

**ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED**  
**ONE INDIABULLS CENTRE , TOWER 1,18<sup>TH</sup> FLOOR, JUPITER MILL COM-**  
**POUND,841,SENAPATI BAPAT MARG, ELPHINSTONE ROAD,**  
**MUMBAI – 400013**  
**CIN NO.U74140MH2008PTC179360**

**DIRECTORS' REPORT**

Dear Shareholders,

We are pleased to present the 8<sup>th</sup> Annual Report, along with the Audited Accounts of your Company for the financial year ended March 31, 2016.

**1. Financial Performance Summary** **(Rs. in Crore)**

Particulars	FY 2015-16	FY 2014-15
Net income from Operations	20.33	20.91
Other Income	1.81	1.29
Operating Profit	6.56	6.39
Depreciation	0.22	0.24
Profit before Tax	6.34	6.15
Tax	1.82	1.71
Profit after Tax (PAT)	4.52	4.44

**2. Business Performance**

During the year under review your Company has earned a net profit of Rs. 4.52 Crore as compared to Rs 4.44 Crore in previous year.

Your Company continues to focus on managing the generic growth private equity assets, excluding real estate and infrastructure.

**Update on activities of Funds under Investment Management**

**Aditya Birla Private Equity – Fund I (“Fund I”):**

The net cumulative investments (at cost) as at March 31, 2016 amount to Rs.640.77 Crore (previous year Rs.702.33 Crore) with an additional investment in India Energy Exchange Ltd (Rs. 18.93 Crores) and partial exits from the following Companies

1. Trimax IT Infrastructure & Services Limited (equity shares)
2. Coffee Day Enterprises Limited (debentures)

During the year the funds made the following distribution of to the Contributors.

Distribution No.	Date of Distribution	Amount Rs. (in Crore)
3 <sup>rd</sup>	18/02/2016	39.11
4 <sup>th</sup>	22/03/2016	92.63

Your Company is currently focusing towards creating exit opportunities in relation to the investments of the Fund.

Aditya Birla Private Equity – Sunrise Fund (“Sunrise Fund”):

The net cumulative investments (at cost) as at March 31, 2016 amount to Rs. 236.29Crore (previous year Rs.167.60Crore) with the additional investments in India Energy Exchange Limited (Rs. 37 Crores) and Creative Lifestyle Private Limited and partial exit in Wonderla Holidays Limited.

During the year the Fund I made a following distribution of to the Contributors.

Distribution No.	Date of Distribution	Amount (in Crore)
2 <sup>nd</sup>	24/02/2016	10.71

Your Company is currently focusing towards creating exit opportunities in relation to the investments of the Fund.

**3. RESERVES**

The accumulated profit of the Company stood at Rs.27.46Crore as at March 31, 2016, inclusive of profit after tax of Rs.4.52Crore earned during financial year 2015-16.

**4. DIVIDEND**

The Board of Directors has not recommended any dividend for the year ended March 31, 2016 in order to conserve cash in the Company.

**5. SHARE CAPITAL**

The Authorised Share Capital of the Company is Rs. 5.00 Crores. The Issued, Subscribed and Paid up Capital of the Company was Rs. 3.50 Crores, as on March 31, 2016. There was no requirement of fresh capital infusion during the year under review.

**6. Management Discussion and Analysis**

**OVERVIEW OF GLOBAL ECONOMY**

The global macroeconomic landscape is currently uncertain and characterized by weak global growth. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-averse behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

In light of this, 2015-16 was a year of adjustment and expectation management. Expectations of world GDP growth from many quarters have been below 3%. During the

last year, we stumbled from one mini economic crisis to another in the form of either the Greek debt crisis or the Chinese devaluation and then the commodity crash. Although, we have seen a patchy recovery in the equity and commodity market in January-February this year, this can be attributed to the NIRP (Negative Interest Rate Policy) regime implemented by BoJ and the ECB, aided by the reduced expectation of rate hike by Fed. The faith in such a recovery seems limited at this point and that is getting manifested in continued downturn in most commodity prices.

#### Brief on Indian economic performance including growth, CAD, FD, key reforms and outlook for next year

FY16 was a volatile year for our markets. While policy rates eased, inadequate transmission created trouble and credit markets came under some stress. We saw policy rates ease by 75bps in FY16 and expect the easing cycle to continue in FY17 through the use of both- rate cuts and better transmission measures.

Continued moderation in CPI inflation was another highlight of the year gone by. As RBI more than achieved its target CPI of 6% by Jan 2016, they continued with the monetary easing cycle that started in Jan 2015. Contained food inflation, low global commodity prices and persistent output gap were the key drivers of well-behaved inflation.

Adherence to fiscal consolidation was also a welcome move. The government managed to stick to the targeted fiscal deficit of 3.9% of GDP in FY16 as more than budgeted indirect tax revenues came to bridge the gap created by divestment shortfall. In FY17 also, fiscal discipline continued as the government stuck to the targeted 3% of GDP as fiscal deficit. While there is some scepticism with respect to the ambitious non tax revenue target, the indirect tax receipts may continue to make up for the slippage if any.

#### Outlook on inflation and rates and currency

After the large gains seen in CPI in FY15, the inflation has been relatively stable during the past year. It saw a high of 5.7% and a low of 3.7% during year. As of now, its core CPI (CPI excluding food, fuel and petrol/diesel) inflation, which is attracting attention from both the RBI and other economy observers

After about 18 months of deflation, WPI has finally turned positive in April 2016. We expect WPI to stay positive in FY17, both on account of favorable base effects waning and sequential increase in prices (both naturally and administered- read- import duty increase et al).

With global commodity prices having stabilized at these levels and in fact some of the commodities having seen decent uptick from lows we can see WPI picking up gradually over the year thus narrowing the gap between WPI and CPI in FY17.

A direct impact of well-behaved inflation over the medium term is that the natural rate of currency depreciation is expected to taper. One of the key concerns of a foreign investor investing in Indian markets is the currency volatility which did in fact eat away most gains in the last 5 years. This is unlikely to repeat in the medium term as inflation differentials with trading partners are expected to narrow down.

### Outlook on domestic growth

By far the strongest driver of growth in India is private consumption. The consumption indicators being used to estimate growth such as car and utility vehicle sales, petrol demand, uptake of personal loans, telecom subscriber base and passengers transported by airlines are all pointing to a strong and sustained revival in consumption.

This could be further augmented in FY17 by the 7th Pay Commission and better than average monsoon post two consecutive drought years. India's demographics could therefore ensure the consumption led growth will remain supported.

In light of the above, the multiple reforms being implemented by the government are a step in the right direction. But India cannot stay immune to the global business cycles and domestic structural shifts. Our assessment is that while India would continue to prosper at a superior pace versus the world, the government would need to push our so that growth can cross the 8% levels.

### Outlook on earnings growth and equity market

On the earnings front, for the past six years, the market participants have been expecting strong earnings growth at the beginning of the year only to downgrade steeply by the end of the year. In FY16 also, earnings were expected to grow in high double digits only to see a revision to single digit growth after two quarters. Going into FY17, these factors could reverse. It was the fourth time in 115 years that we have seen back to back monsoon failure and there has never been a triple monsoon failure. As predicted by IMD India is expected to receive above normal rainfall in 2016. As WPI inflation picks up, the deflator is expected to rise thus uplifting the nominal growth rate. Under the new liquidity framework, we also expect better transmission of rate cuts facilitated by change in MCLR guidelines. With these in mind, we expect that the trend could reverse in FY17 to clock earnings growth of 15% with a high degree of probability. With reasonable valuations and earnings growth, Indian markets provide an opportunity for sustainable long term wealth creation.

### Industry overview

Private Equity ("PE") industry witnessed robust growth with investments touching an all time high of US \$ 16.80 billion in CY 2015 as against USD \$ 11.20 billion in CY 2014. The volatility in the global markets in early CY 2016 however has dampened investment climate, with fewer investments seen in the first quarter of CY2016. A perceptible change was witnessed during CY 2015 buyout deals at US \$ 3.02 billion as against only US 631million in CY 2014, a growth of 380% indicating a shift in the evolving industry. Venture capital (~45%), Growth PE (~44%) and Late stage (~8%, though on a larger base) continued to show growth. [Source: *Venture Intelligence*].

### Business Outlook

The issues on capital adequacy norms of banks and the limit on the minimum size of contribution by investors under AIF Regulation continues to impact the Company's ability to raise further capital in the domestic markets. The Company has planned to make a foray into the offshore markets during the financial year 2016-17 for raising funds with an aim of investments into India.

While the short term outlook for India continues to be cautiously optimistic, with a turnaround in the economy and the earnings of some of the large sized companies

showing slight improvement it is hoped that mid-sized companies will follow. The Company would be seeking extension of the term of the funds to ride the difficult times and optimize returns over a slightly extended period. The Company intends to handhold the portfolio companies over this growth phase for ultimately realizing profitable exits.

## **7. Corporate Governance**

Your Directors reaffirm their commitment to the corporate governance standards, as applicable to the Company.

## **8. Subsidiaries**

Your Company does not have any subsidiary, at present.

## **9. PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

## **10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of Energy, Technology absorption and Foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, are not applicable to the Company due to the very nature of industry in which it operates.

## **11. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are provided at Annexure A.

## **12. DIRECTORS**

As on March 31, 2016, your Board of Directors comprises of three Directors.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Harish Engineer, Directors, retires by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offers himself for re-appointment.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 2013.

### **(i) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board carried out annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committees and CSR Committee.

### **(ii) Remuneration Policy**

The Board has, on the recommendation of the Audit Committee formulated a policy for selection and appointment of Directors, Senior Management and their remuneration.

### **(iii) Managerial Remuneration**

Presently there is no Executive Director in the Company.

### **13. Board Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **14. AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Puranam Hayagreeva Ravikumar, Mr. Harish Engineer and Mr. Ajay Srinivasan the Directors of the Company.

### **15. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has a Whistle Blower Policy at Aditya Birla Financial Service Group level providing a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud/misconduct through any of the determined reporting protocols.

### **16. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors would like to assure the members that the Financial Statements, for the year under review, conform in their entirety to the requirements of the Companies Act, 2013:

Pursuant to Section 134(5) of the Companies Act 2013, your Directors, to the best of their knowledge and belief confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **17. KEY MANAGERIAL PERSONNEL**

Provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Power) Rules, 2014, are not applicable to the Company.

## **18. AUDITORS AND AUDITORS' REPORT**

The Statutory Auditors M/s. S.R. Batliboi & Co.LLP (Registration No.301003E), appointed at the 7<sup>th</sup>AGM, hold office upto the ensuing 8<sup>th</sup>AGM of the Company.

The Board proposes to re-appoint M/s. S. R. Batliboi & Co. LLP (Registration No. 301003E) (being eligible for re-appointment) as the Statutory Auditors to hold the office till the conclusion of the Ninth Annual General Meeting on recommendation of the Audit Committee of the Company.

The Company has received certificates from the proposed auditors confirming their eligibility and willingness for their appointment / re - appointment pursuant to Section 139 (1) of the Companies Act, 2013. The auditors have further certified that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI.

The observations, if any, made by the Statutory Auditors of the Company in their report read with relevant notes to the Accounts are self-explanatory and, therefore do not call for any further comments.

## **19. INTERNAL AUDIT FRAMEWORK / RISK MANAGEMENT POLICY**

The Company has in place a robust internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

The framework is commensurate with the nature of the business and the size of its operations. Internal auditing, involves the utilization of a systematic methodology for analyzing business processes or organizational problems and recommending solutions to add value and improve the organization's operations. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls.

The internal audit is carried out by external service providers and in-house internal audit team. The audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

Internal Audit Process followed by the Company is as follows:

- Establish and communicate the scope and objectives for the audit to management
- Develop an understanding of the business area under review. This involves review of documents and interviews
- Identify control procedures used to ensure each key transaction type is properly controlled and monitored
- Develop and execute a risk-based sampling and testing approach to determine whether the key controls are operating as intended
- Key audit findings and recommendations made by the auditors are reported to the Audit Committee of the Company

- Monitor the implementation of audit recommendations and ensure periodic reporting to the Audit Committee
- The audit findings are used as a key input in the risk management process and all the key risks of the Company are mapped to the audit processes to ensure a risk-based audit approach.
- Ongoing monitoring is performed as an integral part of the day to day supervision, review and measurement of internal audit activity.

## **20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has put in place adequate internal financial Controls. Standard Operating Procedure (SOP), Risk Control Mechanism (RCM) and Entity Level Control are documented by the Company.

## **21. SECRETARIAL AUDIT REPORT**

Section 204 of the Companies Act, 2013 with regard to Secretarial Audit Report is not applicable to the Company.

## **22. RELATED PARTY TRANSACTIONS**

The Board has formulated and adopted a Related Party Transactions Policy ('Policy') for the purpose of identification, monitoring and reporting of such transactions.

All Related Party Transactions ('RPT') entered into by your Company during the F.Y. 15-16 were on arm's length basis and in the ordinary course of business and since transactions were not material; the particulars of such transactions with the related parties are not required to be reported by your Company in the prescribed form AOC 2. The details of related party transactions during the year under review are set out in Notes No.19 of the Audited Annual Financial Statement.

## **23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS /**

From Corporate Tax perspective, apart from Industry based tax litigations, revenue authorities or tribunal or court, have not passed any order impacting going concern status of the organization.

## **24. CORPORATE SOCIAL RESPONSIBILITY**

The Board of your Company had constituted a CSR Committee and has developed a CSR Policy.

The required disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules 2014 forms part of the Director's report at Annexure B.

## **25. NOMINATION AND REMUNERATION COMMITTEE**

Section 178 of the Companies Act, 2013 with regard to Nomination and Remuneration Committee is not applicable to the Company.

## **26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**



Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statements.

## 27. COST AUDIT

The provisions of Cost audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

## 28. THE ANTI SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL ACT, 2013)

The Company has adopted the policy of the Aditya Birla Financial Service Group with regards to the Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Compliant Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year financial year 2015-16

- No of complaint received : NIL
- No of complaint disposed off: Not applicable

## 29. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith at "Annexure C".

## 30. ACKNOWLEDGEMENTS

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the investors in our Funds, bankers, business associates, members of Investment Committee and of the Advisory Board for their continuous support and patronage to the Company.

Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

**By order of the Board of Directors  
For Aditya Birla Capital Advisors Private Limited**

  
**P.H. RAVIKUMAR**  
Director  
(00280010)

  
**AJAY SRINIVASAN**  
Director  
(00121181)

Mumbai, May 5, 2016

## ANNEXURE TO DIRECTOR'S REPORT

### ANNEXURE A

#### Particulars of Employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

List of employees of the Company employed throughout the financial year 2015-16 and were paid remuneration not less than 60 lakh rupees per annum:

Employee Name	Designation	Qualification	Age	Experience	Date of Joining	Remuneration in Rs.	Details of Previous Employment

List of employees of the Company for the part of the year and were paid remuneration during the financial year 2015-16 which in aggregate was not less than 5 lakh rupees per month:

Employee Name	Designation	Qualification	Age	Experience	Date of Joining	Remuneration in Rs.	Details of Previous Employment
			NIL				

#### Notes:

1. Remuneration includes salary, bonus, incentive, allowances, medical benefits, Company's contribution to Provident Fund and Superannuation Fund / Gratuity, wherever applicable, leave encashment, leave travel assistance, and monetary value of taxable perquisites wherever applicable.
2. All appointments are non - contractual, terminable on appropriate notice on the either side. Other terms and conditions are as per the policies of the Company.
3. None of the employees mentioned above hold more than 2% of the equity shares of the Company, along with their spouse and dependent children.
4. None of the employees are related to any Director of the Company.

## Annexure B

### Report on Corporate Social Responsibility

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Our Company is part of the Aditya Birla Group and reaching out to underserved communities is part of our DNA. We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

Our vision is - "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the country's human development index"

Implementation process: Identification of projects

All projects are identified in consultation with the community in a participatory manner, literally sitting with them and gauging their basic needs. We take recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, and other stakeholders, projects are prioritized.

Arising from this our focus areas that have emerged are Education, Health care, Sustainable livelihood, Infrastructure development, and espousing social causes. All of our community projects/programmes are carried out under the aegis of The Aditya Birla Centre for Community Initiatives and Rural Development. Our activities are in line with Schedule VII of the Companies Act, 2013.

Your Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 which is accessible from our Company's website: ([www.adityabirla-pe.com](http://www.adityabirla-pe.com))

**2. The Composition of the CSR Committee.**

- a) Mr. Ajay Srinivasan– Chairman of the Committee
- b) Mr. Puranam Hayagreeva Ravikumar – Independent Director
- c) Mr. Harish Engineer – Independent Director

Permanent Invitee:

- a) Mrs. Rajashree Birla -Chairperson, Aditya Birla Centre for Community initiatives and Rural Development;
- b) Mrs. Pragnya Ram – Group Executive President, Corporate Communications and CSR, Aditya Birla Group;
- c) Chief Executive Officer of the Company

2. Average net profit of the company for last three financial years  
Rs.7,16,46,241/-

3. Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)–Rs.14,32,925/-

4. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year - Rs.16,00,000/-

(b) Amount unspent, if any - **NIL**

(c) Manner in which the amount spent during the financial year is detailed below.- NA

CSR project or activity undertaken	Sector in which the Project is covered	Projects or programs (1) Local area or other (Specify the State or district where the Projects or programs was undertaken)	Amount outlay (budget) Project or program-wise	Amount spent on the Project or programs Sub heads (1) Direct expenditure on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency*
Training of sports person	Training to Promote rural sports ,nationally recognised sports, paralympic sports & Olympic sports	All India	Rs.16 lakhs	Rs.16 lakhs	Rs.16 Lakhs	Amount spent through Go Sports Foundation

5. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - N.A

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

7. The Company had spent Rs. 16,00,000/- during financial year 2015-16 as per CSR objectives and policy of the Company.

D. Muthukumaran

Mr. Ajay srinivasan

**Annexure C  
Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON  
MARCH 31, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U74140MH2008PTC179360
Registration Date	22-02-2008
Name of the Company	Aditya Birla Capital Advisors Private Limited.
Category/Sub-Category of the Company	Private Limited Company
Address of the Registered office and contact details	One India Bull Centre, Tower 1, 18Th Floor, Jupiter, Mill Compound, 841 S.B Marg, Elphinstone Road, Mumbai – 400013
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/Service	% to total Turnover of the Company
1.	Financial and Insurance Service	K6	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% if Shares held	Applicable Section
	Aditya Birla Financial Services Ltd Indian Rayon Compound, Veraval, Gujarat – 362 266	U67120GJ2007PLC 058890	Holding	100%	2(87)(ii)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)			No. of Shares held at the end of the year (As on 31-03-2016)			% Change during the year
		De-mat	Physical	% of Total Shares	De-mat	Physical	% of Total Shares	
	Promoter	-						
	Indian							
	Individual/-HUF							
	Central-Govt.							
	State-Govt.(s)							
	Bodies-Corporate		3500000	100%	-	3500000	100%	
	Banks-/-FI	-		-	-		----	----
	Any-Other	-		-	-		----	-
	Sub-total(A)(1):-		3500000	100%	-	3500000	100%	
	Foreign	-						
	NRIs-Individuals	-						
	Other-Individuals	-						
	Bodies-Corporate	-						
	Banks-/-FI	-						
	Any-Other	-						
	Sub-total-(A)(2):-	-						
	Total-Shareholding-of-Promoter(A)=(A)(1)+(A)(2)							
	Public-Shareholding	-						
	Institutions	-						

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)			No. of Shares held at the end of the year (As on 31-03-2016)			% Change during the year
		De-mat	Physical	% of Total Shares	De-mat	Physical	% of Total Shares	
	Mutual-Funds	-						
	Banks-/-FI	-						
	Central-Govt.	-						
	State-Govt(s)	-						
	Venture-Capital-Funds	-						
	Insurance-Companies	-						
	FII's	-						
	Foreign-Venture-Capital-Funds	-		-	-		-	-
	Others-							
	Sub-total-(B)(1)							
	Non-Institutions	-		-	-		-	-
	Bodies-Corporate	-		-	-		-	-
	Indian							
	Overseas							
	Individuals							
	Individual-shareholders-holding-nominal-share-capital-upto-Rs.1-lakh							
	Individual-shareholders-holding-nominal-share-capital-in-excess-of-Rs.1-lakh							
	Others							
	Clearing-Members							
	HUF							

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)			No. of Shares held at the end of the year (As on 31-03-2016)			% Change during the year
		De-mat	Physical	% of Total Shares	De-mat	Physical	% of Total Shares	
	NRI							
	Trusts							
	Sub-total-(B)(2)							
	Total-Public-Shareholding-(B)=(B)(1)+-(B)(2)							
	Shares-held-by-Custodian-for-GDRs-&-ADRs							
	Grand-Total-(A+B+C)		3500000	100%		3500000	100%	

**(ii) Shareholding-of-Promoters**

Sr. No	Shareholder Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the	% of Shares Pledged/encumbered to	No. of Shares	% of total Shares of the Com-	% of Shares Pledged/encum-	
	Aditya Birla Financial Services Limited*	35,00,000	100%	N.A.	35,00,000	100%	N.A.	Nil
	Total	35,00,000	100%	N.A.	35,00,000	100%	N.A.	Nil

\*includes 2000 jointly held with Mr. Shriram Jagetiya – Nominee of Aditya Birla Financial Services Limited

**(iii) Change in Promoters' Shareholding**

	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the year (As on 31-03-2016)	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company



At the beginning of the year	35,00,000	100%	-	-
At the End of the year			35,00,000	100%

\* includes 2000 jointly held with Mr. Shriram Jagetiya – Nominee of Aditya Birla Financial Services Limited

**(iv) Shareholding Pattern of top ten-Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl.-No	NA	Shareholding-at-the-beginning-of-the-year-		Cumulative-Shareholding-during-the-year	
		-No.-of-Shares-	-%-of-total-Shares-of-the-Company-	-No.-of-Shares-	-%-of-total-Shares-of-the-Company-
1	At-the-beginning-of-the-year	Nil	---	-	-
	At-the-end-of-the-year-(or-on-the-date-of-separation,-if-separated-during-the-year)			-	-

**(v) Shareholding of Directors and Key Managerial Personnel: Nil**

Sl. No.	Name	Shareholding at the beginning of the year		Date	In-crease/ De-crease in share-share-holding	Reason	Cumulative Share-holding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning (01-04-2014) / End of the year (31-03-2015)	% of total shares of the company				No. of Shares	% of total shares of the company
A.	DIRECTORS:							
				NIL				
B.	KEY MANA-GERIAL PER-SONNEL							

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (in Rs.)	Unsecured Loans (in Rs.)	Deposits	Total Indebtedness (in Rs.)
Indebtedness at the beginning of the financial year				
i. Principal Amount				
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total(i+ii+iii)		NIL		
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i. Principal Amount				
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration					Total Amount
	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
	Stock Option					
	Sweat Equity					
	Commission					

	Others					
	Total(A)					
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
1.	Independent Directors			
		-	-	-
	Total(1)	Mr. Puranam Hayagreeva Ravikumar	Mr. Harish Engineer	
	Other Non- Executive Directors			
	Fee for attending board meetings	2,00,000	2,00,000	4,00,000
	Fees for attending Committee Meeting	1,00,000	1,00,000	2,00,000
	Commission	-	-	-
	Others	-	-	-
	Total(2)	3,00,000	3,00,000	6,00,000
	Total(B)=(1+2)	3,00,000	3,00,000	6,00,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
					Total
	Gross salary	NOT APPLICABLE	(in Rs.)		
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	Value of perquisites u/s 17(2) Income tax Act, 1961		-	-	-
	Profits in lieu of salary under section 17(3) Income tax Act, 1961		-	-	-
	Stock Option		-	-	-
	Sweat Equity		-	-	-
	Commission		-	-	-
	Others				
	Total				

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
Company					
Penalty					
Punishment					
Compounding					
Directors					
NIL					
Penalty					
Punishment					
Compounding					
Other Officers In Default					
Penalty					
Punishment					
Compounding					

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Aditya Birla Capital Advisors Private Limited**

**Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

**Opinion**

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



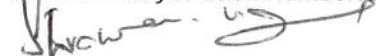
## Report on Other Legal and Regulatory Requirements

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

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E / E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 5, 2016





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

**Re: Aditya Birla Capital Advisors Private Limited ('the Company')**

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



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

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E / E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 5, 2016





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED**

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

To the Members of Aditya Birla Capital Advisors Private Limited

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

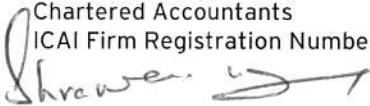
**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Aditya Birla Capital Advisors Private Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 05, 2016 expressed an unqualified opinion thereon.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E / E300005



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per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 5, 2016





**Aditya Birla Capital Advisors Private Limited**  
**Balance Sheet as at 31st March, 2016**

		In Rs.	
		As at	As at
	Note No.	31st March 2016	31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' funds</b>			
Share Capital			
Equity	3	35,000,000	35,000,000
Reserves and Surplus	4	274,591,189	229,380,531
	Sub-Total - (A)	<u>309,591,189</u>	<u>264,380,531</u>
<b>(B) Current Liabilities</b>			
Trade Payables	5	32,037,677	24,964,852
Other Current Liabilities	6	3,448,977	1,441,731
Short-term Provisions	7	10,752,354	13,534,275
	Sub-Total - (B)	<u>46,239,008</u>	<u>39,940,858</u>
	<b>Total (A) + (B)</b>	<u><b>355,830,197</b></u>	<u><b>304,321,389</b></u>
<b>ASSETS</b>			
<b>(C) Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	8	6,370,487	4,603,002
		<u>6,370,487</u>	<u>4,603,002</u>
Deferred Tax Assets (Net)	12	4,677,535	6,144,748
Loans and Advances	9	16,091,762	12,919,531
	Sub-Total - (C)	<u>27,139,784</u>	<u>23,667,281</u>
<b>(D) Current Assets</b>			
Current Investments	10	312,144,946	268,105,956
Cash & Bank Balances	11	1,712,422	2,261,744
Loans and Advances	13	14,833,045	10,286,408
	Sub-Total - (D)	<u>328,690,413</u>	<u>280,654,108</u>
	<b>TOTAL (C)+(D)</b>	<u><b>355,830,197</b></u>	<u><b>304,321,389</b></u>

Significant Accounting Policies

2.1

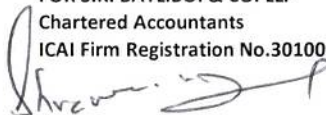
The accompanying notes are an integral part of the financial statements

As per our attached Report of even date

**FOR S.R. BATLIBOI & CO. LLP**

Chartered Accountants

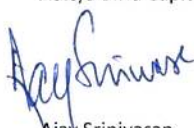
ICAI Firm Registration No.301003E/E300005



per Shrawan Jalan  
 Partner  
 Membership no.102102  
 Mumbai, May 05th, 2016



For and on behalf of Board of Directors of  
 Aditya Birla Capital Advisors Private Limited



Ajay Srinivasan  
 Director  
 DIN No.121181



P H Ravikumar  
 Director  
 DIN No.280010



Sandeep Bhat  
 Chief Financial Officer



Piyush Shah  
 Company Secretary

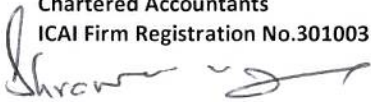


**Aditya Birla Capital Advisors Private Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2016**

		In Rs.	
	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
Revenue from Operations	14	203,257,647	209,074,990
Other Income	15	18,097,990	12,947,777
<b>Total Revenue</b>		<b>221,355,637</b>	<b>222,022,767</b>
<b>Expenses</b>			
Employee Benefits Expenses	16	123,081,778	124,276,270
Distribution expenses		-	3,715,152
Other Expenses	17	32,661,293	30,159,088
<b>Total Expenses</b>		<b>155,743,071</b>	<b>158,150,510</b>
<b>Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)</b>		<b>65,612,566</b>	<b>63,872,257</b>
Depreciation and Amortisation Expenses		2,193,306	2,361,524
<b>Profit Before Tax</b>		<b>63,419,260</b>	<b>61,510,733</b>
Tax Expenses			
- Current Tax		16,741,388	19,827,956
- Deferred Tax		1,467,213	(2,705,305)
<b>Profit for the Year</b>		<b>45,210,659</b>	<b>44,388,082</b>
Basic Earnings per Share (Face Value of Rs.10/- each)	18	12.92	12.68
Diluted Earnings per Share (Face Value of Rs.10/- each)	18	12.92	12.68

Significant Accounting Policies 2.1  
The accompanying Notes are an integral part of the Financial Statements


As per our attached Report of even date  
**FOR S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No.301003E/E300005



per Shrawan Jalan  
Partner  
Membership no.102102  
Mumbai, May 05th, 2016

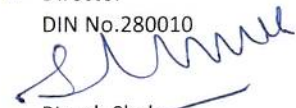


For and on behalf of Board of Directors of  
Aditya Birla Capital Advisors Private Limited

  
Ajay Srinivasan  
Director  
DIN No.121181

  
P H Ravikumar  
Director  
DIN No.280010

  
Sandeep Bhat  
Chief Financial Officer

  
Piyush Shah  
Company Secretary



Particulars	Amount in Rs.	Amount in Rs.
<b>A. Cash flow from operating activities</b>		
Net Profit (Loss) before tax and prior period item	63,419,260	61,510,733
<b>Adjustments for :</b>		
Divident reinvestment	13,192,466	9,491,676
Depreciation/ amortisation	2,193,306	2,361,524
Profit on sale of fixed assets	-	-
Dividend Income	(13,192,466)	(9,491,676)
Interest Income	-	(2,096,243)
Unclaimed Liabilities / Excess Provision Written Back	-	(1,359,858)
Profit on Sale of Investment	(4,905,525)	-
<b>Operating profit before working capital changes</b>	<b>60,707,042</b>	<b>60,416,156</b>
<b>Adjustment for changes in working capital:</b>		
Increase/(decrease) in current liabilities	6,322,785	6,345,648
(Increase)/decrease in loans and advances	329,663	12,521,149
<b>Cash from operating activities</b>	<b>67,359,490</b>	<b>79,282,953</b>
Tax deducted at source	(24,814,554)	(26,835,447)
<b>Net cash from operating activities (A)</b>	<b>42,544,936</b>	<b>52,447,506</b>
<b>B. Cash flow from investing activities</b>		
Dividend from mutual fund units	(13,192,466)	(9,491,676)
Sale of fixed assets	-	1,110,315
Purchase of fixed assets	(3,960,791)	(5,159,791)
Purchase of investment (Net)	(39,133,466)	(233,491,677)
Dividend Received	13,192,466	9,491,677
Interest Received	-	2,096,244
Sale proceeds from investments	-	182,850,000
<b>Net cash used in investing activities (B)</b>	<b>(43,094,257)</b>	<b>(52,594,908)</b>
<b>Net increase / decrease in cash and cash equivalents during the year (A+B)</b>	<b>(549,321)</b>	<b>(147,402)</b>
Cash and cash equivalent at beginning of the year	2,261,744	2,409,146
Cash and cash equivalent at end of the year	<b>1,712,422</b>	<b>2,261,744</b>
As per our Report of even date		

FOR S.R.BATLIBOI & CO.LLP  
ICAI Firm Registration No.301003E/E300005  
Chartered Accountants

Per Shrawan Jalan  
Partner  
Membership No.102102



Mumbai, May 05th, 2016

For and on behalf of Board of Directors of  
Aditya Birla Capital Advisors Private Limited

*Ajay Srinivasan*  
Ajay Srinivasan  
Director  
DIN No.121181

*P H Ravikumar*  
P H Ravikumar  
Director  
DIN No.280010



*Sandeep Bhat*  
Sandeep Bhat  
Chief Financial Officer

*Piyush Shah*  
Piyush Shah  
Company Secretary



## Aditya Birla Capital Advisors Private Limited

### Significant Accounting Policies and Notes to Accounts

#### 1. Corporate Information

Aditya Birla Capital Advisors Private Limited ('the Company') was incorporated on February 22, 2008 under the provisions of Companies Act, 1956 (the 'Act'). The main object the Company is to provide financial advisory services and management services and to carry on business of advising and managing venture capital funds. The Company was appointed as Investment Manager to the Aditya Birla Private Equity – Fund I and Aditya Birla Private Equity – Sunrise Fund.

#### 2. Basis of preparation

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

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

#### 2.1 Summary of Significant Accounting Policies:

##### (a) Use of estimate

The preparation of financial statements is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### (b) Fixed Assets and Depreciation

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of fixed assets with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition



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criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

**Assets where useful life differ from Schedule II:-**

<u>Asset</u>	<u>Useful Life (in years) as Prescribed by Schedule II of the Co. Act,2013</u>	<u>Estimated Useful Life (in years)</u>
Computer	3	4
Furniture & Fixture	10	4
Vehicle	6	4
Office Equipment	5	4

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

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

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

**(c) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Assets subject to operating leases are included in fixed assets. Operating lease payments are recognized as an expense in the Profit and Loss statement on a straight-line basis over the period of lease.

**(d) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

**(e) Investments**

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



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

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

**(f) Revenue recognition**

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

**Management Fees**

Management fees have been accrued in accordance with the investment management agreement entered into between the Company and the Fund, net of service tax.

**Dividends**

Dividend is recognised when right to receive payment is established by the balance sheet date.

**Disposal of Investments**

On disposal of an investment the difference between carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss using weighted average cost.

**(g) Foreign Currency Transaction**

**Initial recognition**

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

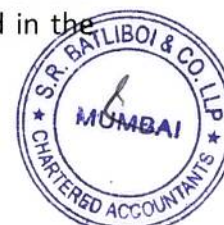
**Conversion**

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

**Exchange Differences**

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

1. Exchange differences arising on a monetary item itself, in substance, forms part of the Company's net investment in a non-integral foreign operation and is accumulated in the





foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long term currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign monetary item as “long-term foreign monetary item”, if it has a term of 12 months or more at the date of its origination.
3. Exchange differences arising on other long- term foreign currency monetary items are accumulated in the “Foreign Currency Monetary Item Difference Account” and amortized over the remaining life of the concerned asset.
4. All other exchange differences are recognized as income or as expenses in the period in which they arrive.

**(h) Retirement and other employee benefits**

- i. Retirement benefits in the form of superannuation are defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

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 except for Short term compensated absences which are provided for based on estimates. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

- iii. 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.

- iv. In respect of employees, Provident Fund contributions are made to a Trust administered by the Provident Fund Trust of Aditya Birla Nuvo Limited. 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 Aditya Birla Nuvo Limited is additionally provided for. Actuarial losses/ Gains are recognized in the Statement of Profit and Loss in the year in which they arise.



(i) **Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are 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.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be 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.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit

(j) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects all dilutive potential equity shares.

(k) **Provisions**





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

(l) **Contingent liabilities**

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

(m) **Cash and Cash equivalent**

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

(n) **Measurement of EBITDA**

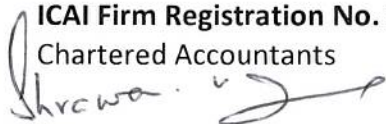
The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/loss from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

As per our Report of even date attached

For S.R. BATLIBOI & Co. LLP

ICAI Firm Registration No. 301003E/E300005

Chartered Accountants



per Shrawan Jalan

Partner

Membership No. 102102

Place: Mumbai

Date: May 05, 2016



For and on behalf of the Board of Directors

Aditya Birla Capital Advisors Private Limited



Ajay Srinivasan

DIN No.121181

Director



Sandeep Bhat

Chief Financial Officer



P H Ravikumar

DIN No.280010

Director



Piyush Shah

Company Secretary



**NOTE:3**

**SHARE CAPITAL**

**Authorised:**

Equity shares of Rs. 10/- each of the company

	As at 31st March 2016	As at 31st March 2015
	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>

**Issued, Subscribed & paid-up**

**EQUITY SHARE CAPITAL**

Equity Shares of Rs. 10/- each fully paid-up

	35,000,000	35,000,000
	<b>35,000,000</b>	<b>35,000,000</b>

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

S. No.	Description	As at 31st March 2016 Equity Shares	As at 31st March 2015 Equity Shares
1	Number of shares outstanding at the beginning of the period @ Rs.10 each	3,500,000	3,500,000
2	Number of shares outstanding at the end of the period @ Rs.10 each	3,500,000	3,500,000

**2 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.

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

- 3** As per records of the Company, including register of shareholder/ members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares
- 4** The entire share capital is held by Aditya Birla Financial Services Limited, the holding Company and its nominee.
- 5** Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under:-

S. No.	Name of Share Holder	As at 31st March 2016		As at 31st March 2015	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Limited with its nominees	3,500,000	100.00%	3,500,000	100.00%



**Aditya Birla Capital Advisors Private Limited**  
**Notes forming part of Financial Statements**

In Rs.

**NOTE: 4**  
**RESERVES & SURPLUS**

**Surplus/(Deficit) in the statement of Profit and Loss**

Opening Balance as per last audited Financial Statement

Addition:

Profit of the Year

	As at 31st March 2016	As at 31st March 2015
Opening Balance as per last audited Financial Statement	229,380,530	184,992,449
Profit of the Year	45,210,659	44,388,082
	<b>274,591,189</b>	<b>229,380,531</b>
	<b>274,591,189</b>	<b>229,380,531</b>

**NOTE: 5**

**TRADE PAYABLES**

Trade Payables for salaries, wages, bonus and other employee benefits

Trade Payables (Others)

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

Trade Payables for salaries, wages, bonus and other employee benefits	25,230,334	21,012,899
Trade Payables (Others)		
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,807,344	3,951,953
	<b>32,037,678</b>	<b>24,964,852</b>





**Aditya Birla Capital Advisors Private Limited**  
**Notes forming part of Financial Statements**

In Rs.

	As at 31st March 2016	As at 31st March 2015
<b>Note:6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Statutory Dues	3,448,977	1,305,046
Others	-	136,685
	<u>3,448,977</u>	<u>1,441,731</u>
<b>Note: 7</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provisions for Employee Benefits and Tax:		
Leave Encashment	9,001,524	13,509,640
Gratuity payable (Funded)	1,750,830	-
Wealth Tax	-	24,635
	<u>10,752,354</u>	<u>13,534,275</u>
<b>Note: 9</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits	-	4,876,300
Advance income - tax (net of Provision for taxation)	16,091,762	8,043,231
	<u>16,091,762</u>	<u>12,919,531</u>
<b>Note: 10</b>		
<b>INVESTMENTS: CURRENT</b>		
<b>Unquoted</b>		
Investments in		
21,15,163 units (previous year 11,77,559) of Birla Sun Life Savings Fund Daily Dividend Reinvestment Scheme	212,144,945	118,105,957
9,38,257 units (previous year 9,38,257) of Birla Sun Life Income Plus Growth Scheme	50,000,000	50,000,000
11,55,201 units (previous year 11,55,201) of Birla Sun Life Short term Fund Growth Scheme	50,000,000	50,000,000
Nil (previous year 50,00,000) of Birla Sun Life FTP Series	-	50,000,000
	<u>312,144,945</u>	<u>268,105,957</u>
<b>Note: 11</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Accounts	1,700,912	2,259,193
Cash on Hand	11,510	2,551
	<u>1,712,422</u>	<u>2,261,744</u>
<b>Note: 12</b>		
<b>DEFERRED TAX ASSETS / (LIABILITIES) (NET)</b>		
<b>DEFERRED TAX ASSETS</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charges for the financial reporting		
	1,701,361	1,681,558
Provision for Leave Encashment	2,976,174	4,383,203
Expenditure/Provisions Allowable (Others)	-	79,987
	<u>4,677,535</u>	<u>6,144,748</u>
<b>Deferred Tax Assets / (Liabilities) (Net)</b>	<u><b>4,677,535</b></u>	<u><b>6,144,748</b></u>
<b>Note: 13</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits		
Considered Good	4876300	-
Service tax input credit	1,964,652	1,290,612
Advance tax net of Provision	-	3,191,847
Prepaid Expenses	1,764,219	1,503,964
Contribution to Superannuation Fund	551,745	584,997
Gratuity Receivable	-	3,581,788
Receivables – others	5,676,129	133,200
	<u>14,833,045</u>	<u>10,286,408</u>



**Aditya Birla Capital Advisors Private Limited**  
**Notes forming part of Financial Statements**

NOTE: 8

TANGIBLE ASSETS	In Rs.					
	Leasehold Improvements	Furniture & Fixtures	Computers & Printers	Office Equipment	Vehicles	TOTAL
<b>Gross Block</b>						
As at 1st April, 2014	4,635,524	679,124	3,866,805	592,228	5,123,305	14,896,986
Additions	-	29,250	983,914	16,500	4,130,127	5,159,791
Deletions	-	-	57,750	23,448	1,690,569	1,771,767
<b>As at 31st March, 2015</b>	<b>4,635,524</b>	<b>708,374</b>	<b>4,792,969</b>	<b>585,280</b>	<b>7,562,863</b>	<b>18,285,010</b>
Additions	-	-	260,621	78,761	3,621,409	3,960,791
Deletions	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>4,635,524</b>	<b>708,374</b>	<b>5,053,590</b>	<b>664,041</b>	<b>11,184,272</b>	<b>22,245,801</b>
<b>Accumulated Depreciation</b>						
As at 1st April, 2014	4,389,497	614,435	3,435,746	453,663	3,088,593	11,981,934
For the year	18,400	64,243	406,070	58,743	1,814,069	2,361,525
Deletions	-	-	52,937	9,770	598,745	661,452
<b>As at 31st March, 2015</b>	<b>4,407,897</b>	<b>678,678</b>	<b>3,788,879</b>	<b>502,636</b>	<b>4,303,917</b>	<b>13,682,007</b>
For the year	227,627	16,986	370,526	34,772	1,543,395	2,193,306
Deletions	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>4,635,524</b>	<b>695,664</b>	<b>4,159,405</b>	<b>537,408</b>	<b>5,847,312</b>	<b>15,875,313</b>
<b>Net Block as at 31st March, 2015</b>	<b>227,627</b>	<b>29,696</b>	<b>1,004,090</b>	<b>82,644</b>	<b>3,258,946</b>	<b>4,603,003</b>
<b>Net Block as at 31st March, 2016</b>	<b>-</b>	<b>12,710</b>	<b>894,185</b>	<b>126,633</b>	<b>5,336,960</b>	<b>6,370,487</b>



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**Aditya Birla Capital Advisors Private Limited**  
**Notes forming part of Financial Statements**

	<u>Year Ended</u> <u>31st March 2016</u>	<u>Year Ended</u> <u>31st March 2015</u>
<b>NOTE: 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
Management Fees	203,257,647	209,074,990
	<u>203,257,647</u>	<u>209,074,990</u>
<b>NOTE: 15</b>		
<b>OTHER INCOME</b>		
Interest Income - Others	-	2,096,243
Dividends Income on current Investments	13,192,466	9,491,676
Net Gain on Sale of current Investments	4,905,525	-
Other Non Operating Income	-	1,359,858
Unclaimed Liabilities / Excess Provision Written Back	-	1,359,858
	<u>18,097,991</u>	<u>12,947,777</u>
<b>NOTE: 16</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	109,148,506	112,958,956
Contribution to Provident & Other Funds	9,134,212	8,431,121
Staff Welfare Expenses	4,799,060	2,886,193
	<u>123,081,778</u>	<u>124,276,270</u>
<b>NOTE: 17</b>		
<b>OTHER EXPENSES</b>		
Rent	8,765,074	8,475,281
Repairs & Maintenance of:		
Buildings	852,892	851,472
Others	326,286	414,447
Insurance	1,368,741	1,375,002
Rates & Taxes	107,473	164,789
Business Meeting	90,317	119,128
Legal & Profession Expenses	4,062,631	3,124,684
Printing and Stationery	468,586	324,890
Travelling & Conveyance	2,960,783	3,040,331
Communication Expenses	614,936	674,130
Bank Charges	1,810	1,060
Auditors' Remuneration	1,082,620	877,679
Directors' Fees	600,750	300,000
Postage Expenses	21,811	23,850
Electricity Charges	1,362,940	890,083
Information Technology Expenses	12,112	39,450
Security & Housekeeping Expenses	1,008,638	889,814
Membership & Subscription	3,559,087	3,838,771
Recruitment expenses	1,591,823	2,944,746
CSR Expenditure	1,600,000	-
Miscellaneous Expenses	2,201,984	1,789,481
	<u>32,661,293</u>	<u>30,159,088</u>





**Aditya Birla Capital Advisors Private Limited**  
**Notes forming part of Financial Statements**

In Rs.

**Note :18**

**Disclosure pursuant to Accounting Standard-20 - Earnings Per Share**

Earnings per Share (EPS) is calculated as under:

Net Profit as per the Statement of Profit and Loss

**Net Profit for EPS**

Weighted average number of Equity Shares for calculation of Basic EPS

**Basic EPS**

Weighted average number of Equity Shares Outstanding

Weighted average number of Equity Shares for calculation of Diluted EPS

**Diluted EPS**

Nominal Value of Shares

	As at 31st March 2016	As at 31st March 2015
	45,210,659	44,388,082
(A)	45,210,659	44,388,082
(B)	3,500,000	3,500,000
(A/B)	<b>12.92</b>	<b>12.68</b>
	3,500,000	3,500,000
(C)	3,500,000	3,500,000
(A/C)	<b>12.92</b>	<b>12.68</b>
	10.00	10.00



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## Aditya Birla Capital Advisors Private Limited

### Notes to financial Statements for the year ended March 31, 2016

#### 19. Related Party Disclosures:

##### Name and relationship with the parties where control exits:-

Ultimate Holding Company : Aditya Birla Nuvo Limited  
 Holding Company : Aditya Birla Financial Services Limited

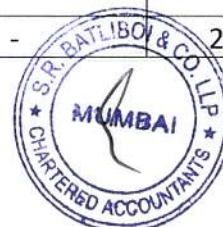
##### Related Parties with whom transactions have taken place during the year

Fellow Subsidiary : Aditya Birla Trustee Company Private Limited  
 : Aditya Birla Financial Shared Services Private Limited  
 : Birla Sunlife Asset Management Company Limited  
 : Pantaloons Fashion & Retail Limited (now known as Aditya Birla Fashion and Retail Limited) (upto March 31, 2015)

Key Managerial Personnels : Mr. D. Muthukumaran (CEO)  
 : Mr. Sandeep Bhat (CFO)  
 : Mr. Piyush Shah (CS)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Transactions</b>		
<b>Aditya Birla Trustee Company Private Limited</b>		
Reimbursement of online Tax paid	1,42,568	89,401
<b>Aditya Birla Financial Shared Services Private Limited</b>		
Reimbursement of Salary	11,45,312	1,50,368
Reimbursement of other expenses	12,46,561	4,11,998
Outstanding amount payable	3,45,506	1,36,684
<b>Aditya Birla Financial Services Limited</b>		
Reimbursement of Salary	61,89,802	54,76,343
Reimbursement of other expenses	20,59,499	13,06,489
Outstanding amount payable	13,01,787	7,72,447
<b>Birla Sun life Asset Management Company Limited</b>		
Reimbursement on transfer of Employee	13,362	4,79,377
Outstanding amount Receivable	-	13,362
<b>Pantaloons Fashions &amp; Retails Limited (upto March 31, 2015)</b>		
Reimbursement on transfer of Employee	-	2,96,267



<b>Closing balance as at March 31, 2016:</b>		
<b>Key Managerial Personnels</b>	3,14,11,263	1,58,92,279
<b>Aditya Birla Financial Services Limited including Nominee</b>		
35,00,000 (previous year 35,00,000) equity shares of Rs. 10 each Fully Paid	35,000,000	35,000,000

## 20. Operating leases

Office premises are obtained on operating lease. The lease term is for 3 years and renewable for further 3 years of two terms at the option of the Company.

<b>Particulars</b>	<b>Year ended March 31, 2016 (Rs.)</b>	<b>Year ended March 31, 2015 (Rs.)</b>
Lease rental payment for the year	87,65,074	84,75,281

Future minimum lease payments in respect of non-cancelable operating lease are as under.

<b>Lease Obligations</b>	<b>As at March 31, 2016 (Rs.)</b>	<b>As at March 31, 2015 (Rs.)</b>
Not later than one year	84,71,700	81,95,429
Later than one year but not later than five year	-	81,95,429
Later than 5 years	-	-
<b>Total</b>	<b>84,71,700</b>	<b>1,63,90,859</b>

## 21. Distribution Cost

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

## 22. Gratuity: Employee Plan

### (a) Defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 / 30 days salary (last drawn salary) for each completed year of service.



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The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss account and the funded status and amounts recognised in Statement of Profit and loss :

Particulars	March 31, 2016	March 31, 2015
<b>(a)The details of the Group's defined benefit plans in respect of Gratuity:</b>		
<b>(i) Amounts recognized in the Balance Sheet in respect of gratuity</b>		
Present value of the funded defined benefit obligation at the end of the year	11,416,466	83,92,578
Fair value of plan assets	(9,665,636)	(1,19,74,366)
<b>Net Liability/( Asset)</b>	<b>17,50,830</b>	<b>(35,81,788)</b>
<b>Amounts recognized in Salary and Employee Benefits in the statement of profit and loss account in respect of gratuity</b>		
Current Service cost	17,23,310	12,21,142
Interest on Defined Benefit Obligations	8,01,483	10,43,272
Expected return on plan assets	(10,09,546)	(8,83,972)
Net Actuarial (gain)/loss recognized during the period	8,38,404	10,55,095
<b>Net Gratuity Cost</b>	<b>23,53,651</b>	<b>24,35,536</b>
<b>Actual Return on Plan Assets:</b>		
Expected Return on Plan Assets	(10,09,546)	(8,83,972)
Actuarial Gain/ Loss on Plan Assets	3,18,276	(6,24,986)
<b>Actual Return on Plan Assets</b>	<b>6,91,270</b>	<b>15,08,958</b>
<b>(ii)Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets:</b>		
Opening Defined Benefit Obligation	83,92,578	1,04,36,501
Current Service Cost	17,23,310	12,21,142
Interest on Defined Benefit obligations	8,01,483	10,43,272
Liabilities assumed	5,91,142	(59,88,417)
Benefits paid during the year	(6,12,175)	0
Actuarial (Gain)/ Loss	5,20,128	16,80,080
<b>Closing Defined Benefit Obligation</b>	<b>1,14,16,466</b>	<b>83,92,578</b>
<b>(iii)Change in Fair Value of Plan Assets</b>		
Opening Fair Value of the Plan Assets	1,19,74,366	1,04,65,408
Expected Return on plan assets	10,09,546	8,83,972
Contribution made by Employer	(23,87,825)	0
Benefit paid during the year	(6,12,175)	0
Assets acquired on acquisition/(distributed on divestiture)	0	0
Actuarial Gain / Loss on plan assets	(3,18,276)	6,24,896



<b>Closing Fair Value of the Plan Assets</b>	<b>96,65,636</b>	<b>1,19,74,366</b>
<b>(iv) Investment Details of Plan Assets</b>		
Government of India Securities	20%	26%
Corporate Bonds	0%	1%
Insured Managed Fund	52%	52%
Deposit Scheme	2%	2%
Others	26%	19%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Experience adjustment</b>		
Defined Benefit Obligation	1,14,16,466	83,92,578
Plan Assets	1,02,56,778	(1,19,74,366)
Surplus / (deficit)	(11,59,688)	35,81,788
Experience adjustment on Plan Liability	4,36,525	(8,25,578)
Experience adjustment on Plan Assets	(3,18,276)	6,24,986
<b>Principal Actuarial Assumptions at the balance sheet date:</b>		
Discount rate	7.80%	8.00%
	7.80%	8.50%
Estimated rate of return on plan assets	7.00%	7.00%
The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.		

Amounts for the current & previous four periods are as follows:

Gratuity	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Closing Defined benefit obligation	1,14,16,466	83,92,578	1,04,36,501	99,74,595	73,13,372
Closing Plan assets	96,65,636	1,19,74,366	1,04,65,408	94,05,465	78,04,254
Surplus/(deficit)	(11,59,688)	35,81,788	29,007	(5,69,130)	4,90,882
Experience adjustments on Plan liabilities	4,36,525	(8,25,578)	2,92,540	50,181	(1,94,140)
Experience adjustments on	(3,18,276)	6,24,986	(2,15,478)	3,30,392	(1,26,774)



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Plan assets					
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<p><b>The Company has recognised the following amount as an expense and included in Note No.13 "Contribution to Provident and Other Funds:</b></p> <p><b>Contribution to Employees Provident Fund</b></p> <p>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 trust in which the Company contributes towards Provident Fund does not have existing deficit of interest shortfall.</p> <p>The Company contributes 12% of salary for all eligible employees towards Provident Fund managed by approved trusts.</p>	38,30,647	31,37,542
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<b>(b) Defined Contribution Plans-</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
i) Contribution to Employees Pension Fund	1,83,750	1,16,358
ii) Contribution to Superannuation Fund	22,82,236	25,92,708

**23. Capital Commitments**

Estimated amounts of contracts remaining to be executed on capital account not provided for amounts to Rs. NIL (Previous year NIL)

**24. Segmental Reporting**

Since the Company operates in single segment (i.e. rendering of management services), no further disclosure is required to be given as per the notified AS -17 'Segmental Reporting'.

**25. Contingent Liabilities**

The Company has no contingent liabilities as at March 31, 2016. (Previous year NIL)

**26. Expenditure in Foreign currency (accrual basis)**



*(Handwritten mark)*



The Company has no expenditure in foreign currency as at March 31, 2016.(Previous year NIL)

**27. Audit Fees**

During the year Company has paid following amount to Auditors:

Particulars	March 31, 2016	March 31, 2015
Audit Fees	8,50,000	7,00,000
Tax Audit	1,00,000	1,00,000
Reimbursement of expenses	1,32,619.5	77,679

**28. Micro and Small Scale Business Entities:**

There are no Micro and Small Enterprises, to whom the Company owns dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

**29. Details of CSR expenditure:**

(Amt. in Rs.)

a) Gross amount to be spent during the year	March 31, 2016	March 31, 2015
	15,76,000/-	Nil

b) Amount spent during the year ending on March 31, 2016	In Cash	Yet to be paid in cash	Total
i)Construction/acquisition of any asset	Nil	Nil	Nil
ii)On purposes other than (i) above	16,00,000/-	Nil	16,00,000/-
b) Amount spent during the year ending on March 31, 2015	In Cash	Yet to be paid in cash	Total
i)Construction/acquisition of any asset	Nil	Nil	Nil
ii)On purposes other than (i) above	Nil	Nil	Nil



*(Handwritten mark)*





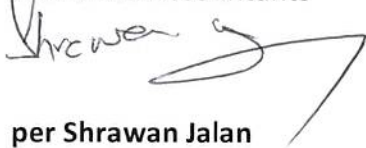
30. The Company has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. During the year, the Company did not have any long-term contracts including derivative contracts.
31. The Company's pending litigations comprise of claims against the Company primarily by the proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2016.

32. Previous year figures:

Previous year figures have been regrouped / reclassified wherever necessary.

As per our Report of even date attached

For S.R. BATLIBOI & Co. LLP  
ICAI Firm Registration No. 301003E/E300005  
Chartered Accountants



per Shrawan Jalan  
Partner  
Membership No. 102102

For and on behalf of the Board of Directors  
Aditya Birla Capital Advisors Private Limited



Ajay Srinivasan  
DIN No.121181  
Director



P H Ravikumar  
DIN No.280010  
Director



Sandeep Bhat



Piyush Shah

Place: Mumbai

Date: May 05, 2016

Chief Financial Officer      Company Secretary

