

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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



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

Opinion

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

Emphasis of Matter

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

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

Report on Other Legal and Regulatory Requirements

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

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



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

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

Other Matter

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

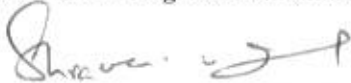
(‘IRDA’) and the Institute of Actuaries of India in concurrence with IRDA. BSLI’s auditors have relied on the appointed actuary’s certificate in this regard for forming their opinion on financial statements of BSLI.

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017



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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017

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

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

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Significant Accounting Policies

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

As per our attached Report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration no.301003E/E300005

Shrawan

Per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, 26th June, 2017



For and on behalf of the Board of Directors

Shriram Jagatya *Pinky Mehta*

Shriram Jagatya
Director
DIN-01638250

Pinky Mehta
Director
DIN: 00020429

Sailesh Daga
Sailesh Daga
Company Secretary

Mumbai, 26th June, 2017



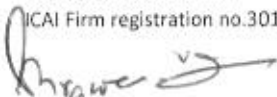
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
CIN: U67120GJ2007PLC058890

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

		Year Ended 31st March, 2017	Year Ended 31st March, 2016
	Note No.		₹ in crore
Revenue from Operations	18	5,805.69	3,597.95
Other Income	19	80.18	71.18
Total Revenue		5,885.87	3,669.13
Expenses			
Employee Benefits Expenses	20	717.21	501.24
Brokerage and Discounts		344.56	190.35
Finance Cost relating to lending activity of Subsidiaries	21A	2,288.27	1,599.89
Finance Cost	21B	10.83	8.81
Depreciation and Amortisation Expenses	22	43.17	32.85
Benefit Paid (Insurance Business)		416.17	-
Change in valuation of liability in respect of insurance policies in force	23A	276.86	-
Other Expenses	23B	723.06	467.34
Total Expenses		4,820.13	2,800.48
Profit Before Tax and Exceptional Item		1,065.74	868.65
Less : Exceptional Items		-	-
Profit Before Tax		1,065.74	868.65
Tax Expenses			
Current Tax		380.47	372.91
MAT Credit		(0.36)	(0.36)
Short/(Excess) Provision for Tax of Earlier Years (Net)		2.00	7.17
Deferred Tax		(7.52)	(35.15)
Profit for the Year		691.15	524.08
Profit for the Year Attributable to			
Owners of Parent		530.00	380.53
Minority Interest		161.15	143.55
Profit for the Year (A) + (B)		691.15	524.08
Basic Earnings Per Share (₹)	}	6.35	5.01
Diluted Earnings per Share (₹)		6.35	4.34
(Face Value of ₹ 10/- each)		24	

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

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



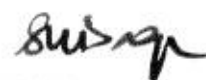
Per Shrawan Jalan
Partner
Membership No. 102102

For and on behalf of the Board of Directors




Shriram Jagetliya
Director
DIN-01638250

Pinky Mehta
Director
DIN : 00020429



Sailesh Daga
Company Secretary



Mumbai, 26th June, 2017



Mumbai, 26th June, 2017

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

₹ in Crores)

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

Significant Accounting Policies

1

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

As per our attached Report of even date

For S. R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm registration no.301003E/E300005

Shrawan Jalan

Per Shrawan Jalan
Partner
Membership No. 102102

For and on behalf of the Board of Directors

Shriram Jagetiya *Pinky Mehta*

Shriram Jagetiya
Director
DIN-01638250

Pinky Mehta
Director
DIN : 00020429

Sailesh Daga

Sailesh Daga
Company Secretary



Mumbai, 26th June, 2017



Mumbai, 26th June, 2017

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

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES:

I. BASIS OF PREPARATION

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

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

II. CHANGE IN ACCOUNTING POLICY

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

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

III. USE OF ESTIMATES

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

IV. PRINCIPLES OF CONSOLIDATION

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



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

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

Minority Interest in the net assets of Subsidiaries consists of:

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

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

List of companies included in Consolidation are mentioned in Annexure A

V. TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

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

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



B) Leasehold Assets:

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

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

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

VI. INTANGIBLE ASSETS AND AMORTISATION

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

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

Intangible assets under development

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

VII. IMPAIRMENT OF ASSETS

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

VIII. BORROWING COST

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

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

IX. TRANSLATION OF FOREIGN CURRENCY ITEMS

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

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



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

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

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

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

X. INVESTMENT

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

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

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

Investments of Life Insurance Business

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

➤ Debt Securities-

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

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

➤ Equity Shares –

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



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

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

XI. STOCK OF SECURITIES OF NBFC BUSINESS

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

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

XII. REVENUE RECOGNITION

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

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

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

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

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

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

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

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

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

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

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

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



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

XIII. BENEFITS PAID (INCLUDING CLAIMS)

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

XIV. SCHEME EXPENSES (ASSET MANAGEMENT BUSINESS)

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

XV. DISTRIBUTION COST (PRIVATE EQUITY FUND)

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

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

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

XVII. RETIREMENT AND OTHER EMPLOYEE BENEFITS

a) Defined Contribution Plan:

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

b) Defined Benefit Plan



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

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

c) Long term Incentive Plan

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

XVIII. EMPLOYEE STOCK OPTIONS

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

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

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

XIX. TAXATION

Tax expense comprises of current and deferred tax.

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

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

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



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

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

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

XX. OPERATING LEASES

i. As a Lessee:

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

ii. As a Lessor:

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

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

XXI. FINANCE LEASE

As a Lessee:

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

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

XXII. CASH AND CASH EQUIVALENT

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



XXIII. SEGMENT REPORTING

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

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

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

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

XXIV. CASH FLOW STATEMENT

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

XXV. EARNINGS PER SHARE

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

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

XXVI. CONTINGENT LIABILITIES AND PROVISIONS

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

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

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

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

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



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

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

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



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

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

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

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



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

₹ in crore

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

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

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

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

2) Term/Right Attached to Equity Shares

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

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

Equity Shares

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

ii) Preference Shares

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

NOTE: 2B

PREFERENCE SHARE ISSUED BY SUBSIDIARY COMPANIES

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



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

(a) Special Reserve

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

(b) Capital Fund

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



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₹ in crore

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

NOTE: 4B
SHORT-TERM BORROWINGS

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

*Commercial Papers are shown net of unamortised discounting charges.



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

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



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

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

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

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



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NOTE: 7A
TANGIBLE ASSETS

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

A) Gross Block of Tangible Assets includes:

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



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NOTE: 7B
INTANGIBLE ASSETS

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



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



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NOTE: 8B

INVESTMENTS OF LIFE INSURANCE BUSINESS: CURRENT

(i) Shareholders' Investments

Quoted

Investments in		
Government or Trust Securities	1.00	-
Debentures/Bonds	24.40	-
Mutual Funds	4.00	-

Unquoted

Investments in		
Other	0.82	-
Fixed Deposits	32.15	-

Sub-Total - (i)	62.37	-
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(ii) Policyholders' Investments

Quoted

Investments in		
Government or Trust Securities	19.95	-
Debentures/Bonds	47.59	-
Mutual Funds	265.52	-

Unquoted

Investments in		
Others	53.16	-
Fixed Deposits	12.92	-
Collateralised Borrowing and Lending Obligation	15.92	-

Sub-Total - (ii)	415.06	-
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Total - (i) + (ii)	477.43	-
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Aggregate Market Value of Quoted Investments	363.05	-
Aggregate Book Value of Quoted Investments	362.46	-
Aggregate Book Value of Unquoted Investments	114.98	-



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

NOTE: 9B
INVESTMENTS OF HEALTH INSURANCE BUSINESS: CURRENT

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



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



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



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₹ in crore

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



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₹ in crore

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

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



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₹ in crore

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

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

* Refer note no 34-III



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

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



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

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



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

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



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

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



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

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

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



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

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



Aditya Birla Financial Services Limited

CIN: U67120GJ2007PLC058890

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

(Amount in ₹)

Year Ended March 31, 2017	Year Ended March 31, 2016
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Note: 24**Earnings Per Share (EPS)**

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

Basic

Earnings Per Share (EPS) is Calculated as Under:

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



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

NOTE: 25

CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Claims against the Group not acknowledged as debts

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



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

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

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



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

NOTE: 27

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

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

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

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

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

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

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

Figures in brackets represent corresponding amount of Previous Year.



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

NOTE: 28

RETIREMENT BENEFITS

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

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

General Description of the Plan

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

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

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

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



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

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

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

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

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

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

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

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

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



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

NOTE : 29

Disclosure under Employee Stock Options Scheme of Subsidiary Company

(A) Aditya Birla Money Limited

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

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

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

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

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

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

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



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

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

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

None of the employees have exercised the vested options.

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

Fair Valuation:

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

The key assumptions are as under:

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

(B) Aditya Birla Customer Services Limited

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



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

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

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

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

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

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

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

The key assumptions are as under:

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



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

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

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



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

NOTE: 30

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

1 List of Related Parties

Holding Company

Aditya Birla Nuvo Limited (ABNL)

Fellow Subsidiary

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

ABNL Investment Limited (AIL)

Aditya Birla Idea Payment Bank Limited (ABIPBL)

Key Management Personnel

Mr. Ajay Srinivasan

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

₹ in Crores

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



₹ in Crores

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



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

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

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



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Notes forming part of Consolidated Financial Statements

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SEGMENT DISCLOSURES

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

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

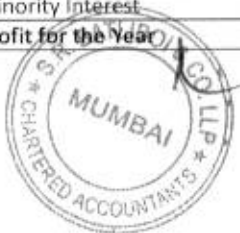
SEGMENT	ACTIVITIES
NBFC	Non-Bank Financial Services, Housing Finance
Asset Management	Asset Management
Insurance Broking	Insurance Broking
Life Insurance	Life Insurance Services
Money Broking	Equity and Commodity Broking,
Health Insurance	Health Insurance
Other Financial Services	Private Equity, Wealth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

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

Information about Primary Business Segments

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

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



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Information about Primary Business Segments

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

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

Information about Secondary Business Segments

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



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

Notes:

* Net Assets = Total Assets - Total liabilities

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

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



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NOTE: 33

Cash transaction in specified bank notes (SBNs)

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

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

Note:

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

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

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

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



34. OTHER SIGNIFICANT NOTES

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

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

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

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

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

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



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

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

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

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

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

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

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

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

v. Scheme of Arrangement between Subsidiary Companies:

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



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

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

VI. Conversion of Preference Shares:

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

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

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

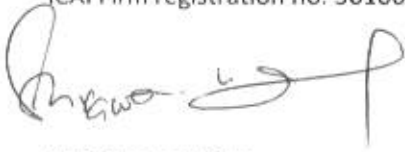


IX. Figures of ₹ 50,000 or less have denoted by 'β'.

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

As per our attached report of even date

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



Per Shrawan Jalan
Partner
Membership No. 102102



Mumbai, 26th June, 2017

For and on behalf of Board of Directors



Shriram Jagetiya
Director
DIN-01638250

Pinky Mehta
Director
DIN-00020429



Sailesh Daga
Company Secretary

Mumbai, 26th June, 2017

