

**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

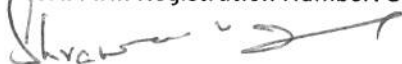
Chartered Accountants

- (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.

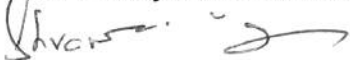
**Explanatory paragraph**

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



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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
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' Funds</b>			
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
		<b>Sub-Total - (A)</b>	<b>21,60,19,75,399</b>
<b>(B) Current Liabilities</b>			
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
		<b>Sub-Total - (B)</b>	<b>31,35,36,954</b>
		<b>TOTAL (A)+(B)</b>	<b>21,91,55,12,353</b>
<b>ASSETS</b>			
<b>(C) Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	8	80,27,585	50,41,219
Intangible Assets	9	34,17,792	-
		<b>Sub-Total - (C)</b>	<b>21,58,28,86,957</b>
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
		<b>Sub-Total - (D)</b>	<b>31,22,76,80,274</b>
<b>(D) Current Assets</b>			
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
		<b>Sub-Total - (D)</b>	<b>33,26,25,396</b>
		<b>TOTAL (C)+(D)</b>	<b>21,91,55,12,353</b>

Significant Accounting Policies.

2

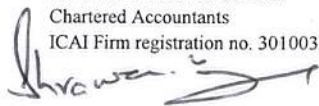
The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

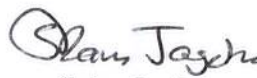
ICAI Firm registration no. 301003E/E300005



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
<b>Total Revenue</b>		<b>7,34,81,986</b>	<b>4,50,73,542</b>
<b>Expenses</b>			
Employee Benefits Expenses	18	3,56,60,294	8,03,58,258
Other Expenses	19	2,52,73,908	1,38,55,536
<b>Total Expenses</b>		<b>6,09,34,202</b>	<b>9,42,13,794</b>
<b>Profit/(Loss) before Depreciation/Amortisation, Interest and Tax (PBDIT)</b>		<b>1,25,47,784</b>	<b>(4,91,40,252)</b>
Depreciation and Amortisation Expenses	20	2,89,083	21,69,171
<b>Profit/(Loss) Before Exceptional Item and Tax</b>		<b>1,22,58,701</b>	<b>(5,13,09,422)</b>
Exceptional Items	38	-	43,42,63,583
<b>Profit/(Loss) Before Tax</b>		<b>1,22,58,701</b>	<b>(48,55,73,005)</b>
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)	-
<b>Profit/(Loss) for the Year</b>		<b>(48,36,352)</b>	<b>(48,55,73,005)</b>
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
<b>A Cash Flow From Operating Activities</b>		
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>
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>(6,09,34,202)</b>	<b>(10,51,13,342)</b>
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>
<b>Cash Generated From Operations</b>	<b>(19,09,18,411)</b>	<b>(5,37,79,701)</b>
Income Taxes Refund/ (Paid)	(2,17,61,594)	-
<b>Net Cash (Used In)/From Operating Activities</b>	<b>(21,26,80,005)</b>	<b>(5,37,79,701)</b>
<b>B Cash Flow From Investing Activities</b>		
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>
<b>Net Cash Flow From Investing Activities</b>	<b>(9,50,91,20,771)</b>	<b>(6,70,43,42,067)</b>
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Issue of Shares (including Securities Premium)	9,70,00,00,000	6,81,11,00,000
	<u>9,70,00,00,000</u>	<u>6,81,11,00,000</u>
<b>Net Cash Flow From Financing Activities</b>	<b>9,70,00,00,000</b>	<b>6,81,11,00,000</b>
<b>D Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(2,18,00,776)</b>	<b>5,29,78,232</b>
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>
<b>Note:</b>		
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

**Ajay Srinivasan**  
Chief Executive Officer

**Pinky Mehta**  
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**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
<b>NOTE: 3</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
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
	<b>40,00,00,00,000</b>	<b>30,00,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
<b>EQUITY SHARE CAPITAL</b>		
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
	<b>7,96,01,00,000</b>	<b>7,57,01,00,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
<b>PREFERENCE SHARE CAPITAL</b>		
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	-
	<b>17,37,61,00,000</b>	<b>11,57,61,00,000</b>
	<b>25,33,62,00,000</b>	<b>19,14,62,00,000</b>

(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
<b>NOTE: 4</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>A) Securities Premium Account</b>		
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
<b>(A)</b>	<b>7,11,00,00,000</b>	<b>3,60,00,00,000</b>
<b>B) (Deficit) in the statement of Profit and Loss</b>		
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>(B)</b>	<b>(1,14,90,60,953)</b>	<b>(1,14,42,24,601)</b>
<b>Total (A) + (B)</b>	<b>5,96,09,39,047</b>	<b>2,45,57,75,399</b>

**NOTE: 5**  
**TRADE PAYABLES**

Trade Payables*	13,11,66,522	26,76,38,264
	<b>13,11,66,522</b>	<b>26,76,38,264</b>

\* 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	-
	<b>26,88,187</b>	<b>1,92,14,118</b>

**NOTE: 7**  
**SHORT-TERM PROVISIONS**

Provisions for Employee Benefits	3,22,00,864	2,66,84,572
	<b>3,22,00,864</b>	<b>2,66,84,572</b>





# 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
<b>Gross Block</b>				
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
<b>Accumulated Depreciation</b>				
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
<b>Gross Block</b>		
As at March 31, 2015	-	-
Additions	35,08,750	35,08,750
Deletions	-	-
As at March 31, 2016	35,08,750	35,08,750
<b>Accumulated Amortisation</b>		
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						
<b>INVESTMENTS : NON-CURRENT</b>						
<b>Trade Investments Valued at cost, except otherwise stated</b>	<b>Face Value</b>	<b>Number</b>				
<b>Investment in</b>						
<b>Equity Instruments</b>						
<b>Quoted</b>						
<b>Subsidiaries</b>						
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	
			<b>2,35,88,76,600</b>		<b>2,35,88,76,600</b>	
<b>Unquoted</b>						
<b>Subsidiaries</b>						
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	-	-	
<b>Total Equity Shares Investment</b>		<b>(A)</b>	<b>26,09,35,76,160</b>	<b>(A)</b>	<b>16,99,69,76,160</b>	
<b>Preference Shares</b>						
<b>Unquoted</b>						
<b>Subsidiaries</b>						
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
<b>Total Preference Shares Investment</b>		<b>(B)</b>	<b>2,97,79,82,189</b>	<b>(B)</b>	<b>2,66,54,64,691</b>	
<b>Private Equity Fund</b>						
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	
<b>Total Private Equity Fund Investment</b>		<b>(C)</b>	<b>1,59,19,71,956</b>	<b>(C)</b>	<b>1,86,94,08,141</b>	
<b>Debentures</b>						
Aditya Birla Money Mart Limited						
0.1% Compulsory Convertible Debentures (CCD)	100	50,00,000	50,00,00,000			
<b>Total Debentures Investment</b>		<b>(D)</b>	<b>50,00,00,000</b>	<b>(D)</b>	<b>-</b>	
<b>Grand Total</b>		<b>(A)+(B)+(C)+(D)</b>	<b>31,16,35,30,305</b>	<b>(A)+(B)+(C)+(D)</b>	<b>21,53,18,48,992</b>	

Note:

- 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)
- Aggregate amount of unquoted investment Rs. 28,804,653,705 (March 31, 2015 Rs. 19,172,972,392)
- Aggregate amount of diminution in value of investment Rs. 992,678,567 (March 31, 2015 Rs. 992,678,567)
- Aggregate amount of private equity fund:-
  - 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)
  - 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)

	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 11</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good, except otherwise stated)		
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
	<b>5,27,04,592</b>	<b>4,59,96,746</b>
<b>NOTE: 12</b>		
<b>CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
<b>Investment in Mutual Fund</b>		
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
[Net Asset value of Rs. Nil (March 31, 2015 Rs. 56,050,411)]	-	5,57,71,797
	<b>-</b>	<b>5,57,71,797</b>
<b>NOTE: 13</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks in Current Accounts	3,12,91,265	5,30,82,041
Cash on Hand	-	10,000
<b>Total</b>	<b>3,12,91,265</b>	<b>5,30,92,041</b>
<b>NOTE: 14</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(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
<b>Total</b>	<b>2,19,34,330</b>	<b>1,36,79,641</b>
<b>NOTE: 15</b>		
<b>OTHER CURRENT ASSETS</b>		
Advances/Receivables from Related parties	18,22,88,751	6,00,81,917
Other Receivable	-	15,00,00,000
<b>Total</b>	<b>18,22,88,751</b>	<b>21,00,81,917</b>



# 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>
<b>NOTE: 16</b>		
<b>REVENUE FROM OPERATIONS</b>		
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>
<b>NOTE: 17</b>		
<b>OTHER INCOME</b>		
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>
<b>NOTE: 18</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
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>
<b>NOTE: 19</b>		
<b>OTHER EXPENSES</b>		
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>
<b>NOTE: 20</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
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>
<b>Note: 21</b>		
<b>Earnings per Share (EPS)</b>		
<b>The following reflects the profit and share data used in the basic and diluted EPS Computation</b>		
<b>Basic</b>		
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
<b>Basic EPS (Rs.)</b>	<b>(0.01)</b>	<b>(0.67)</b>
(Face Value of Rs. 10/- each)		
<b>Diluted EPS</b>		
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
<b>Diluted EPS (Rs.)</b>	<b>(0.01)</b>	<b>(0.59)</b>
(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
<b><u>Deferred Tax Liability</u></b>		
Depreciation / Amortisation	475,581	152,757
Gross Deferred Tax Liability	<b>475,581</b>	<b>152,757</b>
<b><u>Deferred Tax Assets</u></b>		
Unabsorbed depreciation and carry forward	-	659,300
Expenses allowed on payment basis		
Leave Encashment	7,586,754	7,021,237
Gross Deferred Tax Assets	<b>7,586,754</b>	<b>7,680,537</b>
Deferred Tax Assets (Net)	<b>7,111,173</b>	<b>7,527,780</b>
Deferred Tax Assets recognized (restricted upto reversal of deferred tax liabilities)	<b>Nil</b>	<b>Nil</b>

**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
<b>Amount recognized in the Balance Sheet in respect of gratuity</b>		
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	<b>9,254,506</b>	<b>2,591,892</b>
<b>Amount recognized in salary, wages and employee benefits in the statement of profit and loss in respect of gratuity</b>		
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	<b>3,704,842</b>	<b>14,235,415</b>
<b>Actual return on plan asset</b>		
Expected return on plan assets	3,023,822	-
Actuarial gain on plan assets	(380,404)	468,547
Actual Return on plan assets	<b>2,643,418</b>	<b>468,547</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
<b>Change in defined benefit obligation</b>		
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	<b>48,807,802</b>	<b>36,909,878</b>



**Aditya Birla Financial Services Limited**  
Notes forming part of accounts

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Change in fair value of plan assets</b>		
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	<b>39,553,296</b>	<b>34,317,986</b>
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows</b>		
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
<b>Total</b>	<b>39,553,296</b>	<b>34,317,986</b>
<b>Principal actuarial assumptions as at the balance sheet date</b>		
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
<b>Total</b>	<b>17,514,169</b>	<b>13,001,146</b>





**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
<b>Total*</b>	<b>831,642</b>	<b>600,000</b>

\*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**

- a. Capital commitments: There are no capital commitment as on March 31, 2016 (March 31, 2015 Rs Nil).  
b. 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

1. Aditya Birla Capital Advisors Private Limited
2. Aditya Birla Customer Services Limited
3. Aditya Birla Financial Shared Services Limited
4. Aditya Birla Trustee Company Private Limited
5. Aditya Birla Money Limited
6. Aditya Birla Money Mart Limited
7. Aditya Birla Insurance Brokers Limited
8. Aditya Birla Finance Limited
9. 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
<b>Total</b>	<b>424,922,012</b>	<b>338,057,492</b>

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
	<b>Brief description - Company wise and item wise</b>		
<b>1</b>	<b>Other Transactions</b>		
	- <b>Issue of Equity Shares:-</b>		
	Aditya Birla Nuvo Limited (Holding Company)	2,47,00,00,000	-
	ABNL Investment Limited	3,00,00,000	-
	- <b>Conversion of Preference Shares to equity shares:-</b>		
	Aditya Birla Nuvo Limited (Holding Company)	1,40,00,00,000	40,00,00,000
	- <b>Issue of Preference Shares:-</b>		
	Aditya Birla Nuvo Limited (Holding Company)	7,20,00,00,000	6,81,11,00,000
	- <b>Investment Equity shares</b>		
	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	-
	- <b>Investment Preference shares</b>		
	Aditya Birla Customer Services Limited	31,25,17,498	28,74,82,500
	- <b>Investment Compulsory Convertible Debentures</b>		
	Aditya Birla Money Mart Limited	50,00,00,000	-
	- <b>Other Investment Made</b>		
	Aditya Birla Private Equity Sunrise Fund	-	7,46,55,505
	<b>Recovery of Expenses</b>		
	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	-
	<b>Aditya Birla Insurance Brokers Limited</b>	<b>1,17,49,005</b>	<b>1,01,78,429</b>
	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	-
	<b>Aditya Birla Capital Advisors Private Limited</b>	<b>82,49,301</b>	<b>67,84,933</b>
	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	-
	<b>Aditya Birla Finance Limited</b>	<b>11,24,84,479</b>	<b>9,02,03,343</b>
	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	-
	<b>Birla Sun Life Insurance Company Limited</b>	<b>17,46,88,093</b>	<b>15,26,13,706</b>
	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
	<b>Birla Sun Life Asset Management Company Limited</b>	<b>7,49,93,649</b>	<b>5,76,69,747</b>
	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	-
	<b>Aditya Birla Financial Shared Services Limited</b>	-	27,22,440
	<b>Aditya Birla Customer Services Limited</b>	<b>2,25,94,684</b>	<b>93,59,697</b>
	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	-
	<b>Aditya Birla Money Mart Limited</b>	<b>1,00,70,893</b>	<b>56,35,389</b>
	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	-
	<b>Aditya Birla Money Limited</b>	<b>1,00,91,908</b>	<b>56,61,389</b>
	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	-
	<b>Aditya Birla Health Insurance Co. Limited</b>		
	Reimbursement of Salary and other expenses	1,27,38,254	-
	<b>- Dividend Received</b>		
	Aditya Birla Finance Limited	1,75,000	1,75,000
	Aditya Birla Insurance Brokers Private Limited	6,57,07,128	4,99,51,998
	<b>- Debenture Interest</b>		
	Aditya Birla Money Mart Limited	4,098	-
2	<b>Outstanding Balances</b>		
	<b>- Receivables</b>		
	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	-
	<b>- Payables</b>		
	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
	<b>- Others</b>		
	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
	<b>Equity shares capital held by the Company</b>		
	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	-
	<b>Preference shares capital held by the Company</b>		
	<b>Aditya Birla Finance Limited</b>		
	0.01% Compulsory Convertible Preference Shares	1,77,79,82,171	1,77,79,82,191
	<b>Aditya Birla Money Mart Limited</b>		
	0.01% Redeemable Non Convertible Non Cumulative Preference Shares	1,00,00,00,000	1,00,00,00,000
	<b>Aditya Birla Money Limited</b>		
	0.01% Redeemable Non Convertible Cumulative Preference Shares	30,00,00,000	30,00,00,000
	<b>Aditya Birla Customer Services Limited</b>		
	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
	<b>Debentures held by the Company</b>		
	<b>Aditya Birla Money Mart Limited</b>		
	0.1% Cumulative Convertible Debentures (CCD)	50,00,00,000	-
3	<b>Key Managerial Personnel</b>		
	Ajay Srinivasan (Amounts shown here are before allocation to subsidiary companies)	12,78,96,949	6,95,92,670

