

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Finance 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

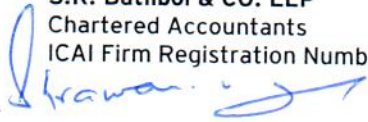
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its 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, 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, 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 (2) 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 and;
 - 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: April 30, 2015



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

Re: Aditya Birla Finance 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 period and no material discrepancies were identified on such verification.
- (ii) (a) The Company does not hold any securities in physical form. The securities held as stock in trade by the custodian are verified with the confirmation statement received by the management from the custodian at regular intervals. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of securities held as stock in trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of securities held as stock-in-trade and no discrepancies were noticed on comparing the statement from custodian with book records.
- (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, for rendering of services and for the purchase of securities. The activities of the Company did not involve 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 Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, wealth-tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, wealth 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 sales tax, customs duty, value added taxes and excise duty are not applicable to the Company.
- (b) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

Nature of the Statute	Nature of dues	Amount (Rs. in lacs)	Year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	55.33	A.Y. 2007 - 08	Income Tax Appellate Tribunal (ITAT) *
Income Tax Act, 1961	Income-tax	64.81	A.Y. 2008 - 09	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income-tax`	50.41	A.Y. 2012 - 13	CIT (Appeals)

*ITAT has restored back the matter to the file of AO



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

Re: Aditya Birla Finance Limited ("the Company")

- (c) According to the information and explanations given to us, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the company.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (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 given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) We have been informed that during the year under audit two borrowers of the Company have defrauded the Company by submitting forged documents at the time of borrowing and consequently such loans amounting to Rs. 794.89 Lacs have become doubtful of recovery and the same have been fully provided for 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: April 30, 2015



Aditya Birla Finance Limited

Balance Sheet

as at 31st March 2015

(Currency: Rupees in Lakhs)

	Notes	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital			
(i) Equity	1	45,035.97	31,563.74
(ii) Preference	1	60,000.00	60,000.00
(b) Reserves and surplus	2	153,447.48	85,359.08
		<u>258,483.45</u>	<u>176,922.82</u>
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	3a	878,628.12	473,948.60
(b) Other Long-term liabilities	5a	1,820.28	8,294.55
(c) Long-term provisions	6a	13,661.11	9,993.10
		<u>894,109.51</u>	<u>492,236.25</u>
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	3b	394,485.56	391,604.98
(b) Trade payables	4	4,191.55	2,857.60
(c) Other current liabilities	5b	240,341.92	122,924.47
(d) Short-term provisions	6b	4,073.90	4,018.37
		<u>643,092.93</u>	<u>521,405.42</u>
Total		<u><u>1,795,685.89</u></u>	<u><u>1,190,564.49</u></u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	7	788.53	372.35
(ii) Intangible assets	7	494.61	687.07
(iii) Intangible assets under development		526.72	279.62
(b) Non current investments	8a	1,564.36	1,746.97
(c) Deferred tax assets (Net)	9	5,740.07	4,239.81
(d) Long-term loans and advances	10a	944,579.47	534,698.82
		<u>953,693.76</u>	<u>542,024.64</u>
(2) CURRENT ASSETS			
(a) Current investments	8b	2,431.06	18,605.82
(b) Stock of securities		46,756.69	11,672.48
(c) Trade receivables	11	34.27	32.23
(d) Cash and bank balances	12	15,891.96	1.89
(e) Short-term loans and advances	10b	765,294.40	609,297.36
(f) Other current assets	13	11,583.75	8,930.07
		<u>841,992.13</u>	<u>648,539.85</u>
Total		<u><u>1,795,685.89</u></u>	<u><u>1,190,564.49</u></u>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E


per Shrawan Jalan


Partner


Membership No: 102102




For and on behalf of the Board of Directors of
Aditya Birla Finance Limited


Ajay Srinivasan
(Director)
(DIN - 00121181)


B. N. Puranmalka
(Director)
(DIN - 00007432)


Sachinn Joshi
(Chief Financial Officer)


Sekhar Mosur
(Manager)


Ankur Shah
(Company Secretary)

Place: Mumbai
Date: 30 April 2015

Place: Mumbai
Date: 30 April 2015

Aditya Birla Finance Limited

Statement of Profit and Loss

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	Notes	Year ended 31 March 2015	Year ended 31 March 2014
I. Revenue from Operations	14	177,617.31	120,116.16
II. Other Income	15	427.68	197.21
III. Total Revenue		<u>178,044.99</u>	<u>120,313.37</u>
IV. Expenses :			
Finance costs	16	110,642.37	74,401.73
Employee benefit expenses	17	11,354.98	8,281.88
Other expenses	18	7,903.94	5,321.54
Depreciation and Amortization expenses	7	670.93	411.53
Provisions and write - offs (Net)	19	6,388.21	6,764.56
V. Total Expenses		<u>136,960.43</u>	<u>95,181.24</u>
VI. PROFIT BEFORE TAX		<u>41,084.56</u>	<u>25,132.13</u>
VII. Tax expenses :			
(a) Current Tax		15,510.00	11,010.00
(b) Deferred Tax Expenses / (Benefits)- (Net)		(1,500.26)	(2,450.55)
(c) Income tax relating to earlier years		7.19	1.26
VIII. PROFIT FOR THE YEAR		<u>27,067.63</u>	<u>16,571.42</u>
IX. Basic and Diluted Earnings per share (Face value Rs. 10) (Previous year Face value Rs. 10)	20	<u>7.95</u>	<u>7.87</u>
		<u>7.95</u>	<u>7.87</u>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E


per Shrawan Jalan


Partner

Membership No: 102102




For and on behalf of the Board of Directors of
Aditya Birla Finance Limited


Ajay Srinivasan
(Director)
(DIN - 00121181)


B. N. Puranmalka
(Director)
(DIN - 00007432)


Sachinn Joshi
(Chief Financial Officer)


Sekhar Mosur
(Manager)


Ankur Shah
(Company Secretary)

Place: Mumbai
Date: 30 April 2015

Place: Mumbai
Date: 30 April 2015

Aditya Birla Finance Limited

Cash flow statement

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	31 March 2015	31 March 2014
A. Cash Flow from operating activities		
Profit before tax	41,084.56	25,132.13
<i>Adjustments for:</i>		
Depreciation / Amortisation	670.93	411.53
Provision for leave encashment	88.83	80.36
Provision for gratuity	52.89	(50.58)
Bad debts and Provision for Non-Performing Assets (Net)	1,582.81	3,899.94
Contingent Provision on Standard Assets	1,420.64	832.58
General Contingency Provision	152.61	1,302.83
Provision for diminution in Investments	28.05	45.92
Provision for employee benefits	973.60	812.22
Loss/(Gain) on Sale of Investments	(406.42)	(150.50)
Loss/(Gain) on Sale of Fixed Assets	2.71	(1.71)
Dividend Income	(6.53)	(6.84)
	<u>4,560.12</u>	<u>7,175.75</u>
Operating Profit before Working Capital changes	45,644.68	32,307.88
<i>Adjustments for:</i>		
(Increase)/decrease in Trade Receivables	(2.03)	486.81
(Increase)/decrease in Loans and Advances	(566,135.47)	(405,090.88)
(Increase)/decrease in Stock of Securities	(35,084.21)	45,229.55
(Increase)/decrease in Other Liabilities and Trade Payable	25,169.25	15,762.21
(Increase)/decrease in Other assets	(2,653.70)	298.76
	<u>(578,706.16)</u>	<u>(343,313.55)</u>
Cash used in Operations	(533,061.48)	(311,005.66)
Direct Taxes Paid	(15,807.25)	(10,421.46)
	<u>(15,807.25)</u>	<u>(10,421.46)</u>
Net Cash used in Operating Activities (A)	(548,868.73)	(321,427.13)
B. Cash flow from investing activities		
Purchase of Tangible Assets	(694.45)	(145.78)
Purchase of Intangible Assets including assets under development	(458.87)	(456.02)
Purchase of Securities	(2,364.75)	(16,224.54)
Sale of Securities	19,100.48	7,699.18
Dividend Received	6.53	6.84
Sale of Tangible Assets	8.89	13.42
	<u>15,597.83</u>	<u>(9,106.90)</u>
Net Cash used in Investing Activities (B)	15,597.83	(9,106.90)
C. Cash flow from financing activities		
Dividend on Preference Share and Corporate Dividend Tax	(7.02)	(5.47)
Proceeds from Borrowings	9,394,607.04	2,974,781.50
Repayment of Borrowings	(8,899,939.07)	(2,696,745.76)
Share Premium	41,027.79	35,563.00
Equity Share Capital	13,472.23	16,934.76
	<u>549,160.97</u>	<u>330,528.02</u>
Net Cash from Financing Activities (C)	549,160.97	330,528.02



Aditya Birla Finance Limited

Cash flow statement

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

31 March 2015

31 March 2014

Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)

15,890.07

(6.00)

Cash and Cash Equivalents (Opening Balances)

1.89

7.89

Cash and Cash Equivalents (Closing Balances)

15,891.96

1.89

Net Increase/(decrease) in Cash and Cash Equivalents

15,890.07

(6.00)

Note to Cash Flow Statement

Cash and Cash Equivalents include

Balances with Banks in Current Accounts

15,891.96

1.89

15,891.96

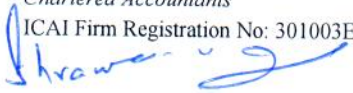
1.89

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm Registration No: 301003E



per **Shrawan Jalan**

Partner

Membership No: 102102



For and on behalf of the Board of Directors of
Aditya Birla Finance Limited


Ajay Srinivasan

(Director)

(DIN - 00121181)


B. N. Puranmalika

(Director)

(DIN - 00007432)


Sachinn Joshi

(Chief Financial Officer)

Place: Mumbai

Date: 30 April 2015


Sekhar Mosur

(Manager)


Ankur Shah

(Company Secretary)

Place: Mumbai

Date: 30 April 2015



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

As at
31 March 2015 As at
31 March 2014

1. Share Capital

Authorised

1,000,000,000 (Previous year: 1,000,000,000) equity shares of Rs 10 each

100,000.00 100,000.00

1,000,000,000 (Previous year: 1,000,000,000) preference shares of Rs 10 each

100,000.00 100,000.00

200,000.00 200,000.00

Issued, Subscribed and Fully Paid up

Equity Share Capital

450,359,698 (Previous year: 315,637,442) equity shares of Rs 10 each, fully paid up

45,035.97 31,563.74

45,035.97 31,563.74

Preference Share Capital

75,000,000 (Previous year: 75,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up*

7,500.00 7,500.00

300,000,000 (Previous year: 300,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up**

30,000.00 30,000.00

225,000,000 (Previous year: 225,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up***

22,500.00 22,500.00

60,000.00 60,000.00

None of the above preference shares have been converted into equity shares till March 31, 2015.

A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

I) Equity Share

Description

31 March 2015
Number Rs in lakhs

31 March 2014
Number Rs in lakhs

Number of Shares outstanding at the beginning of the year

315,637,442 31,563.74 146,289,842 14,628.98

Number of Shares issued during the year

134,722,256 13,472.23 169,347,600 16,934.76

Number of Shares outstanding at the end of the year

450,359,698 45,035.97 315,637,442 31,563.74

II) Preference Share

Number of Shares outstanding at the beginning of the year

600,000,000 60,000.00 600,000,000 60,000.00

Number of Shares issued during the year

- - - -

Number of Shares outstanding at the end of the year

600,000,000 60,000.00 600,000,000 60,000.00



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

B) Shares held by holding / ultimate holding company and / or their subsidiaries / associate

Name of Share Holder	31 March 2015		31 March 2014	
	Number	Rs in lakhs	Number	Rs in lakhs
I) Equity Share				
(i) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	450,359,697	45,035.97	315,637,441	31,563.74
(ii) ABNL Investment Limited, fellow subsidiary company	1	0.00	1	0.00
II) Preference Share 0.01% Compulsory Convertible Cumulative Preference Shares of Rs.10 each, fully paid up				
(i) Madura Garments Lifestyle Retail Company Limited, fellow subsidiary company	425,000,000	42,500.00	425,000,000	42,500.00
(ii) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	175,000,000	17,500.00	175,000,000	17,500.00

C) Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Name of Share Holder	31 March 2015		31 March 2014	
	Number	% of total paid-up equity capital	Number	% of total paid-up equity capital
I) Equity Share				
(i) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	450,359,697	100.00%	315,637,441	100.00%
II) Preference Share 0.01% Compulsory Convertible Cumulative Preference Shares of Rs.10 each, fully paid up				
(i) Madura Garments Lifestyle Retail Company Limited, fellow subsidiary company	425,000,000	70.83%	425,000,000	70.83%
(ii) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	175,000,000	29.17%	175,000,000	29.17%



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Notes:

1 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 if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

2 Term of conversion/redemption of Preference Shares

Preference shares carry cumulative dividend @0.01 % p.a. 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 ensuing Annual General Meeting. In the event of liquidation of the Company before conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS), the holders of CCCPS will have priority over equity shares in the payment of dividend and repayment of capital.

* Compulsory Convertible Cumulative Preference Shares (CCCPS) 75,000,000 0.01% of Rs 10 each fully paid up (31st March, 2014: 75,000,000), comprising of 50,000,000 CCCPS allotted on 30th November 2007 and 25,000,000 allotted on 31st December 2007, are convertible into equity shares of the Company at any time after three months from the respective date of allotment but within 10 years from respective date of allotment, at a price to be decided by the Board of Directors of the Company. In the event these CCCPS are not converted into fully paid up equity shares prior to date of maturity, then these CCCPS shall be converted into appropriate numbers of fully paid up equity shares at twice the fair value of equity shares as on the date of conversion.

**Compulsory Convertible Cumulative Preference Shares (CCCPS) 300,000,000 0.01% of Rs 10 each fully paid up (31st March, 2014: fully paid up 300,000,000) are convertible into equity shares of the Company on or before 31st March, 2017 at the option of CCCPS holders. The conversion of CCCPS into equity shares of the company will be at 2/3rd of the fair value on the date of conversion or such other ratio as may be mutually agreed.

***Compulsory Convertible Cumulative Preference Shares (CCCPS) 200,000,000 @ 0.01% of Rs 10 each fully paid up (31st March, 2014 fully paid up 200,000,000), comprising of 100,000,000 CCCPS each allotted on 20th July, 2012 and 28th December, 2012, are convertible into equity shares of the Company on or before 5 years from the respective date of allotments at the fair value on the date of conversion or such other ratio as may be mutually agreed.

***Compulsory Convertible Cumulative Preference Shares (CCCPS) 25,000,000 @ 0.01% of Rs 10 each fully paid up (31st March, 2014 fully paid up 25,000,000) allotted on 25th March 2013, are convertible into equity shares of the Company on or before 5 years from the date of allotment i.e 25th March 2018 at the fair value on the date of conversion or such other ratio as may be mutually agreed.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	As at 31 March 2015	As at 31 March 2014
2. Reserves and Surplus		
(I) Other Reserves		
Special Reserve *		
Opening Balance	8,880.00	5,560.00
Addition: Amount transferred from surplus balance in the Statement of Profit and Loss	5,420.00	3,320.00
Closing Balance	<u>14,300.00</u>	<u>8,880.00</u>
(II) Share Premium Account		
Share Premium Account	44,031.25	8,468.25
Addition during the year	41,027.79	35,563.00
	<u>85,059.04</u>	<u>44,031.25</u>
(III) Surplus as per statement of Profit and Loss		
Opening Balance	32,447.83	19,203.43
<u>Addition</u>		
Profit for the year	27,067.63	16,571.42
<u>Less: Appropriation</u>		
Transfer to Special Reserve	5,420.00	3,320.00
Dividend on Preference Shares	6.00	6.00
Tax on Dividend	1.02	1.02
Closing Balance	<u>54,088.44</u>	<u>32,447.83</u>
	<u><u>153,447.48</u></u>	<u><u>85,359.08</u></u>

*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.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	As at 31 March 2015	As at 31 March 2014
3a. Long-Term Borrowings		
Secured		
Redeemable Non Convertible Debentures *	300,320.00	81,150.00
Term Loan from Banks	523,308.12	347,298.60
	<u>823,628.12</u>	<u>428,448.60</u>
Unsecured		
Sub ordinate Debts - Debentures	55,000.00	45,500.00
	<u>55,000.00</u>	<u>45,500.00</u>
	<u>878,628.12</u>	<u>473,948.60</u>
3b. Short-Term Borrowings		
Secured		
Term Loan / Demand Loan from Banks	7,500.00	-
Loan repayable on demand from Banks (Cash Credit)	119,716.91	97,634.28
	<u>127,216.91</u>	<u>97,634.28</u>
Unsecured		
Term Loan / Demand Loan from Banks	30,000.00	10,000.00
Commercial Papers **	237,268.65	280,975.04
Loan from Related Parties	-	2,995.66
	<u>267,268.65</u>	<u>293,970.70</u>
	<u>394,485.56</u>	<u>391,604.98</u>

* Redeemable Non Convertible Debentures shown net of unamortised discounting charges Rs. Nil lakhs (31st March 2014 Rs. 50.59 lakhs).

** Commercial paper shown net of unamortised discounting charges Rs. 2,731.35 lakhs (31st March, 2014 Rs. 3,525.04 lakhs).



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	2015		2014	
	Current	Non Current	Current	Non Current
I) Secured Long Term Borrowings				
“The term loans from banks are secured by way of first pari passu charge on the receivables of the Company.” The repayment terms and rate of interest of term loans are as under-				
Repayment Terms : Maturing within 1 year, Rate of Interest 10.20 % to 10.35 % p.a.	133,997.63	-	39,500.33	-
Repayment Terms : Maturing after 1 year, Rate of Interest 9.65 % to 10.35 % p.a.	-	523,308.12	-	347,298.60
Debentures Secured by way of mortgage of the immovable property and first pari- passu charge on current assets of the Company:				
Repayment Terms : Maturing within 1 year, Rate of Interest 8.75 % to 10.59 % p.a.	52,260.00	-	59,649.41	-
Repayment Terms : Maturing after 1 year, Rate of Interest 8.86 % to 10.20 % p.a.	-	300,320.00	-	81,150.00
	186,257.63	823,628.12	99,149.74	428,448.60
II) Unsecured Long term Borrowing				
9.45 % to 10.60 % p.a. (Redeemable from Feb 2022 to June 2025)	-	55,000.00	-	45,500.00
	-	55,000.00	-	45,500.00
	186,257.63	878,628.12	99,149.74	473,948.60
III) Secured Short Term Borrowings :				
Cash Credit secured by way of first pari-passu charge on Receivables of the Company	119,716.91	-	97,634.28	-
Working Capital Demand Loan secured by way of first pari-passu charge on Receivables of the Company	7,500.00	-	-	-
IV) Unsecured Short Term Borrowings :				
Rate of Interest 10.40 % to 11.05 % p.a.	30,000.00	-	10,000.00	-
	157,216.91	-	107,634.28	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	As at 31 March 2015	As at 31 March 2014
4. Trade Payables		
Trade payables	2,124.95	1,383.31
Trade payables for salaries, bonus and other employee benefits	2,066.60	1,474.29
	<u>4,191.55</u>	<u>2,857.60</u>
5a. Other Long Term Liabilities		
Interest accrued and Interest accrued but not due on Loans	1,820.28	8,294.55
	<u>1,820.28</u>	<u>8,294.55</u>
5b. Other Current Liabilities		
Current maturities of Term Loan	133,997.63	39,500.33
Current maturities of Redeemable Non Convertible Debentures	52,260.00	59,649.41
Interest accrued and Interest accrued but not due on Loans	28,698.41	11,780.83
Book Overdraft	22,599.33	7,373.93
Income received in advance	449.81	1,008.41
Statutory Dues	181.28	223.52
Margin Money from Customers	195.88	270.29
Other Payable - Deposits	583.15	2,658.34
Other Payable - Miscellaneous	1,376.43	459.41
	<u>240,341.92</u>	<u>122,924.47</u>
6a. Long Term Provisions		
Provision for Employee benefits	2,369.44	1,395.84
Provision for diminution on account of restructuring	192.00	192.00
Contingent Provision against Standard Assets	2,322.15	1,295.48
Provision for Doubtful Debts and Advances	7,514.69	5,931.88
General Contingency Provision	1,262.83	1,177.90
	<u>13,661.11</u>	<u>9,993.10</u>
6b. Short Term Provisions		
Proposed Dividend on Preference Shares	6.00	6.00
Provision for Corporate Dividend Tax	1.02	1.02
Provision for Income Tax (Net of advance tax Rs. 14,923.40 lakhs 31 March, 2014 Rs 9,875.57 lakhs)	586.60	1,134.43
Contingent Provision against Standard Assets	1,939.92	1,545.95
General Contingency Provision	1,054.97	987.29
Provision for Leave Encashment	391.74	302.92
Provision for Gratuity	93.65	40.76
	<u>4,073.90</u>	<u>4,018.37</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Note 7

Tangible Assets

Gross Block	Building	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
As at 1 April 2013	26.27	384.73	72.31	105.63	98.79	271.67	959.40
Additions	-	83.16	4.31	34.88	16.17	7.25	145.77
Deletions/Adjustment	-	-	2.17	28.02	4.19	2.11	36.49
As at 31 March 2014	26.27	467.89	74.45	112.49	110.77	276.81	1,068.68
Additions	-	229.73	31.85	114.86	57.46	260.57	694.47
Deletions/Adjustment	-	0.50	0.11	16.26	0.06	0.45	17.38
As at 31 March 2015	26.27	697.12	106.19	211.09	168.17	536.93	1,745.77
Accumulated Depreciation							
As at 1 April 2013	2.73	214.17	37.12	32.33	71.26	216.10	573.71
For the year	1.31	77.46	12.85	21.71	11.80	22.26	147.39
Deletions/Adjustment	-	-	2.04	17.19	3.96	1.58	24.77
As at 31 March 2014	4.04	291.63	47.93	36.85	79.10	236.78	696.33
For the year	0.39	105.05	14.61	35.43	21.63	89.58	266.69
Deletions/Adjustment	-	0.08	0.11	5.10	0.06	0.43	5.78
As at 31 March 2015	4.43	396.60	62.43	67.18	100.67	325.93	957.24
Net block as at 31 March 2015	21.84	300.52	43.76	143.91	67.50	211.00	788.53
Net block as at 31 March 2014	22.23	176.26	26.52	75.64	31.67	40.03	372.35

Notes :

- 1) Redeemable Non Convertible Debenture is secured by charge on immovable property of the Company .
- 2) Office Equipment includes Gross Assets amounting to Rs 2.19 lakhs (Previous Year : Rs 2.19 lakhs) held jointly with Birla Sun Life Insurance Company Limited.

Intangible Assets

Gross Block	Software	Total
As at 1 April 2013	686.68	686.68
Additions	550.66	550.66
Deletions/Adjustment	-	-
As at 31 March 2014	1,237.34	1,237.34
Additions	211.78	211.78
Deletions/Adjustment	-	-
As at 31 March 2015	1,449.12	1,449.12
Accumulated Depreciation		
As at 1 April 2013	286.13	286.13
For the year	264.14	264.14
Deletions/Adjustment	-	-
As at 31 March 2014	550.27	550.27
For the year	404.24	404.24
Deletions/Adjustment	-	-
As at 31 March 2015	954.51	954.51
Net block as at 31 March 2015	494.61	494.61
Net block as at 31 March 2014	687.07	687.07



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Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	Face value (Rs)	As at 31 March 2015		As at 31 March 2014	
		Numbers	Rs in lakhs	Numbers	Rs in lakhs
8a. Non Current Investments					
Long Term, Fully Paid up					
(A) Equity Shares					
Trade Investment					
Unquoted					
Investment in Subsidiary					
Aditya Birla Online Fashion Private Limited (Formerly known as Aditya Birla Securities Private Limited)	10	-	-	60,000	6.60
Quoted					
HDFC Bank Limited	2	1,300	0.04	1,300	0.04
MOIL Limited	10	12,245	45.92	12,245	45.92
Unquoted					
Others					
Birla Management Centre Services Limited	10	2,000	0.20	7,000	0.70
Birla Sun Life Trustee Company Private Limited	10	-	-	20	0.01
SWAWS Credit Corporation Private Limited (Refer note 23 (12))	10	393,748	39.37	393,748	39.37
(B) Preference Shares					
Non Trade Investment					
Unquoted					
Share Microfin Limited 0.001 % Optionally Convertible Cumulative Redeemable Preference Shares	10	11,682,000	1,168.20	12,493,250	1,249.33
(C) Debentures					
Non Trade Investment					
Unquoted					
SWAWS Credit Corporation Private Limited Optionally Convertible Debentures carrying fixed coupon rate of 12 % p.a. (Refer note 23 (12))	100	13,125	13.13	13,125	13.13



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	As at 31 March 2015		As at 31 March 2014		
	Face value (Rs)	Numbers	Rs in lakhs	Numbers	Rs in lakhs
(D) Others					
Non Trade Investment					
Unquoted					
PMS Investment			371.47		437.79
Less: Provision for diminution on investments			(73.97)		(45.92)
			<u>1,564.36</u>		<u>1,746.97</u>
i) Aggregate amount of Quoted Investments			45.96		45.96
ii) Aggregate amount of Unquoted Investments			1,518.40		1,701.01
iii) Aggregate market value of Quoted Investments			47.12		40.46
iv) Aggregate market value of PMS Investments			1,009.66		730.47
v) Aggregate amount of diminution in value of investments Rs. 73.97 lakhs (31st March, 2014 Rs.45.92 lakhs).					
vi) Non Current Investment valued at cost unless stated otherwise.					
vii) Quoted Debentures Market value has been taken at cost since these are not frequently traded.					

8b. Current Investments

(A) Commercial Papers / Certificate of Deposit

Unquoted

Karvy Financial Services Private Limited	500,000	500	2,431.06	300	1,458.56
RHC Holding Private Limited	500,000	-	-	500	2,433.76
Punjab and Sind Bank	100,000	-	-	7,500	7,352.95
UCO Bank	100,000	-	-	7,500	7,360.55
			<u>2,431.06</u>		<u>18,605.82</u>

i) Aggregate amount of Unquoted Investments			2,431.06		18,605.82
ii) Aggregate amount of Quoted Investments			-		-
iii) Aggregate market value of Quoted Investments			-		-
iv) Aggregate amount of diminution in value of investments Rs. Nil (31st March, 2014 Rs. Nil)					
iv) Current Investments are stated at lower of cost and market/fair values					



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

As at
31 March 2015 As at
31 March 2014

9. Deferred Tax Assets (Net)

Deferred Tax Assets at the year end comprise timing differences on account of:

Depreciation	(21.97)	(45.45)
Provision for Doubtful Debts	2,554.24	2,016.25
Contingent Provisions against Standard Assets	1,448.68	965.80
General Contingency Provision	787.82	735.95
Provision Others	971.30	567.26
	5,740.07	4,239.81

10a. Long-Term Loans and Advances

Secured

(Considered good unless otherwise stated)

Project Finance	321,314.56	169,275.83
Term Loan	102,111.40	53,092.69
Mortgage Finance	443,477.66	262,549.15
Collateral Finance	5,000.00	13,362.65
	871,903.62	498,280.32

Unsecured

(Considered good unless otherwise stated)

Security Deposits	375.80	135.41
Corporate Finance (Bills Discounting/Purchased/Invoice Discounting)	144.66	535.52
Loan to Micro Finance	1,094.23	1,546.21
Loan - Rural Finance	-	100.64
Prepaid Expenses	16.40	20.23
Personal Loan	362.87	12.81
Project Finance	33,300.00	13,602.00
Term Loan	22,054.08	5,596.10
Capital Advances	28.04	158.88
	57,376.08	21,707.80

Doubtful*

Collateral Finance	1,485.91	1,921.91
Corporate Finance (Bills Discounting/Purchased/Invoice Discounting)	1,618.58	1,041.22
Project Finance	5,804.44	4,633.33
Term Loan	6,236.26	6,991.74
Loan to Micro Finance	154.58	122.50
	15,299.77	14,710.70

944,579.47 **534,698.82**

* Represents non-performing assets classified as sub-standard and doubtful in accordance with norms for classification of assets as per RBI Prudential norms for Non-Banking Finance Companies.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	As at 31 March 2015	As at 31 March 2014
10b. Short-Term Loans and Advances		
Secured		
(Considered good unless otherwise stated)		
Collateral Finance	365,187.38	293,878.28
Corporate Finance (Bills Discounting/Purchased/Invoice Discounting)	21,953.47	21,327.65
Term Loan	44,930.83	31,720.77
Mortgage Finance	64,142.44	33,801.52
Project Finance	43,153.23	48,244.35
	<u>539,367.35</u>	<u>428,972.57</u>
Unsecured		
(Considered good unless otherwise stated)		
Corporate Finance (Bills Discounting/Purchased/Invoice Discounting)	114,828.07	113,403.07
Loan to Micro Finance	637.37	577.85
Inter Corporate Deposits	26,270.00	19,931.00
Term Loan	83,147.55	26,548.51
Project Finance	-	17,500.00
Loan - Rural Finance	36.81	1,025.24
Personal loan	80.09	6.09
Loans and Advance to Related Parties	53.66	1.44
Others Advances	237.54	62.93
Security Deposits	18.54	277.91
Loan to Employees	-	0.09
Prepaid Expenses	179.28	313.97
Service Tax Receivable	63.79	44.56
Advance Payment of Taxes (Net of provision for taxation Rs. 16,780.00 lakhs 31 March, 2014 Rs 9,010.00 lakhs)	374.35	632.13
	<u>225,927.05</u>	<u>180,324.79</u>
	<u>765,294.40</u>	<u>609,297.36</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	As at 31 March 2015	As at 31 March 2014
11. Trade Receivable (Unsecured, considered good unless otherwise stated)		
Other Debts	34.27	32.23
	<u>34.27</u>	<u>32.23</u>
12. Cash and Bank Balances		
Cash and Cash Equivalent		
Balances with Banks in Current Accounts	15,891.96	1.89
	<u>15,891.96</u>	<u>1.89</u>
13. Other Current Assets		
Other receivables	39.56	36.60
Interest Accrued but not due/Interest Receivable	11,544.19	8,893.47
	<u>11,583.75</u>	<u>8,930.07</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	Year ended 31 March 2015	Year ended 31 March 2014
14. Revenue From Operations		
<u>Interest</u>		
Capital Market Activity		
Interest on Loan against Securities	40,856.66	31,846.97
Interest on Loan against IPO Funding	404.91	234.09
	<u>41,261.57</u>	<u>32,081.06</u>
Corporate Finance		
Interest on Bills Discounting/Invoice Discounting Charges	14,088.59	9,654.19
	<u>14,088.59</u>	<u>9,654.19</u>
Term Loan/Project Finance/Mortgage Finance/Others		
Interest on Term Loans	21,004.25	11,445.28
Interest on Project Finance	37,413.39	29,371.12
Interest on Mortgage Finance	49,841.12	26,498.16
Interest on Personal Loans	33.45	0.07
Interest on Rural Finance Loans	103.06	92.29
	<u>108,395.27</u>	<u>67,406.92</u>
Inter Corporate Deposits		
Interest on Inter Corporate Deposits	2,711.13	1,962.97
	<u>2,711.13</u>	<u>1,962.97</u>
Others		
Discount Charges on Commercial Paper	389.09	446.41
	<u>389.09</u>	<u>446.41</u>
	<u>166,845.65</u>	<u>111,551.54</u>
Other Financial Services		
Treasury Operations		
Securities Trading Income	3,962.68	3,483.32
	<u>3,962.68</u>	<u>3,483.32</u>
Syndication and Other Fee Income		
Corporate Finance	1,083.66	913.03
Capital Market	405.25	549.87
Project Finance	2,428.64	1,752.53
Treasury	114.45	61.74
Mortgage Finance	2,776.98	1,796.81
Rural Finance	-	7.32
	<u>6,808.98</u>	<u>5,081.30</u>
	<u>10,771.66</u>	<u>8,564.62</u>
	<u>177,617.31</u>	<u>120,116.16</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	Year ended 31 March 2015	Year ended 31 March 2014
15. Other Income		
Other Interest	2.25	31.19
Gain on Sale of Fixed Assets (Net)	-	1.71
Miscellaneous Income (includes excess provision and sundry balances written back (Net))	12.48	6.97
Dividend from Long Term Investment	4.84	6.84
Dividend from Short Term Investment	1.69	-
Gain on sale of Investments (Net)	406.42	150.50
	<u>427.68</u>	<u>197.21</u>
16. Finance Costs		
Interest Expenses	80,226.72	49,498.81
Discounting charges on Commercial Paper	30,129.29	24,779.04
Other Borrowing Costs	286.36	123.88
	<u>110,642.37</u>	<u>74,401.73</u>
17. Employee Benefit Expenses		
Salaries, Bonus and Allowances	10,549.00	7,739.28
Contribution to Provident and Other Funds	374.02	251.50
Staff Welfare Expenses	431.96	291.10
	<u>11,354.98</u>	<u>8,281.88</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Year ended
31 March 2015

Year ended
31 March 2014

18. Other Expenses

Rent	899.29	739.20
Travelling and Conveyance	804.16	492.99
Water and Electricity	87.99	47.38
Repairs and Maintenance:		
Plant and Machinery	1.89	1.33
Others	440.91	274.85
Insurance	107.78	72.27
Communication Expenses	117.47	79.70
Legal and Professional Charges (Refer note 23 (6))	1,399.04	1,030.46
Loss on Sale of Fixed Assets (Net)	2.71	-
Rates and Taxes	450.08	342.23
Printing and Stationery	108.56	56.60
Contract Service Charges	92.04	83.14
Information Technology Expenses	233.48	194.21
Business / Sales Promotion Expenses	271.44	90.73
Advertisement Expenses	636.91	466.88
Postage Expenses	31.74	21.27
Bank Charges	63.96	67.33
Brokerage and Commission	1,808.29	1,059.52
Miscellaneous Expenses	346.20	201.45
	<u>7,903.94</u>	<u>5,321.54</u>

19. Provisions and Write - offs (Net)

Bad debts/Advances Written off	3,017.05	793.96
Provision for Doubtful Debts and Advances	4,601.34	4,516.56
Provision for Doubtful Debts written back	(3,018.53)	(808.62)
Provision for diminution in Current Investment written back	(35.15)	(145.82)
Provision for Diminution in value of Long Term Investment	28.05	45.92
Change in Carrying Value of Current Investment	222.20	35.15
Provision for diminution on account of restructuring	-	192.00
General Contingency Provision	152.61	1,302.83
Contingent Provisions against Standard Assets	1,420.64	832.58
	<u>6,388.21</u>	<u>6,764.56</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

	31 March 2015	31 March 2014
20. Earnings per Share		
Net Profit after Tax	27,067.63	16,571.42
Less: Dividend on Preference Share (including Corporate Dividend Tax)	7.02	7.02
Net Profit after Tax available for equity shareholders	27,060.61	16,564.40
Weighted average number of equity shares outstanding (Numbers)	340,538,512	210,342,542
Basic and Diluted Earnings per share (Rs.)	<u>7.95</u>	<u>7.87</u>

Note: In absence of the rate at which, 0.01% Compulsory Convertible Cumulative Preference Share of the Company shall be converted, its effect on diluted EPS has not been worked out.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

21A. Disclosure in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

Sr No.	Particulars	Amount out-standing	Amount overdue
Liabilities side :			
1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured (including interest accrued but not due of Rs.18,910.71 lakhs)	371,490.71	-
	: Unsecured (including interest accrued but not due of Rs.9,471.94 lakhs) (other than falling within the meaning of public deposits*)	64,471.94	-
	(b) Deferred Credits	-	-
	(c) Term Loans	687,305.75	-
	(d) Inter-corporate loans and borrowing (including interest accrued but not due of Rs. nil)	-	-
	(e) Commercial Paper	237,268.65	-
	(f) Other Loans (Working Capital) & Others	119,716.91	-
		1,480,253.96	-
	* Please see Note 1 below		
Assets side :			
2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :	Amount out-standing	
	(a) Secured :	1,411,270.97	
	(b) Unsecured :	297,309.16	
	(includes those in nature of loans and excludes Advances Recoverable in cash or kind or for value to be received, Advance Payment of Taxes and Other Deposits)		
3)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :		
	(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	-	
		1,708,580.13	



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

21A. Continued

<u>Assets side :</u>	Amount out-standing
4) Break-up of Investments :	
1. <u>Quoted :</u>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Paper)	-
2. <u>Unquoted :</u>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Paper / Certificate of Deposits)	2,431.06
 Long Term investments :	
1. <u>Quoted :</u>	
(i) Shares : (a) Equity	24.49
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
2. <u>Unquoted :</u>	
(i) Shares : (a) Equity	0.20
(b) Preference	1,168.20
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (PMS)	371.47

5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Net of Provisions		
	Secured	Unsecured	Total
1) Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	53.66	53.66
(c) Other related parties	-	-	-
2) Other than related parties	1,411,270.97	297,255.50	1,708,526.47
	<u>1,411,270.97</u>	<u>297,309.16</u>	<u>1,708,580.13</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

21A. Continued

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
Please see note 3 below		
1) Related Parties**		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties	4,070.36	3,995.43
	4,070.36	3,995.43

Note: Break up value derived from the latest available Balance Sheet of the Company.
** As per Accounting Standard of ICAI (Please see Note 3)

7) Other information :		
(i) Gross Non-Performing Assets :		
(a) Related parties		-
(b) Other than related parties		15,299.77
(ii) Net Non-Performing Assets :		
(a) Related parties		-
(b) Other than related parties		7,785.08
(iii) Assets acquired in satisfaction of debt :		
		-

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non -Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

21B.

a) CRAR

(Rs.in Crores)

Sr. No.	Items	Current Year	Previous Year
(i)	CRAR* (%)	16.94	18.59
(ii)	CRAR - Tier I capital (%)	13.98	14.50
(iii)	CRAR - Tier II Capital (%)	2.96	4.09
(iv)	Amount of subordinated debt raised as Tier-II capital	550.00	455.00
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

* The management intends to reduce the tenor of the subdebt of Rs 300 Crores, hence for the purpose of computation of CRAR, the subdebt of Rs 300 crores have been taken at 80% value.

b) Unsecured Advances

(Rs.in Crores)

Sr. No.	Particulars	Current Year	Previous Year
(i)	Unsecured Advances	2,973.09	2150.97

c) Exposures

c.i) Exposure to Real Estate Sector

(Rs.in Crores)

Category		Current Year	Previous Year
Direct exposure			
i)	<u>Residential Mortgages -</u> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	54.10	7.77
ii)	<u>Commercial Real Estate -</u> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based limits;	3,860.85	2,172.83
iii)	<u>Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</u> a. Residential b. Commercial Real Estate	Nil 114.57	Nil 143.91
Total Exposure to Real Estate Sector		4,029.52	2,324.51



Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

21B. Continued

c.ii) Exposure to Capital Market

		(Rs.in Crores)	
Particulars		Current Year	Previous Year
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	473.96	121.91
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	44.88	108.59
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	3,405.60	2,841.01
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	529.29	200.45
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		4,453.74	3,271.96

c.iii) Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

Particulars	(Rs.in Crores)								
	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances**	3,010.46	871.89	945.71	1,363.65	1,578.66	3,735.95	1,703.22	3,875.72	17,085.26
Investments	-	-	24.31	-	-	-	-	15.64	39.95
Borrowings*	549.30	2,031.98	444.72	197.52	2,583.93	5,103.03	3,123.23	560.00	14,593.71
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

* Net of Unamortized Discounting charges on Commercial Paper amounting to Rs. 27.31 Cr.

a) Overdue Receivable on account of Corporate Finance Activities have been slotted in respective time bucket category as per instructions contained in Appendix 1 of Guidelines for Assets Liabilities Management (ALM) system in NBFC.

b) Advances includes Loan and Advances in the nature of Loans and excludes Advances Recoverable in cash or kind or for value to be received and Advance Payment of Taxes and Other Deposits.



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Notes forming part of Accounts 22

Significant Accounting Policies

1. Corporate information - Brief description about the Company

Aditya Birla Finance Limited ('ABFL' or 'the Company') was incorporated on 28 August, 1991 as a private limited company under the Companies Act, 1956. The Company was subsequently registered as a public limited company on 17 March, 1994.

The Company is registered with RBI as non-deposit taking NBFC with registration no.

N-01.00500 and was certified as ISO 9001:2008 across all its core functional processes in March 2013 by BSI, a leading global independent business services organization.

The Principal shareholder of the Company is Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited) (99.99%), a private limited company incorporated in India and one share is held by ABNL Investment Limited, a fellow subsidiary company, a public limited company incorporated in India.

ABFL offers customised solutions in areas of Capital Market, Corporate Finance, Commercial Real Estate & Mortgages and Infrastructure Project & Structured Finance.

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 aspects 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 and the guidelines issued by Reserve Bank of India (RBI) as applicable to Non Banking Finance Company (NBFC). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

3. 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.



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Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

3. Change in accounting policy (Continued)

Further, on application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset.

Based on transitional provision given in Schedule II to the Companies Act, 2013, Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit and Loss would have been higher by Rs. 0.92 lakhs.

4. Change in accounting estimate

The Company makes General Contingency provision which is over and above the provision as prescribed by RBI. During the current year, the Company has revised downward the provision as a percentage of overall exposures under different Risk Categories. This change in the provision percentage has resulted into increase in profit for the year by Rs 842.00 lakhs.

5. Use of Estimates

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 the 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.

6. Tangible Fixed Assets

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.

Depreciation on Tangible Fixed Assets is provided on Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following useful life to provide depreciation on its Fixed Assets :-

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life by Company
Building	60 Years	60 Years
Office Computers and Electronic Equipments	3 Years	4 Years
Vehicles	8 Years	5 Years
Furniture, Fixtures and Other Office Equipments	10 Years	7 Years



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

6. Tangible Fixed Assets (Continued)

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

Tangible Fixed Assets costing below Rs 5,000 should be capitalized and 100% depreciation should be charged in the year of acquisition.

Depreciation on assets acquired / sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ till the date of acquisition or sale.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

7. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and impairment losses, if any. Intangible Assets are amortized on a straight line basis over their estimated useful lives as under :-

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

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated Intangible Assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangible Assets are amortized on a straight line basis over the estimated useful economic lives as under :-

Computer Software	3 years
-------------------	---------

Intangible Assets are assessed for impairment whenever there is an indication that the Intangible Asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following :-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

7. Intangible Assets (Continued)

- a. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- b. Its intention to complete the asset
- c. Its ability to use or sell the asset
- d. How the asset will generate future economic benefits
- e. The availability of adequate resources to complete the development and to use or sell the asset.
- f. The ability to measure reliably the expenditure attributable to the intangible asset during development.

8. Impairment of Tangible and Intangible Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

9. Investments

Investments that are readily realisable and intended to be held for not more than a year 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. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

9. Investments (Continued)

acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for 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 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 diminution in value is made to recognize a decline other than temporary in the value of investments.

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.

10. Inventories

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

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

11. Revenue Recognition

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

Interest income is recognised in the Statement of Profit and Loss on accrual basis, except in the case of non-performing assets.

Income recognised and remaining unrealised after installments become overdue for six months or more in case of secured/unsecured loans are reversed and are accounted as income when these are actually realised.

Income on discounted instruments is recognised over the tenor of the instrument on a straight line basis.

Processing Fees and Syndication income is recognised on accrual basis.

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

Sales are recorded net of trade discounts, rebates and securities transaction tax.



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Significant Accounting Policies (*Continued*)

12. Taxation

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect 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 are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The un-recognised Deferred Tax assets are re-assessed by the Company at each balance sheet date and are recognised 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 realised.

The carrying cost of the 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 realised. 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.

13. Retirement and Other Employee Benefits

i) Defined Contribution Plan

The Company makes defined contribution to Government managed Employee Provident Fund, Government managed Employee Pension Fund, Employee Deposit Linked Insurance, Employee State Insurance and Superannuation Schemes which are recognised in Statement of Profit and Loss on accrual basis.

(ii) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognised immediately in 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 currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

13. Retirement and Other Employee Benefits (Continued)

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Ultimate Holding Company. 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 Company. The Company'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 Ultimate Holding Company is additionally provided for. Actuarial losses/ Gains are recognized in Statement of Profit and Loss in the year in which they arise.

(iii) Other Long Term Incentive Benefits

Other Long Term Incentive Benefits 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 fulfilment of criteria prescribed by the Company.

14. 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 capitalized as part of the cost of an asset.

All other borrowing costs are expensed in the period they occur.

15. 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 less than three months.

16. Earnings Per Share

Basic Earnings Per Share is 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.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

17. Provision and Contingencies

Provisions are recognized 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.

Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

The management based on its judgement provides additional contingency provision on standard assets.

Provision on Standard Assets is made @ 0.25% as per the notification DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued by Reserve Bank of India.

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

Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. Contingent Liabilities are not provided for and disclosed by way of notes.

18. Leases

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 Statement of Profit and Loss on straight line basis.

19. Segment Reporting

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

The Company's operating business are organized 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 Company operate.

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

Notes forming part of accounts 23

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 209.61 lakhs (31st March, 2014 Rs. 99.70 lakhs).
2. **Contingent Liabilities not provided for as on 31st March, 2015:-**
 - a. Disputed Income Tax Liability Rs. 170.55 lakhs (31st March, 2014 Rs. 124.52 lakhs).*
 - b. Claims against the Company not acknowledged as debts Rs.812.00 lakhs (31st March, 2014 Rs. 812.00 lakhs)**
 - c. Corporate guarantees given by the Company on behalf of the clients Rs. 878.74 lakhs, (31st March 2014 Rs 951.33). Letter of comfort given by the Company on behalf of clients Rs. 21,494.48 lakhs, (31st March, 2014 Rs Nil)
 - d. Liabilities for pro-rata refund on insurance claim to the Insurance Company arising as a result of any part of outstanding debt not recognized in the final judgement, is not ascertainable as the legal matter for recovery of such amounts is still under process.

* Disputed Income Tax liability includes Disallowance u/s 14A read with rule 8D for Financial Year 2007-08 Rs. 60.74 lakhs and for Financial Year 2006-07 Rs.10.84 lakhs. The matter is pending before Income tax Appellate Tribunal. It also includes disallowance of Interest on Non-Performing Assets (NPA) for Financial Year 2011-12 Rs. 50.41 lakhs. The matter is pending before CIT(A).

The claims against the Company comprise of the following :-

** Two of Company clients have filed the Claim Petition as per High Court Order dated 27.10.2009 for an amount of Rs. 512.00 lakhs along with damages with interest. The matter is pending before Arbitrator.

The Company had filed an appeal on 30.06.2011 before The Securities and Appellate Tribunal (SAT) against the communication of SEBI dated 28.03.2011 restraining certain entities to access the securities market and further prohibited them from buying, selling or dealing in securities in any manner. The appeal has been allowed by SAT in Company's favour. The Company has undertaken that in the event it is called upon by the Tribunal or Board to bring back money of Rs. 300 lakhs which Company have realized by the sale of shares, Company shall do so forthwith.

3. The Company is in the process of identifying the parties which are covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). As of March 31, 2015 the Company is not aware of any party which gets covered under MSMED Act. The Company does not have any outstanding balance due as on 31 March, 2015 (31 March, 2014: Rs. Nil)



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

4. Related Party Disclosures

I) List of related parties

(A) Where control exists:-

- Aditya Birla Financial Services Limited (ABFSL) (Formerly known as Aditya Birla Financial Services Private Limited) (Holding Company)
- Aditya Birla Nuvo Limited (Ultimate Holding Company)

(B) Subsidiaries / Fellow Subsidiaries :-

- Aditya Birla Online Fashion Private Limited (ABOFPL) (Formerly known as Aditya Birla Securities Private Limited) till 10th September, 2014

Fellow Subsidiaries

- Aditya Birla Customer Services Private Limited (ABCSPL)
- Aditya Birla Financial Shared Services Limited (ABFSSL)
- Aditya Birla Money Limited (ABML)
- Aditya Birla Insurance Brokers Limited (ABIBL)
- Aditya Birla Money Mart Limited (ABMML)
- Aditya Birla Money Insurance Advisory Services Limited (ABMIASL)
- ABNL Investment Limited (ABNLIL)
- Aditya Birla Minacs Worldwide Limited (ABMWL)
- Birla Sun Life Insurance Company Limited (BSLICL)
- Birla Sun Life Asset Management Company Limited (BSAMCL)
- Madura Garments Lifestyle Retail Company Limited (MGLRCL)
- Aditya Birla Housing Finance Company Limited (ABHFCL)

(C) Key management personnel

- Mr. Sekhar Mosur



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

II) Transactions with Related parties

Particulars	Referred in (A) above	Referred in (B) above	Referred in (C) above	Total
Remuneration	- (-)	- (-)	97.49 (94.10)	97.49 (94.10)
Brokerage	- (-)	13.58 (36.72)	- (-)	13.58 (36.72)
Interest expenses	- (4.66)	468.08 (288.00)	- (-)	468.08 (292.66)
Rent expenses (Reimbursement of expenses)	51.86 (-)	267.77 (225.99)	- (-)	319.63 (225.99)
Legal and professional (Reimbursement of expenses)	74.77 (-)	23.36 (19.95)	- (-)	98.13 (19.95)
Employee cost (Reimbursement of expenses)	769.37 (1.65)	184.22 (121.06)	- (-)	953.59 (122.71)
Administrative Expenses (Reimbursement of expenses)	123.63 (0.47)	100.03 (114.45)	- (-)	223.66 (114.92)
Dividend	1.75 (1.45)	4.25 (3.26)	- (-)	6.00 (4.71)
Trading securities sales income transferred	- (-)	0.12 (-)	- (-)	0.12 (-)
Interest income	- (-)	1.47 (-)	- (-)	1.47 (-)
Employee cost recovered	2.83 (3.47)	58.38 (-)	- (-)	61.21 (3.47)
Legal & Professional (Exp Recovered)	- (-)	0.60 (-)	- (-)	0.60 (-)
Profit on sale of shares	0.03 (-)	- (-)	- (-)	0.03 (-)
Administrative income (Exps recovered)	19.15 (0.07)	16.53 (5.53)	- (-)	35.68 (5.60)
Loan obtained	- (10,000.00)	5,009.00 (6,923.03)	- (-)	5,009.00 (16,923.03)
Loans repaid	- (10,000.00)	8,004.66 (5,855.39)	- (-)	8,004.66 (15,855.39)
Equity share capital	13,472.23 (16,934.76)	- (-)	- (-)	13,472.23 (16,934.76)
Equity share premium	41,027.79 (35,563.00)	- (-)	- (-)	41,027.79 (35,563.00)
Purchase of share / others	- (-)	- (3.00)	- (-)	- (3.00)



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	Referred in (A) above	Referred in (B) above	Referred in (C) above	Total
Proceeds from Sale of shares	0.04 (-)	- (-)	- (-)	0.04 (-)
Sale of assets	3.91 (-)	57.08 (-)	- (-)	60.99 (-)
Purchase of Fixed Assets	- (7.51)	- (34.83)	- (-)	- (42.34)
Insurance Premium Paid	- (-)	59.39 (63.80)	- (-)	59.39 (63.80)
Preference Share Capital outstanding	17,500.00 (17,500.00)	42,500.00 (42,500.00)	- (-)	60,000.00 (60,000.00)
Loan taken	- (-)	- (2,995.66)	- (-)	- (2,995.66)
Amount Payable	87.65 (-)	70.43 (82.68)	- (-)	158.08 (82.68)
Amount Receivable	- (0.07)	53.65 (1.37)	- (-)	53.65 (1.44)
Non Convertible Debentures (NCD)	- (-)	2,500.00 (1,000.00)	- (-)	2,500.00 (1,000.00)
Current maturities of NCD	- (-)	1,000.00 (-)	- (-)	1,000.00 (-)
Interest accrued on NCD	- (-)	222.05 (29.75)	- (-)	222.05 (29.75)
Security deposit receivable	- (-)	88.30 (88.30)	- (-)	88.30 (88.30)

III) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	31-Mar-15	31-Mar-14
Brokerage		
Aditya Birla Money Mart Limited	13.58	36.72
Dividend expenses		
Aditya Birla Financial Services Limited	1.75	1.45
Madura Garments Lifestyle Retail Company Limited	4.25	3.26
Remuneration		
Mr. Sekhar Mosur	97.49	94.10



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	31-Mar-15	31-Mar-14
Administrative expenses		
Aditya Birla Money Mart Limited	-	2.50
Aditya Birla Money Limited	3.34	0.03
Aditya Birla Insurance Brokers Limited	0.10	1.90
Aditya Birla Financial Services Limited	123.12	-
Aditya Birla Financial Shared Services Limited	81.33	47.54
Birla Sun Life Insurance Company Limited	11.45	12.69
Aditya Birla Nuvo Limited	0.51	0.47
Aditya Birla Customer Services Private Ltd	-	5.62
Aditya Birla Minacs Worldwide Ltd	-	41.61
Birla Sun Life Asset Management Company Limited	3.81	2.56
Interest expenses		
Aditya Birla Nuvo Limited	-	4.66
Aditya Birla Insurance Brokers Limited	174.58	258.25
Birla Sun Life Insurance Company Limited	293.50	29.75
Rent expenses		
Aditya Birla Financial Services Limited	51.86	-
Aditya Birla Money Limited	2.55	0.98
Birla Sun Life Insurance Company Limited	193.97	204.27
Aditya Birla Money Mart Limited	19.64	16.26
Aditya Birla Financial Shared Services Limited	4.74	1.09
Birla Sun Life Asset Management Company Limited	-	3.39
Aditya Birla Housing Finance Company Ltd	46.87	-
Legal and Professional		
Aditya Birla Financial Services Limited	74.77	-
Aditya Birla Financial Shared Services Limited	23.36	15.98
Birla Sun Life Asset Management Company Limited	-	3.97
Employee cost		
Aditya Birla Nuvo Limited	5.59	1.65
Aditya Birla Financial Services Limited	763.78	-
Birla Sun Life Insurance Company Limited	2.99	-
Aditya Birla Financial Shared Services Limited	141.90	105.84
Birla Sunlife Asset Management Company Limited	39.33	15.22
Trading Securities Sales inc transferred		
Aditya Birla Housing Finance Company Ltd	0.12	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	31-Mar-15	31-Mar-14
Employee cost recovered		
Aditya Birla Nuvo Limited	1.59	3.47
Aditya Birla Financial Services Limited	1.24	-
Birla Sun Life Insurance Company Limited	3.62	-
Aditya Birla Housing Finance Company Ltd	54.76	-
Legal and Professional expenses recovered		
Aditya Birla Financial Shared Services Limited	0.60	-
Profit on sale of shares		
Aditya Birla Financial Services Limited	0.03	-
Interest Income		
Aditya Birla Housing Finance Company Ltd	1.47	-
Administrative Income		
Aditya Birla Financial Services Limited	19.15	-
Aditya Birla Nuvo Limited	-	0.07
Aditya Birla Insurance Brokers Limited	1.67	5.34
Aditya Birla Money Mart Limited	-	0.02
Birla Sunlife Asset Management Company Limited	-	0.17
Aditya Birla Housing Finance Company Ltd	14.86	-
Loan obtained (including ICBs)		
Aditya Birla Insurance Brokers Limited	3,769.00	-
Aditya Birla Housing Finance Company Ltd	1,240.00	-
Aditya Birla Nuvo Limited	-	10,000.00
Aditya Birla Insurance Brokers Limited	-	6,923.03
Loans repaid (including ICBs)		
Aditya Birla Nuvo Limited	-	10,000.00
Aditya Birla Insurance Brokers Limited	6,764.66	5,855.39
Birla Sun Life Insurance Company Limited	-	-
Aditya Birla Housing Finance Company Ltd	1,240.00	-
Non Convertible Debentures (NCD)		
Birla Sun Life Insurance Company Limited	2,500.00	1,000.00
Equity Share Capital		
Aditya Birla Financial Services Limited	13,472.23	16,934.76
Share Premium		
Aditya Birla Financial Services Limited	41,027.79	35,563.00
Purchase of Shares / others		
Aditya Birla Online Fashion Private Limited	-	3.00
Proceeds from Sale of Shares		
Aditya Birla Financial Services Limited	0.04	-
Sale of assets		
Aditya Birla Nuvo Limited	3.91	-
Aditya Birla Financial Shared Services Limited	1.03	-
Aditya Birla Housing Finance Company Ltd	56.05	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	31-Mar-15	31-Mar-14
Purchase of Fixed Assets		
Aditya Birla Nuvo Limited	-	7.51
Aditya Birla Minacs Worldwide Limited	-	27.44
Aditya Birla Money Limited	-	7.39
Insurance Premium Paid		
Birla Sun Life Insurance Company Limited	59.39	63.80
Payable		
Aditya Birla Financial Services Limited	87.65	-
Aditya Birla Insurance Brokers Limited (Loan)	-	2,995.66
Aditya Birla Money Insurance Advisory Services Limited	0.77	0.77
Aditya Birla Minacs Worldwide Limited	-	22.41
Birla Sun Life Insurance Company Limited	24.27	6.92
Aditya Birla Money Mart Limited	13.86	24.92
Aditya Birla Financial Shared Services Limited	21.25	20.22
Birla Sun Life Assets Management Company Limited	6.27	7.26
Aditya Birla Money Limited	4.01	0.18
Receivable		
Aditya Birla Nuvo Limited	-	0.07
Aditya Birla Insurance Brokers Limited	1.61	-
Aditya Birla Housing Finance Company Ltd	52.04	-
Aditya Birla Online Fashion Private Limited	-	1.37
Preference Share Capital Outstanding		
Madura Garments Lifestyle Retail Company Limited	42,500.00	42,500.00
Aditya Birla Financial Services Limited	17,500.00	17,500.00
Redeemable NCDS (Secured)		
Birla Sun Life Insurance Company Limited	3,500.00	1,000.00
Interest accrued on NCDs		
Birla Sun Life Insurance Company Limited	222.05	29.75
Security Deposit Receivable		
Birla Sun Life Insurance Company Limited	88.30	88.30

Notes:-

- The related party relationships have been as identified by the management on the basis of the requirements of the Accounting Standard AS-18 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India and the same have been relied upon by the Auditors.
- The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.
- Figures in brackets represent corresponding amounts of previous year.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits

The details of the Company's defined benefit plans for its employees are given below:

Amount recognized in the Balance Sheet in respect of gratuity (funded by the Company)		
	As at 31 March, 2015	As at 31 March, 2014
Present Value of Funded defined benefit obligation at the end of the year	426.54	295.00
Fair Value of Plan Assets	332.88	254.23
Net Liability/(Assets)	93.66	40.76
Amount recognized in Salary, Wages and Employee Benefits in the Statement of Profit and Loss in respect of gratuity (funded by the Company):		
Current Service Cost	88.91	76.52
Interest on Defined Benefit Obligation	33.91	24.28
Expected Return on Plan Assets	(23.27)	(13.77)
Net Actuarial (Gains) / Loss recognized during the year	(5.89)	(46.27)
Net Gratuity Cost	93.66	40.76
Actual Return on Plan assets	51.77	15.25
Reconciliation of present value of the obligation and the fair value of the plan assets:		
	As at 31 March, 2015	As at 31 March, 2014
Opening Defined Benefit Obligation	295.00	233.11
Current Service Cost	88.91	76.52
Interest Cost	33.91	24.28
Actuarial Losses/(Gain)	22.60	(44.79)
Liabilities assumed on acquisition/ (settled on divesture)	-	8.33
Benefit Paid	(13.88)	(2.47)
Closing Defined Benefit Obligation	426.54	295.00
Change in Plan Assets		
Opening Fair Value of the Plan Assets	254.23	141.77
Expected Return on Plan Assets	23.27	13.77
Actuarial Gains/(Losses)	28.50	1.48
Contributions by the Employer	40.76	91.35
Assets acquired on acquisition/ (distributed on divesture)	-	8.33
Benefit Paid	(13.88)	(2.47)
Closing Fair Value of the Plan Assets	332.88	254.23
Investment details of Plan assets		
100% of plan assets are invested with Insure Managed Funds	-	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits (Continued)

	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011
Experience Adjustment					
Defined Benefit Obligation	426.54	295.00	233.11	155.27	145.98
Plan Assets	332.88	254.23	141.77	96.39	115.13
Surplus/(Deficit)	(93.66)	(40.76)	(91.35)	(58.89)	(30.85)
Experience Adjustment on Plan Liabilities	(26.49)	(0.68)	27.76	15.90	2.52
Experience Adjustment on Plan Assets	28.50	1.48	7.14	(5.59)	11.04
Principal Actuarial Assumptions at the Balance Sheet Date:-					
Discount Rate (p.a.)	8.00%	8.90%	7.90%	8.40%	8.10%
Expected Rate of return on Assets (p.a.)	8.50%	8.50%	8.50%	8.50%	8.00%

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

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.

Investment in Plan Asset with Birla Sun Life Insurance Company Limited is Rs. 332.88 lakhs (31 March, 2014 Rs. 254.23 lakhs).

Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is Rs. 45.00 lakhs (31 March 2014 Rs. 45.00 lakhs).

During the year the following cost has been incurred on account of :

Defined Benefit Plan

Particulars	31 March 2015	31 March 2014
Contribution to Company owned Provident Fund	78.30	78.42

The Guidance Note on implementation of AS-15, Employee Benefits (Revised 2005), issued by the ICAI states that Provident Fund set up by the employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefits plan. The Ultimate Holding Company's set up Provident Fund does not have existing deficit of interest shortfall. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Central Government.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits (Continued)

Defined Contribution Plans

Amount recognised as an expense and included in Note 17 - "Contribution to Provident and Other Funds:-

Sr. No.	Particulars	31 March 2015	31 March 2014
i)	Contribution to Govt. Employees Provident Fund	143.04	111.88
ii)	Contribution to Govt. Employees Pension Fund	35.55	16.06
iii)	Contribution to Superannuation Fund	3.16	4.29
iv)	Contribution to ESIC	0.07	0.07
v)	Contribution to MLW Fund	0.01	0.01

Other Long Term Incentive Benefits:-

Liability for the scheme is determined based on actuarial valuation. The assumptions used for valuation are:

Particulars	31 March 2015
Discount rate	7.96% per annum
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition rate	10.00 %

6. Details of Auditors Remuneration

Particulars	31 March 2015	31 March 2014
Audit Fees (including Limited Review Fees)	36.00	23.00
Tax Audit Fees	4.00	2.25
Certification work	2.00	4.00
Out of Pocket Expenses	1.47	0.96

7. Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee, has been formed to provide a common pool of facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost to each member. The Company's share of expenses under the common pool has been accounted for under the appropriate heads of account.

8. Segment Reporting

The Company is primarily engaged in financing activities. It operates in single business and geographical segment. The Company earned some treasury income, these income have been classified as "Unallocated reconciling item" as per requirements of AS- 17 on Segment Reporting.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

8. Segment Reporting (Continued)

Particulars	31 March 2015			31 March 2014		
	Financing Activities	Trading and Other activities	Total	Financing Activities	Trading and Other activities	Total
Segment Revenue	174,082.31	3,962.68	178,044.99	116,830.05	3,483.32	120,313.37
Segment Results (Profit before tax and after interest on Financing segment)	40,336.33	3,937.50	44,273.83	23,875.25	3,460.00	27,335.25
Less: Interest on unallocated reconciling items	-	3,189.27	3,189.27	-	2,203.12	2,203.12
Net profit before tax	40,336.33	748.23	41,084.56	23,875.25	1,256.88	25,132.13
Less: Income taxes	-	-	14,016.93	-	-	8,560.71
Net profit after tax	-	-	27,067.63	-	-	16,571.42
Other Information						
Segment Assets	1,742,814.78	46,756.69	1,789,571.47	1,174,020.08	11,672.48	1,185,692.56
Unallocated Corporate Assets	-	-	6,114.42	-	-	4,871.93
Total Assets	1,742,814.78	46,756.69	1,795,685.89	1,174,020.08	11,672.48	1,190,564.49
Segment Liabilities	1,529,023.43	8,179.01	1,537,202.44	1,011,527.09	2,114.58	1,013,641.67
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total Liabilities	1,529,023.43	8,179.01	1,537,202.44	1,011,527.09	2,114.58	1,013,641.67
Capital expenditure	1,153.32	-	1,153.32	601.79	-	601.79
Depreciation	670.93	-	670.93	411.53	-	411.53
Other non-cash expenses	7,623.69	1.00	7,624.69	7,761.95	1.00	7,762.95

9. Expenditure in Foreign Currency:

Particulars	31 March 2015	31 March 2014
Business/Sales Promotion	11.36	21.33

10. As provided for in the clause 16(a) of the Listing Agreement entered into with the Stock Exchange the Company has created security(s) for Rs.367,534.00 lakhs as on 31 March, 2015. The details of security created on assets are as under:

- Immovable property at Ahmedabad
- Receivables arising from unsecured loans / receivables on bills, Letter of Credit/ discounting trade advances given by the Company
- Securities (such as Non Convertible Debentures, Commercial Paper, Stock of Securities etc) held by the Company in the form of investments and advances.
- Such other assets which the Company may add from time to time.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

11. Details of Opening Stock, Purchases, Sales and Closing Stock in respect of trading in Securities are as follows:

Particulars/Year	Opening	Purchase	Sales	Closing
Units of Mutual Funds 2014-2015 (Nos.)	Nil	127,028,662.65	127,028,662.65	Nil
2013-2014	Nil	296,276,663.92	296,276,663.92	Nil
Stock of Securities 2014- 2015	11,707.63	798,509.92	763,937.14	46,756.69
2013-2014	57,047.85	252,447.75	298,603.55	11,672.48



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

12. Information in respect of restructured assets in accordance with RBI circular no. (RBI/2013-14/459) DNBS. CO. PD. No. 367/03.10.01/2013-14 on restructuring of advances by NBFC. The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring

Sr. no.	Asset Classification Details	Under CDR Mechanism			Under SME Debt Restructuring Mechanism								
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total		
1	Restructured Accounts at April 1, 2014												
	No. of borrowers	-	-	1	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	207.08	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	207.08	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year ended March 31, 2015												
	No. of borrowers	-	1	1	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	4,383.19	2,922.07	-	-	-	-	-	-	-	-	-
	Provision thereon	-	1,513.33	1,913.50	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year ended March 31, 2015												
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances at April 1, 2014, which cease to attract higher provisioning and/or additional risk weight at March 31, 2015 and hence need not be shown as restructured standard advances at April 1, 2015												
	No. of borrowers	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Amount outstanding	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Provision thereon	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
5	Downgradations of restructured accounts during the year ended March 31, 2015												
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year ended March 31, 2015												
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts at March 31, 2015												
	No. of borrowers	-	1	2	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	4,383.19	3,129.15	-	-	-	-	-	-	-	-	-
	Provision thereon	-	1,513.33	2,120.58	-	-	-	-	-	-	-	-	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2015

(Currency: Rupees in Lakhs)

12. Information in respect of restructured assets (Continued)

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring

Sr. no.	Type of Restructuring	Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Asset Classification Details Restructured Accounts at April 1, 2014										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	207.08	-	-
2	Fresh restructuring during the year ended March 31, 2015										
	No. of borrowers	-	-	-	-	-	-	1	1	-	-
	Amount outstanding	-	-	-	-	-	-	4,383.19	2,922.07	-	-
	Provision thereon	-	-	-	-	-	-	1,513.33	1,913.50	-	-
3	Upgradations to restructured standard category during the year ended March 31, 2015										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances at April 1, 2014, which cease to attract higher provisioning and/or additional risk weight at March 31, 2015 and hence need not be shown as restructured standard advances at April 1, 2015										
	No. of borrowers	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Amount outstanding	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Provision thereon	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
5	Downgradations of restructured accounts during the year ended March 31, 2015										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year ended March 31, 2015										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts at March 31, 2015										
	No. of borrowers	-	-	-	-	-	-	1	2	-	-
	Amount outstanding	-	-	-	-	-	-	4,383.19	3,129.15	-	-
	Provision thereon	-	-	-	-	-	-	1,513.33	2,120.58	-	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

13. Disclosure pursuant to RBI circular DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10,2014.

13.1 Registration/ licence/ authorization obtained from financial sector regulators:

The Company has received certificate of registration as a non deposit taking NBFC from Reserve Bank of India wide dated August 9, 2011 having COR number N-01.00500 in lieu of earlier COR number B-13.01163 dated February 12, 1999.

13.2 Penalties levied if any during the year:

Nil

13.3 Investments

		(Rs.in Crores)	
Particulars		Current Year	Previous Year
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	40.69	203.99
	(b) Outside India,	-	-
	(ii) Provisions for Depreciation		
	(a) In India	0.74	0.46
	(b) Outside India,	-	-
	(iii) Net Value of Investments		
	(a) In India	39.95	203.53
	(b) Outside India,	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	0.46	-
	(ii) Add : Provisions made during the year	0.28	0.46
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	0.74	0.46



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

13.4 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	(Rs.in Crores)	
	Current Year	Previous Year
Provisions for depreciation on Investment	0.28	0.46
Provision towards Non Performing Assets	46.01	45.17
Provision made towards Income tax	155.10	110.10
Other Provision and Contingencies (with details)		
- Bad debts/Advances Written off	30.17	7.94
- Provision for Doubtful Debts written back	(30.19)	(8.09)
- Provision for diminution in Current Investment written back	(0.35)	(1.46)
- Change in Carrying Value of Current Investment	2.22	0.35
- Provision for diminution on account of restructuring	0.00	1.92
- General Contingency Provision	1.53	13.03
Provision for Standard Assets	14.21	8.33

13.5 Concentration of Advances

Particulars	(Rs.in Crores)	
	As on March 31, 2015	
Total Advances to twenty largest borrowers	3,367.28	
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	19.71%	

13.6 Concentration of Exposures

Particulars	(Rs.in Crores)	
	As on March 31, 2015	
Total Exposure to twenty largest borrowers / customers*	3,367.28	
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	19.71%	

* The above calculation is as per loans outstanding as at year end.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

13.7 Concentration of NPAs

(Rs.in Crores)	
Particulars	As on March 31, 2015
Total Exposure to top four NPA accounts	104.12

13.8 Sector-wise NPAs

Sr No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	100.00%
2	MSME	0.00%
3	Corporate borrowers	0.84%
4	Services	1.05%
2	Unsecured working capital loans	0.00%
3	Auto loans	0.00%
4	Other personal loans	0.88%

13.9 Movement of NPAs

Particulars		(Rs.in Crores)	
		Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)	0.46	0.78
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	147.11	85.04
	(b) Additions during the year	51.97	83.07
	(c) Reductions during the year	46.09	21.00
	(d) Closing balance	152.99	147.11
(iii)	Movement of Net NPAs		
	(a) Opening balance	87.79	62.80
	(b) Additions during the year	5.95	37.90
	(c) Reductions during the year	15.90	12.91
	(d) Closing balance	77.84	87.79
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	59.32	22.24
	(b) Provisions made during the year	46.02	45.17
	(c) Write-off / write-back of excess provisions	30.19	8.09
	(d) Closing balance	75.15	59.32



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

13.10 Credit Rating

Instrument	Credit Rating Agency	Current Year	Previous Year
Commercial Paper	ICRA Limited	AI+	AI+
NCD	CARE Limited ICRA Limited India Ratings & Research Pvt Ltd	CARE AA+ [ICRA] AA+ Stable IND AA+ Stable	[CARE] AA+ [ICRA] AA Stable IND AA+ Stable
Sub Debt	CARE Ltd ICRA Ltd India Ratings & Research Pvt Ltd	CARE AA+ [ICRA] AA+ Stable IND AA+ Stable	[CARE] AA+ [ICRA] AA Stable IND AA+ Stable

13.11 Customer Complaints

Sr. No.	Particulars	For the year ended March 31, 2015
(a)	No. of complaints pending at the beginning of the year	-
(b)	No. of complaints received during the year	39
(c)	No. of complaints redressed during the year	39
(d)	No. of complaints pending at the end of the year	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2015

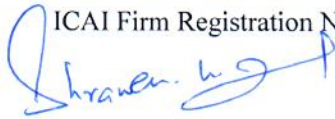
(Currency: Rupees in Lakhs)

14. Previous year/period's figures have been regrouped/ rearranged, wherever considered necessary, to conform with Current year/ period's presentation.

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

Chartered Accountants

ICAI Firm Registration No: 301003E



per **Shrawan Jalan**

Partner

Membership No: 102102

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Place: Mumbai

Date: 30 April 2015

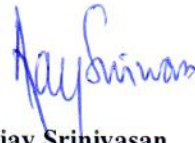
For and on behalf of the Board of Directors of
Aditya Birla Finance Limited



Ajay Srinivasan

(Director)

(DIN – 00121181)



Sachinn Joshi

(Chief Financial Officer)

Place: Mumbai

Date: 30 April 2015



B. N. Puranmalka

(Director)

(DIN – 00007432)



Sekhar Mosur

(Manager)



Ankur Shah

(Company Secretary)