non-cancellable operating leases are as follows:

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Within one year	-	2,47,30,200
After one year but not more than five years	NIL	NIL
Lease payments recognized in the profit and loss	NIL	NIL

25. Deferred Tax Liabilities/ Assets

The Company has not recognized net deferred tax asset in respect of timing differences related to depreciation on fixed assets, carried forward losses and Leave encashment at the end of the year as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability		
Depreciation / Amortisation	-	4,75,581
Gross Deferred Tax Liability	-	4,75,581
Deferred Tax Assets		
Unabsorbed depreciation and carry forward	30,74,705	-
Difference of Fixed Assets WDV	19,52,860	-
Expenses allowed on payment basis		
Leave Encashment	28,94,599	75,86,754
Gross Deferred Tax Assets	79,22,164	75,86,754
Deferred Tax Assets (Net)	79,22,164	71,11,173
Deferred Tax Assets recognized (restricted upto reversal of Deferred Tax Liabilities)	Nil	Nil



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Notes Forming Part of Accounts

26. Employee Benefit Plans and Employee Contribution Plans

(A) Defined benefit plans :

The Company operates defined plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at minimum 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for respective plans.

Particulars	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Amount recognized in the Balance Sheet in respect of gratuity		
Present value of the funded defined benefit obligation at the end of the year	5,43,38,550	4,88,07,802
Fair value of plan assets	(5,33,12,132)	(3,95,53,296)
Net liability	1,026,418	92,54,506
Amount recognized in salary, wages and employee benefits in the statement of profit and loss in respect of gratuity		
Current service cost	66,89,613	91,20,739
Interest on defined benefit obligations	37,55,532	31,39,048
Expected return on plan assets	(33,59,634)	(30,23,822)
Net actuarial losses/(gain) recognized during the year	61,75,102	(55,31,123)
Past services cost	-	-
Net gratuity cost	1,32,60,613	37,04,842
Actual return on plan asset		
Expected return on plan assets	33,59,634	30,23,822
Actuarial gain on plan assets	(11,44,696)	(3,80,404)
Actual Return on plan assets	22,14,938	26,43,418
Reconciliation of present value of the obligation and the fair value of the plan assets		
Change in defined benefit obligation		
Opening defined benefit obligation	4,88,07,802	3,69,09,878
Current service cost	66,89,613	91,20,739
Interest cost	37,55,532	31,39,048
Actuarial losses/(gain)	73,19,798	(59,11,527)
Past service cost	-	-
Liabilities assumed on acquisition / (settled on divestiture)	-	-
Benefits paid	(1,22,34,195)	55,49,664
Closing defined benefit obligation	5,43,38,550	4,88,07,802



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(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Change in fair value of plan assets		
Opening fair value of the plan assets	3,95,53,296	3,43,17,986
Expected return on plan assets	33,59,634	30,23,822
Actuarial losses/(gain) on plan assets	11,44,696	(3,80,404)
Contributions by the employer	2,14,88,701	(29,57,772)
Assets acquired on acquisition / (distributed on divestiture)	-	-
Benefits paid	(1,22,34,195)	55,49,664
Closing fair value of the plan assets	5,33,12,132	3,95,53,296
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Government Of India Securities	63,47,245	82,97,856
Corporate Bonds	2,19,425	1,58,946
Special Deposit Schemes	11,55,697	8,34,785
Insurer Managed Funds	3,18,43,173	2,19,04,581
Others	1,37,46,591	83,57,579
Total	5,33,12,131	3,95,53,296
Principal actuarial assumptions as at the balance sheet date		
Discount rate	7.40%	7.70%
Estimated rate of return on plan assets	7.40%	7.70%
Future salary escalation	7.00%	7.00%

Experience Adjustments:

(Amount in ₹)

Particulars	2017	2016	2015	2014	2013
Experience adjustment on plan liabilities	59,90,773	(33,31,506)	87,80,947	-	-
Experience adjustment on plan asset	11,44,696	1,47,098	4,68,547	-	-

(B) Defined contributions plans:

(Amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Employee Provident Fund & Pension	1,14,44,289	1,01,04,329
Contribution to Superannuation Fund	75,03,589	74,09,840
Total	1,89,47,878	1,75,14,169



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27. During the year, the Company has paid following amount to statutory auditors:

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit Fees (excluding service tax)	5,00,000	2,50,000
Limited Review (excluding service tax)	3,00,000	3,00,000
Tax Audit (excluding service tax)	2,00,000	50,000
Other services	2,00,000	2,00,000
Reimbursement of expenses	56,895	31,642
Total*	12,56,895	8,31,642

28. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Based on the information available with the Company, no amounts have fallen due for payment to suppliers who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2017.

29. Contingent Liabilities and Commitments

a. Capital Commitments:

- i) There is capital commitment of which ₹ 1,02,00,000 as on March 31, 2017 (March 31, 2016 ₹ Nil) towards Intangible Assets under Development for Digital/Technology related projects.
- ii) The Company has subscribed to the memorandum of the new Company (Aditya Birla ARC Limited (ARC)) incorporated on March 10, 2017 for ARC business. The Board has approved Equity Participation/Investment up to an amount not exceeding ₹ 2,00,00,000 in one or more tranches in the Company.
- iii) Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by the Aditya Birla Nuvo Limited – the Holding Company, in respect of Birla Sun Life Insurance Company Limited, the Company agreed to infuse its share of capital from time to time to meet the solvency requirement prescribed by the regulatory authority.

Transfer of investments in Birla Sun Life Insurance Company Ltd., is restricted by the terms contained in Shareholder Agreement entered into by Aditya Birla Nuvo Limited – the Holding Company.

b. Contingent Liabilities:

- i) Aditya Birla Customer Services Ltd. (ABC SL), a subsidiary of the Company, has issued 0.001%-Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC) vide Shareholders' Agreement, dated 19th December, 2014, and Subscription Agreement dated December 19, 2014 (SHA). Under the said SHA, the Company has granted to IFC an option to sell the shares to the Company at fair valuation from the period beginning on the expiry of 60 months of the



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subscription by IFC up to a maximum of 120 months from the date of subscription by IFC, in the event ABCSL fails to provide an opportunity to IFC to exit from ABCSL within 60 months from the date of subscription by IFC in the form of Listing, Secondary Sale or Acquisition, etc. In the event ABCSL fails to fulfill its obligation, the Company will be obligated to fulfill this obligation.

30. Segment Reporting

Since the Company operates in single segment (i.e. investments and financing activities), no further disclosure is required to be given as per the notified AS-17 'Segmental Reporting'.

31. Related Party Disclosure

Names of related parties where control exists irrespective of whether transactions have occurred or not.

Relationship	Name of the Party
Holding Company	Aditya Birla Nuvo Limited
Subsidiaries	<ol style="list-style-type: none">1. Aditya Birla Capital Advisors Private Limited2. Aditya Birla Customer Services Limited3. Aditya Birla Financial Shared Services Limited4. Aditya Birla Trustee Company Private Limited5. Aditya Birla Money Limited6. Aditya Birla Money Mart Limited7. Aditya Birla Insurance Brokers Limited8. Aditya Birla Finance Limited9. Aditya Birla Housing Finance Limited10. Birla Sun Life Asset Management Company Limited11. Birla Sun Life Insurance Company Limited (w.e.f. March 23, 2017)12. Birla Sun Life Pension Management Limited (100% Subsidiary of Birla Sun Life Insurance Company Limited w.e.f. March 23, 2017)13. Aditya Birla Health Insurance Co. Limited14. ABCAP Trustee Company Private Limited15. Aditya Birla Commodities Broking Limited (100% Subsidiary of Aditya Birla Money Limited)16. Aditya Birla Wellness Private Limited (w.e.f. June 23, 2016)17. Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)18. Birla Sun Life Trustee Company Private Limited19. Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of Birla Sun Life Asset Management Company Limited)20. Aditya Birla Sun Life AMC Ltd; Dubai (100% Subsidiary of Birla Sun Life Asset Management Company Limited)21. Aditya Birla Sun Life AMC Pte. Ltd; Singapore (100% Subsidiary of Birla Sun Life Asset Management Company Limited)



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22. India Advantage Fund Ltd; Mauritius (100% Subsidiary of Birla Sun Life Asset Management Company Limited)
23. International Opportunities Fund – SPC, Cayman Islands (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd. Singapore)
24. Global Clean Energy Fund SPC (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd. Singapore)(w.e.f. April 01, 2016)
25. Aditya Birla ARC Limited (w.e.f. March 10, 2017)

Key Managerial Personnel

1. Ajay Srinivasan, Chief Executive Officer
2. Anjali Makhija, Chief Financial Officer (w.e.f. May 01 2016)
3. Ankur Bansal, Chief Financial Officer (Till April 30, 2016)
4. Sailesh Kumar Daga, Company Secretary

Names of other related parties with whom transactions have taken place during the year

Fellow Subsidiaries

1. ABNL Investment Limited
2. Idea Cellular Limited
3. Aditya Birla Idea Payments Bank Limited

Refer **Annexure 1** for the transactions with related parties.

32. During the current year, the Company has reassessed its value of investments in Aditya Birla Money Limited (“ABML”) based on the Company’s last 2 years profitable business performance and future business plan. Considering investment of long term and strategic nature and based on independent valuation report obtained by the Company, no additional impairment provision is required to be made in financial statements as at March 31, 2017 in this regard.

In the previous years the Company had reassessed its value of investments in Aditya Birla Money Limited (“ABML”) and had made a provision of ₹ 12,41,51,400 as at March 31, 2014 being 5% against equity shares and the same is carried as at March 31, 2017.

33. Scheme of Arrangement between Subsidiary Companies:

- During the year, the Hon'ble High Court of Gujarat, Ahmedabad approved the Scheme of Arrangement vide order O/COMP/445/2016 dated November 24, 2016, and the certified true copies of the scheme and order were received on December 21, 2016., whereby the Wealth Management Undertaking of Aditya Birla Money Mart Limited (ABMM), a subsidiary of the Company was demerged and transferred to Aditya Birla Finance Limited (ABFL), also a subsidiary of the Company, with the Appointed Date of April 1, 2016. The Scheme of Arrangement was made effective on December 31, 2016.
- In consideration of the demerger, the Company has received 10,277,778 equity shares of ₹ 10 each of ABFL as per the share entitlement ratio determined based on an independent valuation report at 3 equity shares of ₹ 10 each in ABFL for every 8 equity shares of ₹ 10 each held in ABMM and 1 equity share of ₹ 10 each in ABFL for every 36 0.01%-Redeemable Non Convertible Preference Shares of ₹ 10 each held in ABMM.



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- As per the Scheme of Arrangement, the general purpose borrowings in ABMM have been transferred to the Company in proportion to the value of assets transferred to ABFL. Accordingly, ABFL has issued 0.1%-Compulsory Convertible Debentures (CCD) of value of ₹ 23,99,13,400 to the Company in lieu of such amount of CCD of ABMM which were transferred to ABFL. Hence the current holding pattern of CCD's by the Company is as under:
- a) ABFL - ₹ 23,99,13,400
b) AMML - ₹ 26,00,86,600
- The carrying value of the investments in ABMM (net of impairment) is considered to be at fair value of asset given up for equity shares received from ABFL.
34. The Company has investment in Equity Shares and Preference Shares of Aditya Birla Customer Services Limited ("ABC SL") of ₹ 71,10,98,369 (Previous year ₹ 71,10,98,369) and of ₹ 59,99,99,999 (Previous year ₹ 59,99,99,999) respectively. The Investee Company (ABC SL) is making substantial losses and its net worth has been eroded. Based on the business plan of ABC SL and strategic investment by International Finance Corporation in the ABC SL in the previous year, the Company has assessed the value of ABC SL being higher than the investment. Accordingly, based on the business plan and considering that the investment being long term and strategic in nature, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at March 31, 2017 in this regard.
35. The Company has investment in 0.1%-Compulsory Convertible Debentures (CCD) of Aditya Birla Money Mart Limited ("ABMML") of ₹ 26,00,86,600 (Previous year ₹ 50,00,00,000). The Investee Company (ABMML) is making losses and its net worth has been eroded. Considering the plans and the investment being strategic and long-term in nature, diminution in the value of the said investment has been considered as temporary and hence no provision is required to be made in financial statements as at March 31, 2017 in this regard.
36. During the current year, the Company has, to its subsidiaries and other financial services group companies ("Group"), provided services such as strategy and business planning, risk and compliance, technology and operational support, marketing and public relations, human resources, etc. The Company has retained approximately 30% of the total cost and allocated the balance to the respective companies on the basis of time spent, marketing budget and number of employees. Increase in retention percentage as compared to previous year is mainly because of higher retention of Long Term Incentive Plan. The amount allocated to the various companies is as given hereunder:

(Amount in ₹)

Name of the Company	Year Ended March 31, 2017	Year Ended March 31, 2016
Birla Sun Life Insurance Company Limited	23,68,53,001	17,46,88,093
Birla Sun Life Asset Management Company Limited	16,60,16,465	7,49,93,649
Aditya Birla Finance Limited	27,37,91,450	11,24,84,479
Aditya Birla Insurance Brokers Limited	2,79,56,955	1,17,49,005
Aditya Birla Capital Advisors Private Limited	99,94,018	82,49,301
Aditya Birla Money Limited	40,585	1,00,91,908
Aditya Birla Money Mart Limited	29,757	1,00,70,893
Aditya Birla Customer Services Limited	58,224	2,25,94,684
Total	71,47,40,455	42,49,22,012



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37. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2017.
38. Current tax for the year of ₹ NIL (previous year ₹ 1,81,38,367) includes the tax on the income accrued under Section 115U of the Income Tax Act, 1961 on the Venture Capital Investment.
39. The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.
40. **Conversion of Preference Shares:**
a) During the year 5,65,00,000 0.01%-Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each were due for conversion on the existing terms and condition, accordingly the Company has converted preference shares into 56,50,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
b) During the year the Company has made early conversion of its 28,00,00,000 0.01%-Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each into 2,80,00,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
41. During the year the Company has reclassified its Authorised Share Capital. The revised structure comprises of 2,20,00,00,000 Equity shares of ₹ 10 each and 1,80,00,00,000 Preference Shares of ₹ 10 each.
42. **Rights Issue of Equity Shares:**
During the year the Company made,
a) Rights issue of 2,00,00,000 Equity Shares of ₹ 10 each at a premium of ₹ 90 each.
b) Right issue of 38,25,80,000 Equity Shares of ₹ 10 each at a premium of ₹ 60 each.
43. During the year the Company made early redemption of its 1,47,11,10,000 6%-Non-Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each held by Aditya Birla Nuvo Limited. The redemption is made as per existing terms and conditions.
44. During the year, the Board of Directors of the Company at its Board Meeting held on August 11, 2016, had approved a Composite Scheme of Arrangement between Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (GIL) and the Company and their respective shareholders and creditors ('Scheme'). The Scheme provides for the amalgamation of ABNL with GIL on a going concern basis, demerger of the financial services business from amalgamated GIL into the Company post the amalgamation and consequent listing of the equity shares of the Company. The approval for the Scheme had been received from the Competition Commission of India. The Hon'ble National Company Law Tribunal, Bench at Ahmedabad (NCLT) had directed holding of the meeting of the Shareholders of the Company on April 10, 2017 and the Shareholders of the Company have unanimously approved the Scheme. The Company has filed the Petition with the NCLT for approval of the Scheme. Pending approval of the Scheme, no effect has been given in the financial statements of the Company.



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45. During the year the Company acquired 969,616,080 Equity shares of Birla Sun Life Insurance Company Limited (BSLI) constituting 51% of the issued and subscribed share capital of BSLI, from Aditya Birla Nuvo Limited (ABNL), the Company's Holding Company after obtaining requisite approvals from Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDA).
46. During the year ICRA rated Commercial Paper Program of ABFSL as "(ICRA) A1+" and accordingly the Company raised funds through Commercial Paper amounting to ₹ 500 Crore.
47. During the year the Company has introduced Long Term Incentive Plan for selective employees. Long Term Incentive plan includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfillment of criteria prescribed by the Company.
48. **Cash transaction in specified bank notes:**
The company did not hold or transact in Specified Bank Notes (SBN) during the period from November 08, 2016 to December 30, 2016. The SBN shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 08, 2016.

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

49. **Disclosure as required under Annexure I of Master Direction - Core Investment Companies (Reserve Bank), Direction, 2016.**

Schedule to the Balance Sheet of a non-deposit taking Core Investment Company (Refer Annexure 2).

50. **Disclosure of details as required under Clause No. 19 of Master Direction - Core Investment Companies (Reserve Bank) Direction, 2016.**

(a) **Provisions as per CIC Guidelines** – The Company has not provided any amount related standard assets, sub standard assets, doubtful and loss assets.

(b) **Exposure to real estate sector, both direct and indirect** – Nil

(c) **Maturity pattern of assets and liabilities**



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Particulars	Less than 6 months	Over 6 months to 1 year	1 year to 3 year	Over 3 years	Total
Liabilities					
Borrowings	4,92,96,99,303	-	-	-	4,92,96,99,303
Assets					
Advances	-	-	8,24,41,403	-	8,24,41,403
Investments (Net of Provision)	-	-	1,81,84,07,926	48,72,12,67,738	50,53,96,75,664

51. Previous year's figures have been regrouped / rearranged to confirm to the current year's presentation, wherever necessary.

As per our attached report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration no. 301003E/E300005



Per Shrawan Jalan
Partner
Membership No.102102

For and on behalf of Board of Directors
Aditya Birla Financial Services Limited



Subhash Chandra Bhargava
Director
DIN-00020021



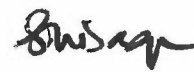
Pinky Mehta
Director
DIN-00020429



Ajay Srinivasan
Chief Executive Officer



Anjali Makhija
Chief Financial Officer



Sailesh Daga
Company Secretary

Mumbai, May 09, 2017

Mumbai, May 09, 2017



Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended	Year Ended
		March 31, 2017	March 31, 2016
	Brief description - Company wise and item wise		
1	Other Transactions		
	Issue of Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	28,77,98,46,500	2,47,00,00,000
	ABNL Investment Limited	7,53,500	3,00,00,000
	Conversion of Preference Shares to equity shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	3,36,50,00,000	1,40,00,00,000
	Issue of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	70,00,00,000	7,20,00,00,000
	Redemption of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	14,71,11,00,000	-
	Investment Equity shares		
	Aditya Birla Finance Limited (incl. Purchase of shares from ABNL Investment Limited)	5,80,04,93,070	7,02,45,00,000
	Aditya Birla Housing Finance Limited	1,78,22,00,000	1,89,20,00,000
	Aditya Birla Customer Services Limited	-	-
	Birla Sun Life Trustee Company Private Limited - Unquoted	-	-
	Aditya Birla Wellness Private Limited (incl. Share application money of ₹ 4,08,00,000)	6,58,10,000	-
	Aditya Birla Health Insurance Co. Limited (incl. Purchase of shares from Aditya Birla Nuvo Limited)	33,22,50,010	18,00,00,000
	Birla Sun Life Insurance Company Limited (Purchased from Aditya Birla Nuvo Ltd)	12,06,92,56,288	-
	ABCAP Trustee Company Pvt Ltd	-	1,00,000
	Investment Preference shares		
	Aditya Birla Customer Services Limited	-	31,25,17,498
	Investment Compulsory Convertible Debentures		
	Aditya Birla Money Mart Limited	-	50,00,00,000
	Recovery of Expenses		
	Aditya Birla Nuvo Limited	17,996	10,62,819
	Deposit Received From Aditya Birla Nuvo Limited	-	4,00,000
	Deposit Paid Aditya Birla Nuvo Limited	-	4,00,000
	Aditya Birla Insurance Brokers Limited (Excl of S tax ₹ 39,13,974 , SBC ₹ 1,39,285 and KKC ₹ 1,35,519)	2,79,56,954	1,17,49,005
	Reimbursement of Salary Expenses	2,31,09,561	82,60,688
	Reimbursement of Employers Cont to PF	3,19,668	5,55,090
	Reimbursement of Employers Cont to Superannuation	2,09,594	-
	Gratuity	3,70,403	-
	Reimbursement of Other Expenses	36,55,840	28,68,909
	Reimbursement of Depreciation	2,91,888	64,318
	Aditya Birla Capital Advisors Private Limited (Excl of S tax ₹ 13,99,163 , SBC ₹ 49,970 and KKC ₹ 46,975)	99,94,019	82,49,301
	Reimbursement of Salary Expenses	66,46,922	58,00,057
	Reimbursement of Employers Cont to PF	2,23,439	3,89,744
	Reimbursement of Employers Cont to Superannuation	1,46,501	-
	Gratuity	2,58,902	-
	Reimbursement of Other Expenses	25,14,233	20,14,341
	Reimbursement of Depreciation	2,04,022	45,159
	Aditya Birla Finance Limited (Excl of S tax ₹ 3,83,82,803 , SBC ₹ 13,68,957 and KKC ₹ 13,33,010)	27,40,61,118	11,24,84,479
	Reimbursement of Salary Expenses	22,70,11,514	7,70,86,137
	Reimbursement of Employers Cont to PF	30,93,005	46,78,106
	Reimbursement of Employers Cont to Superannuation	20,27,967	-
	Gratuity	35,83,909	-
	Interest Income on CCD (Wealth Division)	2,39,913	-
	Reimbursement of Other Expenses	3,52,50,839	3,01,78,188
	Reimbursement of Other Expenses (Wealth Division)	29,756	-
	Reimbursement of Depreciation	28,24,215	5,42,048



Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended	Year Ended
		March 31, 2017	March 31, 2016
	Recovery of Expenses		
	Nomination Fees - Paid	-	5,00,000
	Nomination Fees - Received	-	5,00,000
	Birla Sun Life Insurance Company Limited (Excl of S tax ₹ 3,32,36,882 , SBC ₹ 87,11,031, KKC ₹ 11,25,085)	23,68,53,001	17,46,88,093
	Reimbursement of Salary Expenses	17,52,19,803	11,99,70,393
	Reimbursement of Employers Cont to PF	40,95,470	86,92,718
	Reimbursement of Employers Cont to Superannuation	26,85,245	-
	Gratuity	47,45,480	-
	Reimbursement of Other Expenses	4,63,67,439	4,16,47,486
	Reimbursement of Depreciation	37,39,564	9,34,090
	Other Reimbursement of Expenses	-	34,43,406
	Recovery of Expenses	49,82,793	49,06,791
	Birla Sun Life Asset Management Company Limited (Excl of S tax ₹ 2,32,42,305, SBC ₹ 8,30,082 and KKC ₹ 8,02,856)	16,60,16,464	7,49,93,649
	Reimbursement of Salary Expenses	13,29,27,081	5,27,27,801
	Reimbursement of Employers Cont to PF	21,99,358	35,43,125
	Reimbursement of Employers Cont to Superannuation	14,42,036	-
	Gratuity	25,48,428	-
	Reimbursement of Other Expenses	2,48,91,332	1,83,12,184
	Reimbursement of Depreciation	20,08,229	4,10,539
	Recovery Of Expenses	-	71,92,461
	Aditya Birla Financial Shared Services Limited (Excl of S Tax ₹ 97,860 , SBC ₹ 3515 , KKC ₹ 3515)	38,75,664	-
	Reimbursement of Other Expenses	6,98,986	-
	Reimbursement of Capital Expenses	31,76,678	-
	Recovery of Expenses		
	Reimbursement of Other Expenses	2,39,959	-
	Deposit Refund	1,82,000	-
	Aditya Birla Customer Services Limited (Excl Of S Tax ₹ 8,152 , SBC ₹ 291 , KKC ₹ 291)	58,224	2,25,94,684
	Reimbursement of Salary Expenses	-	1,74,04,513
	Reimbursement of Employers Cont to PF	-	7,81,461
	Reimbursement of Other Expenses	58,224	43,29,044
	Reimbursement of Depreciation	-	79,666
	Recovery of Expenses		
	Nomination Fees - Paid	1,00,000	-
	Nomination Fees - Received	1,00,000	-
	Aditya Birla Money Mart Limited	2,60,087	1,01,76,049
	Reimbursement of Salary Expenses	-	70,02,653
	Reimbursement of Employers Cont to PF	-	4,59,683
	Reimbursement of Other Expenses	-	25,61,695
	Reimbursement of Depreciation	-	46,862
	Other Comprehensive Income	-	1,01,058
	Aditya Birla Money Mart Limited - CCD Interest Income	2,60,087	4,098
	Recovery of Other Expenses	-	14,217
	Nomination Fees - Paid	1,00,000	3,00,000
	Nomination Fees - Received	1,00,000	3,00,000
	Aditya Birla Money Limited (Excl Of S Tax ₹ 5,682 , SBC ₹ 203 , KKC ₹ 203)	40,585	1,00,91,908
	Reimbursement of Salary Expenses	-	70,02,653
	Reimbursement of Contribution to Fund	-	4,59,683
	Reimbursement of Other Expenses	40,585	25,82,710
	Reimbursement of Depreciation	-	46,862
	Nomination Fees - Paid	1,00,000	1,00,000
	Nomination Fees - Received	1,00,000	-
	Aditya Birla Health Insurance Co. Limited	65,71,309	1,27,38,254
	Reimbursement of Salary and other expenses	14,42,394	1,27,38,254
	Amount Paid On account of Employee TRF - Ankur Bansal	23,08,663	-
	Amount Paid On account of Employee TRF - Srinivas Subramanian	28,20,252	-



Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended	Year Ended
		March 31, 2017	March 31, 2016
	Prepaid Expenses		
	Employee Insurance Premium Paid	10,77,206	-
	Aditya Birla Housing Finance Limited (Excl Of S Tax ₹ 2,21,252, SBC ₹ 7,902, KKC ₹ 7,902)	26,33,149	-
	Reimbursement of Salary Expenses	15,80,365	-
	Receivable on account of Employee TRF - Anjali Makhija	10,52,784	-
	Aditya Birla Idea Payments Bank Limited	1,16,28,176	-
	Expenses on account of Employee Transfer	1,16,28,176	-
	- Dividend Received From Subsidiaries		
	Aditya Birla Finance Limited	1,75,000	1,75,000
	Aditya Birla Insurance Brokers Limited	7,96,28,979	6,57,07,128
	Birla Sun Life Asset Management Company Limited	25,50,19,844	-
2	Outstanding Balances		
	- Receivables		
	Aditya Birla Financial Shared Services Limited	28,71,128	15,11,420
	Aditya Birla Capital Advisors Private Limited	20,10,489	13,01,787
	Aditya Birla Insurance Brokers Limited	1,84,50,789	16,40,779
	Aditya Birla Finance Limited	19,12,70,469	1,39,31,052
	Birla Sun Life Insurance Company Limited	7,68,01,601	2,25,34,266
	Birla Sun Life Asset Management Company Limited	9,83,62,984	2,06,37,022
	Aditya Birla Customer Services Limited	74,83,315	1,61,82,143
	Aditya Birla Money Mart Limited	-	27,19,388
	Aditya Birla Money Limited	-	1,92,362
	Aditya Birla Housing Finance Ltd	2,96,921	-
	Aditya Birla Health Insurance Co. Limited	-	5,62,974
	ABC SL Employee Welfare Trust	10,10,50,000	10,10,50,000
	Aditya Birla Nuvo Limited	10,000	-
	- Payables		
	Aditya Birla Financial Shared Services Limited (Salary reimbursement)	-	-
	Aditya Birla Nuvo Limited	-	17,220
	Aditya Birla Insurance Brokers Limited	-	-
	Aditya Birla Health Insurance Co. Limited	1,18,915	-
	- Others		
	Equity Shares held by Aditya Birla Nuvo Limited (Holding Company) [including share premium of Rs 34,89,33,00,000 (March 31, 2016 Rs. 7,083,000,000)]	47,21,57,00,000	15,04,01,00,000
	Equity Shares held by ABNL Investment Limited [including share premium of Rs. 2,70,00,000]	-	3,00,00,000
	Preference Shares held by Aditya Birla Nuvo Limited (Holding Company)	-	17,37,61,00,000
	Equity shares capital held by the Company		
	Aditya Birla Money Limited - Quoted	2,48,30,28,000	2,48,30,28,000
	Aditya Birla Capital Advisors Private Limited - Unquoted	3,50,00,250	3,50,00,250
	Aditya Birla Financial Shared Services Limited - Unquoted	5,00,000	5,00,000
	Aditya Birla Customer Services Private Limited - Unquoted	71,10,98,369	71,10,98,369
	Aditya Birla Trustee Company Private Limited - Unquoted	5,00,250	5,00,250
	Aditya Birla Insurance Brokers Limited - Unquoted	30,00,120	30,00,120
	Aditya Birla Finance Limited - Unquoted	27,95,06,14,630	20,00,05,74,550
	Birla Sun Life Asset Management Company Limited - Unquoted	33,70,99,052	33,70,99,052
	Birla Sun Life Trustee Company Private Limited - Unquoted	1,53,540	1,53,540
	Aditya Birla Housing Finance Limited - Unquoted	4,17,66,47,500	2,39,44,47,500
	Aditya Birla Money Mart Limited - Unquoted	3,61,129	24,07,53,095
	Aditya Birla Health Insurance Co. Limited - Unquoted	51,22,50,010	18,00,00,000
	ABCAP Trustee Company Private Limited - Unquoted	1,00,000	1,00,000
	Aditya Birla Wellness Private Limited - Unquoted (incl. Share application money of ₹ 4,08,00,000)	6,58,10,000	-
	Birla Sun Life Insurance Company Limited	12,06,92,56,288	-



Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended	Year Ended
		March 31, 2017	March 31, 2016
	Preference shares capital held by the Company		
	Aditya Birla Finance Limited		
	0.01% Compulsory Convertible Preference Shares	-	1,77,79,82,171
	Aditya Birla Money Mart Limited		
	0.01% Redeemable Non Convertible Non Cumulative Preference Shares	10,00,000	1,00,00,00,000
	Aditya Birla Money Limited		
	8% Redeemable Non Convertible Cumulative Preference Shares	30,00,00,000	30,00,00,000
	Aditya Birla Customer Services Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	59,99,99,998	59,99,99,998
	Investment in Aditya Birla Private Equity - Sunrise Fund	16,24,27,020	26,92,51,484
	Investment in Aditya Birla Private Equity - Fund I	75,56,80,908	1,32,27,20,472
	Debentures held by the Company		
	0.1% Cumulative Convertible Debentures (CCD) - Aditya Birla Money Mart Limited	26,00,86,600	50,00,00,000
	0.1% Cumulative Convertible Debentures (CCD) - Aditya Birla Finance Limited	23,99,13,400	-
3	Key Managerial Personnel		
	Ankur Bansal (Till April 30, 2016)	3,54,244	-
	Anjali Makhija (w.e.f. May 01, 2016)	42,37,026	-
	Ajay Srinivasan (Amounts shown here are before allocation to subsidiary companies)	24,34,97,656	12,78,96,949

* Figures of previous periods have been regrouped / rearranged whenever necessary.



Annexure : 2

(Amount in ₹)

Sr No	Particulars	Amount Outstanding	Amount Overdue
1	Liabilities Side:		
	Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	4,93,50,38,856	-
	(f) Other Loans (specify nature)	-	-

	Assets Side :	Amount Outstanding	
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	-	-
	(b) Unsecured	60,57,34,061	-

3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities :	Amount	
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

4	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-



Annexure : 2

(Amount in ₹)

Sr No	Particulars	Amount Outstanding	Amount Overdue
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	29,98,51,662	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Long Term Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	2,35,88,76,600	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	45,86,23,91,138	-
	(b) Preference	90,02,99,998	-
	(ii) Debentures and Bonds	50,00,00,000	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Private Equity Fund	91,81,07,928	-

5	Borrower group-wise classification of assets financed as in (2) and (3) above :	Secured	Unsecured
	<u>Category</u>		
	1. Related Parties		
	(a) Subsidiaries	-	39,74,38,781
	(b) Companies in the same Group	-	-
	(c) Other related parties	-	10,10,50,000
	(d) Other than related parties	-	10,72,45,280
	Total	-	60,57,34,061

6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	<u>Category</u>		
	1. Related Parties		
	(a) Subsidiaries	-	49,62,15,67,736
	(b) Companies in the same Group	-	-
	(c) Other related parties	-	-
	(d) Other than related parties	-	91,81,07,928
	Total	-	50,53,96,75,664



Standalone Financial Statements for Fiscal Year 2016

S.R. BATLIBOI & CO. LLP

Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Financial Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E / E300005

per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 11, 2016



Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Aditya Birla Financial Services Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, service tax which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.



S.R. BATLIBOI & Co. LLP

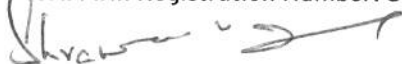
Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares or fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act , 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 11, 2016



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADITYA BIRLA FINANCIAL SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Aditya Birla Financial Services Limited

We have audited the internal financial controls over financial reporting of Aditya Birla Financial Services Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

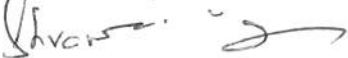
Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Aditya Birla Financial Services Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 11, 2016 expressed an unqualified opinion thereon.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 11, 2016



Aditya Birla Financial Services Limited

Balance Sheet as at March 31, 2016

(Amount in Rupees)

	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3	25,33,62,00,000	19,14,62,00,000
Reserves and Surplus	4	5,96,09,39,047	2,45,57,75,399
		31,29,71,39,047	21,60,19,75,399
(B) Current Liabilities			
Trade Payables	5	13,11,66,522	26,76,38,264
Other Current Liabilities	6	26,88,187	1,92,14,118
Short-term Provisions	7	3,22,00,864	2,66,84,572
		16,60,55,573	31,35,36,954
		31,46,31,94,620	21,91,55,12,353
ASSETS			
(C) Non-Current Assets			
Fixed Assets			
Tangible Assets	8	80,27,585	50,41,219
Intangible Assets	9	34,17,792	-
		1,14,45,377	50,41,219
Non-Current Investments	10	31,16,35,30,305	21,53,18,48,992
Long-term Loans and Advances	11	5,27,04,592	4,59,96,746
		31,22,76,80,274	21,58,28,86,957
(D) Current Assets			
Current Investments	12	-	5,57,71,797
Cash and Bank Balances	13	3,12,91,265	5,30,92,041
Short-term Loans and Advances	14	2,19,34,330	1,36,79,641
Other Current Assets	15	18,22,88,751	21,00,81,917
		23,55,14,346	33,26,25,396
		31,46,31,94,620	21,91,55,12,353

Significant Accounting Policies.

2

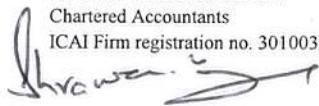
The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

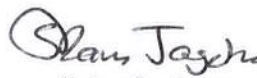
ICAI Firm registration no. 301003E/E300005



Per Shrawan Jalan
Partner
Membership No.102102

For and on behalf of Board of Directors

Aditya Birla Financial Services Limited



Shriram Jagetiya
Director
DIN-1638250



Pinky Mehta
Director
DIN : 00020429




Ajay Srinivasan
Chief Executive Officer

Anjali Makhija
Chief Financial Officer



Sailesh Daga
Company Secretary

Mumbai, May 11, 2016

Mumbai, May 11, 2016



Aditya Birla Financial Services Limited
Statement of Profit and Loss for the year ended March 31, 2016
(Amount in Rupees)

	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Operations	16	7,27,61,935	4,39,78,497
Other Income	17	7,20,051	10,95,045
Total Revenue		7,34,81,986	4,50,73,542
Expenses			
Employee Benefits Expenses	18	3,56,60,294	8,03,58,258
Other Expenses	19	2,52,73,908	1,38,55,536
Total Expenses		6,09,34,202	9,42,13,794
Profit/(Loss) before Depreciation/Amortisation, Interest and Tax (PBDIT)		1,25,47,784	(4,91,40,252)
Depreciation and Amortisation Expenses	20	2,89,083	21,69,171
Profit/(Loss) Before Exceptional Item and Tax		1,22,58,701	(5,13,09,422)
Exceptional Items	38	-	43,42,63,583
Profit/(Loss) Before Tax		1,22,58,701	(48,55,73,005)
Tax Expenses			
Current tax		1,81,38,367	-
Provision for tax of earlier year		61,60,485	-
Write back of excess provision for tax		(72,03,799)	-
Profit/(Loss) for the Year		(48,36,352)	(48,55,73,005)
Basic Earnings Per Share (Rs.)		(0.01)	(0.67)
Diluted Earnings Per Share (Rs.) (Face Value of Rs. 10/- each)	21	(0.01)	(0.67)

Significant Accounting Policies.

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration no. 301003E/E300005

For and on behalf of Board of Directors
Aditya Birla Financial Services Limited

Per **Shrawan Jalan**
Partner
Membership No.102102



Shriram Jagetiya
Director
DIN-1638250



Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Director
DIN : 00020429

Anjali Makhija
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, May 11, 2016

Mumbai, May 11, 2016

Aditya Birla Financial Services Limited
Cash Flow Statement for the year ended March 31, 2016
(Amount in Rupees)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
A Cash Flow From Operating Activities		
Profit/ (Loss) before tax	1,22,58,701	(48,55,73,005)
Adjustments for :		
Exceptional Item (Refer Note 38)	-	43,42,63,583
Depreciation and Amortisation Expenses	2,89,083	21,69,171
(Gain)/Loss on Sale of Investments	(68,75,709)	(48,63,115)
(Gain)/Loss on Fixed Assets Sold	-	(8,92,958)
Interest income - others	(7,20,051)	(90,020)
Interest income from Subsidiaries	(4,098)	-
Dividend Income	(6,58,82,128)	(5,01,26,998)
	<u>(7,31,92,903)</u>	<u>38,04,59,663</u>
Operating Profit / (Loss) Before Working Capital Changes	(6,09,34,202)	(10,51,13,342)
Adjustments for :		
Decrease/(Increase) in Loans and Advances	1,04,84,517	(4,95,01,500)
Decrease/(Increase) in Other Assets	2,77,93,165	(20,28,94,595)
Increase/(Decrease) in Trade Payables	(13,64,71,742)	26,15,63,583
Increase/(Decrease) in Other Liabilities	(1,65,25,931)	1,89,99,923
Increase/(Decrease) in Provisions	(1,52,64,219)	2,31,66,230
	<u>(12,99,84,209)</u>	<u>5,13,33,641</u>
Cash Generated From Operations	(19,09,18,411)	(5,37,79,701)
Income Taxes Refund/ (Paid)	(2,17,61,594)	-
Net Cash (Used In)/From Operating Activities	(21,26,80,005)	(5,37,79,701)
B Cash Flow From Investing Activities		
Sale/(Purchase) of Current Investments (Net)	6,26,47,506	(3,65,18,554)
Purchase of fixed assets	(66,93,242)	(1,05,11,500)
Acquisition of Additional Shares/Investment in Subsidiary	(9,90,91,17,498)	(6,74,85,85,859)
Investment in Private Equity fund	-	(7,46,55,505)
Proceeds received from Private Equity fund on redemption of units	27,74,36,185	11,57,12,334
Interest Received – Others	7,20,051	90,020
Interest Received from Subsidiaries	4,098	-
Dividend Income received from Subsidiary Companies	6,58,82,129	5,01,26,997
	<u>(9,50,91,20,771)</u>	<u>(6,70,43,42,067)</u>
Net Cash Flow From Investing Activities	(9,50,91,20,771)	(6,70,43,42,067)
C Cash Flow From Financing Activities		
Proceeds from Issue of Shares (including Securities Premium)	9,70,00,00,000	6,81,11,00,000
Net Cash Flow From Financing Activities	9,70,00,00,000	6,81,11,00,000
D Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)	(2,18,00,776)	5,29,78,232
Cash And Cash Equivalents at the beginning of the year	5,30,92,041	1,13,809
Cash And Cash Equivalents at the end of the year	<u>3,12,91,265</u>	<u>5,30,92,041</u>
Note:		
Cash and cash equivalents includes		
Cash in hand	-	10,000
Cash at bank	3,12,91,265	5,30,82,041
	<u>3,12,91,265</u>	<u>5,30,92,041</u>

Significant Accounting Policies.

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration no. 301003E/E300005

For and on behalf of Board of Directors
Aditya Birla Financial Services Limited

Per Shrawan Jalan
Partner
Membership No.102100



Shriram Jagetiya
Director
DIN-1638250

Pinky Mehta
Director
DIN : 00020429

Ajay Srinivasan
Chief Executive Officer

Anjali Makhija
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, May 11, 2016

Mumbai, May 11, 2016

Aditya Birla Financial Services Limited

Notes forming part of accounts

1. Corporate Information

Aditya Birla Financial Services Limited (the 'Company') was incorporated on October 15, 2007 and had received Certificate of Registration from the Reserve Bank of India ('RBI') on May 19, 2009 to commence/carry on the business of non-banking financial institution without accepting public deposits.

Based on the letter received from the Reserve Bank of India (the 'RBI') on April 11, 2012, the Company has been classified as a Core Investment Company ('CIC'). The Company had applied to RBI and has obtained registration as a Core Investment Company under section 45IA of Reserve Bank of India Act, 1934 on October 16, 2015 vide certificate no B.01.00555. The Company has been set up as a holding company for the Financial Services business of Aditya Birla Nuvo Limited.

2. Summary of Significant accounting policies

(a) **Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

(b) **Use of estimate**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.



Aditya Birla Financial Services Limited
Notes forming part of accounts

Depreciation on tangible fixed assets is provided on straight line basis using the rates arrived at based on the useful estimated lives by the management. The Company has used the following useful life to provide depreciation on its fixed assets.

Asset Category	Useful life prescribed by Schedule II of The Companies Act, 2013	Estimated useful life
Furniture and fixtures	10 years	5 years
Office equipment's (computers)	3 years	4 years
Vehicles	6 years	4 years

Useful life of assets different from those prescribed in Schedule II has been estimated by the Management and supported by technical assessment.

Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the Fixed assets added/disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

(d) Intangible assets and amortization

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are amortized on a straight line basis over their estimated useful lives which estimated as 3 years.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

(e) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

(f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.



Aditya Birla Financial Services Limited

Notes forming part of accounts

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments. Current Investments are stated at lower of cost and net realizable value.

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income on investments is accounted for when the right to receive the payment is established.

Profit or loss on sale of current investments is determined on the basis of the weighted average cost method.

(h) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.



Aditya Birla Financial Services Limited
Notes forming part of accounts

2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(i) Taxation

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognised deferred tax assets.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(j) Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance and Superannuation Schemes is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the



Aditya Birla Financial Services Limited

Notes forming part of accounts

scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

The Company operates two defined benefit plans for its employees, viz., and gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the balance sheet date.

(k) Contingent liabilities and provisions

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(l) Leases

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.



Aditya Birla Financial Services Limited

Notes forming part of accounts

(m) Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(n) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



Aditya Birla Financial Services Limited
Notes to financial statements for the year ended March 31, 2016
(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
NOTE: 3		
SHARE CAPITAL		
Authorised:		
1,00,00,00,000 (previous year 80,00,00,000) Equity shares of Rs. 10/- each	10,00,00,00,000	8,00,00,00,000
3,00,00,00,000 (previous year 2,20,00,00,000) Preference Shares of Rs. 10/- each	30,00,00,00,000	22,00,00,00,000
	40,00,00,00,000	30,00,00,00,000
Issued, Subscribed & Paid-up		
EQUITY SHARE CAPITAL		
79,60,10,000 (previous year 75,70,10,000) Equity shares of Rs. 10/- each fully paid-up	7,96,01,00,000	7,57,01,00,000
	7,96,01,00,000	7,57,01,00,000
Issued, Subscribed & Paid-up		
PREFERENCE SHARE CAPITAL		
33,65,00,000 (previous year 47,65,00,000) 0.01% Non cumulative compulsorily convertible preference shares of Rs. 10/- each fully paid up	3,36,50,00,000	4,76,50,00,000
1,27,11,10,000 (previous year 68,11,10,000) 6% Non convertible non cumulative redeemable preference shares of Rs. 10/- each fully paid up	12,71,11,00,000	6,81,11,00,000
20,00,00,000 (previous year Nil) 6% Non convertible non cumulative redeemable preference shares of Rs. 10/- each partly paid up Rs. 6.50 each	1,30,00,00,000	-
	17,37,61,00,000	11,57,61,00,000
	25,33,62,00,000	19,14,62,00,000

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Sr. No.	Description	As at March 31, 2016		As at March 31, 2015	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No. of Shares Outstanding at the beginning of the year	75,70,10,000	1,15,76,10,000	71,70,10,000	87,65,00,000
2	Allotment of fully paid up shares during the year	2,50,00,000	59,00,00,000	-	68,11,10,000
3	Allotment of partly paid up shares during the year	-	20,00,00,000		
4	Conversion of Preference Shares into Equity Shares during the year	1,40,00,000	(14,00,00,000)	4,00,00,000	(40,00,00,000)
5	No. of Shares Outstanding at the end of the year	79,60,10,000	1,80,76,10,000	75,70,10,000	1,15,76,10,000

(b) Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(c) Term of Conversion/Redemption of Preference Shares

A) 0.01% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") shall:

- On expiry of 5 (five) years from the date of allotment every 10 (ten) fully paid-up preference share shall be compulsorily converted into 1 (one) equity share of Rs. 10/- each, fully paid-up at a premium of Rs. 90/- per share.
- The equity shares to be issued as above shall rank pari passu in all respects including with respect to dividend with the then existing fully paid up equity shares of the Company, subject to the provisions of the Memorandum and Articles of Association of the Company.
- The dividend rate on these preference shares shall be 0.01% p.a.



Aditya Birla Financial Services Limited
Notes to financial statements for the year ended March 31, 2016
(Amount in Rupees)

B) 6% Non-Convertible Non- Cumulative Redeemable Preference Shares (" NCNCRPS ") shall:

- carry a preferential right vis-a-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.
- be Non-participating in surplus funds.
- be Paid dividend on a non-cumulative basis.
- carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.
- be Redeemable after a period of 5 years from date of issue/allotment.

(d) Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of shares held are as under:

i) Equity Shares

S. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited (with nominees)	79,57,10,000	99.96%	75,70,10,000	100.00%

ii) Preference Shares

S. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		No of Shares held	% of total paid-up preference share capital	No of Shares held	% of total paid-up preference share capital
1	Aditya Birla Nuvo Limited	1,80,76,10,000	100.00%	1,15,76,10,000	100.00%



Aditya Birla Financial Services Limited

Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
NOTE: 4		
RESERVES & SURPLUS		
A) Securities Premium Account		
Opening Balance as per last audited Financial Statement	3,60,00,00,000	-
Addition:		
Allotment of Equity Shares	2,25,00,00,000	-
Conversion of Preferences Shares	1,26,00,00,000	3,60,00,00,000
(A)	7,11,00,00,000	3,60,00,00,000
B) (Deficit) in the statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	(1,14,42,24,601)	(65,86,51,596)
Addition:		
(Loss) for the Year	(48,36,352)	(48,55,73,005)
(B)	(1,14,90,60,953)	(1,14,42,24,601)
Total (A) + (B)	5,96,09,39,047	2,45,57,75,399

NOTE: 5

TRADE PAYABLES

Trade Payables*	13,11,66,522	26,76,38,264
	13,11,66,522	26,76,38,264

* There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016, and no interest payment made during the year to any Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 6

OTHER CURRENT LIABILITIES

Statutory Dues	26,21,515	1,92,14,118
Employee Deposit	66,672	-
	26,88,187	1,92,14,118

NOTE: 7

SHORT-TERM PROVISIONS

Provisions for Employee Benefits	3,22,00,864	2,66,84,572
	3,22,00,864	2,66,84,572



Aditya Birla Financial Services Limited

Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

NOTE: 8

TANGIBLE ASSETS

	Funitures & Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block				
As at April 1, 2014	-	66,00,981	-	66,00,981
Additions	58,500	22,33,176	1,29,28,444	1,52,20,120
Deletions	-	-	77,50,551	77,50,551
As at March 31, 2015	58,500	88,34,157	51,77,893	1,40,70,550
Additions	37,000	5,97,153	47,19,886	53,54,039
Deletions	-	-	-	-
As at March 31, 2016	95,500	94,31,310	98,97,779	1,94,24,589
Accumulated Depreciation				
As at April 1, 2014	-	62,43,974	-	62,43,974
For the year	4,077	7,24,628	33,12,154	40,40,859
Deletions	-	-	12,55,502	12,55,502
As at March 31, 2015	4,077	69,68,602	20,56,652	90,29,331
For the year	16,768	6,80,203	16,70,702	23,67,673
Deletions	-	-	-	-
As at March 31, 2016	20,845	76,48,805	37,27,354	1,13,97,004
Net Block as at March 31, 2015	54,423	18,65,555	31,21,241	50,41,219
Net Block as at March 31, 2016	74,655	17,82,505	61,70,425	80,27,585

NOTE: 9

INTANGIBLE ASSETS

	Computer Software	TOTAL
Gross Block		
As at March 31, 2015	-	-
Additions	35,08,750	35,08,750
Deletions	-	-
As at March 31, 2016	35,08,750	35,08,750
Accumulated Amortisation		
As at March 31, 2015	-	-
For the year	90,958	90,958
Deletions	-	-
As at March 31, 2016	90,958	90,958
Net Block as at March 31, 2015	-	-
Net Block as at March 31, 2016	34,17,792	34,17,792

Note: There was no intangible asset for the year 2014-15.

Allocation of depreciation and amortisation to Subsidiaries

	Year Ended March 31, 2016	Year Ended March 31, 2015
Depreciation	23,67,673	27,85,357
Amortisation	90,958	-
Total	24,58,631	27,85,357
Less:		
Allocated to Subsidiaries	(21,69,548)	(6,16,186)
Charged to Statement of Profit and Loss	2,89,083	21,69,171



Aditya Birla Financial Services Limited
Notes to financial statements for the year ended March 31, 2016
(Amount in Rupees)

			As at March 31, 2016		As at March 31, 2015	
NOTE: 10						
INVESTMENTS : NON-CURRENT						
Trade Investments Valued at cost, except otherwise stated	Face Value	Number				
Investment in Equity Instruments						
Quoted						
Subsidiaries						
Aditya Birla Money Limited (Refer note 30)	1	4,15,50,000	2,48,30,28,000	4,15,50,000	2,48,30,28,000	
Less : Diminution in investment of Aditya Birla Money Limited			12,41,51,400		12,41,51,400	
			2,35,88,76,600		2,35,88,76,600	
Unquoted						
Subsidiaries						
Aditya Birla Capital Advisors Private Limited	10	35,00,000	3,50,00,250	35,00,000	3,50,00,250	
Aditya Birla Financial Shared Services Limited	10	50,000	5,00,000	50,000	5,00,000	
Aditya Birla Customer Services Limited (Refer note 32)	10	1,68,66,271	71,10,98,369	1,68,66,271	71,10,98,369	
Aditya Birla Trustee Company Private Limited	10	50,000	5,00,250	50,000	5,00,250	
Aditya Birla Insurance Brokers Limited	10	13,50,054	30,00,120	13,50,054	30,00,120	
Aditya Birla Finance Limited	10	50,61,09,697	20,00,05,74,550	45,03,59,697	12,97,60,74,550	
Aditya Birla Money Mart Limited (Refer note 31 & 38)	10	2,00,00,000	24,07,53,095	2,00,00,000	24,07,53,095	
Less : Diminution in investment of Aditya Birla Money Mart Limited			16,85,27,167	7,22,25,929	16,85,27,167	7,22,25,929
Aditya Birla Housing Finance Limited	10	23,92,50,000	2,39,44,47,500	5,00,50,000	50,24,47,500	
Birla Sun Life Asset Management Company Limited	10	91,79,980	33,70,99,052	91,79,980	33,70,99,052	
Birla Sun Life Trustee Company Private Limited	10	10,170	1,53,540	10,170	1,53,540	
Aditya Birla Health Insurance Co. Limited	10	1,80,00,000	18,00,00,000	-	-	
ABCAP Trustee Company Private Limited	10	10,000	1,00,000	-	-	
Total Equity Shares Investment		(A)	26,09,35,76,160	(A)	16,99,69,76,160	
Preference Shares						
Unquoted						
Subsidiaries						
0.01% Compulsory convertible cumulative preference shares of Aditya Birla Finance Limited	10	17,50,00,000	1,77,79,82,191	17,50,00,000	1,77,79,82,191	
0.001% Compulsory convertible cumulative preference shares of Aditya Birla Customer Services Limited	10	46,95,938	59,99,99,998	22,50,000	28,74,82,500	
0.01% Redeemable non convertible non cumulative preference shares of Aditya Birla Money Limited	100	10,00,000	30,00,00,000	10,00,000	30,00,00,000	
0.01% Redeemable non convertible cumulative preference shares Aditya Birla Money Mart Limited (Refer note 31 & 38)	10	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000	
Less : Diminution in investment of Aditya Birla Money Mart Limited			70,00,00,000	30,00,00,000	70,00,00,000	30,00,00,000
Total Preference Shares Investment		(B)	2,97,79,82,189	(B)	2,66,54,64,691	
Private Equity Fund						
Investment in Aditya Birla Private Equity - Fund I	95.76	1,38,13,580	1,32,27,20,472	1,65,86,692	1,58,82,59,802	
Investment in Aditya Birla Private Equity - Sunrise Fund	100	26,92,515	26,92,51,484	28,11,483	28,11,48,339	
Total Private Equity Fund Investment		(C)	1,59,19,71,956	(C)	1,86,94,08,141	
Debentures						
Aditya Birla Money Mart Limited						
0.1% Compulsory Convertible Debentures (CCD)	100	50,00,000	50,00,00,000			
Total Debentures Investment		(D)	50,00,00,000	(D)	-	
Grand Total		(A)+(B)+(C)+(D)	31,16,35,30,305	(A)+(B)+(C)+(D)	21,53,18,48,992	

Note:

1. Aggregate amount of quoted investment Rs. 2,358,876,600 (March 31, 2015 Rs. 2,358,876,600) Market value of Rs 833,077,500 (March 31, 2015 Rs. 993,045,000)
2. Aggregate amount of unquoted investment Rs. 28,804,653,705 (March 31, 2015 Rs. 19,172,972,392)
3. Aggregate amount of diminution in value of investment Rs. 992,678,567 (March 31, 2015 Rs. 992,678,567)
4. Aggregate amount of private equity fund:-
 - A) Sunrise Fund Rs. 306,623,494 at NAV of Rs. 113.88 (March 31, 2015 Rs. 318,456,679 at NAV of Rs. 113.27)
 - B) Fund I Rs. 1,213,799,275 at NAV of Rs. 87.87 (March 31, 2015 Rs. 1,287,459,033 at NAV of Rs. 77.62)



Aditya Birla Financial Services Limited

Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

NOTE: 11

LONG-TERM LOANS AND ADVANCES

(Unsecured Considered Good, except otherwise stated)

	As at March 31, 2016	As at March 31, 2015
Security Deposits	6,00,000	1,59,46,375
Loans & Advances to Related Parties	1,82,000	1,82,000
Advance Tax [Net of Provision Rs. 24,298,852 (March 31, 2015 Rs. 3,518,341)]	4,99,78,920	2,45,31,868
Loans and Advances to employees	19,43,672	53,36,503
	5,27,04,592	4,59,96,746

NOTE: 12

CURRENT INVESTMENTS

Unquoted

Investment in Mutual Fund

Birla Sunlife Cash Plus - Growth [Units - Nil (March 31, 2015 Units - 249,560.37)] of Rs. 100/- each fully paid up

	-	5,57,71,797
	-	5,57,71,797

NOTE: 13

CASH AND BANK BALANCES

Cash & Cash Equivalents

Balances with Banks in Current Accounts	3,12,91,265	5,30,82,041
Cash on Hand	-	10,000
Total	3,12,91,265	5,30,92,041

NOTE: 14

SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, except otherwise stated)

Security Deposits	1,59,46,375	-
Service Tax Receivable	30,69,186	90,53,797
Prepaid Expenses	11,96,673	24,00,057
Loans & Advances to employees	17,22,096	22,25,787
Total	2,19,34,330	1,36,79,641

NOTE: 15

OTHER CURRENT ASSETS

Advances/Receivables from Related parties	18,22,88,751	6,00,81,917
Other Receivable	-	15,00,00,000
Total	18,22,88,751	21,00,81,917



Aditya Birla Financial Services Limited

Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

	<u>Year Ended March 31, 2016</u>	<u>Year Ended March 31, 2015</u>
NOTE: 16		
REVENUE FROM OPERATIONS		
Profit/(Loss) sale of mutual funds	68,75,709	48,63,115
Interest Income from Subsidiaries	4,098	(71,87,322)
Dividend from Subsidiaries	6,58,82,128	5,01,26,998
Long Term Gain/ (Loss) on Shares	-	(38,24,294)
	<u>7,27,61,935</u>	<u>4,39,78,497</u>
NOTE: 17		
OTHER INCOME		
Interest Income - Others	7,20,051	90,020
Profit on Sale of Fixed Assets (Net)	-	8,92,958
Excess Provision Written Back	-	1,12,067
	<u>7,20,051</u>	<u>10,95,045</u>
NOTE: 18		
EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	3,35,65,508	5,93,39,949
Contribution to Provident & other Funds (Refer note 24 (B))	16,59,223	2,02,84,957
Staff Welfare Expenses	4,35,563	7,33,352
	<u>3,56,60,294</u>	<u>8,03,58,258</u>
NOTE: 19		
OTHER EXPENSES		
Rent	29,33,333	41,23,346
Repairs & Maintenance :		
Buildings	3,50,102	9,05,691
Others	2,16,932	3,39,610
Insurance	2,62,005	2,07,956
Rates & Taxes	1,35,22,249	14,10,224
Advertisement	7,72,593	6,53,692
Legal & Professional Fees	26,19,658	22,58,694
Printing and Stationery	2,02,911	1,73,440
Travelling & Conveyance	16,44,668	12,40,156
Communication Expenses	1,19,280	5,72,093
Bank Charges	5,893	3,816
Auditors' Remuneration (Refer note 25)	8,31,642	6,00,000
Electricity Charges	4,62,581	8,48,535
Miscellaneous Expenses	13,30,061	5,18,283
	<u>2,52,73,908</u>	<u>1,38,55,536</u>
NOTE: 20		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	1,98,125	21,69,171
Amortisation of Intangible Assets	90,958	-
	<u>2,89,083</u>	<u>21,69,171</u>



Aditya Birla Financial Services Limited

Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

	<u>Year Ended</u> <u>March 31, 2016</u>	<u>Year Ended</u> <u>March 31, 2015</u>
Note: 21		
Earnings per Share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS Computation		
Basic		
Earnings per Share (EPS) is calculated as under:		
Net Profit / (Loss) as per the Statement of Profit and Loss	(48,36,352)	(48,55,73,005)
Weighted average number of Equity Shares for calculation of Basic EPS	75,81,82,603	72,18,31,918
Basic EPS (Rs.)	(0.01)	(0.67)
(Face Value of Rs. 10/- each)		
Diluted EPS		
Net Profit (Loss) as per the Statement of Profit and Loss	(48,36,352)	(48,55,73,005)
Weighted average number of Equity Shares for calculation of Basic EPS	87,50,17,575	81,80,24,816
Diluted EPS (Rs.)	(0.01)	(0.59)
(Face Value of Rs. 10/- each)		
Diluted earning per share (Since (a) / (b) is anti dilutive, effect of the same has not been considered while calculating diluted earning per share. Thus basic earning per share are considered to be diluted earning per share.)	(0.01)	(0.67)



Aditya Birla Financial Services Limited
Notes forming part of accounts

22. Operating Leases

(Amount in Rupees)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Lease payments recognized in the profit and loss	26,978,400	24,532,200

Future minimum rentals payable under non-cancellable operating leases are as follows:

(Amount in Rupees)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Within one year	24,730,200	26,762,400
After one year but not more than five years	NIL	24,532,200
Lease payments recognized in the profit and loss	NIL	NIL

23. Deferred Tax Liabilities/ Assets

The Company has not recognized net deferred tax asset in respect of timing differences related to depreciation on fixed assets, carried forward losses and Leave encashment at the end of the year as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

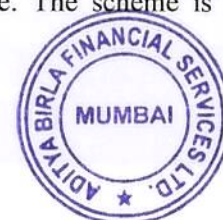
(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<u>Deferred Tax Liability</u>		
Depreciation / Amortisation	475,581	152,757
Gross Deferred Tax Liability	475,581	152,757
<u>Deferred Tax Assets</u>		
Unabsorbed depreciation and carry forward	-	659,300
Expenses allowed on payment basis		
Leave Encashment	7,586,754	7,021,237
Gross Deferred Tax Assets	7,586,754	7,680,537
Deferred Tax Assets (Net)	7,111,173	7,527,780
Deferred Tax Assets recognized (restricted upto reversal of deferred tax liabilities)	Nil	Nil

24. Employee Benefit Plans and Employee Contribution Plans

(A) Defined benefit plans :

The Company operates defined plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.



Aditya Birla Financial Services Limited
Notes forming part of accounts

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for respective plans.

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Amount recognized in the Balance Sheet in respect of gratuity		
Present value of the funded defined benefit obligation at the end of the year	48,807,802	36,909,878
Fair value of plan assets	(39,553,296)	(34,317,986)
Net liability	9,254,506	2,591,892
Amount recognized in salary, wages and employee benefits in the statement of profit and loss in respect of gratuity		
Current service cost	9,120,739	3,920,142
Interest on defined benefit obligations	3,139,048	2,002,873
Expected return on plan assets	(3,023,822)	-
Net actuarial losses/(gain) recognized during the year	(5,531,123)	8,312,400
Past services cost	-	-
Net gratuity cost	3,704,842	14,235,415
Actual return on plan asset		
Expected return on plan assets	3,023,822	-
Actuarial gain on plan assets	(380,404)	468,547
Actual Return on plan assets	2,643,418	468,547
Reconciliation of present value of the obligation and the fair value of the plan assets		
Change in defined benefit obligation		
Opening defined benefit obligation	36,909,878	-
Current service cost	9,120,739	3,920,142
Interest cost	3,139,048	2,002,873
Actuarial losses/(gain)	(5,911,527)	8,780,947
Past service cost	-	-
Liabilities assumed on acquisition / (settled on divestiture)	-	24,007,204
Benefits paid	5,549,664	(1,801,288)
Closing defined benefit obligation	48,807,802	36,909,878



Aditya Birla Financial Services Limited
Notes forming part of accounts

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Change in fair value of plan assets		
Opening fair value of the plan assets	34,317,986	-
Expected return on plan assets	3,023,822	-
Actuarial losses/(gain) on plan assets	(380,404)	468,547
Contributions by the employer	(2,957,772)	11,643,523
Assets Acquired on Acquisition / (Distributed on Divestiture)	-	24,007,204
Benefits paid	5,549,664	(1,801,288)
Closing fair value of the plan assets	39,553,296	34,317,986
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Government Of India Securities	8,297,856	9,066,795
Corporate Bonds	158,946	349,943
Special Deposit Schemes	834,785	798,288
Insurer Managed Funds	21,904,581	17,512,316
Others	8,357,579	6,590,644
Total	39,553,296	34,317,986
Principal actuarial assumptions as at the balance sheet date		
Discount rate	7.70%	7.95%
Estimated rate of return on plan assets	7.70%	8.50%
Future salary escalation	7.00%	7.00%

Experience Adjustments:

(Amount in Rupees)

Particulars	2016	2015	2014	2013	2012
Experience adjustment on plan liabilities	(3,331,506)	8,780,947	-	-	-
Experience adjustment on plan asset	(147,098)	468,547	-	-	-

(B) Defined contributions plans:

(Amount in Rupees)

	Year ended March 31, 2016	Year ended March 31, 2015
Contribution to employee provident fund & pension	10,104,329	6,581,999
Contribution to superannuation fund	7,409,840	6,419,147
Total	17,514,169	13,001,146



Aditya Birla Financial Services Limited
Notes forming part of accounts

25. During the year, the Company has paid following amount to statutory auditors:

Particulars	(Amount in Rupees)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Audit Fees (excluding service tax)	250,000	157,295
Limited Review (excluding service tax)	300,000	266,710
Tax Audit (excluding service tax)	50,000	54,370
Other services	200,000	50,000
Reimbursement of expenses	31,642	71,625
Total*	831,642	600,000

*An amount of Rs. 1,980,443 towards fees including out of pocket expenses (Rs. 180,443) in connection with other services has been allocated to various subsidiaries as a part of cost allocation.

26. **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

Based on the information available with the Company, no amounts have fallen due for payment to suppliers who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2016.

27. **Contingent liabilities and commitments**

- Capital commitments: There are no capital commitment as on March 31, 2016 (March 31, 2015 Rs Nil).
- There are no contingent liabilities as at March 31, 2016 (March 31, 2015 Rs Nil).

28. **Segment Reporting**

Since the Company operates in single segment (i.e. investments and financing activities), no further disclosure is required to be given as per the notified AS-17 'Segmental Reporting'.

29. **Related Party Disclosure**

Names of related parties where control exists irrespective of whether transactions have occurred or not.

Relationship

Name of the Party

Holding Company

Aditya Birla Nuvo Limited

Subsidiaries

- Aditya Birla Capital Advisors Private Limited
- Aditya Birla Customer Services Limited
- Aditya Birla Financial Shared Services Limited
- Aditya Birla Trustee Company Private Limited
- Aditya Birla Money Limited
- Aditya Birla Money Mart Limited
- Aditya Birla Insurance Brokers Limited
- Aditya Birla Finance Limited
- Aditya Birla Housing Finance Limited



Aditya Birla Financial Services Limited
Notes forming part of accounts

33. The Company has investment in Private Equity funds under two schemes Fund - I. The NAV of Fund – I as on 31.3.2016 based on the valuation of the investments is reflected at Rs.87.87 per unit as against the face value of Rs. 95.76 per unit. However, considering the nature of investment by Private Equity funds which is largely in unlisted entities and for long tenure, and taking into account the performance over the last year and new investments made in current year, the fund is confident of recouping the losses. Accordingly, considering that the investment being long term, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at March 31, 2016 in this regard.
34. During the current year, the Company has, for its subsidiaries and other financial services group companies (“Group”), provided services such as strategy and business planning, risk and compliance, technology and operational support, marketing and public relations, human resources, etc. The Company has retained approximately 10% of the total cost and allocated the balance to the respective companies on the basis of time spent, marketing budget and number of employees. The amount allocated to the various companies is as given hereunder:

(Amount in Rupees)

Name of the Company	Year ended March 31, 2016	Year ended March 31, 2015
Birla Sun Life Insurance Company Limited	174,688,093	152,613,707
Birla Sun Life Asset Management Company Limited	74,993,649	57,669,747
Aditya Birla Finance Limited	112,484,479	90,203,343
Aditya Birla Insurance Brokers Limited	11,749,005	10,178,429
Aditya Birla Capital Advisors Private Limited	8,249,301	6,784,933
Aditya Birla Money Limited	10,091,908	5,661,389
Aditya Birla Money Mart Limited	10,070,893	5,635,389
Aditya Birla Customer Services Limited	22,594,684	9,359,697
Total	424,922,012	338,057,492

35. The Company’s pending litigations comprise of claims against the Company proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2016.
36. Current tax for the year of Rs. 18,138,367 includes the tax on the income accrued under Section 115U of the Income Tax Act, 1961 on the Venture Capital Investment.
37. The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.
38. During the previous year the Company had reassessed its value of investments in Aditya Birla Money Mart Limited (“ABMML”) and had made an additional provision of Rs. 434,263,583 as at March 31, 2015 being 35% against equity shares and 35% against Redeemable non-convertible no-cumulative preference shares. The Company had made provision of 35% against equity shares and 35% against Redeemable non-convertible no-cumulative preference shares in the financial year ended March 31, 2014. As at March 31, 2016, the total impairment provision carried towards ABMML is Rs 868,527,167 and towards Aditya Birla Money Limited is Rs 124,151,400.



Aditya Birla Financial Services Limited
Notes forming part of accounts

39. Previous year's figures have been regrouped / rearranged to confirm to the current year's presentation, wherever necessary.

As per our attached report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
301003E/E300005

For and on behalf of Board of Directors
Aditya Birla Financial Services Limited

Shrawan



Per Shrawan Jalan
Partner
Membership No.102102

Shriram Jagetiya
Shriram Jagetiya
Director
DIN-1638250

Pinky Mehta
Pinky Mehta
Director
DIN : 00020429



Ajay Srinivasan
Ajay Srinivasan
Chief Executive
Officer

Anjali Makhija
Anjali Makhija
Chief Financial Officer

Sailesh Daga
Sailesh Daga
Company Secretary

Mumbai, May 11, 2016

Mumbai, May 11, 2016

Aditya Birla Financial Services Limited

Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
	Brief description - Company wise and item wise		
1	Other Transactions		
	- Issue of Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	2,47,00,00,000	-
	ABNL Investment Limited	3,00,00,000	-
	- Conversion of Preference Shares to equity shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	1,40,00,00,000	40,00,00,000
	- Issue of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	7,20,00,00,000	6,81,11,00,000
	- Investment Equity shares		
	Aditya Birla Finance Limited	7,02,45,00,000	5,45,00,01,400
	Aditya Birla Housing Finance Limited	1,89,20,00,000	40,00,00,000
	Aditya Birla Customer Services Limited	-	61,10,98,119
	Birla Sun Life Trustee Company Private Limited	-	3,840
	Aditya Birla Health Insurance Co. Limited (incl. Purchase of shares from Aditya Birla Nuvo Limited)	18,00,00,000	-
	ABCAP Trustee Company Private Limited	1,00,000	-
	- Investment Preference shares		
	Aditya Birla Customer Services Limited	31,25,17,498	28,74,82,500
	- Investment Compulsory Convertible Debentures		
	Aditya Birla Money Mart Limited	50,00,00,000	-
	- Other Investment Made		
	Aditya Birla Private Equity Sunrise Fund	-	7,46,55,505
	Recovery of Expenses		
	Aditya Birla Nuvo Limited	10,62,819	-
	Deposit Received from Aditya Birla Nuvo Limited	4,00,000	-
	Deposit Paid to Aditya Birla Nuvo Limited	4,00,000	-
	Aditya Birla Insurance Brokers Limited	1,17,49,005	1,01,78,429
	Reimbursement of Salary Expenses	82,60,688	82,14,514
	Reimbursement of Contribution to Fund	5,55,090	-
	Reimbursement of Other Expenses	28,68,909	19,63,915
	Reimbursement of Depreciation	64,318	-
	Aditya Birla Capital Advisors Private Limited	82,49,301	67,84,933
	Reimbursement of Salary Expenses	58,00,057	54,76,343
	Reimbursement of Contribution to Fund	3,89,744	-
	Reimbursement of Other Expenses	20,14,341	13,08,590
	Reimbursement of Depreciation	45,159	-
	Aditya Birla Finance Limited	11,24,84,479	9,02,03,343
	Reimbursement of Salary Expenses	7,70,86,137	7,16,35,533
	Reimbursement of Contribution to Fund	46,78,106	-
	Reimbursement of Other Expenses	3,01,78,188	1,85,67,810
	Reimbursement of Depreciation	5,42,048	-
	Nomination Fees - Paid	5,00,000	-
	Nomination Fees - Received	5,00,000	-
	Birla Sun Life Insurance Company Limited	17,46,88,093	15,26,13,706
	Reimbursement of Salary Expenses	11,99,70,393	12,32,17,708
	Reimbursement of Contribution to Fund	86,92,718	-
	Reimbursement of Other Expenses	4,16,47,486	2,93,95,998
	Reimbursement of Depreciation	9,34,090	-
	Other reimbursement of expenses	34,43,406	-
	Recovery of Expenses	49,06,791	-



Aditya Birla Financial Services Limited
Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
	Birla Sun Life Asset Management Company Limited	7,49,93,649	5,76,69,747
	Reimbursement of Salary Expenses	5,27,27,801	4,65,48,912
	Reimbursement of Contribution to Fund	35,43,125	-
	Reimbursement of Other Expenses	1,83,12,184	1,11,20,835
	Reimbursement of Depreciation	4,10,539	-
	Recovery of Expenses	71,92,461	-
	Aditya Birla Financial Shared Services Limited	-	27,22,440
	Aditya Birla Customer Services Limited	2,25,94,684	93,59,697
	Reimbursement of Salary Expenses	1,74,04,513	-
	Reimbursement of Contribution to Fund	7,81,461	-
	Reimbursement of Other Expenses	43,29,044	-
	Reimbursement of Depreciation	79,666	-
	Aditya Birla Money Mart Limited	1,00,70,893	56,35,389
	Reimbursement of Salary Expenses	70,02,653	-
	Reimbursement of Contribution to Fund	4,59,683	-
	Reimbursement of Other Expenses	25,61,695	-
	Reimbursement of Depreciation	46,862	-
	Recovery of Expenses	14,217	-
	Nomination Fees - Paid	3,00,000	-
	Nomination Fees - Received	3,00,000	-
	Aditya Birla Money Limited	1,00,91,908	56,61,389
	Reimbursement of Salary Expenses	70,02,653	-
	Reimbursement of Contribution to Fund	4,59,683	-
	Reimbursement of Other Expenses	25,82,710	-
	Reimbursement of Depreciation	46,862	-
	Nomination Fees - Paid	1,00,000	-
	Aditya Birla Health Insurance Co. Limited		
	Reimbursement of Salary and other expenses	1,27,38,254	-
	- Dividend Received		
	Aditya Birla Finance Limited	1,75,000	1,75,000
	Aditya Birla Insurance Brokers Private Limited	6,57,07,128	4,99,51,998
	- Debenture Interest		
	Aditya Birla Money Mart Limited	4,098	-
2	Outstanding Balances		
	- Receivables		
	Aditya Birla Financial Shared Services Limited	15,11,420	1,82,000
	Aditya Birla Capital Advisors Private Limited	13,01,787	7,72,443
	Aditya Birla Insurance Brokers Limited	16,40,779	-
	Aditya Birla Finance Limited	1,39,31,052	87,64,714
	Birla Sun Life Insurance Company Limited	2,25,34,266	3,10,45,621
	Birla Sun Life Asset Management Company Limited	2,06,37,022	1,36,70,081
	Aditya Birla Customer Services Limited	1,61,82,143	15,73,039
	Aditya Birla Money Mart Limited	27,19,388	28,11,765
	Aditya Birla Money Limited	1,92,362	19,68,934
	Aditya Birla Health Insurance Co. Limited	5,62,974	-
	ABC SL Employee Welfare Trust	10,10,50,000	-
	- Payables		
	Aditya Birla Financial Shared Services Limited (Salary reimbursement)	-	2,57,134
	Aditya Birla Nuvo Limited	17,220	-
	Aditya Birla Insurance Brokers Limited	-	2,67,547



Aditya Birla Financial Services Limited

Notes to financial statements for the year ended March 31, 2016

(Amount in Rupees)

Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
	- Others		
	Equity Shares held by Aditya Birla Nuvo Limited (Holding Company) [including share premium of Rs 7,083,000,000 (March 31, 2015 Rs. 3,600,000,000)]	15,04,01,00,000	7,57,01,00,000
	Equity Shares held by ABNL Investment Limited (including share premium of Rs 27,000,000)	3,00,00,000	-
	Preference Shares held by Aditya Birla Nuvo Limited (Holding Company)	17,37,61,00,000	11,57,61,00,000
	Equity shares capital held by the Company		
	Aditya Birla Money Limited - Quoted	2,48,30,28,000	2,48,30,28,000
	Aditya Birla Capital Advisors Private Limited - Unquoted	3,50,00,250	3,50,00,250
	Aditya Birla Financial Shared Services Limited - Unquoted	5,00,000	5,00,000
	Aditya Birla Customer Services Private Limited - Unquoted	71,10,98,369	71,10,98,369
	Aditya Birla Trustee Company Private Limited - Unquoted	5,00,250	5,00,250
	Aditya Birla Insurance Brokers Limited - Unquoted	30,00,120	30,00,120
	Aditya Birla Finance Limited - Unquoted	20,00,05,74,550	12,97,60,74,550
	Birla Sun Life Asset Management Company Limited - Unquoted	33,70,99,052	33,70,99,052
	Birla Sun Life Trustee Company Private Limited - Unquoted	1,53,540	1,53,540
	Aditya Birla Housing Finance Limited - Unquoted	2,39,44,47,500	50,24,47,500
	Aditya Birla Money Mart Limited - Unquoted	24,07,53,095	24,07,53,095
	Aditya Birla Health Insurance company Limited - Unquoted	18,00,00,000	-
	ABCAP Trustee Company Private Limited - Unquoted	1,00,000	-
	Preference shares capital held by the Company		
	Aditya Birla Finance Limited		
	0.01% Compulsory Convertible Preference Shares	1,77,79,82,171	1,77,79,82,191
	Aditya Birla Money Mart Limited		
	0.01% Redeemable Non Convertible Non Cumulative Preference Shares	1,00,00,00,000	1,00,00,00,000
	Aditya Birla Money Limited		
	0.01% Redeemable Non Convertible Cumulative Preference Shares	30,00,00,000	30,00,00,000
	Aditya Birla Customer Services Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	59,99,99,998	28,74,82,500
	Investment in Aditya Birla Private Equity - Sunrise Fund	26,92,51,484	28,11,48,339
	Investment in Aditya Birla Private Equity - Fund I	1,32,27,20,472	1,58,82,59,802
	Debentures held by the Company		
	Aditya Birla Money Mart Limited		
	0.1% Cumulative Convertible Debentures (CCD)	50,00,00,000	-
3	Key Managerial Personnel		
	Ajay Srinivasan (Amounts shown here are before allocation to subsidiary companies)	12,78,96,949	6,95,92,670



INDEPENDENT AUDITOR'S REPORT

To the Members of

Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 its loss, and its cash flows for the year ended on that date.



Auditor's Report

Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')

Year Ended March 31, 2015

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2015



Auditor's Report

Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')

Year Ended March 31, 2015

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Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Aditya Birla Financial Services Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. The provisions relating to employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Auditor's Report

Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')

Year Ended March 31, 2015

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- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.
- (vii)(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash loss during the year. In the immediately preceding financial year, the Company had not incurred cash loss.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Shrawan Jalan

per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2015



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Balance Sheet as at 31st March, 2015

	Note No.	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3	19,146,200,000	15,935,100,000
Reserves and Surplus	4	2,455,775,399	(658,651,596)
	Sub-Total - (A)	21,601,975,399	15,276,448,404
(B) Current Liabilities			
Trade Payables	5	267,638,264	6,074,681
Other Current Liabilities	6	19,214,118	214,195
Short-term Provisions	7	30,202,912	3,518,341
	Sub-Total - (B)	317,055,294	9,807,217
	TOTAL (A)+(B)	21,919,030,693	15,286,255,621
ASSETS			
(C) Non-Current Assets			
Fixed Assets			
Tangible Assets	8	5,041,219	357,007
		5,041,219	357,007
Non-Current Investments			
Long-term Loans and Advances	9	21,531,848,992	15,254,032,471
	10	49,515,086	971,124
	Sub-Total - (C)	21,586,405,297	15,255,360,602
(D) Current Assets			
Current Investments	11	55,771,797	14,390,125
Cash & Bank Balances	12	53,092,041	113,809
Short-term Loans and Advances	13	13,679,641	9,203,763
Other Current Assets	14	210,081,917	7,187,322
	Sub-Total - (D)	332,625,396	30,895,019
	TOTAL (C)+(D)	21,919,030,693	15,286,255,621

Summary of significant accounting policies. 2.1
The accounting notes are an integral part of the financial statements.

As per our report of even date
For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration no : 301003E

Per Shrawan Jalan
Partner
Membership No. 102102



Place : Mumbai
Date : 13th May, 2015

For and on behalf of the Board of Directors of
Aditya Birla Financial Services Limited

Shriram Jagetiya
Shriram Jagetiya
Director
DIN-1638250

Ankur Bansal
Ankur Bansal
Chief Financial Officer

Rajesh Shah
Rajesh Shah
Director
DIN-06390775

Sailesh Daga
Sailesh Daga
Company Secretary



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Statement of Profit and Loss for the year ended 31st March, 2015

		Amount in ₹	
	Note No.	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Revenue from Operations (Refer note no. 36)	15	43,978,497	34,981,232
Other Income	16	1,095,045	-
Total Revenue		45,073,542	34,981,232
Expenses			
Employee Benefits Expenses (Refer note no. 24 & 32)	17	80,358,258	1,609,201
Other Expenses	18	13,855,536	15,260,650
Total Expenses		94,213,794	16,869,851
Profit/(Loss) before Depreciation/Amortisation, Interest and Tax (PBDIT)		(49,140,251)	18,111,381
Depreciation	19	2,169,171	512,016
Finance Cost	20	-	297,732
Exceptional Items - Impairment of Investments (Refer note no. 30,31,33,34)		434,263,583	558,414,983
Loss Before Tax		(485,573,005)	(541,113,351)
Tax Expenses			2,805,000
- Current Tax		-	2,805,000
Loss for the Year		(485,573,005)	(543,918,351)
Basic Earnings per Share	21	(0.67)	(1.68)
Diluted Earnings per Share (Face Value of ₹ 10/- each)		(0.67)	(1.68)

Summary of significant accounting policies.

The accounting notes are an integral part of the financial statements.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration no : 301003E



Per Shrawan Jalan
Partner
Membership No. 102102



Place : Mumbai
Date : 13th May, 2015

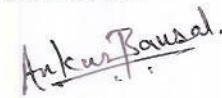
For and on behalf of the Board of Directors of
Aditya Birla Financial Services Limited



Shriram Jagetiya
Director
DIN-1638250



Rajesh Shah
Director
DIN-06390775



Ankur Bansal
Chief Financial Officer



Sailesh Daga
Company Secretary



ADITYA BIRLA FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Amount in ₹

PARTICULARS	2014-15	2013-14
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	(485,573,005)	(541,113,353)
Adjustments for :		
Depreciation	2,169,171	512,016
(Profit) / Loss on sale of Mutual Fund	(4,863,115)	(1,548,862)
(Profit) / Loss on sale of Fixed Assets	(892,958)	-
Income income received	(90,020)	-
Dividend Income received	(50,126,998)	-
Provision for Diminution in value of investments in susidiaries companies	434,263,583	558,414,983
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	(105,113,342)	16,264,784
Changes in working capital:		
(Increase) / Decrease in trade and other Receivables	(255,914,435)	15,715,242
Increase / (Decrease) in trade and other payables	307,248,076	(2,351,000)
CASH GENERATED FROM OPERATIONS	(53,779,701)	2,900,542
A NET CASH FLOW FROM OPERATING ACTIVITIES	(53,779,701)	2,900,542
CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / (Purchase) of current investments (Net)	(41,381,669)	9,858,738
Procees of non-current investments	4,863,115	-
Sale / (Purchase) of fixed aseets	(10,511,500)	-
Investment in subsidiaries	(6,748,585,859)	(5,529,675,600)
Income income received	90,020	-
Dividend Income received from subsidiary company	50,126,998	-
Investment in private equity fund	(74,655,505)	(553,581,156)
Proceed received from PE on shares sale	115,712,334	-
B NET CASH FLOW FROM INVESTING ACTIVITIES	(6,704,342,067)	(6,073,398,018)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	-	6,070,100,000
Proceeds from issue of preference share capital	6,811,100,000	-
C NET CASH FLOW FROM FINANCING ACTIVITIES	6,811,100,000	6,070,100,000
Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)	52,978,232	(397,476)
Cash And Cash Equivalents at the beginning of the year	113,809	511,285
Cash And Cash Equivalents at the end of the year	53,092,041	113,809

Note:

1 Cash and cash equivalents include cheques in hand and remittance in transit:

Cash in hand	10,000	5,000
Cash at bank	53,082,041	108,809
	<u>53,092,041</u>	<u>113,809</u>

2 Previous years's figures have been regrouped / rearranged to confirm to the current year's presentation, whenever necessary.

As per our report of even date

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration no : 301003E

per Shrawan Jalan
Partner
Membership No. 102102



Place : Mumbai
Date : 13th May, 2015

For and on behalf of the Board of Directors of
Aditya Birla Financial Services Limited

Shriram Jagetiya

Shriram Jagetiya
Director
DIN-1638250

Ankur Bansal
Ankur Bansal
Chief Financial Officer

Rajesh Shah
Rajesh Shah
Director
DIN-06390775

Sailesh Daga
Sailesh Daga
Company Secretary



Aditya Birla Financial Services Limited
(Formerly known as Aditya Birla Financial Services Private Limited)
Notes to financial statements for the year ended 31st March, 2015

1. Corporate Information

Aditya Birla Financial Services Limited (the 'Company') (Formerly known as Aditya Birla Financial Services Private Limited) was incorporated on October 15, 2007 and has received a Certificate of Registration from the Reserve Bank of India ('RBI') on May 19, 2009 to commence / carry on the business of non-banking financial institution without accepting public deposits.

Based on the letter received from the Reserve Bank of India (the 'RBI') on April 11, 2012, the Company has been classified as a Core Investment Company ('CIC') and is exempt from requirement of registration under section 45 IA of Reserve Bank of India Act, 1934. Accordingly, certificate of registration No.N.01.00497 dated May 28, 2010 issued to the Company as a Non deposit accepting company stands cancelled. The Company is engaged in acquisition of shares and securities. The Company has applied for certificate of registration with RBI during the year.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained in paragraph 2.1 (a) below

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

2.1 Summary of Significant accounting policies

(a) Change in accounting policy

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

(b) Use of estimate

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



(c) **Tangible fixed assets**

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on Tangible Fixed Assets is provided on Straight Line basis using the rates arrived at based on the useful estimated lives by the management. The company has used the following useful life to provide depreciation on its fixed assets.

Asset	Useful Life Prescribed by Schedule II of The Companies Act, 2013	Estimated useful life
Furniture and fixtures	10 years	5 years
Office equipments (computers)	3 years	4 years
Vehicles	6 years	4 years

Useful life of assets different from those prescribed in Schedule II has been estimated by management supported by technical assessment.

Assets costing Rs. 5,000 or less are written off in the year of purchase.

(d) **Impairment of assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

(e) **Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments. Current Investments are stated at lower of cost and net realizable value.

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.



(f) Revenue recognition

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income on investments is accounted for when the right to receive the payment is established.

Profit or loss on sale of investments is determined on the basis of the weighted average cost method.

(g) Foreign Currency Transaction

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(h) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred



tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(i) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the balance sheet date.

(j) Contingent liabilities and provisions

Contingent Liabilities:

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the



control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions:

Provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(k) Leases

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(l) Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



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Notes to financial statements for the year ended 31st March, 2015

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 3		
SHARE CAPITAL		
Authorised:		
800,000,000 (previous year 750,000,000) Equity shares of ₹ 10 each	8,000,000,000	7,500,000,000
2,200,000,000 (previous year 1,250,000,000) Compulsorily convertible preference shares of ₹ 10 each	22,000,000,000	12,500,000,000
	30,000,000,000	20,000,000,000
Issued, Subscribed & Paid-up		
EQUITY SHARE CAPITAL		
757,010,000 (previous year 717,010,000) Equity shares of ₹ 10 each fully paid-up	7,570,100,000	7,170,100,000
	7,570,100,000	7,170,100,000
Issued, Subscribed & Paid-up		
PREFERENCE SHARE CAPITAL		
476,500,000 (previous year 876,500,000) 0.01% Non cumulative compulsorily convertible preference shares of ₹ 10/- each fully paid up	4,765,000,000	8,765,000,000
681,110,000 (previous year NIL) 6% Non-Convertible Non- Cumulative Redeemable preference shares of ₹ 10/- each fully paid up	6,811,100,000	-
	11,576,100,000	8,765,000,000

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Sr. No.	Description	As at 31st March, 2015		As at 31st March, 2014	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares outstanding at the beginning of the reporting period @ ₹ 10 each	717,010,000	876,500,000	110,000,000	876,500,000
2	Issued during the year	-	681,110,000	607,010,000	-
3	Conversion of shares during the year	40,000,000	(400,000,000)	-	-
4	No of Shares outstanding at the end of the reporting period @ ₹ 10 each	757,010,000	1,157,610,000	717,010,000	876,500,000



(b) **Term/right attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all Preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(c) **Term of conversion/redemption of Preference Shares**

A) 0.01% Non cumulative compulsorily convertible preference shares:

- ▶ On expiry of 5 (five) years from the date of allotment every 10 (ten) fully paid-up preference share shall be compulsorily converted into 1 (one) equity share of ₹ 10/- each, fully paid-up at a premium of ₹ 90/- per share.
- ▶ The equity shares to be issued as above shall rank pari passu in all respects including with respect to dividend with the then existing fully paid up equity shares of the Company, subject to the provisions of the Memorandum and Articles of Association of the Company.
- ▶ The dividend rate on these preference shares shall be 0.01% p.a.

B) 6% Non-Convertible Non- Cumulative Redeemable Preference Shares (" NCPS ") shall:

- ▶ Carry a preferential right vis-a-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.
- ▶ be Non-participating in surplus funds.
- ▶ be Paid dividend on a non-cumulative basis.
- ▶ carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.
- ▶ be Redeemable after a period of 5 years from date of issue/allotment.

(d) All equity shares and preference shares are held by Aditya Birla Nuvo Limited.

(e) Details of shareholders holding more than 5% shares in the company :-

i) Equity Shares

S. No.	Name of Share Holder	As at 31st March, 2015		As at 31st March, 2014	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited (with nominees)	757,010,000	100.00%	717,010,000	100.00%

ii) Preference Shares

S. No.	Name of Share Holder	As at 31st March, 2015		As at 31st March, 2014	
		No of Shares held	% of total paid-up preference share capital	No of Shares held	% of total paid-up preference share capital
1	Aditya Birla Nuvo Limited	1,157,610,000	100.00%	876,500,000	100.00%



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Notes to financial statements for the year ended 31st March, 2015

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 4		
RESERVES & SURPLUS		
1) Securities premium account		
Opening Balance as per last audited Financial Statement	-	-
Addition:		
Addition: Premium on Conversion of Preference Shares to Equity Shares	3,600,000,000	-
(A)	3,600,000,000	-
2) Deficit in the statement of Profit and Loss		
Opening Balance as per last audited financial statement	(658,651,596)	(114,733,245)
Loss For the year	(485,573,005)	(543,918,351)
(B)	(1,144,224,601)	(658,651,596)
(A)+(B)	2,455,775,399	(658,651,596)
NOTE: 5		
TRADE PAYABLES		
Trade Payables for salaries, wages, bonus and other employee benefits	112,421,738	-
Trade Payables (Others)	155,216,526	6,074,681
Total	267,638,264	6,074,681
NOTE: 6		
OTHER CURRENT LIABILITIES		
Payables for Capital Expenditure	-	112,067
Statutory Dues	19,214,118	102,128
Total	19,214,118	214,195
NOTE: 7		
SHORT-TERM PROVISIONS		
Provisions for Employee Benefits:		
Leave Encashment (Refer note no. 24)	24,092,679	-
Gratuity (Funded) (Refer note no. 24)	2,591,892	-
Taxation (Net of Advance Tax ₹ 3,736,830 (Previous Year ₹ 3,736,830))	3,518,341	3,518,341
Total	30,202,912	3,518,341



Aditya Birla Financial Services Limited
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Notes to financial statements for the year ended 31st March, 2015

NOTE: 8

TANGIBLE ASSETS

Amount in ₹

	Funitures & Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block				
As at 1st April, 2013	-	6,600,981	-	6,600,981
Additions	-	-	-	-
Deletions	-	-	-	-
As at 31st March, 2014	-	6,600,981	-	6,600,981
Additions	58,500	2,233,176	11,056,756	13,348,432
Deletions	-	-	7,750,551	7,750,551
As at 31st March, 2015	58,500	8,834,157	3,306,205	12,198,862
Accumulated Depreciation				
As at 1st April, 2013	-	5,731,958	-	5,731,958
For the year	-	512,016	-	512,016
Deletions	-	-	-	-
As at 31st March, 2014	-	6,243,974	-	6,243,974
For the year	4,077	724,628	1,440,466	2,169,171
Deletions	-	-	1,255,502	1,255,502
As at 31st March, 2015	4,077	6,968,602	184,964	7,157,643
Net Block as at 31st March, 2014	-	357,007	-	357,007
Net Block as at 31st March, 2015	54,423	1,865,555	3,121,241	5,041,219



			As at March 31, 2015		As at March 31, 2014	
NOTE: 9						
Non current investments						
	<u>Face Value</u>	<u>Number</u>		<u>Number</u>		
Non Trade Investments valued at cost						
Investment in equity instruments						
Quoted						
Subsidiaries- Aditya Birla Money Limited (Refer note no. 30)	1	41,550,000	2,483,028,000	41,550,000	2,483,028,000	2,483,028,000
Less : Diminution in investment of Aditya Birla Money Limited			124,151,400		124,151,400	124,151,400
			2,358,876,600		2,358,876,600	2,358,876,600
Unquoted						
Subsidiaries						
Aditya Birla Capital Advisors Private Limited	10	3,500,000	35,000,250	3,500,000	35,000,250	35,000,250
Aditya Birla Financial Shared Services Ltd	10	50,000	500,000	50,000	500,000	500,000
Aditya Birla Customer Services Limited (Refer note no. 33)	10	16,866,271	711,098,369	10,000,000	100,000,250	100,000,250
Aditya Birla Trustee Company Private Limited	10	50,000	500,250	50,000	500,250	500,250
Aditya Birla Insurance Brokers Limited	10	1,350,054	3,000,120	1,350,054	3,000,120	3,000,120
Aditya Birla Finance Limited	10	450,359,697	12,976,074,550	315,637,441	7,526,073,150	7,526,073,150
Aditya Birla Money Mart Limited (Refer note no. 31)	10	20,000,000	240,753,095	20,000,000	240,753,095	240,753,095
Less : Diminution in investment of Aditya Birla Money Mart Limited		-	168,527,167	-	84,263,583	156,489,513
Aditya Birla Housing Finance Limited	10	50,050,000	502,447,500	10,050,000	102,447,500	102,447,500
Birla Sun Life Asset Management Company Limited	10	9,179,980	337,099,052	9,179,980	337,099,052	337,099,052
Birla Sun Life Trustee Company Private Limited	10	10,170	153,540	10,150	149,700	149,700
		(A)	16,996,976,160		10,620,136,385	10,620,136,385
Total Equity Shares Investment						
Preference Shares						
Unquoted						
Subsidiaries						
0.01% Compulsory convertible cumulative preference shares of Aditya Birla Finance Limited	10	175,000,000	1,777,982,191	175,000,000	1,777,982,191	1,777,982,191
0.001% Compulsory convertible cumulative preference shares of Aditya Birla Customer Services Limited (Refer note no. 33)	10	2,250,000	287,482,500	-	-	-
0.01% Redeemable non convertible non cumulative preference shares of Aditya Birla Money Limited	100	1,000,000	300,000,000	1,000,000	300,000,000	300,000,000
0.01% Redeemable non convertible cumulative preference shares Aditya Birla Money Mart Limited (Refer note no. 31)	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	1,000,000,000
Less : Diminution in investment of Aditya Birla Money Mart Limited			700,000,000		350,000,000	650,000,000
		(B)	2,665,464,691		2,727,982,191	2,727,982,191
Total Preference Shares Investment						
Investment in Aditya Birla Private Equity - Fund I	95.76	16,586,692	1,588,259,802	17,612,625	1,681,947,100	1,681,947,100
Investment in Aditya Birla Private Equity - Sunrise Fund	100	2,811,483	281,148,339	298,623	223,966,795	223,966,795
		(C)	1,869,408,141		1,905,913,895	1,905,913,895
Total Private Equity Fund Investment						
Grand Total		(A)+(B)+(C)	21,531,848,992		15,254,032,471	15,254,032,471

- Note :
1. Aggregate amount of quoted investments Rs. 2,358,876,600 (Market value of Rs. 993,045,000/- (Previous Year Rs. 53,84,88,000/-)
 2. Aggregate amount of unquoted investments Rs. 17,303,564,251/- (Previous Year Rs 10,989,241,975/-)
 3. Aggregate amount of diminution in value of investments Rs. 992,678,567/- (Previous Year Rs. 558,414,983/-)
 4. Aggregate amount of private equity fund :-
A) Sunrise Fund Rs. 318,456,679/- at Nav of Rs. 113.27/- (Previous Year Rs. 246,363,475/- at Nav of Rs. 110/-)
B) Fund I Rs. 1,204,525,573/- at Nav of Rs. 72.62/- (Previous Year Rs 1,320,770,749/- at Nav of Rs. 74.99/-)



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Notes to financial statements for the year ended 31st March, 2015

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 10		
LONG-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Security Deposits	15,946,375	-
Loans & Advances to Related Parties	182,000	182,000
Advance Tax (Net of Provision ₹ 195,000 (Previous Year ₹ 195,000))	28,050,208	789,124
Loans and Advances to Employees	5,336,503	-
Total	49,515,086	971,124
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 11		
CURRENT INVESTMENTS		
Uquoted		
Investment in Mutual Funds		
Birla Sun Life Cash Plus- Institutional Premium- Growth (Units - 249560.371 (Previous year 70082.28)) of Rs 100/- each(previous year Rs 100/-) fully paid up (Net asset value of Rs.56,050,411/- (Previous Year Rs 14,423,002/-)	55,771,797	14,390,125
Total	55,771,797	14,390,125
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 12		
CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	53,082,041	108,809
Cash In Hand	10,000	5,000
Total	53,092,041	113,809
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 13		
SHORT-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Cenvat input receivable	9,053,797	-
Advance for Expenses	2,400,057	828,396
Prepaid Expenses	2,225,787	-
Loans & Advances to Employees	-	8,375,367
Others	-	-
Total	13,679,641	9,203,763
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 14		
OTHER CURRENT ASSETS		
Advances Receivable From Related Parties	60,081,917	-
Interest accrued on investments	-	7,187,322
Other Receivable	150,000,000	-
Total	210,081,917	7,187,322



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Notes to financial statements for the year ended 31st March, 2015

	Year Ended 31st March, 2015	Amount in ₹ Year Ended 31st March, 2014
NOTE: 15		
REVENUE FROM OPERATIONS		
Other Financial Services		
Net gain on sale of current investments	4,863,115	1,548,862
Interest on Debentures (Refer note no. 36)	(7,187,322)	7,187,322
Dividend from subsidiaries	50,126,998	22,420,754
Long Term Gain/(Loss) On Shares	(3,824,294)	3,824,294
	<u>43,978,497</u>	<u>34,981,232</u>
NOTE: 16		
OTHER INCOME		
Profit on Sale of Fixed Assets (net)	892,958	-
Interest on Others	90,020	-
Miscellaneous Income	112,067	-
	<u>1,095,045</u>	<u>-</u>
NOTE: 17		
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus (Refer note no. 24)	59,339,949	1,609,201
Contribution to provident and other funds (Refer note no. 24)	20,284,957	-
Staff welfare expenses	733,352	-
	<u>80,358,258</u>	<u>1,609,201</u>
NOTE: 18		
OTHER EXPENSES		
Rent	4,123,346	898,879
Repairs & Maintenance :		
Buildings	905,691	-
Others	339,610	-
Insurance	207,956	-
Rates & Taxes	1,410,224	6,072,600
Advertisement and Sales Promotion	653,692	-
Legal & Professional Fees	2,258,694	6,974,954
Auditors' Remuneration (Refer note no. 25)	600,000	400,000
Printing and stationery	173,440	26,704
Travelling & conveyance	1,240,156	-
Communication expenses	572,093	294,356
Bank charges	3,816	562
Electricity charges	848,535	-
Miscellaneous expenses	518,282	592,595
	<u>13,855,536</u>	<u>15,260,650</u>
NOTE: 19		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	2,169,171	512,016
	<u>2,169,171</u>	<u>512,016</u>
NOTE: 20		
FINANCE COST		
Interest Expenses	-	297,732
	<u>-</u>	<u>297,732</u>



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Notes forming part of Financial Statements

Amount in `

	Year ended March 31, 2015	Year ended March 31, 2014
NOTE: 21		
Earning per share		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Basic :		
Loss as per statement of Profit and Loss :	(485,573,005)	(543,918,351)
Weighted average number of equity shares in calculating basic EPS	721,831,918	323,768,712
Basic Earnings per Share (Face Value of ₹ 10 each)	(0.67)	(1.68)
Diluted:		
Loss as per statement of Profit and Loss :	(485,573,005)	(543,918,351)
Net loss considered for diluted EPS calculation (a)	(485,573,005)	(543,918,351)
Weighted average number of equity shares considered in calculating diluted earnings per share (b)	818,024,816	411,418,712
Diluted Earnings per Share - (a) / (b) (Face Value of ₹ 10 each)	(0.59)	(1.32)
Diluted earnings per share (Since (a) / (b) is anti dilutive, effect of the same has not been considered while calculating diluted earnings per share. Thus basic earnings per share are considered to be diluted earnings per share).	(0.67)	(1.68)



Notes :

(22) Operating Leases

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Lease payments recognized in the profit and loss	24,532,200	898,879

Future minimum rentals payable under non-cancellable operating leases are as follows:

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Within one year	26,762,400	
After one year but not more than five years	24,532,200	
Lease payments recognized in the profit and loss	NIL	-

(23) Deferred Tax Liabilities/ Assets

The Company has not recognized net deferred tax asset in respect of timing differences related to depreciation on fixed assets and carried forward losses Gratuity, Leave encashment at the end of the year as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Deferred Tax Liability</u>		
Depreciation / Amortisation	1,009,318	6,408
Gross Deferred Tax Liability	1,009,318	6,408
<u>Deferred Tax Asset</u>		
Unabsorbed depreciation and carry forward	4,441,327	3,282,346
Expenses allowed on payment basis		
Gratuity	14,235,415	-
Leave Encashment	7,738,253	-
Gross Deferred Tax Assets	26,414,995	3,282,346
Deferred tax Asset/(Liability) (net)	25,405,677	3,275,938

(24) Gratuity and other post-employment benefit plans

The company operates two defined plans, viz., gratuity and post employment medical benefits, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.



The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
(A) Defined benefit plans -		
The Amounts recognized in the balance sheet are as follows in respect of gratuity (fully funded by the company):		
Present value of the funded defined benefit obligation at the end of the year	36,909,878	-
Fair value of plan assets	(34,317,986)	-
Net liability	2,591,892	-
The amounts recognized in salary, wages and employee benefits in the statement of profit and loss as follows in respect of gratuity (fully funded by the company):		
Current service cost	3,920,142	-
Interest on defined benefit obligations	2,002,873	-
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized during the year	8,312,400	-
Past services cost	-	-
Net gratuity cost	14,235,415	-
Actual return on plan asset		
Expected return on plan assets	-	-
Actuarial gain on plan assets	468,547	-
Actual Return on plan assets	468,547	-
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Opening defined benefit obligation	-	-
Current service cost	3,920,142	-
Interest cost	2,002,873	-
Actuarial losses/(gain)	8,780,947	-
Past service cost	-	-
Liabilities assumed on acquisition / (settled on divestiture)	24,007,204	-



Benefits paid	(1,801,288)	-
Closing defined benefit obligation	36,909,878	-
Change in fair value plan assets		
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial losses/(gain)	468,547	-
Contributions by the employer	11,643,523	-
Assets Acquired on Acquisition / (Distributed on Divestiture)	24,007,204	
Benefits paid	(1,801,288)	-
Closing fair value of the plan assets	34,317,986	-
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Government Of India Securities	9,066,795	
Corporate Bonds	349,943	
Special Deposit Schemes	798,288	
Insurer Managed Funds	17,512,316	
Others	6,590,644	
Grand Total	34,317,986	
(B) Defined contributions plans:		
Contribution to employee provident fund & pension	6,581,999	-
Contribution to superannuation fund	6,419,147	-
Contribution to gratuity fund	14,235,415	-
Total	27,236,561	-
(C) Principal actuarial assumptions at March 31, 2015		
Discount rate	7.95%	-
Estimated rate of return on plan assets	8.50%	-
Future salary escalation	7.00%	-

*There were no employees in previous year hence no comparatives.



(25) During the year, the Company has paid following amount to Auditors:

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Audit Fees (excluding service tax)	157,295	105,000
Limited Review (excluding service tax)	266,710	240,000
Tax Audit (excluding service tax)	54,370	25,000
Other Services Certification Fees	50,000	30,000
Reimbursement of Expenses	71,625	30,000

(26) **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

Based on the information available with the company, no amounts have fallen due for payment to suppliers who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2015.

(27) **Contingent liabilities and commitments**

a. Capital commitments:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Uncalled commitment in respect of investments in units of Aditya Birla Private Equity Sunrise Fund	-	74,655,505

b. There are no contingent liabilities as at March 31, 2015 (Previous year NIL).

(28) **Segment Reporting**

Since the Company operates in single segment (i.e. investments and financing activities), no further disclosure is required to be given as per the notified AS-17 'Segmental Reporting'.

(29) **Related Party Disclosure**

Names of related parties where control exists irrespective of whether transactions have occurred or not

Relationship	Name of the Party
Holding Company	Aditya Birla Nuvo Limited
Subsidiaries	<ol style="list-style-type: none"> Aditya Birla Capital Advisors Private Limited Aditya Birla Customer Services Limited (Formerly Known as Aditya Birla Customer Services Private Limited) Aditya Birla Financial Shared Services Limited Aditya Birla Trustee Company Private Limited Aditya Birla Money Limited Aditya Birla Commodities Broking Limited (100% Subsidiary of Aditya Birla Money Limited) Aditya Birla Money Mart Limited Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited) Aditya Birla Insurance Brokers Limited Aditya Birla Finance Limited



11. Aditya Birla Housing Finance Limited
12. Birla Sun Life Asset Management Company Limited
13. Birla Sun Life Trustee Company Private Limited
14. Birla Sun Life AMC (Mauritius) Ltd. (100% subsidiary of Birla Sun Life Asset Management Company Limited)
15. Aditya Birla Sun Life AMC Ltd., Dubai (100% subsidiary of Birla Sun Life Asset Management Company Limited)
16. Aditya Birla Sun Life AMC Pte Ltd., Singapore (100% subsidiary of Birla Sun Life Asset Management Company Limited)
17. India Advantage Fund Ltd., Mauritius (100% subsidiary of Birla Sun Life Asset Management Company Limited)
18. Aditya Birla Sun Life - SPC, Cayman Islands (100% subsidiary of Birla Sun Life Asset Management Company Limited)
19. Birla Sun Life Insurance Company Limited

- Key Managerial Person**
1. Ajay Srinivasan
 2. Sailesh Daga

Names of other related parties with whom transactions have taken place during the year Refer **Annexure 1** for the transactions with related parties.

- (30) During the current year, the Company has reassessed its value of investments in Aditya Birla Money Limited (“ABML”). Considering investment of long term and strategic nature, ABML making profit during the current year, achieving its business plan and also based on independent valuation report obtained by the Company, no additional impairment provision is required to be made in financial statements as at March 31, 2015 in this regard.
- (31) During the current year, the Company has reassessed its value of investments in Aditya Birla Money Mart Limited (“ABMML”) and has made an additional provision of Rs. 434,263,583/- as at March 31, 2015 being 35% against equity shares and 35% against Redeemable non-convertible non-cumulative preference shares. The Company had made provision of 35% against equity shares and 35% against Redeemable non-convertible non-cumulative preference shares in the previous financial year as well.
- (32) During the current year, the Company has, for its subsidiaries and other financial services group companies (“Group”), provided services such as strategy and business planning, risk and compliance, technology and operational support, marketing and public relations, human resources, etc. The Company has retained approximately 20% of the total cost and allocated the balance to the respective companies on the basis of time spent, marketing budget and number of employees. The amount allocated to the various companies is as given hereunder:

Name of the Company	Amount in Rs.
Birla Sun Life Insurance Company Limited	152,613,707
Birla Sun Life Asset Management Company Limited	57,669,747
Aditya Birla Finance Limited	90,203,343
Aditya Birla Insurance Brokers Limited	10,178,429
Aditya Birla Capital Advisors Private Limited	6,784,933
Aditya Birla Money Limited	5,661,389
Aditya Birla Money Mart Limited	5,635,389
Aditya Birla Customer Services Limited	9,359,697
Total	338,057,492



- (33) The Company has investment in Equity Shares and Preference Shares of Aditya Birla Customer Services Limited ('ABC SL) ₹ 611,098,119/- (Previous year ₹ 100,000,250/-) and ₹ 287,482,500/- (Previous year ₹ NIL) respectively. The Investee Company (ABC SL) is making substantial losses and its net worth has been eroded. Based on the business plan and strategic investment by International Finance Corporation in the Investee Company during the year, the Company has assessed the value of the Investee Company being higher than the investment. Accordingly, based on the business plan and considering that the investment being long term and strategic in nature, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at March 31, 2015 in this regard.
- (34) The Company has made investment in Private Equity funds under two schemes Fund - I and Sunrise Fund. The NAV of Fund – I as on 31.3.2015 based on the valuation of the investments is reflected at Rs. 77.62 per unit as against the face value of Rs. 95.76 per unit. However, considering the nature of investment by Private Equity funds which is largely in unlisted entities and for long tenure, and taking into account the performance over the last year and new investments made in current year, the fund is confident of recouping the losses. Accordingly, considering that the investment being long term and strategic in nature, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at March 31, 2015 in this regard.
- (35) The Company's pending litigations comprise of claims against the Company proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2015.
- (36) The Company has reversed its interest on debentures & Long-term gain on shares On account of reversal of Income from Private Equity Fund I.
- (37) The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards
- (38) The Company has been converted from Private Limited Company to Public Limited Company with effect from 4th December, 2014 which is approved vide Board resolution dated 27th October, 2014.
- (39) Previous year's figures have been regrouped / rearranged to confirm to the current year's presentation, wherever necessary.

As per our report of even date
For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration no.: 301003E

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 13-May-2015

For and on behalf of the Board of Directors of
Aditya Birla Financial Services Limited.

Shriram Jagetiya
Director
DIN-1638250

Ankur Bansal
Chief Financial Officer

Place: Mumbai
Date: 13-May-2015

Rajesh Shah
Director
DIN-06390775

Sailesh Daga
Company Secretary



ADITYA BIRLA FINANCIAL SERVICES LIMITED
(Formerly Known As ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED)
ANNEXURE 1 - RELATED PARTY TRANSACTIONS

(Amount in ₹)

Sr. No.	Particulars	31st March Year Ended	31st March Year Ended
		2015 (Audited)	2014 (Audited)
	Brief description Company wise and item wise		
1	Other Transactions		
	- Issue of Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	-	6,070,100,000
	- Conversion of Preference Shares to Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	400,000,000	-
	- Issue of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	6,811,100,000	-
	- Purchase Equity shares		
	Aditya Birla Finance Limited	5,450,001,400	5,249,775,600
	Aditya Birla Housing Finance Limited	400,000,000	80,000,000
	Aditya Birla Customer Services Limited	611,098,119	99,900,000
	Birla Sun Life Trustee Company Private Limited	3,840	-
	- Purchase Preference shares		
	Aditya Birla Money Limited	-	100,000,000
	Aditya Birla Customer Services Limited	287,482,500	-
	- Other Investment Made		
	Aditya Birla Private Equity - Fund I	-	453,614,425
	Aditya Birla Sunrise Fund	74,655,505	104,517,805
	- Reimbursement of expenses		
	Aditya Birla Financial Shared Services Limited		1,559,201
	Long term capital gain from PE Fund 1	-	4,371,562
	Long term capital loss from PE Fund 1	-	547,270
	Interest on debentures from PE Fund 1	-	7,187,324
	Aditya Birla Nuvo Limited	-	-
	Aditya Birla Insurance Brokers Limited (excl S tax ₹ 1,258,054)	10,178,429	-
	Reimbursement of Salary Expense	8,214,514	-
	Reimbursement of Other Expenses	1,963,915	-
	Aditya Birla Capital Advisors Private Limited (excl S tax ₹ 838,618)	6,784,933	-
	Reimbursement of Salary Expense	5,476,343	-
	Reimbursement of Other Expenses	1,308,590	-
	Aditya Birla Finance Limited (excl S tax ₹ 11,149,133)	90,203,343	-
	Reimbursement of Salary Expense	71,635,533	-
	Reimbursement of Other Expenses	18,567,810	-
	Birla Sun Life Insurance Company Limited (excl S tax ₹ 18,863,054)	152,613,706	-
	Reimbursement of Salary Expense	123,217,708	-
	Reimbursement of Other Expenses	29,395,998	-
	Birla Sun Life Asset Management Company Limited (excl S tax ₹ 7,127,981)	57,669,747	-
	Reimbursement of Salary Expense	46,548,912	-
	Reimbursement of Other Expenses	11,120,835	-
	Aditya Birla Financial Shared Services Limited (excl S tax ₹ 336,494)	2,722,440	
	Aditya Birla Customer Services Limited	9,359,697	
	Aditya Birla Money Mart Limited	5,635,389	
	Aditya Birla Money Limited	5,661,389	
	- Dividend Received		
	Aditya Birla Finance Limited	175,000	144,863
	Aditya Birla Insurance Brokers Private Limited	49,951,998	22,275,891



2	Outstanding Balances		
	- Receivables		
	Long term capital gain from PE Fund 1	-	4,371,562
	Long term capital loss from PE Fund 1	-	547,270
	Interest on debentures from PE Fund 1	-	7,187,324
	Aditya Birla Financial Shared Services Limited	182,000	182,000
	Aditya Birla Capital Advisors Private Limited	772,443	-
	Aditya Birla Finance Limited	8,764,714	-
	Birla Sun Life Insurance Company Limited	31,045,621	-
	Birla Sun Life Asset Management Company Limited	13,670,081	-
	Aditya Birla Customer Services Limited	1,573,039	-
	Aditya Birla Money Mart Limited	2,811,765	-
	Aditya Birla Money Limited	1,968,934	-
	- Payables		
	Salary Reimbursement (Aditya Birla Financial Shared Services Limited)	257,134	341,385
	Aditya Birla Insurance Brokers Limited	267,547	-
	- Others		
	Equity Shares held by Aditya Birla Nuvo Limited (Holding Company)	7,570,100,000	7,170,100,000
	Preference Shares held by Aditya Birla Nuvo Limited (Holding Company)	11,576,100,000	8,765,000,000
	Equity shares capital held by the Company		
	Aditya Birla Money Limited - Quoted	2,358,876,600	2,358,876,600
	Aditya Birla Capital Advisors Private Limited - Unquoted	35,000,250	35,000,250
	Aditya Birla Financial Shared Services Limited - Unquoted	500,000	500,000
	Aditya Birla Customer Services Limited - Unquoted	711,098,369	100,000,250
	Aditya Birla Trustee Company Private Limited - Unquoted	500,250	500,250
	Aditya Birla Insurance Brokers Limited - Unquoted	3,000,120	3,000,120
	Aditya Birla Finance Limited - Unquoted	12,976,074,550	7,526,073,150
	Birla Sun Life Asset Management Company Limited - Unquoted	337,099,052	337,099,052
	Birla Sun Life Trustee Company Private Limited - Unquoted	153,540	149,700
	Aditya Birla Housing Finance Limited	502,447,500	102,447,500
	Aditya Birla Money Mart Limited - Unquoted	72,225,929	156,489,512
	Preference shares capital held by the Company		
	Aditya Birla Finance Limited		
	0.01% Compulsory Convertible Preference Shares	1,777,982,191	1,777,982,191
	Aditya Birla Money Mart Limited		
	0.01% Redeemable Non Convertible Non Cumulative Preference Shares	300,000,000	650,000,000
	Aditya Birla Money Limited		
	0.01% Redeemable Non Convertible Cumulative Preference Shares	300,000,000	300,000,000
	Aditya Birla Customer Services Limited		
	0.001% Compulsory convertible cummulative preference shares	287,482,500	-
	Investment in Aditya Birla Private Equity - Sunrise	281,148,339	223,966,795
	Investment in Aditya Birla Private Equity - Fund I	1,588,259,802	1,681,947,100
3	Key Managerial Persons		
	Ajay Srinivasan	69,592,670	-
	Sailesh Daga	-	-

* Figures of the previous periods have been regrouped/ rearranged wherever necessary.

