

INDEPENDENT AUDITOR'S REPORT**To the Members of****Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')**

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 its loss, and its cash flows for the year ended on that date.



Auditor's Report

Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')

Year Ended March 31, 2015

Page 2 of 4

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2015



Auditor's Report

Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')

Year Ended March 31, 2015

Page 3 of 4

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. The provisions relating to employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Auditor's Report

Aditya Birla Financial Services Limited (Formerly known as 'Aditya Birla Financial Services Private Limited')

Year Ended March 31, 2015

Page 4 of 4

- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.
- (vii)(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash loss during the year. In the immediately preceding financial year, the Company had not incurred cash loss.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Shrawan Jalan

per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2015



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Balance Sheet as at 31st March, 2015

	Note No.	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3	19,146,200,000	15,935,100,000
Reserves and Surplus	4	2,455,775,399	(658,651,596)
	Sub-Total - (A)	21,601,975,399	15,276,448,404
(B) Current Liabilities			
Trade Payables	5	267,638,264	6,074,681
Other Current Liabilities	6	19,214,118	214,195
Short-term Provisions	7	30,202,912	3,518,341
	Sub-Total - (B)	317,055,294	9,807,217
	TOTAL (A)+(B)	21,919,030,693	15,286,255,621
ASSETS			
(C) Non-Current Assets			
Fixed Assets			
Tangible Assets	8	5,041,219	357,007
		5,041,219	357,007
Non-Current Investments			
Long-term Loans and Advances	9	21,531,848,992	15,254,032,471
	10	49,515,086	971,124
	Sub-Total - (C)	21,586,405,297	15,255,360,602
(D) Current Assets			
Current Investments	11	55,771,797	14,390,125
Cash & Bank Balances	12	53,092,041	113,809
Short-term Loans and Advances	13	13,679,641	9,203,763
Other Current Assets	14	210,081,917	7,187,322
	Sub-Total - (D)	332,625,396	30,895,019
	TOTAL (C)+(D)	21,919,030,693	15,286,255,621

Summary of significant accounting policies. 2.1
The accounting notes are an integral part of the financial statements.

As per our report of even date
For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration no : 301003E

Per Shrawan Jalan
Partner
Membership No. 102102



Place : Mumbai
Date : 13th May, 2015

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

Shriram Jagetiya
Shriram Jagetiya
Director
DIN-1638250

Ankur Bansal
Ankur Bansal
Chief Financial Officer

Rajesh Shah
Rajesh Shah
Director
DIN-06390775

Sailesh Daga
Sailesh Daga
Company Secretary



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Statement of Profit and Loss for the year ended 31st March, 2015

		Amount in ₹	
	Note No.	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Revenue from Operations (Refer note no. 36)	15	43,978,497	34,981,232
Other Income	16	1,095,045	-
Total Revenue		45,073,542	34,981,232
Expenses			
Employee Benefits Expenses (Refer note no. 24 & 32)	17	80,358,258	1,609,201
Other Expenses	18	13,855,536	15,260,650
Total Expenses		94,213,794	16,869,851
Profit/(Loss) before Depreciation/Amortisation, Interest and Tax (PBDIT)		(49,140,251)	18,111,381
Depreciation	19	2,169,171	512,016
Finance Cost	20	-	297,732
Exceptional Items - Impairment of Investments (Refer note no. 30,31,33,34)		434,263,583	558,414,983
Loss Before Tax		(485,573,005)	(541,113,351)
Tax Expenses			2,805,000
- Current Tax			2,805,000
Loss for the Year		(485,573,005)	(543,918,351)
Basic Earnings per Share	21	(0.67)	(1.68)
Diluted Earnings per Share (Face Value of ₹ 10/- each)		(0.67)	(1.68)

Summary of significant accounting policies.
The accounting notes are an integral part of the financial statements.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration no : 301003E

Shrawan Jalan

Per Shrawan Jalan
Partner
Membership No. 102102



Place : Mumbai
Date : 13th May, 2015

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

Shriram Jagetiya

Shriram Jagetiya
Director
DIN-1638250

Rajesh Shah

Rajesh Shah
Director
DIN-06390775

Ankur Bansal

Ankur Bansal
Chief Financial Officer

Sailesh Daga

Sailesh Daga
Company Secretary



ADITYA BIRLA FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Amount in ₹

PARTICULARS	2014-15	2013-14
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	(485,573,005)	(541,113,353)
Adjustments for :		
Depreciation	2,169,171	512,016
(Profit) / Loss on sale of Mutual Fund	(4,863,115)	(1,548,862)
(Profit) / Loss on sale of Fixed Assets	(892,958)	-
Income income received	(90,020)	-
Dividend Income received	(50,126,998)	-
Provision for Diminution in value of investments in susidairies companies	434,263,583	558,414,983
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	(105,113,342)	16,264,784
Changes in working capital:		
(Increase) / Decrease in trade and other Receivables	(255,914,435)	15,715,242
Increase / (Decrease) in trade and other payables	307,248,076	(2,351,000)
CASH GENERATED FROM OPERATIONS	(53,779,701)	2,900,542
A NET CASH FLOW FROM OPERATING ACTIVITIES	(53,779,701)	2,900,542
CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / (Purchase) of current investments (Net)	(41,381,669)	9,858,738
Procees of non-current investments	4,863,115	-
Sale / (Purchase) of fixed aseets	(10,511,500)	-
Investment in subsidiaries	(6,748,585,859)	(5,529,675,600)
Income income received	90,020	-
Dividend Income received from subsidiary company	50,126,998	-
Investment in private equity fund	(74,655,505)	(553,581,156)
Proceed received from PE on shares sale	115,712,334	-
B NET CASH FLOW FROM INVESTING ACTIVITIES	(6,704,342,067)	(6,073,398,018)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	-	6,070,100,000
Proceeds from issue of preference share capital	6,811,100,000	-
C NET CASH FLOW FROM FINANCING ACTIVITIES	6,811,100,000	6,070,100,000
Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)	52,978,232	(397,476)
Cash And Cash Equivalents at the beginning of the year	113,809	511,285
Cash And Cash Equivalents at the end of the year	53,092,041	113,809

Note:

1 Cash and cash equivalents include cheques in hand and remittance in transit:

Cash in hand	10,000	5,000
Cash at bank	53,082,041	108,809
	<u>53,092,041</u>	<u>113,809</u>

2 Previous years's figures have been regrouped / rearranged to confirm to the current year's presentation, whenever necessary.

As per our report of even date

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration no : 301003E

per Shrawan Jalan
Partner
Membership No. 102102



Place : Mumbai
Date : 13th May, 2015

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

Shriram Jagetiya

Shriram Jagetiya
Director
DIN-1638250

Ankur Bansal
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Chief Financial Officer

Rajesh Shah
Rajesh Shah
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Company Secretary



Aditya Birla Financial Services Limited
(Formerly known as Aditya Birla Financial Services Private Limited)
Notes to financial statements for the year ended 31st March, 2015

1. Corporate Information

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

Based on the letter received from the Reserve Bank of India (the 'RBI') on April 11, 2012, the Company has been classified as a Core Investment Company ('CIC') and is exempt from requirement of registration under section 45 IA of Reserve Bank of India Act, 1934. Accordingly, certificate of registration No.N.01.00497 dated May 28, 2010 issued to the Company as a Non deposit accepting company stands cancelled. The Company is engaged in acquisition of shares and securities. The Company has applied for certificate of registration with RBI during the year.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained in paragraph 2.1 (a) below

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

2.1 Summary of Significant accounting policies

(a) Change in accounting policy

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

(b) Use of estimate

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



(c) **Tangible fixed assets**

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

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

Asset	Useful Life Prescribed by Schedule II of The Companies Act, 2013	Estimated useful life
Furniture and fixtures	10 years	5 years
Office equipments (computers)	3 years	4 years
Vehicles	6 years	4 years

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

Assets costing Rs. 5,000 or less are written off in the year of purchase.

(d) **Impairment of assets**

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

(e) **Investments**

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

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

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

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

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



(f) Revenue recognition

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

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

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

(g) Foreign Currency Transaction

Initial recognition

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

Conversion

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

Exchange Differences

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

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

(h) Taxation

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

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



tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

(i) Retirement and other employee benefits

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

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

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

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

(j) Contingent liabilities and provisions

Contingent Liabilities:

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the



control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions:

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

(k) Leases

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

(l) Cash and cash equivalent

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

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Notes to financial statements for the year ended 31st March, 2015

Amount in ₹

NOTE: 3

SHARE CAPITAL

Authorised:

800,000,000 (previous year 750,000,000) Equity shares of ₹ 10 each

2,200,000,000 (previous year 1,250,000,000) Compulsorily convertible preference shares of ₹ 10 each

	As at 31st March, 2015	As at 31st March, 2014
	8,000,000,000	7,500,000,000
	22,000,000,000	12,500,000,000
	30,000,000,000	20,000,000,000

Issued, Subscribed & Paid-up

EQUITY SHARE CAPITAL

757,010,000 (previous year 717,010,000) Equity shares of ₹ 10 each fully paid-up

	7,570,100,000	7,170,100,000
	7,570,100,000	7,170,100,000

Issued, Subscribed & Paid-up

PREFERENCE SHARE CAPITAL

476,500,000 (previous year 876,500,000) 0.01% Non cumulative compulsorily convertible preference shares of ₹ 10/- each fully paid up

681,110,000 (previous year NIL) 6% Non-Convertible Non- Cumulative Redeemable preference shares of ₹ 10/- each fully paid up

	4,765,000,000	8,765,000,000
	6,811,100,000	-
	11,576,100,000	8,765,000,000

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

Sr. No.	Description	As at 31st March, 2015		As at 31st March, 2014	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares outstanding at the beginning of the reporting period @ ₹ 10 each	717,010,000	876,500,000	110,000,000	876,500,000
2	Issued during the year	-	681,110,000	607,010,000	-
3	Conversion of shares during the year	40,000,000	(400,000,000)	-	-
4	No of Shares outstanding at the end of the reporting period @ ₹ 10 each	757,010,000	1,157,610,000	717,010,000	876,500,000



(b) **Term/right attached to equity shares**

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

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

(c) **Term of conversion/redemption of Preference Shares**

A) 0.01% Non cumulative compulsorily convertible preference shares:

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

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

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

(d) All equity shares and preference shares are held by Aditya Birla Nuvo Limited.

(e) Details of shareholders holding more than 5% shares in the company :-

i) Equity Shares

S. No.	Name of Share Holder	As at 31st March, 2015		As at 31st March, 2014	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited (with nominees)	757,010,000	100.00%	717,010,000	100.00%

ii) Preference Shares

S. No.	Name of Share Holder	As at 31st March, 2015		As at 31st March, 2014	
		No of Shares held	% of total paid-up preference share capital	No of Shares held	% of total paid-up preference share capital
1	Aditya Birla Nuvo Limited	1,157,610,000	100.00%	876,500,000	100.00%



13



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Notes to financial statements for the year ended 31st March, 2015

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 4		
RESERVES & SURPLUS		
1) Securities premium account		
Opening Balance as per last audited Financial Statement	-	-
Addition:		
Addition: Premium on Conversion of Preference Shares to Equity Shares	3,600,000,000	-
(A)	3,600,000,000	-
2) Deficit in the statement of Profit and Loss		
Opening Balance as per last audited financial statement	(658,651,596)	(114,733,245)
Loss For the year	(485,573,005)	(543,918,351)
(B)	(1,144,224,601)	(658,651,596)
(A)+(B)	2,455,775,399	(658,651,596)
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 5		
TRADE PAYABLES		
Trade Payables for salaries, wages, bonus and other employee benefits	112,421,738	-
Trade Payables (Others)	155,216,526	6,074,681
Total	267,638,264	6,074,681
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 6		
OTHER CURRENT LIABILITIES		
Payables for Capital Expenditure	-	112,067
Statutory Dues	19,214,118	102,128
Total	19,214,118	214,195
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 7		
SHORT-TERM PROVISIONS		
Provisions for Employee Benefits:		
Leave Encashment (Refer note no. 24)	24,092,679	-
Gratuity (Funded) (Refer note no. 24)	2,591,892	-
Taxation (Net of Advance Tax ₹ 3,736,830 (Previous Year ₹ 3,736,830))	3,518,341	3,518,341
Total	30,202,912	3,518,341



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Notes to financial statements for the year ended 31st March, 2015

NOTE: 8

TANGIBLE ASSETS

Amount in ₹

	Funitures & Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block				
As at 1st April, 2013	-	6,600,981	-	6,600,981
Additions	-	-	-	-
Deletions	-	-	-	-
As at 31st March, 2014	-	6,600,981	-	6,600,981
Additions	58,500	2,233,176	11,056,756	13,348,432
Deletions	-	-	7,750,551	7,750,551
As at 31st March, 2015	58,500	8,834,157	3,306,205	12,198,862
Accumulated Depreciation				
As at 1st April, 2013	-	5,731,958	-	5,731,958
For the year	-	512,016	-	512,016
Deletions	-	-	-	-
As at 31st March, 2014	-	6,243,974	-	6,243,974
For the year	4,077	724,628	1,440,466	2,169,171
Deletions	-	-	1,255,502	1,255,502
As at 31st March, 2015	4,077	6,968,602	184,964	7,157,643
Net Block as at 31st March, 2014	-	357,007	-	357,007
Net Block as at 31st March, 2015	54,423	1,865,555	3,121,241	5,041,219



			As at March 31, 2015		As at March 31, 2014	
NOTE: 9						
Non current investments						
	<u>Face Value</u>	<u>Number</u>		<u>Number</u>		
Non Trade Investments valued at cost						
Investment in equity instruments						
Quoted						
Subsidiaries- Aditya Birla Money Limited (Refer note no. 30)	1	41,550,000	2,483,028,000	41,550,000	2,483,028,000	2,483,028,000
Less : Diminution in investment of Aditya Birla Money Limited			124,151,400		124,151,400	124,151,400
			<u>2,358,876,600</u>		<u>2,358,876,600</u>	<u>2,358,876,600</u>
Unquoted						
Subsidiaries						
Aditya Birla Capital Advisors Private Limited	10	3,500,000	35,000,250	3,500,000	35,000,250	35,000,250
Aditya Birla Financial Shared Services Ltd	10	50,000	500,000	50,000	500,000	500,000
Aditya Birla Customer Services Limited (Refer note no. 33)	10	16,866,271	711,098,369	10,000,000	100,000,250	100,000,250
Aditya Birla Trustee Company Private Limited	10	50,000	500,250	50,000	500,250	500,250
Aditya Birla Insurance Brokers Limited	10	1,350,054	3,000,120	1,350,054	3,000,120	3,000,120
Aditya Birla Finance Limited	10	450,359,697	12,976,074,550	315,637,441	7,526,073,150	7,526,073,150
Aditya Birla Money Mart Limited (Refer note no. 31)	10	20,000,000	240,753,095	20,000,000	240,753,095	240,753,095
Less : Diminution in investment of Aditya Birla Money Mart Limited		-	168,527,167	-	84,263,583	156,489,513
Aditya Birla Housing Finance Limited	10	50,050,000	502,447,500	10,050,000	102,447,500	102,447,500
Birla Sun Life Asset Management Company Limited	10	9,179,980	337,099,052	9,179,980	337,099,052	337,099,052
Birla Sun Life Trustee Company Private Limited	10	10,170	153,540	10,150	149,700	149,700
		(A)	<u>16,996,976,160</u>		<u>10,620,136,385</u>	<u>10,620,136,385</u>
Total Equity Shares Investment						
Preference Shares						
Unquoted						
Subsidiaries						
0.01% Compulsory convertible cumulative preference shares of Aditya Birla Finance Limited	10	175,000,000	1,777,982,191	175,000,000	1,777,982,191	1,777,982,191
0.001% Compulsory convertible cumulative preference shares of Aditya Birla Customer Services Limited (Refer note no. 33)	10	2,250,000	287,482,500	-	-	-
0.01% Redeemable non convertible non cumulative preference shares of Aditya Birla Money Limited	100	1,000,000	300,000,000	1,000,000	300,000,000	300,000,000
0.01% Redeemable non convertible cumulative preference shares Aditya Birla Money Mart Limited (Refer note no. 31)	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	1,000,000,000
Less : Diminution in investment of Aditya Birla Money Mart Limited			700,000,000		350,000,000	650,000,000
		(B)	<u>2,665,464,691</u>		<u>2,727,982,191</u>	<u>2,727,982,191</u>
Total Preference Shares Investment						
Investment in Aditya Birla Private Equity - Fund I	95.76	16,586,692	1,588,259,802	17,612,625	1,681,947,100	1,681,947,100
Investment in Aditya Birla Private Equity - Sunrise Fund	100	2,811,483	281,148,339	298,623	223,966,795	223,966,795
		(C)	<u>1,869,408,141</u>		<u>1,905,913,895</u>	<u>1,905,913,895</u>
Total Private Equity Fund Investment						
Grand Total		(A)+(B)+(C)	<u><u>21,531,848,992</u></u>		<u><u>15,254,032,471</u></u>	<u><u>15,254,032,471</u></u>

- Note :
1. Aggregate amount of quoted investments Rs. 2,358,876,600 (Market value of Rs. 993,045,000/- (Previous Year Rs. 53,84,88,000/-)
 2. Aggregate amount of unquoted investments Rs. 17,303,564,251/- (Previous Year Rs 10,989,241,975/-)
 3. Aggregate amount of diminution in value of investments Rs. 992,678,567/- (Previous Year Rs. 558,414,983/-)
 4. Aggregate amount of private equity fund :-
A) Sunrise Fund Rs. 318,456,679/- at Nav of Rs. 113.27/- (Previous Year Rs. 246,363,475/- at Nav of Rs. 110/-)
B) Fund I Rs. 1,204,525,573/- at Nav of Rs. 72.62/- (Previous Year Rs 1,320,770,749/- at Nav of Rs. 74.99/-)



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Notes to financial statements for the year ended 31st March, 2015

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 10		
LONG-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Security Deposits	15,946,375	-
Loans & Advances to Related Parties	182,000	182,000
Advance Tax (Net of Provision ₹ 195,000 (Previous Year ₹ 195,000))	28,050,208	789,124
Loans and Advances to Employees	5,336,503	-
Total	49,515,086	971,124
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 11		
CURRENT INVESTMENTS		
Uquoted		
Investment in Mutual Funds		
Birla Sun Life Cash Plus- Institutional Premium- Growth (Units - 249560.371 (Previous year 70082.28)) of Rs 100/- each(previous year Rs 100/-) fully paid up (Net asset value of Rs.56,050,411/- (Previous Year Rs 14,423,002/-)	55,771,797	14,390,125
Total	55,771,797	14,390,125
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 12		
CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	53,082,041	108,809
Cash In Hand	10,000	5,000
Total	53,092,041	113,809
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 13		
SHORT-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Cenvat input receivable	9,053,797	-
Advance for Expenses	2,400,057	828,396
Prepaid Expenses	2,225,787	-
Loans & Advances to Employees	-	8,375,367
Others	-	-
Total	13,679,641	9,203,763
	As at 31st March, 2015	As at 31st March, 2014
NOTE: 14		
OTHER CURRENT ASSETS		
Advances Receivable From Related Parties	60,081,917	-
Interest accrued on investments	-	7,187,322
Other Receivable	150,000,000	-
Total	210,081,917	7,187,322



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Notes to financial statements for the year ended 31st March, 2015

	Year Ended 31st March, 2015	Amount in ₹ Year Ended 31st March, 2014
NOTE: 15		
REVENUE FROM OPERATIONS		
Other Financial Services		
Net gain on sale of current investments	4,863,115	1,548,862
Interest on Debentures (Refer note no. 36)	(7,187,322)	7,187,322
Dividend from subsidiaries	50,126,998	22,420,754
Long Term Gain/(Loss) On Shares	(3,824,294)	3,824,294
	<u>43,978,497</u>	<u>34,981,232</u>
NOTE: 16		
OTHER INCOME		
Profit on Sale of Fixed Assets (net)	892,958	-
Interest on Others	90,020	-
Miscellaneous Income	112,067	-
	<u>1,095,045</u>	<u>-</u>
NOTE: 17		
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus (Refer note no. 24)	59,339,949	1,609,201
Contribution to provident and other funds (Refer note no. 24)	20,284,957	-
Staff welfare expenses	733,352	-
	<u>80,358,258</u>	<u>1,609,201</u>
NOTE: 18		
OTHER EXPENSES		
Rent	4,123,346	898,879
Repairs & Maintenance :		
Buildings	905,691	-
Others	339,610	-
Insurance	207,956	-
Rates & Taxes	1,410,224	6,072,600
Advertisement and Sales Promotion	653,692	-
Legal & Professional Fees	2,258,694	6,974,954
Auditors' Remuneration (Refer note no. 25)	600,000	400,000
Printing and stationery	173,440	26,704
Travelling & conveyance	1,240,156	-
Communication expenses	572,093	294,356
Bank charges	3,816	562
Electricity charges	848,535	-
Miscellaneous expenses	518,282	592,595
	<u>13,855,536</u>	<u>15,260,650</u>
NOTE: 19		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	2,169,171	512,016
	<u>2,169,171</u>	<u>512,016</u>
NOTE: 20		
FINANCE COST		
Interest Expenses	-	297,732
	<u>-</u>	<u>297,732</u>



Aditya Birla Financial Services Limited
(Formerly Known As Aditya Birla Financial Services Private Limited)
Notes forming part of Financial Statements

Amount in `

	<u>Year ended</u> <u>March 31, 2015</u>	<u>Year ended</u> <u>March 31, 2014</u>
NOTE: 21		
Earning per share		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Basic :		
Loss as per statement of Profit and Loss :	(485,573,005)	(543,918,351)
Weighted average number of equity shares in calculating basic EPS	721,831,918	323,768,712
Basic Earnings per Share (Face Value of ₹ 10 each)	(0.67)	(1.68)
Diluted:		
Loss as per statement of Profit and Loss :	(485,573,005)	(543,918,351)
Net loss considered for diluted EPS calculation (a)	(485,573,005)	(543,918,351)
Weighted average number of equity shares considered in calculating diluted earnings per share (b)	818,024,816	411,418,712
Diluted Earnings per Share - (a) / (b) (Face Value of ₹ 10 each)	(0.59)	(1.32)
Diluted earnings per share (Since (a) / (b) is anti dilutive, effect of the same has not been considered while calculating diluted earnings per share. Thus basic earnings per share are considered to be diluted earnings per share).	(0.67)	(1.68)



Notes :

(22) Operating Leases

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Lease payments recognized in the profit and loss	24,532,200	898,879

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

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Within one year	26,762,400	
After one year but not more than five years	24,532,200	
Lease payments recognized in the profit and loss	NIL	-

(23) Deferred Tax Liabilities/ Assets

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

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Deferred Tax Liability</u>		
Depreciation / Amortisation	1,009,318	6,408
Gross Deferred Tax Liability	1,009,318	6,408
<u>Deferred Tax Asset</u>		
Unabsorbed depreciation and carry forward	4,441,327	3,282,346
Expenses allowed on payment basis		
Gratuity	14,235,415	-
Leave Encashment	7,738,253	-
Gross Deferred Tax Assets	26,414,995	3,282,346
Deferred tax Asset/(Liability) (net)	25,405,677	3,275,938

(24) Gratuity and other post-employment benefit plans

The company operates two defined plans, viz., gratuity and post employment medical benefits, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.



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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
(A) Defined benefit plans -		
The Amounts recognized in the balance sheet are as follows in respect of gratuity (fully funded by the company):		
Present value of the funded defined benefit obligation at the end of the year	36,909,878	-
Fair value of plan assets	(34,317,986)	-
Net liability	2,591,892	-
The amounts recognized in salary, wages and employee benefits in the statement of profit and loss as follows in respect of gratuity (fully funded by the company):		
Current service cost	3,920,142	-
Interest on defined benefit obligations	2,002,873	-
Expected return on plan assets	-	-
Net actuarial losses/(gain) recognized during the year	8,312,400	-
Past services cost	-	-
Net gratuity cost	14,235,415	-
Actual return on plan asset		
Expected return on plan assets	-	-
Actuarial gain on plan assets	468,547	-
Actual Return on plan assets	468,547	-
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Opening defined benefit obligation	-	-
Current service cost	3,920,142	-
Interest cost	2,002,873	-
Actuarial losses/(gain)	8,780,947	-
Past service cost	-	-
Liabilities assumed on acquisition / (settled on divestiture)	24,007,204	-



Benefits paid	(1,801,288)	-
Closing defined benefit obligation	36,909,878	-
Change in fair value plan assets		
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial losses/(gain)	468,547	-
Contributions by the employer	11,643,523	-
Assets Acquired on Acquisition / (Distributed on Divestiture)	24,007,204	
Benefits paid	(1,801,288)	-
Closing fair value of the plan assets	34,317,986	-
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Government Of India Securities	9,066,795	
Corporate Bonds	349,943	
Special Deposit Schemes	798,288	
Insurer Managed Funds	17,512,316	
Others	6,590,644	
Grand Total	34,317,986	
(B) Defined contributions plans:		
Contribution to employee provident fund & pension	6,581,999	-
Contribution to superannuation fund	6,419,147	-
Contribution to gratuity fund	14,235,415	-
Total	27,236,561	-
(C) Principal actuarial assumptions at March 31, 2015		
Discount rate	7.95%	-
Estimated rate of return on plan assets	8.50%	-
Future salary escalation	7.00%	-

*There were no employees in previous year hence no comparatives.



(25) During the year, the Company has paid following amount to Auditors:

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Audit Fees (excluding service tax)	157,295	105,000
Limited Review (excluding service tax)	266,710	240,000
Tax Audit (excluding service tax)	54,370	25,000
Other Services Certification Fees	50,000	30,000
Reimbursement of Expenses	71,625	30,000

(26) **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

Based on the information available with the company, no amounts have fallen due for payment to suppliers who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2015.

(27) **Contingent liabilities and commitments**

a. Capital commitments:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Uncalled commitment in respect of investments in units of Aditya Birla Private Equity Sunrise Fund	-	74,655,505

b. There are no contingent liabilities as at March 31, 2015 (Previous year NIL).

(28) **Segment Reporting**

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

(29) **Related Party Disclosure**

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

Relationship
Holding Company

Name of the Party
Aditya Birla Nuvo Limited

Subsidiaries

- Aditya Birla Capital Advisors Private Limited
- Aditya Birla Customer Services Limited (Formerly Known as Aditya Birla Customer Services Private Limited)
- Aditya Birla Financial Shared Services Limited
- Aditya Birla Trustee Company Private Limited
- Aditya Birla Money Limited
- Aditya Birla Commodities Broking Limited (100% Subsidiary of Aditya Birla Money Limited)
- Aditya Birla Money Mart Limited
- Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)
- Aditya Birla Insurance Brokers Limited
- Aditya Birla Finance Limited



11. Aditya Birla Housing Finance Limited
12. Birla Sun Life Asset Management Company Limited
13. Birla Sun Life Trustee Company Private Limited
14. Birla Sun Life AMC (Mauritius) Ltd. (100% subsidiary of Birla Sun Life Asset Management Company Limited)
15. Aditya Birla Sun Life AMC Ltd., Dubai (100% subsidiary of Birla Sun Life Asset Management Company Limited)
16. Aditya Birla Sun Life AMC Pte Ltd., Singapore (100% subsidiary of Birla Sun Life Asset Management Company Limited)
17. India Advantage Fund Ltd., Mauritius (100% subsidiary of Birla Sun Life Asset Management Company Limited)
18. Aditya Birla Sun Life - SPC, Cayman Islands (100% subsidiary of Birla Sun Life Asset Management Company Limited)
19. Birla Sun Life Insurance Company Limited

Key Managerial Person

1. Ajay Srinivasan
2. Sailesh Daga

Names of other related parties with whom transactions have taken place during the year
Refer **Annexure 1** for the transactions with related parties.

- (30) During the current year, the Company has reassessed its value of investments in Aditya Birla Money Limited (“ABML”). Considering investment of long term and strategic nature, ABML making profit during the current year, achieving its business plan and also based on independent valuation report obtained by the Company, no additional impairment provision is required to be made in financial statements as at March 31, 2015 in this regard.
- (31) During the current year, the Company has reassessed its value of investments in Aditya Birla Money Mart Limited (“ABMML”) and has made an additional provision of Rs. 434,263,583/- as at March 31, 2015 being 35% against equity shares and 35% against Redeemable non-convertible non-cumulative preference shares. The Company had made provision of 35% against equity shares and 35% against Redeemable non-convertible non-cumulative preference shares in the previous financial year as well.
- (32) During the current year, the Company has, for its subsidiaries and other financial services group companies (“Group”), provided services such as strategy and business planning, risk and compliance, technology and operational support, marketing and public relations, human resources, etc. The Company has retained approximately 20% of the total cost and allocated the balance to the respective companies on the basis of time spent, marketing budget and number of employees. The amount allocated to the various companies is as given hereunder:

Name of the Company	Amount in Rs.
Birla Sun Life Insurance Company Limited	152,613,707
Birla Sun Life Asset Management Company Limited	57,669,747
Aditya Birla Finance Limited	90,203,343
Aditya Birla Insurance Brokers Limited	10,178,429
Aditya Birla Capital Advisors Private Limited	6,784,933
Aditya Birla Money Limited	5,661,389
Aditya Birla Money Mart Limited	5,635,389
Aditya Birla Customer Services Limited	9,359,697
Total	338,057,492



- (33) The Company has investment in Equity Shares and Preference Shares of Aditya Birla Customer Services Limited ('ABC SL) ₹ 611,098,119/- (Previous year ₹ 100,000,250/-) and ₹ 287,482,500/- (Previous year ₹ NIL) respectively. The Investee Company (ABC SL) is making substantial losses and its net worth has been eroded. Based on the business plan and strategic investment by International Finance Corporation in the Investee Company during the year, the Company has assessed the value of the Investee Company being higher than the investment. Accordingly, based on the business plan and considering that the investment being long term and strategic in nature, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at March 31, 2015 in this regard.
- (34) The Company has made investment in Private Equity funds under two schemes Fund - I and Sunrise Fund. The NAV of Fund – I as on 31.3.2015 based on the valuation of the investments is reflected at Rs. 77.62 per unit as against the face value of Rs. 95.76 per unit. However, considering the nature of investment by Private Equity funds which is largely in unlisted entities and for long tenure, and taking into account the performance over the last year and new investments made in current year, the fund is confident of recouping the losses. Accordingly, considering that the investment being long term and strategic in nature, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at March 31, 2015 in this regard.
- (35) The Company's pending litigations comprise of claims against the Company proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2015.
- (36) The Company has reversed its interest on debentures & Long-term gain on shares On account of reversal of Income from Private Equity Fund I.
- (37) The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards
- (38) The Company has been converted from Private Limited Company to Public Limited Company with effect from 4th December, 2014 which is approved vide Board resolution dated 27th October, 2014.
- (39) Previous year's figures have been regrouped / rearranged to confirm to the current year's presentation, wherever necessary.

As per our report of even date
For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration no.: 301003E



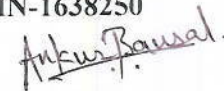
per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 13-May-2015

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



Shriram Jagetiya
Director
DIN-1638250



Ankur Bansal
Chief Financial Officer

Place: Mumbai
Date: 13-May-2015



Rajesh Shah
Director
DIN-06390775



Sailesh Daga
Company Secretary



ADITYA BIRLA FINANCIAL SERVICES LIMITED
(Formerly Known As ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED)
ANNEXURE 1 - RELATED PARTY TRANSACTIONS

(Amount in ₹)

Sr. No.	Particulars	31st March Year Ended	31st March Year Ended
		2015 (Audited)	2014 (Audited)
	Brief description Company wise and item wise		
1	Other Transactions		
	- Issue of Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	-	6,070,100,000
	- Conversion of Preference Shares to Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	400,000,000	-
	- Issue of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	6,811,100,000	-
	- Purchase Equity shares		
	Aditya Birla Finance Limited	5,450,001,400	5,249,775,600
	Aditya Birla Housing Finance Limited	400,000,000	80,000,000
	Aditya Birla Customer Services Limited	611,098,119	99,900,000
	Birla Sun Life Trustee Company Private Limited	3,840	-
	- Purchase Preference shares		
	Aditya Birla Money Limited	-	100,000,000
	Aditya Birla Customer Services Limited	287,482,500	-
	- Other Investment Made		
	Aditya Birla Private Equity - Fund I	-	453,614,425
	Aditya Birla Sunrise Fund	74,655,505	104,517,805
	- Reimbursement of expenses		
	Aditya Birla Financial Shared Services Limited		1,559,201
	Long term capital gain from PE Fund 1	-	4,371,562
	Long term capital loss from PE Fund 1	-	547,270
	Interest on debentures from PE Fund 1	-	7,187,324
	Aditya Birla Nuvo Limited	-	-
	Aditya Birla Insurance Brokers Limited (excl S tax ₹ 1,258,054)	10,178,429	-
	Reimbursement of Salary Expense	8,214,514	-
	Reimbursement of Other Expenses	1,963,915	-
	Aditya Birla Capital Advisors Private Limited (excl S tax ₹ 838,618)	6,784,933	-
	Reimbursement of Salary Expense	5,476,343	-
	Reimbursement of Other Expenses	1,308,590	-
	Aditya Birla Finance Limited (excl S tax ₹ 11,149,133)	90,203,343	-
	Reimbursement of Salary Expense	71,635,533	-
	Reimbursement of Other Expenses	18,567,810	-
	Birla Sun Life Insurance Company Limited (excl S tax ₹ 18,863,054)	152,613,706	-
	Reimbursement of Salary Expense	123,217,708	-
	Reimbursement of Other Expenses	29,395,998	-
	Birla Sun Life Asset Management Company Limited (excl S tax ₹ 7,127,981)	57,669,747	-
	Reimbursement of Salary Expense	46,548,912	-
	Reimbursement of Other Expenses	11,120,835	-
	Aditya Birla Financial Shared Services Limited (excl S tax ₹ 336,494)	2,722,440	-
	Aditya Birla Customer Services Limited	9,359,697	-
	Aditya Birla Money Mart Limited	5,635,389	-
	Aditya Birla Money Limited	5,661,389	-
	- Dividend Received		
	Aditya Birla Finance Limited	175,000	144,863
	Aditya Birla Insurance Brokers Private Limited	49,951,998	22,275,891



2	Outstanding Balances		
	- Receivables		
	Long term capital gain from PE Fund 1	-	4,371,562
	Long term capital loss from PE Fund 1	-	547,270
	Interest on debentures from PE Fund 1	-	7,187,324
	Aditya Birla Financial Shared Services Limited	182,000	182,000
	Aditya Birla Capital Advisors Private Limited	772,443	-
	Aditya Birla Finance Limited	8,764,714	-
	Birla Sun Life Insurance Company Limited	31,045,621	-
	Birla Sun Life Asset Management Company Limited	13,670,081	-
	Aditya Birla Customer Services Limited	1,573,039	-
	Aditya Birla Money Mart Limited	2,811,765	-
	Aditya Birla Money Limited	1,968,934	-
	- Payables		
	Salary Reimbursement (Aditya Birla Financial Shared Services Limited)	257,134	341,385
	Aditya Birla Insurance Brokers Limited	267,547	-
	- Others		
	Equity Shares held by Aditya Birla Nuvo Limited (Holding Company)	7,570,100,000	7,170,100,000
	Preference Shares held by Aditya Birla Nuvo Limited (Holding Company)	11,576,100,000	8,765,000,000
	Equity shares capital held by the Company		
	Aditya Birla Money Limited - Quoted	2,358,876,600	2,358,876,600
	Aditya Birla Capital Advisors Private Limited - Unquoted	35,000,250	35,000,250
	Aditya Birla Financial Shared Services Limited - Unquoted	500,000	500,000
	Aditya Birla Customer Services Limited - Unquoted	711,098,369	100,000,250
	Aditya Birla Trustee Company Private Limited - Unquoted	500,250	500,250
	Aditya Birla Insurance Brokers Limited - Unquoted	3,000,120	3,000,120
	Aditya Birla Finance Limited - Unquoted	12,976,074,550	7,526,073,150
	Birla Sun Life Asset Management Company Limited - Unquoted	337,099,052	337,099,052
	Birla Sun Life Trustee Company Private Limited - Unquoted	153,540	149,700
	Aditya Birla Housing Finance Limited	502,447,500	102,447,500
	Aditya Birla Money Mart Limited - Unquoted	72,225,929	156,489,512
	Preference shares capital held by the Company		
	Aditya Birla Finance Limited		
	0.01% Compulsory Convertible Preference Shares	1,777,982,191	1,777,982,191
	Aditya Birla Money Mart Limited		
	0.01% Redeemable Non Convertible Non Cumulative Preference Shares	300,000,000	650,000,000
	Aditya Birla Money Limited		
	0.01% Redeemable Non Convertible Cumulative Preference Shares	300,000,000	300,000,000
	Aditya Birla Customer Services Limited		
	0.001% Compulsory convertible cummulative preference shares	287,482,500	-
	Investment in Aditya Birla Private Equity - Sunrise	281,148,339	223,966,795
	Investment in Aditya Birla Private Equity - Fund I	1,588,259,802	1,681,947,100
3	Key Managerial Persons		
	Ajay Srinivasan	69,592,670	-
	Sailesh Daga	-	-

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

