

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Finance Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23.2 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Shrawan Jalan
Partner
Membership No.: 102102



Place: Mumbai
Date: May 3, 2016

KE

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company does not hold any securities in physical form. The securities held as stock in trade are verified with the confirmation statement received by the management from the custodian at regular intervals during the year and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) 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, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon and the provisions of section 186 of the Companies Act 2013 are not applicable to the Company.
- (v) The Company does not accept any deposit from public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, value added 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. As informed, provisions of sales tax, custom duty and excise duty are currently not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, value added tax and service tax dues disputed by the Company, are as follows:



Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

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

Name of the statute	Nature of dues	Amount (Rs. In lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	55.33	A.Y. 2007-08	Income Tax Appellate Tribunal (ITAT) has restored back the matter to the file of AO.
Income Tax Act, 1961	Income Tax	64.81	A.Y. 2008-09	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	50.41	A.Y. 2012-13	CIT (Appeals)
Income Tax Act, 1961	Income Tax	47.05	A.Y 2013-14	CIT (Appeals)
Finance Act, 1994 (Service tax)	Service tax demand	120.44	F.Y 2008-09 to F.Y 2010 - 11	Commissioner, Service Tax, Audit III.

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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 or government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument), hence not commented upon.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

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

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Shrawan Jalan
Partner

Membership No.: 102102



Place: Mumbai

Date: May 03, 2016

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

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

To the Members of Aditya Birla Finance Limited

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Shrawan Jalan
Partner
Membership No.: 102102



Place: Mumbai
Date: May 03, 2016

Aditya Birla Finance Limited

Balance Sheet as at 31st March 2016

(Currency: Rupees in Lakhs)

	Notes	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital			
(i) Equity	1	55,956.56	45,035.97
(ii) Preference	1	18,500.00	60,000.00
(b) Reserves and Surplus	2	<u>295,123.83</u>	<u>153,447.48</u>
		369,580.39	258,483.45
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	3a	1,310,213.74	878,628.12
(b) Other Long-term liabilities	5a	15,483.87	1,820.28
(c) Long-term provisions	6a	<u>16,527.43</u>	<u>13,661.11</u>
		1,342,225.04	894,109.51
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	3b	681,832.52	394,485.56
(b) Trade payables (Refer Note 23(3))	4		
- Micro and small enterprises		-	-
- Other than micro and small enterprises		4,990.61	4,191.55
(c) Other current liabilities	5b	215,316.51	240,341.92
(d) Short-term provisions	6b	<u>8,309.68</u>	<u>4,073.90</u>
		910,449.32	643,092.93
Total		<u>2,622,254.75</u>	<u>1,795,685.89</u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	7	955.02	788.53
(ii) Intangible assets	7	396.30	494.61
(iii) Intangible assets under development		711.99	526.72
(b) Non current investments	8a	2,619.91	1,564.36
(c) Deferred tax assets (Net)	9	7,475.06	5,740.07
(d) Long-term loans and advances	10a	<u>1,661,107.11</u>	<u>944,579.47</u>
		1,673,265.39	953,693.76
(2) CURRENT ASSETS			
(a) Current investments	8b	46,500.00	2,431.06
(b) Stock of securities		33,020.01	46,756.69
(c) Trade receivables	11	583.69	34.27
(d) Cash and bank balances	12	112.46	15,891.96
(e) Short-term loans and advances	10b	835,162.60	765,304.48
(f) Other current assets	13	<u>33,610.60</u>	<u>11,573.67</u>
		948,989.36	841,992.13
Total		<u>2,622,254.75</u>	<u>1,795,685.89</u>

Summary of significant accounting policies 22

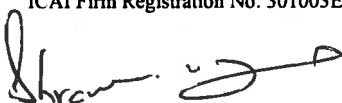
The accompanying notes are an integral part of the financial statements. 23

As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102



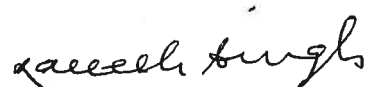
For and on behalf of the Board of Directors of
Aditya Birla Finance Limited



Ajay Srinivasan
(Director)
(DIN - 00121181)



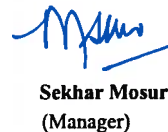
B. N. Puranmalka
(Director)
(DIN - 00007432)



Rakesh Singh
(Chief Executive
Officer)



Sanjay Miranka
(Chief Financial Officer)



Sekhar Mosur
(Manager)



Ankur Shah
(Company Secretary)

Place: Mumbai

Date: 03 May 2016



Place: Mumbai

Date: 03 May 2016

Aditya Birla Finance Limited

Statement of Profit and Loss for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Particulars	Notes	For the year ended 31 March 2016	For the year ended 31 March 2015
I. Revenue from Operations	14	244,161.60	177,617.31
II. Other Income	15	4,498.83	427.68
III. Total Revenue		<u>248,660.43</u>	<u>178,044.99</u>
IV. Expenses :			
Finance costs	16	154,028.11	110,642.37
Employee benefit expenses	17	14,185.91	11,354.98
Other expenses	18	8,430.81	7,903.94
Depreciation and amortization expenses	7	760.11	670.93
Provisions and write - offs (Net)	19	8,619.88	6,388.21
V. Total Expenses		<u>186,024.82</u>	<u>136,960.43</u>
VI. PROFIT BEFORE TAX (III - V)		<u>62,635.61</u>	<u>41,084.56</u>
VII. Tax expenses :			
(a) Current Tax		23,437.00	15,510.00
(b) Deferred Tax Expenses / (Benefits) - (Net)		(1,734.99)	(1,500.26)
(c) Income tax relating to earlier years		73.49	7.19
VIII. PROFIT FOR THE YEAR (VI - VII)		<u>40,860.11</u>	<u>27,067.63</u>
IX. Basic and Diluted Earnings per share (Face value Rs. 10) (Previous year Face value Rs. 10)	20	<u>8.74</u> <u>8.74</u>	<u>7.95</u> <u>7.95</u>

Summary of significant accounting policies 22

The accompanying notes are an integral part of the financial statements. 23

As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005

Shrawan

per Shrawan Jalan

Partner

Membership No: 102102



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

Ajay Srinivasan

Ajay Srinivasan

(Director)

(DIN - 00121181)

B. N. Puranmalka

B. N. Puranmalka

(Director)

(DIN - 00007432)

Rakesh Singh

Rakesh Singh

(Chief Executive
Officer)

Sanjay Miranka

Sanjay Miranka

(Chief Financial Officer)

Sekhar Mosur

Sekhar Mosur

(Manager)

Ankur Shah

Ankur Shah

(Company Secretary)

Place: Mumbai

Date: 03 May 2016



Place: Mumbai

Date: 03 May 2016

Aditya Birla Finance Limited

Cash flow statement for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash Flow from operating activities		
Profit before tax	62,635.61	41,084.56
<i>Adjustments for:</i>		
Depreciation / Amortisation	760.11	670.93
Provision for leave encashment	163.93	88.83
Provision for gratuity	108.43	52.89
Bad debts and Provision for Non-Performing Assets (Net)	5,205.31	1,582.81
Contingent provision on standard assets	3,272.43	1,420.64
General contingency provision	(1,980.93)	152.61
Provision for Premium on Investment	(336.87)	-
Provision for diminution in Investments (Net)	697.50	28.05
Provision for diminution on account of restructuring	(192.00)	-
Provision for employee benefits	1,564.99	973.60
Loss/(Gain) on sale of investments	(87.52)	(406.42)
Loss/(Gain) on sale of fixed assets	8.84	2.71
Dividend income	(8.41)	(6.53)
Interest income on investment	(2,068.11)	-
Sundry Balances written back	(130.86)	-
	6,976.84	4,560.12
Operating Profit before Working Capital changes	69,612.45	45,644.68
<i>Adjustments for:</i>		
(Increase)/decrease in Trade Receivables	(549.42)	(2.03)
(Increase)/decrease in Loans and Advances	(788,253.71)	(566,109.05)
(Increase)/decrease in Stock of Securities	13,736.68	(35,084.21)
(Increase)/decrease in Other Liabilities and Trade Payable	26,975.42	25,169.25
(Increase)/decrease in Other assets	(22,032.66)	(2,680.12)
	(770,123.69)	(578,706.16)
Cash used in Operations	(700,511.24)	(533,061.48)
Direct Taxes Paid	(22,310.13)	(15,807.25)
	(22,310.13)	(15,807.25)
Net Cash used in Operating Activities (A)	(722,821.37)	(548,868.73)
B. Cash flow from investing activities		
Purchase of tangible assets	(553.89)	(694.45)
Purchase of intangible assets including assets under development	(480.79)	(458.87)
Purchase of investment	(48,488.26)	(2,364.75)
Sale of investment	2,701.30	19,100.48
Dividend received	8.41	6.53
Sale of tangible assets	23.93	8.89
Interest income on investment	2,068.11	-
	(44,721.19)	15,597.83
Net Cash used in Investing Activities (B)	(44,721.19)	15,597.83
C. Cash flow from financing activities		
Dividend on Preference Share and Corporate Dividend Tax	(7.20)	(7.02)
Proceeds from borrowings	22,740,171.95	9,394,607.04
Repayment of borrowings	(22,058,646.69)	(8,899,939.07)
Equity Share Capital	5,575.00	13,472.23
Share Premium	64,670.00	41,027.79
	751,763.06	549,160.97
Net Cash from Financing Activities (C)	751,763.06	549,160.97



Aditya Birla Finance Limited

Cash flow statement for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	<u>(15,779.50)</u>	<u>15,890.07</u>
Cash and Cash Equivalents (Opening Balances)	<u>15,891.96</u>	<u>1.89</u>
Cash and Cash Equivalents (Closing Balances)	<u>112.46</u>	<u>15,891.96</u>
Net Increase/(decrease) in Cash and Cash Equivalents	<u>(15,779.50)</u>	<u>15,890.07</u>

Note to Cash Flow Statement

Cash and Cash Equivalents include

Balances with Banks in Current Accounts

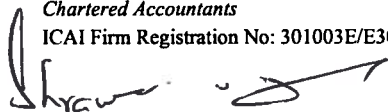
<u>112.46</u>	<u>15,891.96</u>
<u>112.46</u>	<u>15,891.96</u>

As per our report of even date attached.

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 of
Aditya Birla Finance Limited

Ajay Srinivasan

(Director)

(DIN - 00121181)

Sanjay Miranka

(Chief Financial Officer)

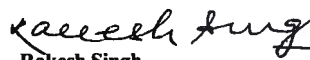
B. N. Puranmalka

(Director)

(DIN - 00007432)

Sekhar Mosur

(Manager)



Rakesh Singh

(Chief Executive Officer)

Ankur Shah

(Company Secretary)

Place: Mumbai

Date: 03 May 2016



Place: Mumbai

Date: 03 May 2016

Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
1. Share Capital		
Authorised Shares		
1,270,000,000 (Previous year: 1,000,000,000) equity shares of Rs 10 each (Refer note 23(11))	127,000.00	100,000.00
1,010,000,000 (Previous year: 1,000,000,000) preference shares of Rs 10 each (Refer note 23(11))	101,000.00	100,000.00
	<u>228,000.00</u>	<u>200,000.00</u>
Issued, Subscribed and Fully Paid up Shares		
Equity Share Capital		
559,565,581 (Previous year: 450,359,698) equity shares of Rs 10 each, fully paid up (Refer note 23(11))	55,956.56	45,035.97
	<u>55,956.56</u>	<u>45,035.97</u>
Preference Share Capital		
75,000,000 (Previous year: 75,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up*	7,500.00	7,500.00
Nil (Previous year: 300,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up** (Refer note 23(11))	-	30,000.00
100,000,000 (Previous year: 225,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up*** (Refer note 23(11))	10,000.00	22,500.00
10,000,000 (Previous year: Nil) 8% Cumulative Redeemable Preference Shares of Rs 10 each, fully paid up**** (Refer note 23(11))	1,000.00	-
	<u>18,500.00</u>	<u>60,000.00</u>

None of the above preference shares have been converted into equity shares till March 31, 2016.

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

Description	31 March 2016		31 March 2015	
	Number	Rs in lakhs	Number	Rs in lakhs
I) Equity Share				
Number of Shares outstanding at the beginning of the year	450,359,698	45,035.97	315,637,442	31,563.74
Number of Shares issued during the year (Refer note 1)	109,205,883	10,920.59	134,722,256	13,472.23
Number of Shares outstanding at the end of the year	<u>559,565,581</u>	<u>55,956.56</u>	<u>450,359,698</u>	<u>45,035.97</u>
II) 0.01% Compulsory Convertible Cumulative Preference Shares				
Number of Shares outstanding at the beginning of the year	600,000,000	60,000.00	600,000,000	60,000.00
Number of Shares issued during the year	-	-	-	-
Number of Shares cancelled during the year on account of merger (Refer note 3)	(425,000,000)	(42,500.00)	-	-
Number of Shares outstanding at the end of the year	<u>175,000,000</u>	<u>17,500.00</u>	<u>600,000,000</u>	<u>60,000.00</u>
III) 8% Cumulative Redeemable Preference Shares				
Number of Shares outstanding at the beginning of the year	-	-	-	-
Number of Shares issued during the year on account of merger (Refer note 2)	10,000,000	1,000.00	-	-
Number of Shares outstanding at the end of the year	<u>10,000,000</u>	<u>1,000.00</u>	<u>-</u>	<u>-</u>

Notes:

- During the year ended March 31, 2016, the Company issued and allotted 53,455,883 Equity Shares of Rs 10 each without payment being received in cash as per the scheme entitlement ratio under the merger scheme (Refer note 23(11)).
- During the year ended March 31, 2016, the Company issued and allotted 10,000,000, Preference Shares of Rs 10 each without payment being received in cash as per the scheme entitlement ratio under the merger scheme (Refer note 23(11)).
- During the year ended March 31, 2016, the Company cancelled 425,000,000 Preference Shares of Rs 10 each (Refer note 23(11)).



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

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

Name of Share Holder	31 March 2016		31 March 2015	
	Number	Rs in lakhs	Number	Rs in lakhs
I) Equity Share				
(i) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	506,109,697	50,610.97	450,359,697	45,035.97
(ii) ABNL Investment Limited, fellow subsidiary company	1,392,738	139.27	1	0.00
(iii) Aditya Birla Nuvo Limited, ultimate holding company	52,063,146	5,206.31	-	-
II) Preference Share 0.01% Compulsory Convertible Cumulative Preference Shares of Rs.10 each, fully paid up				
(i) Madura Garments Lifestyle Retail Company Limited, fellow subsidiary company	-	-	425,000,000	42,500.00
(ii) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	175,000,000	17,500.00	175,000,000	17,500.00
III) Preference Share 8 % Cumulative Redeemable Preference Shares of Rs.10 each, fully paid up				
(i) Aditya Birla Nuvo Limited, ultimate holding company	10,000,000	1,000.00	-	-

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

Name of Share Holder	31 March 2016		31 March 2015	
	Number	% of total paid-up equity capital	Number	% of total paid-up equity capital
I) Equity Share				
(i) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	506,109,697	90.45%	450,359,697	100.00%
(ii) Aditya Birla Nuvo Limited, ultimate holding company	52,063,146	9.30%	-	-
II) Preference Share 0.01% Compulsory Convertible Cumulative Preference Shares of Rs.10 each, fully paid up				
(i) Madura Garments Lifestyle Retail Company Limited, fellow subsidiary company	-	-	425,000,000	70.83%
(ii) Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited), holding company	175,000,000	100.00%	175,000,000	29.17%
III) Preference Share 8 % Cumulative Redeemable Preference Shares of Rs.10 each, fully paid up				
(i) Aditya Birla Nuvo Limited, ultimate holding company	10,000,000	100.00%	-	-



Handwritten mark.

Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Notes:

1 Term/right attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

2 Term of conversion/redemption of Preference Shares

Preference shares carry cumulative dividend. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company before conversion/ redemption of Compulsory Convertible Cumulative Preference Shares (CCCPS)/ Cumulative Redeemable Preference Shares (CRPS) respectively, the holders of CCCPS/CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

* a) Compulsory Convertible Cumulative Preference Shares (CCCPS) 50,000,000 0.01% of Rs. 10 each fully paid up (31st March, 2015: 50,000,000) allotted on 30th November, 2007 shall be compulsorily and automatically converted into fully paid up equity shares of the Company at any time after three months from the date of allotment at a price (including premium, if any) and time to be decided by the Board of Directors of the Company without any application or any further act on part of the Preference Shareholder. In the event these CCCPS are not converted into fully paid up equity shares prior to date of maturity (period not exceeding 10 years from the date of allotment), then these CCCPS shall be converted into appropriate numbers of fully paid up equity shares and at twice the fair value of equity shares as on the date of conversion, as per the terms of issue of CCCPS.

* b) Compulsory Convertible Cumulative Preference Shares (CCCPS) 25,000,000 0.01% of Rs. 10 each fully paid up (31st March, 2015: 25,000,000) allotted on 31st December, 2007 shall be compulsorily converted into fully paid up equity shares of the Company at any time after three months from the date of allotment at a price (including premium, if any) and time to be decided by the Board of Directors of the Company without any application or any further act on part of the Preference Shareholder. In the event these CCCPS are not converted into fully paid up equity shares prior to date of maturity (period not exceeding 10 years from the date of allotment), then these CCCPS shall be converted into appropriate numbers of fully paid up equity shares and at twice the fair value of equity shares as on the date of conversion, as per the terms of issue of CCCPS.

** Compulsory Convertible Cumulative Preference Shares (CCCPS) Nil (31st March, 2015 : 300,000,000), 0.01% of Rs. 10 each fully paid up are cancelled on account of merger with Madura Garments Lifestyle Retail Company Limited. (Refer note 23(11)).

*** a) Compulsory Convertible Cumulative Preference Shares (CCCPS) 100,000,000 @ 0.01% of Rs. 10 each fully paid up (31st March, 2015 : 200,000,000), allotted on 20th July, 2012 will be convertible into equity shares of the Company on or before 5 years from the date of allotment at the fair value on the date of conversion or such other ratio as may be mutually agreed. Out of 200,000,000 CCCPS of previous year, 100,000,000 CCCPS are cancelled on account of merger with Madura Garments Lifestyle Retail Company Limited. (Refer note 23(11)).

*** b) Compulsory Convertible Cumulative Preference Shares (CCCPS) Nil (31st March, 2015 : 25,000,000), 0.01% of Rs. 10 each fully paid up are cancelled on account of merger with Madura Garments Lifestyle Retail Company Limited. (Refer note 23(11)).

**** Cumulative Redeemable Preference Shares (CRPS) 10,000,000 @ 8.00% of Rs. 10 each fully paid up (31st March, 2015 - Nil) are redeemable at face value on or after March 25, 2019 but before March 25, 2029. (Refer note 23(11)).



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
2. Reserves and Surplus		
(I) Other Reserves		
Special Reserve *		
Opening Balance	14,300.00	8,880.00
Addition: Amount transferred from surplus balance in the Statement of Profit and Loss	8,180.00	5,420.00
Closing Balance	22,480.00	14,300.00
(II) Share Premium Account		
Share Premium Account	85,059.04	44,031.25
Addition on account of shares issued during the year	64,670.00	41,027.79
Addition on account of merger (Refer note 23(11))	42,642.21	-
	192,371.25	85,059.04
(III) General Reserve		
General Reserve on account of merger (Refer note 23(11))	13,660.95	-
	13,660.95	-
(IV) Surplus as per statement of Profit and Loss		
Opening Balance	54,088.44	32,447.83
<u>Addition</u>		
Profit for the year	40,860.11	27,067.63
<u>Less: Appropriation</u>		
Transfer to Special Reserve	8,180.00	5,420.00
Dividend on Preference Shares	81.75	6.00
Tax on Dividend	16.82	1.02
Loss on account of merger (Refer note 23(11))	20,062.60	-
<u>Add: Appropriation</u>		
Dividend on Preference Shares on account of merger	4.25	-
Closing Balance	66,611.63	54,088.44
	295,123.83	153,447.48



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

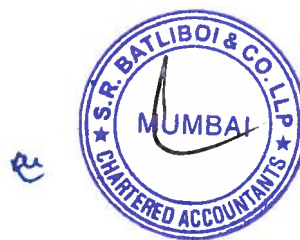
Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
3a. Long-Term Borrowings		
Secured		
Redeemable Non Convertible Debentures	513,100.00	300,320.00
Term Loan from Banks	<u>727,463.74</u>	<u>523,308.12</u>
	1,240,563.74	823,628.12
Unsecured		
Sub ordinate Debts - Debentures	<u>69,650.00</u>	<u>55,000.00</u>
	69,650.00	55,000.00
	<u>1,310,213.74</u>	<u>878,628.12</u>
3b. Short-Term Borrowings		
Secured		
Term Loan / Demand Loan from Banks	22,000.00	7,500.00
Loan repayable on demand from Banks (Cash Credit)	<u>227,059.71</u>	<u>119,716.91</u>
	249,059.71	127,216.91
Unsecured		
Term Loan / Demand Loan from Banks	20,000.00	30,000.00
Commercial Papers **	<u>412,772.81</u>	<u>237,268.65</u>
	432,772.81	267,268.65
	<u>681,832.52</u>	<u>394,485.56</u>

** Commercial papers shown net of unamortised discounting charges Rs. 4,727.19 lakhs (31st March, 2015 Rs. 2,731.35 lakhs).



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	2016		2015	
	Current	Non Current	Current	Non Current
I) Secured Long Term Borrowings				
“The term loans from banks are secured by way of first pari passu charge on the receivables of the Company.” The repayment terms and rate of interest of term loans are as under-				
Repayment Terms : Maturing within 1 year, Rate of Interest 9.50 % to 9.75 % p.a.	63,330.31	-	133,997.63	-
Repayment Terms : Maturing between 1 year to 3 year, Rate of Interest 8.80 % to 9.75 % p.a.	-	493,814.54	-	523,308.12
Repayment Terms : Maturing after 3 year, Rate of Interest 9.35 % to 9.75 % p.a.	-	233,649.20	-	-
Debentures Secured by way of mortgage of the immovable property and first pari- passu charge on current assets of the Company:				
Repayment Terms : Maturing within 1 year, Rate of Interest 8.86 % to 10.20 % p.a.	85,520.00	-	52,260.00	-
Repayment Terms : Maturing between 1 year to 3 year, Rate of Interest 8.61 % to 10.15 % p.a.	-	324,050.00	-	300,320.00
Repayment Terms : Maturing after 3 year, Rate of Interest 8.55 % to 10.00 % p.a.	-	189,050.00	-	-
	148,850.31	1,240,563.74	186,257.63	823,628.12
II) Unsecured Long term Borrowing				
9.10 % to 10.60 % p.a. (Redeemable from May 2019 to March 2026)	-	69,650.00	-	55,000.00
	-	69,650.00	-	55,000.00
	148,850.31	1,310,213.74	186,257.63	878,628.12
III) Secured Short Term Borrowings :				
Cash Credit secured by way of first pari-passu charge on receivables of the Company	227,059.71	-	119,716.91	-
Working Capital Demand Loan secured by way of first pari-passu charge on receivables of the Company	22,000.00	-	7,500.00	-
IV) Unsecured Short Term Borrowings :				
Rate of Interest 9.70 % to 9.90 % p.a.	20,000.00	-	30,000.00	-
	269,059.71	-	157,216.91	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
4. Trade Payables		
Other than micro and small enterprises		
Trade payables	2,450.73	2,124.95
Trade payables for salaries, bonus and other employee benefits	2,539.88	2,066.60
	<u>4,990.61</u>	<u>4,191.55</u>
5a. Other Long Term Liabilities		
Interest accrued and Interest accrued but not due on Loans	15,483.87	1,820.28
	<u>15,483.87</u>	<u>1,820.28</u>
5b. Other Current Liabilities		
Current maturities of Term Loan	63,330.31	133,997.63
Current maturities of Redeemable Non Convertible Debentures	85,520.00	52,260.00
Interest accrued and Interest accrued but not due on Loans	24,486.55	28,698.41
Book Overdraft	39,480.02	22,599.33
Income received in advance	730.80	449.81
Statutory Dues	327.73	181.28
Margin Money from Customers	190.57	195.88
Other Payable - Deposits	708.03	583.15
Other Payable - Miscellaneous	542.50	1,376.43
	<u>215,316.51</u>	<u>240,341.92</u>
6a. Long Term Provisions		
Provision for Employee benefits	1,449.49	2,369.44
Provision for diminution on account of restructuring	-	192.00
Contingent Provision against Standard Assets	4,934.39	2,322.15
Provision for Doubtful Debts and Advances	10,143.55	7,514.69
General Contingency Provision (Refer note 22(3))	-	1,262.83
	<u>16,527.43</u>	<u>13,661.11</u>
6b. Short Term Provisions		
Proposed Dividend on Preference Shares	81.75	6.00
Provision for Corporate Dividend Tax	16.64	1.02
Provision for Income Tax (Net of advance tax Rs. 21,068.52 lakhs 31 March, 2015 Rs. 14,923.40 lakhs)	2,368.48	586.60
Provision for Employee benefits	2,484.95	-
Contingent Provision against Standard Assets	2,600.11	1,939.92
General Contingency Provision (Refer note 22(3))	-	1,054.97
Provision for Leave Encashment	555.67	391.74
Provision for Gratuity	202.08	93.65
	<u>8,309.68</u>	<u>4,073.90</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Note 7

Tangible Assets

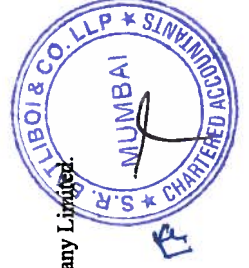
Gross Block	Plant & Furniture				Leasehold Improvements	Total
	Building	Equipments	& Fixtures	Vehicles		
As at 1 April 2014	26.27	467.89	74.45	112.49	110.77	1,068.68
Additions	-	229.73	31.85	114.86	57.46	694.47
Deletions/Adjustment	-	0.50	0.11	16.26	0.06	17.38
As at 31 March 2015	26.27	697.12	106.19	211.09	168.17	1,745.77
Additions	-	259.96	16.26	166.76	58.55	565.57
Deletions/Adjustment	-	0.50	-	57.37	0.10	58.07
As at 31 March 2016	26.27	956.58	122.45	320.48	226.62	2,253.27
Accumulated Depreciation						
As at 1 April 2014	4.04	291.63	47.93	36.85	79.10	696.33
For the year	0.39	105.05	14.61	35.43	21.63	266.69
Deletions/Adjustment	-	0.08	0.11	5.10	0.06	5.78
As at 31 March 2015	4.43	396.60	62.43	67.18	100.67	957.24
For the year	0.46	137.45	26.49	46.93	39.11	366.30
Deletions/Adjustment	-	0.25	-	24.86	0.08	25.29
As at 31 March 2016	4.89	533.80	88.92	89.25	139.70	1,298.25
Net block as at 31 March 2016	21.38	422.78	33.53	231.23	86.92	955.02
Net block as at 31 March 2015	21.84	300.52	43.76	143.91	67.50	788.53

Notes :

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

Intangible Assets

Gross Block	Software		Total
	As at 1 April 2014	As at 31 March 2015	
As at 1 April 2014	1,237.34	1,449.12	1,237.34
Additions	211.78	295.50	211.78
Deletions/Adjustment	-	-	-
As at 31 March 2015	1,449.12	1,744.62	1,449.12
Additions	295.50	1,744.62	295.50
Deletions/Adjustment	-	-	-
As at 31 March 2016	1,744.62	1,744.62	1,744.62
Accumulated Depreciation			
As at 1 April 2014	550.27	550.27	550.27
For the year	404.24	404.24	404.24
Deletions/Adjustment	-	-	-
As at 31 March 2015	954.51	954.51	954.51
For the year	393.81	393.81	393.81
Deletions/Adjustment	-	-	-
As at 31 March 2016	1,348.32	1,348.32	1,348.32
Net block as at 31 March 2016	396.30	396.30	396.30
Net block as at 31 March 2015	494.61	494.61	494.61



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	As at 31 March 2016			As at 31 March 2015	
Long Term, Fully Paid up	Face value (Rs)	Numbers	Rs in lakhs	Numbers	Rs in lakhs
(A) Equity Shares					
Trade Investment					
Quoted					
HDFC Bank Limited	2	1,300	0.04	1,300	0.04
MOIL Limited	10	12,245	45.92	12,245	45.92
Unquoted					
Others					
Birla Management Centre Services Limited	10	2,000	0.20	2,000	0.20
SWAWS Credit Corporation Private Limited (Refer note 23 (13))	10	-	-	393,748	39.37
(B) Preference Shares					
Non Trade Investment					
Unquoted					
Share Microfin Limited 0.001 % Optionally Convertible Cumulative Redeemable Preference Shares	10	9,854,834	985.48	11,682,000	1,168.20
(C) Debentures					
Non Trade Investment					
Unquoted					
SWAWS Credit Corporation Private Limited Optionally Convertible Debentures carrying fixed coupon rate of 12 % p.a. (Refer note 23 (13))	100	-	-	13,125	13.13
(D) Others					
Non Trade Investment					
Unquoted					
PMS Investment			359.74		371.47
Investment in Alternate Fund			2,000.00		-
Total (A+B+C+D)			3,391.38		1,638.33
Less: Provision for diminution on investments			(771.47)		(73.97)
			2,619.91		1,564.36
i) Aggregate amount of Quoted Investments.			45.96		45.96
ii) Aggregate amount of Unquoted Investments.			2,573.95		1,518.40
iii) Aggregate market value of Quoted Investments.			40.55		47.12
iv) Aggregate market value of PMS Investments.			974.63		1,009.66
v) Aggregate amount of diminution in value of investments Rs. 771.47 lakhs (31st March, 2015 Rs.73.97 lakhs).					
vi) Non Current Investment valued at cost unless stated otherwise.					



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

		As at 31 March 2016		As at 31 March 2015	
	Face value (Rs)	Numbers	Rs in lakhs	Numbers	Rs in lakhs
8b. Current Investments					
Non Convertible Debentures (NCD) / Commercial Papers (CP)					
Unquoted					
Mahindra Worldcity Jaipur Limited (NCD)	1,000,000	1,650	16,500.00	-	-
AU Financiers (India) Limited (NCD)	1,000,000	1,000	10,000.00	-	-
Dalmia Cement Bharat Limited (NCD)	1,000,000	1,000	10,000.00	-	-
KKR Financial Services Private Limited (NCD)	10,000,000	50	5,000.00	-	-
Indiabulls Housing Finance Company Limited (NCD)	1,000,000	500	5,000.00	-	-
Karvy Financial Services Private Limited (CP)	500,000	-	-	500	2,431.06
			46,500.00		2,431.06
i) Aggregate amount of Unquoted Investments.			46,500.00		2,431.06
ii) Aggregate amount of Quoted Investments.			-		-
iii) Aggregate market value of Quoted Investments.			-		-
iv) Aggregate amount of diminution in value of investments Rs. Nil (31st March, 2015 Rs. Nil).			-		-
v) Current Investments are stated at lower of cost and market/fair values.			-		-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
9. Deferred Tax Assets (Net)		
Deferred Tax Assets at the year end comprise timing differences on account of:		
Depreciation	22.64	(21.97)
Provision for Doubtful Debts	3,510.48	2,554.24
Contingent Provisions against Standard Assets	2,607.54	1,448.68
General Contingency Provision (Refer note 22(3))	-	787.82
Provision Others	1,334.40	971.30
	<u>7,475.06</u>	<u>5,740.07</u>
10a. Long-Term Loans and Advances		
a. Secured (Considered good unless otherwise stated)		
(i) Loans	<u>1,509,326.02</u>	<u>871,903.62</u>
	1,509,326.02	871,903.62
b. Unsecured (Considered good unless otherwise stated)		
(i) Loans	135,682.42	56,955.84
(ii) Other Advances		
- Security Deposit	347.68	375.80
- Prepaid Expenses	17.32	16.40
- Capital Advances	16.36	28.04
	<u>136,063.78</u>	<u>57,376.08</u>
c. Doubtful*		
(i) Loans	<u>15,717.31</u>	<u>15,299.77</u>
	15,717.31	15,299.77
	<u>1,661,107.11</u>	<u>944,579.47</u>
* Represents non-performing assets classified as sub-standard and doubtful in accordance with norms for classification of assets as per RBI Prudential norms for Non-Banking Finance Companies.		
10b. Short-Term Loans and Advances		
a. Secured (Considered good unless otherwise stated)		
(i) Loans	<u>560,354.47</u>	<u>539,377.43</u>
	560,354.47	539,377.43
b. Unsecured (Considered good unless otherwise stated)		
(i) Loans	272,742.80	224,999.89
(ii) Other Advances		
- Loans and Advance to Related Parties	28.33	53.66
- Security Deposit	290.01	18.54
- Prepaid Expenses	372.15	179.28
- Service Tax Receivable	12.75	63.79
- Advance Payment of Taxes (Net of provision for taxation Rs. 26,520.00 lakhs 31 March, 2015 Rs 16,780.00 lakhs)	1,042.03	374.35
- Others Advances	320.06	237.54
	<u>274,808.13</u>	<u>225,927.05</u>
	<u>835,162.60</u>	<u>765,304.48</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	As at 31 March 2016	As at 31 March 2015
11. Trade Receivable (Considered good unless otherwise stated)		
Other Debts	583.69	34.27
	<u>583.69</u>	<u>34.27</u>
12. Cash and Bank Balances		
Cash and Cash Equivalent		
Balances with Banks in Current Accounts	112.46	15,891.96
	<u>112.46</u>	<u>15,891.96</u>
13. Other Current Assets		
Other receivables	35.21	29.48
Interest Accrued but not due/Interest Receivable	33,575.39	11,544.19
	<u>33,610.60</u>	<u>11,573.67</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	Year ended 31 March 2016	Year ended 31 March 2015
14. Revenue From Operations		
<u>Interest</u>		
Capital Market Activity		
Interest on Loan against Securities	40,940.23	40,856.66
Interest on Loan against IPO Funding	569.17	404.91
	<u>41,509.40</u>	<u>41,261.57</u>
Corporate Finance		
Interest on Bills Discounting/Purchased/Invoice Discounting Charges	16,509.59	14,088.59
	<u>16,509.59</u>	<u>14,088.59</u>
Term Loan/Project Finance/Mortgage Finance/Others		
Interest on Term Loans	40,449.27	21,004.25
Interest on Project Finance	57,674.72	37,413.39
Interest on Mortgage Finance	68,179.64	49,841.12
Interest on Personal Loans / Other Unsecured Loans	76.46	33.45
Interest on Rural Finance Loans	3.05	103.06
	<u>166,383.14</u>	<u>108,395.27</u>
Inter Corporate Deposits		
Interest on Inter Corporate Deposits	4,690.87	2,711.13
	<u>4,690.87</u>	<u>2,711.13</u>
Others		
Discount Charges on Commercial Paper	77.53	389.09
	<u>77.53</u>	<u>389.09</u>
	<u>229,170.53</u>	<u>166,845.65</u>
Other Financial Services		
Treasury Operations		
Securities Trading Income	4,599.99	3,962.68
	<u>4,599.99</u>	<u>3,962.68</u>
Syndication and Other Fee Income		
Corporate Finance	3,451.46	1,083.66
Capital Market	898.86	405.25
Project Finance	2,777.36	2,428.64
Treasury	157.56	114.45
Mortgage Finance	3,105.84	2,776.98
	<u>10,391.08</u>	<u>6,808.98</u>
	<u>14,991.07</u>	<u>10,771.66</u>
	<u>244,161.60</u>	<u>177,617.31</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	Year ended 31 March 2016	Year ended 31 March 2015
15. Other Income		
Other Interest	4.06	2.25
Provision for diminution on account of restructuring written back	192.00	-
Interest income on Investment	2,068.11	-
General Contingency Provision written back (Refer note 22(3))	1,980.93	-
Miscellaneous Income (includes excess provision and sundry balances written back (Net))	155.42	12.48
Dividend from Long Term Investment	8.41	4.84
Dividend from Short Term Investment	-	1.69
Gain on sale of Investments (Net)	87.52	406.42
Interest income on Investment in Mutual Fund	2.38	-
	<u>4,498.83</u>	<u>427.68</u>

16. Finance Costs

Interest Expenses	124,411.84	80,226.72
Discounting charges on Commercial Paper	29,439.06	30,129.29
Other Borrowing Costs	177.21	286.36
	<u>154,028.11</u>	<u>110,642.37</u>

17. Employee Benefit Expenses

Salaries, Bonus and Allowances	12,925.50	10,549.00
Contribution to Provident and Other Funds	580.92	374.02
Staff Welfare Expenses	679.50	431.96
	<u>14,185.91</u>	<u>11,354.98</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	Year ended 31 March 2016	Year ended 31 March 2015
18. Other Expenses		
Rent	1,028.97	899.29
Travelling and Conveyance	916.93	804.16
Water and Electricity	109.67	87.99
Repairs and Maintenance:		
Plant and Machinery	2.00	1.89
Others	367.32	440.91
Insurance	189.01	107.78
Communication Expenses	162.34	117.47
Legal and Professional Charges (Refer note 23 (6))	1,430.27	1,399.04
Loss on Sale of Fixed Assets (Net)	8.84	2.71
Rates and Taxes	497.53	450.08
Printing and Stationery	108.62	108.56
Contract Service Charges	140.28	92.04
Information Technology Expenses	250.87	233.48
Business / Sales Promotion Expenses	329.92	271.44
Advertisement Expenses	380.85	636.91
Postage Expenses	44.67	31.74
Bank Charges	144.75	63.96
Brokerage and Commission	1,746.66	1,808.29
CSR Expenses (Refer note 23 (10))	314.15	-
Miscellaneous Expenses	257.16	346.20
	<u>8,430.81</u>	<u>7,903.94</u>

19. Provisions and Write - offs (Net)

Investments Written off	52.50	-
Bad debts/Advances Written off	2,523.95	3,017.05
Provision for Doubtful Debts and Advances	5,074.50	4,601.34
Provision for Doubtful Debts written back	(2,445.64)	(3,018.53)
Provision for diminution in Current Investment (written back)	(222.20)	(35.15)
Provision for Diminution in value of Long Term Investment	750.00	28.05
Change in Carrying Value of Current Investment	3.71	222.20
Provision for diminution on Long Term Investment (written back)	(52.50)	-
Provision for Premium on Investment (written back)	(336.87)	-
Contingent Provisions against Standard Assets	3,272.43	1,420.64
General Contingency Provision	-	152.61
	<u>8,619.88</u>	<u>6,388.21</u>



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

	31 March 2016	31 March 2015
20. Earnings per Share		
Net Profit after Tax	40,860.11	27,067.63
Less: Dividend on Preference Shares (including Corporate Dividend Tax)	98.57	7.02
Net Profit after Tax available for equity shareholders	40,761.54	27,060.61
Weighted average number of equity shares outstanding (Numbers)	466,205,849	340,538,512
Basic and Diluted Earnings per share (Rs.)	<u>8.74</u>	<u>7.95</u>

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

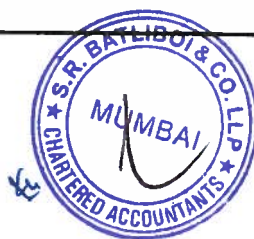
for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

21A. Disclosure in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

Sr No.	Particulars	Amount out-standing	Amount overdue
	Liabilities side :		
1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured (including interest accrued but not due of Rs.34,009.00 lakhs)	632,629.00	-
	: Unsecured (including interest accrued but not due of Rs.3,093.36 lakhs) (other than falling within the meaning of public deposits*)	72,743.36	-
	(b) Deferred Credits	-	-
	(c) Term Loans	832,794.05	-
	(d) Inter-corporate loans and borrowing (including interest accrued but not due of Rs. Nil)	-	-
	(e) Commercial Paper	412,772.81	-
	(f) Other Loans (Working Capital) & Others	227,059.71	-
		2,177,998.93	-
	* Please see Note 1 below		

Sr No.	Particulars	Amount out-standing
	Assets side :	
2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :	
	(a) Secured :	2,069,680.50
	(b) Unsecured :	424,170.84
	(includes those in nature of loans and excludes Advances Recoverable in cash or kind or for value to be received, Advance Payment of Taxes and Other Deposits)	
3)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
		2,493,851.34



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

21A. Continued

<u>Assets side :</u>	Amount out-standing
4) Break-up of Investments :	
1. <u>Quoted :</u>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Paper)	-
2. <u>Unquoted :</u>	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	46,500.00
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Paper)	-
Long Term investments :	
1. <u>Quoted :</u>	
(i) Shares : (a) Equity	24.49
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
2. <u>Unquoted :</u>	
(i) Shares : (a) Equity	0.20
(b) Preference	235.48
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (PMS and Alternate Fund)	2,359.74

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

Please see Note 2 below

Category	Net of Provisions		
	Secured	Unsecured	Total
1) Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	28.33	28.33
(c) Other related parties	-	-	-
2) Other than related parties	2,069,680.50	424,142.51	2,493,823.01
	2,069,680.50	424,170.84	2,493,851.34



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

21A. Continued

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
Please see note 3 below		
1) Related Parties**		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties	49,840.85	49,119.92
	49,840.85	49,119.92
Note: Break up value derived from the latest available Balance Sheet of the Company.		
** As per Accounting Standard of ICAI (Please see Note 3)		
7) Other information :		
(i) Gross Non-Performing Assets :		
(a) Related parties		-
(b) Other than related parties		15,717.31
(ii) Net Non-Performing Assets :		
(a) Related parties		-
(b) Other than related parties		5,573.75
(iii) Assets acquired in satisfaction of debt :		
		-

Notes:

- 1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non -Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

21B. Disclosure in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

a) CRAR

(Rs.in Crores)			
Sr. No.	Items	Current Year	Previous Year
(i)	CRAR* (%)	16.15	16.94
(ii)	CRAR - Tier I capital (%)	13.64	13.98
(iii)	CRAR - Tier II Capital (%)	2.51	2.96
(iv)	Amount of subordinated debt raised as Tier-II capital	696.50	550.00
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

* The management has reduced the tenor of the subdebt of Rs 300 Crores, hence for the purpose of computation of CRAR, the subdebt of Rs 300 crores have been taken at 60% value.

b) Unsecured Advances

(Rs.in Crores)			
Sr. No.	Particulars	Current Year	Previous Year
(i)	Unsecured Advances (Inclusive of doubtful advances)	4,241.71	2,973.09

c) Exposures

c.i) Exposure to Real Estate Sector

(Rs.in Crores)			
Category		Current Year	Previous Year
Direct exposure			
i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	312.67	54.10
ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based limits;	5,733.54	3,860.85
iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a. Residential b. Commercial Real Estate	Nil -	Nil 114.57
Total Exposure to Real Estate Sector		6,046.21	4,029.52



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

21B. Continued

c.ii) Exposure to Capital Market

		(Rs.in Crores)	
Particulars		Current Year	Previous Year
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	334.29	473.96
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	30.48	44.88
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,591.31	3,405.60
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	267.12	529.29
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		5,223.20	4,453.73

c.iii) Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

(Rs.in Crores)									
Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances**	2,625.22	917.42	1,080.57	1,746.10	1,961.47	5,446.21	3,705.62	7,455.63	24,938.24
Investments	-	-	465.00	-	-	-	-	26.20	491.20
Borrowings*	870.61	3,631.06	149.25	280.75	3,374.99	8,178.67	3,855.64	1,068.00	21,408.97
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

* Net of Unamortized Discounting charges on Commercial Paper amounting to Rs. 47.27 Crs.

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Notes forming part of Accounts 22

Significant Accounting Policies

1. Corporate information - Brief description about the Company

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

The Company is registered with RBI as non-deposit taking NBFC with registration no. N-01.00500 and was certified as ISO 9001:2008 across all its core functional processes in March 2013 by British Standards Institution (BSI), a leading global independent business services organization.

The Principal shareholder of the Company is Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited) (90.45%), a company incorporated in India.

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

2. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the guidelines issued by Reserve Bank of India (RBI) as applicable to Non Banking Finance Company (NBFC). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non current.

3. Change in accounting policy

The management based on its judgement provides general contingency provision on standard assets in addition to regulatory provision, however the Company has discontinued this contingency provision in the current year, accordingly the Company has reversed General contingency provision of Rs 1,980.93 lakhs lying in the books of accounts as on March 31, 2015. Accordingly the Profit before tax is higher by Rs. 1,980.93 lakhs in the current year.

The Company has revised recognition norms of Non-Performing Assets (NPA) from six months to five months and increased provisions on standard assets from 0.25% to 0.30% pursuant to Reserve Bank of India (RBI) notification no. DNBR. 009/CGM (CDS) - 2015 dated March 27, 2015 which resulted in additional provision on loan portfolio of Rs. 1,255.75 lakhs in current year. Accordingly the Profit before tax is lower by Rs. 1,255.75 lakhs in the current year.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

4. Use of Estimates

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

5. Tangible Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Tangible Assets:

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

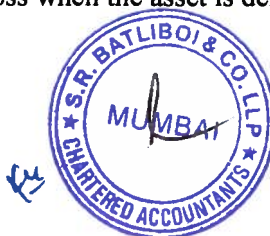
Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life by Company
Building	60 Years	60 Years
Office Computers and Electronic Equipments (including Plant & Machinery)	3 Years	4 Years
Vehicles	8 Years	5 Years
Furniture, Fixtures and Other Office Equipments	10 Years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

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

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

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Significant Accounting Policies (*Continued*)

6. Intangible Assets

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

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

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

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

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

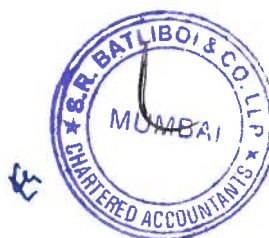
Intangible Assets are assessed for impairment whenever there is an indication that the Intangible Asset may be impaired.

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

Research and development costs

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Significant Accounting Policies (*Continued*)

7. Impairment of Tangible and Intangible Assets

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

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

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

8. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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



ks

Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Significant Accounting Policies (*Continued*)

9. Inventories

Stocks of securities 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.

10. Revenue Recognition

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

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

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

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

Processing Fees and Syndication income is recognised on accrual basis.

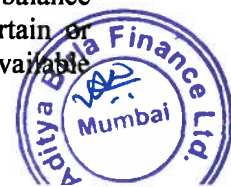
Dividend income on investments is accounted for when the right to receive the payment is established by the reporting date.

Profit and Loss on sale of investment is computed based on weighted average cost.

11. Taxation

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The un-recognised Deferred Tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Significant Accounting Policies (*Continued*)

11. Taxation (*Continued*)

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

12. Retirement and Other Employee Benefits

i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

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

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

(iii) Other Long Term Incentive Benefits

Other Long Term Incentive Benefits includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfilment of criteria prescribed by the Company.



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Significant Accounting Policies (*Continued*)

13. Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of an asset.

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

14. Cash and Cash Equivalent

Cash and Cash Equivalents for the purpose of cash flow statement comprise Cash in Hand and Cash at Bank including Fixed Deposit with original maturity period of less than three months.

15. Earnings Per Share

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

16. Provision and Contingencies

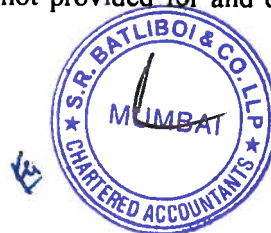
Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements *(Continued)*

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Significant Accounting Policies *(Continued)*

17. Leases

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

18. Segment Reporting

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

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

Notes forming part of accounts 23

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 576.70 lakhs (31st March, 2015 Rs. 209.61 lakhs).
2. **Contingent Liabilities not provided for as on 31st March, 2016:-**
 - a. Disputed Income Tax Liability Rs. 217.60 lakhs (31st March, 2015 Rs. 170.55 lakhs).*
 - b. Disputed Service tax Liability Rs. 120.44 lakhs (March 31, 2015 : Rs.Nil).
 - c. Claims against the Company not acknowledged as debts Rs.812.00 lakhs (31st March, 2015 Rs. 812.00 lakhs).**
 - d. Corporate guarantees given by the Company on behalf of the clients Rs. 588.15 lakhs, (31st March 2015 Rs. 878.74 lakhs). Letter of comfort given by the Company on behalf of clients Rs. 24,472.00 lakhs, (31st March, 2015 Rs. 21,494.48 lakhs).
 - e. Liabilities for pro-rata refund on insurance claim to the Insurance Company arising as a result of any part of outstanding debt not recognized in the final judgement, is not ascertainable as the legal matter for recovery of such amounts is still under process.

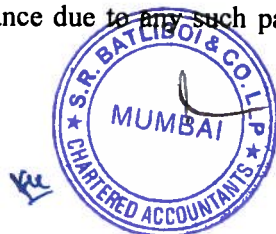
* Disputed Income Tax liability includes Disallowance u/s 14A read with rule 8D for Financial Year 2007-08 Rs. 60.74 lakhs and for Financial Year 2006-07 Rs.10.84 lakhs. The matter is pending before Income tax Appellate Tribunal. It includes disallowance of Interest on Non-Performing Assets (NPA) for Financial Year 2011-12 Rs. 50.41 lakhs and for Financial Year 2012-13 Rs. 47.05 lakhs. The matter is pending before CIT(A). It also includes disallowance of leave encashment provision for Financial Year 2006-07 Rs. 44.49 lakhs. The matter is redirected to assessing officer by Income tax Appellate Tribunal.

The claims against the Company comprise of the following :-

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

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

3. The Company is in the process of identifying the parties which are covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). As of March 31, 2016 the Company is not aware of any party which gets covered under MSMED Act. The Company does not have any outstanding balance due to any such party as on 31 March, 2016 (31 March, 2015 Rs. Nil).



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

4. Related Party Disclosures

I) List of Related Parties as per AS -18 with whom transactions have taken place during the year.

(A) **Where control exists:-**

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

(B) **Subsidiaries / Fellow Subsidiaries :-**

Fellow Subsidiaries

- Aditya Birla Customer Services Private Limited (ABCSPL)
- Aditya Birla Financial Shared Services Limited (ABFSSL)
- Aditya Birla Money Limited (ABML)
- Aditya Birla Insurance Brokers Limited (ABIBL)
- Aditya Birla Money Mart Limited (ABMML)
- Aditya Birla Money Insurance Advisory Services Limited (ABMIASL)
- ABNL Investment Limited (ABNLIL)
- Birla Sun Life Insurance Company Limited (BSLICL)
- Birla Sun Life Asset Management Company Limited (BSAMCL)
- Madura Garments Lifestyle Retail Company Limited (MGLRCL) (upto 30 June, 2015)
- Aditya Birla Housing Finance Limited (ABHFL)
- ABNL IT & ITES Limited (upto 30 September, 2015)

(C) **Key management personnel**

- Mr. Sekhar Mosur



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

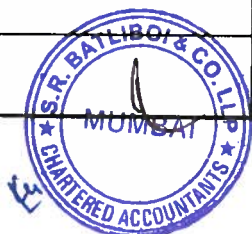
for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

II) Transactions with Related parties

Particulars	Referred in (A) above	Referred in (B) above	Referred in (C) above	Total
Remuneration (Refer note (d))	- (-)	- (-)	115.01 (97.49)	115.01 (97.49)
Brokerage	- (-)	27.78 (13.58)	- (-)	27.78 (13.58)
Interest expenses	- (-)	315.25 (468.08)	- (-)	315.25 (468.08)
Rent expenses (Reimbursement of expenses)	66.15 (51.86)	367.82 (267.77)	- (-)	433.97 (319.63)
Legal and professional (Reimbursement of expenses)	137.54 (74.77)	45.61 (23.36)	- (-)	183.15 (98.13)
Employee cost (Reimbursement of expenses)	875.44 (769.37)	220.05 (184.22)	- (-)	1,095.49 (953.59)
Administrative Expenses (Reimbursement of expenses)	203.71 (123.63)	352.34 (100.03)	- (-)	556.05 (223.66)
Dividend	1.75 (1.75)	- (4.25)	- (-)	1.75 (6.00)
Trading securities sales income Transferred	- (-)	- (0.12)	- (-)	- (0.12)
Interest Income	- (-)	4.06 (1.47)	- (-)	4.06 (1.47)
Rent recovered (Expenses Recovered)	- (-)	48.43 (-)	- (-)	48.43 (-)
Employee cost recovered	1.21 (2.83)	- (58.38)	- (-)	1.21 (61.21)
Legal & Professional (Expenses Recovered)	- (-)	6.00 (0.60)	- (-)	6.00 (0.60)
Profit on sale of shares	- (0.03)	- (-)	- (-)	- (0.03)
Brokerage Income	- (-)	37.28 (-)	- (-)	37.28 (-)
Administrative income (Expenses Recovered)	- (19.15)	197.29 (16.53)	- (-)	197.29 (35.68)
Loan obtained	- (-)	- (5,009.00)	- (-)	- (5,009.00)
Loans repaid	- (-)	- (8,004.66)	- (-)	- (8,004.66)
Loans given	- (-)	8,360.00 (-)	- (-)	8,360.00 (-)



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

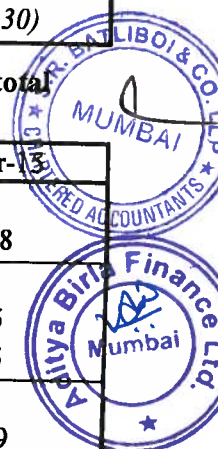
(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	Referred in (A) above	Referred in (B) above	Referred in (C) above	Total
Loans received back	- (-)	8,360.00 (-)	- (-)	8,360.00 (-)
Equity share capital	8,354.84 (13,472.23)	2,565.74 (-)	- (-)	10,920.58 (13,472.23)
Equity share premium	64,670.00 (41,027.79)	- (-)	- (-)	64,670.00 (41,027.79)
Preference share capital	1,000.00 (-)	- (-)	- (-)	1,000.00 (-)
Redemption of Non Convertible Debentures (NCD)	- (-)	1,000.00 (-)	- (-)	1,000.00 (-)
Proceeds from Sale of shares	- (0.04)	- (-)	- (-)	- (0.04)
Sale of assets	- (3.91)	0.62 (57.08)	- (-)	0.62 (60.99)
Insurance Premium Paid	- (-)	43.68 (59.39)	- (-)	43.68 (59.39)
Preference Share Capital outstanding	18,500.00 (17,500.00)	- (42,500.00)	- (-)	18,500.00 (60,000.00)
Amount Payable	139.76 (87.65)	54.45 (70.43)	- (-)	194.21 (158.08)
Amount Receivable	- (-)	28.33 (53.65)	- (-)	28.33 (53.65)
NCD Payable	- (-)	2,500.00 (2,500.00)	- (-)	2,500.00 (2,500.00)
Current maturities of NCD Payable	- (-)	- (1,000.00)	- (-)	- (1,000.00)
Interest accrued on NCD	- (-)	192.34 (222.05)	- (-)	192.34 (222.05)
Security deposit receivable	- (-)	88.30 (88.30)	- (-)	88.30 (88.30)

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

Particulars	31-Mar-16	31-Mar-15
Brokerage		
Aditya Birla Money Mart Limited	27.78	13.58
Dividend expenses		
Aditya Birla Financial Services Limited	1.75	1.75
Madura Garments Lifestyle Retail Company Limited	-	4.25
Remuneration (Refer note (d))		
Mr. Sekhar Mosur	115.01	97.49



Handwritten mark

Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	31-Mar-16	31-Mar-15
Administrative expenses		
Aditya Birla Money Limited	63.10	3.34
Aditya Birla Insurance Brokers Limited	-	0.10
Aditya Birla Financial Services Limited	202.99	123.12
Aditya Birla Financial Shared Services Limited	213.25	81.33
Birla Sun Life Insurance Company Limited	0.11	11.45
Aditya Birla Nuvo Limited	0.72	0.51
Aditya Birla Housing Finance Limited	75.88	-
Birla Sun Life Asset Management Company Limited	-	3.81
Interest expenses		
Aditya Birla Insurance Brokers Limited	-	174.58
Birla Sun Life Insurance Company Limited	315.25	293.50
Rent expenses		
Aditya Birla Financial Services Limited	66.15	51.86
Aditya Birla Money Limited	2.70	2.55
Birla Sun Life Insurance Company Limited	231.58	193.97
Aditya Birla Money Mart Limited	20.46	19.64
Aditya Birla Financial Shared Services Limited	2.70	4.74
Aditya Birla Housing Finance Limited	110.38	46.87
Legal and Professional expenses		
Aditya Birla Financial Services Limited	137.54	74.77
Aditya Birla Financial Shared Services Limited	43.36	23.36
Aditya Birla Housing Finance Limited	2.25	-
Employee cost		
Aditya Birla Nuvo Limited	-	5.59
Aditya Birla Financial Services Limited	875.44	763.78
Birla Sun Life Insurance Company Limited	-	2.99
Aditya Birla Financial Shared Services Limited	193.51	141.90
Birla Sunlife Asset Management Company Limited	26.54	39.33
Trading Securities Sales income transferred		
Aditya Birla Housing Finance Limited	-	0.12



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	31-Mar-16	31-Mar-15
Employee cost recovered		
Aditya Birla Nuvo Limited	1.21	1.59
Aditya Birla Financial Services Limited	-	1.24
Birla Sun Life Insurance Company Limited	-	3.62
Aditya Birla Housing Finance Limited	-	54.76
Legal and Professional expenses recovered		
Aditya Birla Housing Finance Limited	6.00	-
Aditya Birla Financial Shared Services Limited	-	0.60
Brokerage Income		
Aditya Birla Money Limited	37.28	-
Profit on sale of shares		
Aditya Birla Financial Services Limited	-	0.03
Rent recovered		
Aditya Birla Housing Finance Limited	48.43	-
Interest Income		
Aditya Birla Housing Finance Limited	4.06	1.47
Administrative Income		
Aditya Birla Financial Services Limited	-	19.15
Aditya Birla Insurance Brokers Limited	3.11	1.67
Aditya Birla Housing Finance Limited	194.18	14.86
Loan obtained (including ICBs)		
Aditya Birla Insurance Brokers Limited	-	3,769.00
Aditya Birla Housing Finance Limited	-	1,240.00
Loans repaid (including ICBs)		
Aditya Birla Insurance Brokers Limited	-	6,764.66
Aditya Birla Housing Finance Limited	-	1,240.00
Loan given		
Aditya Birla Housing Finance Limited	8,360.00	-
Loan received back		
Aditya Birla Housing Finance Limited	8,360.00	-
Redemption of NCD		
Birla Sun Life Insurance Company Limited	1,000.00	-
Issue of NCD		
Birla Sun Life Insurance Company Limited	-	2,500.00
Equity Share Capital		
Aditya Birla Nuvo Limited	2,779.84	-
ABNL Investment Limited	139.27	-
ABNL IT & ITES Limited	2,426.47	-
Aditya Birla Financial Services Limited	5,575.00	13,472.73



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

4. Related Party Disclosures (Continued)

Particulars	31-Mar-16	31-Mar-15
Share Premium		
Aditya Birla Financial Services Limited	64,670.00	41,027.79
Preference Share Capital		
Aditya Birla Nuvo Limited	1,000.00	-
Proceeds from Sale of Shares		
Aditya Birla Financial Services Limited	-	0.04
Sale of assets		
Birla Sun Life Insurance Company Limited	0.62	-
Aditya Birla Nuvo Limited	-	3.91
Aditya Birla Financial Shared Services Limited	-	1.03
Aditya Birla Housing Finance Limited	-	56.05
Insurance Premium Paid		
Birla Sun Life Insurance Company Limited	43.68	59.39
Payable		
Aditya Birla Nuvo Limited	0.45	-
Aditya Birla Financial Services Limited	139.31	87.65
Aditya Birla Money Insurance Advisory Services Limited	0.77	0.77
Birla Sun Life Insurance Company Limited	25.43	24.27
Aditya Birla Money Mart Limited	11.42	13.86
Aditya Birla Financial Shared Services Limited	14.69	21.25
Birla Sun Life Assets Management Company Limited	-	6.27
Aditya Birla Money Limited	2.14	4.01
Receivable		
Aditya Birla Insurance Brokers Limited	-	1.61
Aditya Birla Housing Finance Limited	28.33	52.04
Preference Share Capital Outstanding		
Aditya Birla Nuvo Limited	1,000.00	-
Madura Garments Lifestyle Retail Company Limited	-	42,500.00
Aditya Birla Financial Services Limited	17,500.00	17,500.00
Redeemable NCDS (Secured)		
Birla Sun Life Insurance Company Limited	2,500.00	3,500.00
Interest accrued on NCDs		
Birla Sun Life Insurance Company Limited	192.34	222.05
Security Deposit Receivable		
Birla Sun Life Insurance Company Limited	88.30	88.30

Notes:-

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

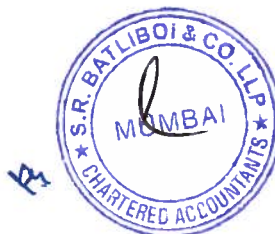
for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits

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

Amount recognized in the Balance Sheet in respect of gratuity (funded by the Company)		
	As at 31 March, 2016	As at 31 March, 2015
Present Value of Funded defined benefit obligation at the end of the year	613.57	426.54
Fair Value of Plan Assets	411.49	332.88
Net Liability/(Assets)	202.08	93.66
Amount recognized in Salary, Wages and Employee Benefits in the Statement of Profit and Loss in respect of gratuity (funded by the Company):		
Current Service Cost	121.56	88.91
Interest on Defined Benefit Obligation	43.44	33.91
Expected Return on Plan Assets	(29.99)	(23.27)
Net Actuarial (Gains) / Loss recognized during the year	67.07	(5.89)
Net Gratuity Cost	202.08	93.66
Actual Return on Plan assets	8.58	51.77
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Opening Defined Benefit Obligation	426.54	295.00
Current Service Cost	121.56	88.91
Interest Cost	43.44	33.91
Actuarial Losses/(Gain)	45.65	22.60
Liabilities assumed on acquisition/ (settled on divesture)	-	-
Benefit Paid	(23.62)	(13.88)
Closing Defined Benefit Obligation	613.57	426.54
Change in Plan Assets		
Opening Fair Value of the Plan Assets	332.88	254.23
Expected Return on Plan Assets	29.99	23.27
Actuarial Gains/(Losses)	(21.41)	28.50
Contributions by the Employer	93.65	40.76
Assets acquired on acquisition/ (distributed on divesture)	-	-
Benefit Paid	(23.62)	(13.88)
Closing Fair Value of the Plan Assets	411.49	332.88
Investment details of Plan assets		
100% of plan assets are invested with Insure Managed Funds.	-	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits (Continued)

	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012
Experience Adjustment					
Defined Benefit Obligation	613.57	426.54	295.00	233.11	155.27
Plan Assets	411.49	332.88	254.23	141.77	96.39
Surplus/(Deficit)	(202.08)	(93.66)	(40.76)	(91.35)	(58.89)
Experience Adjustment on Plan Liabilities	29.07	(26.49)	(0.68)	27.76	15.90
Experience Adjustment on Plan Assets	(21.41)	28.50	1.48	7.14	(5.59)
Principal Actuarial Assumptions at the Balance Sheet Date:-					
Discount Rate (p.a.)	7.80%	8.00%	8.90%	7.90%	8.40%
Expected Rate of return on Assets (p.a.)	7.80%	8.50%	8.50%	8.50%	8.50%

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

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

Investment in Plan Asset with Birla Sun Life Insurance Company Limited is Rs. 411.49 lakhs (31st March, 2015 Rs. 332.88 lakhs).

Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is Rs. 100.00 lakhs (31st March 2015 Rs. 50.00 lakhs).

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

Defined Benefit Plan

Particulars	31 st March 2016	31 st March 2015
Contribution to Company owned Provident Fund	72.26	78.30

The Guidance Note on implementation of AS-15, Employee Benefits (Revised 2005), issued by the ICAI states that Provident Fund set up by the employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefits plan. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Central Government.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits (Continued)

Defined Contribution Plans

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

Sr. No.	Particulars	31 st March 2016	31 st March 2015
i)	Contribution to Govt. Employees Provident Fund	189.61	143.04
ii)	Contribution to Govt. Employees Pension Fund	54.59	35.55
iii)	Contribution to Superannuation Fund	0.74	3.16
iv)	Contribution to ESIC	0.04	0.07
v)	Contribution to MLW Fund	0.01	0.01

Other Long Term Incentive Benefits:-

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

Particulars	31 st March 2016
Discount rate	7.38% per annum
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition rate	10.00 %

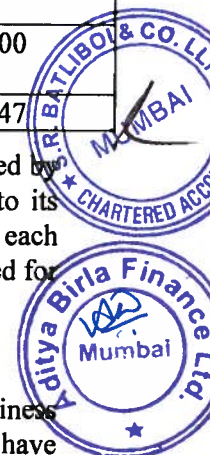
6. Details of Auditors Remuneration

Particulars	31 st March 2016	31 st March 2015
As Auditors		
For Statutory Audit (including Limited Review and ICFR)	43.00	36.00
For Tax Audit	4.00	4.00
In Other Capacity		
For Other Services (including Certificates and IND - AS)	7.50	2.00
For Reimbursement of Expenses	1.81	1.47

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

8. Segment Reporting

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

8. Segment Reporting (Continued)

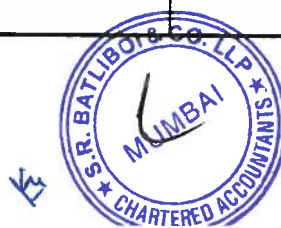
Particulars	31 st March 2016			31 st March 2015		
	Financing and Other Activities	Trading activities	Total	Financing and Other Activities	Trading activities	Total
Segment Revenue	244,060.44	4,599.99	248,660.43	174,082.31	3,962.68	178,044.99
Segment Results (Profit before tax and after interest on financing segment)	61,239.19	4,574.68	65,813.87	40,437.28	3,937.51	44,374.79
Less: Interest on trading activities	-	3,178.26	3,178.26	-	3,290.23	3,290.23
Net profit before tax	61,239.19	1,396.42	62,635.61	40,437.28	647.28	41,084.56
Less: Income taxes	-	-	21,775.50	-	-	14,016.93
Net profit after tax	-	-	40,860.11	-	-	27,067.63
Other Information						
Segment Assets	2,580,717.65	33,020.01	2,613,737.66	1,742,814.78	46,756.69	1,789,571.47
Unallocated Corporate Assets	-	-	8,517.09	-	-	6,114.42
Total Assets	2,580,717.65	33,020.01	2,622,254.75	1,742,814.78	46,756.69	1,795,685.89
Segment Liabilities	2,224,512.02	28,162.34	2,252,674.36	1,497,403.59	39,798.85	1,537,202.44
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total Liabilities	2,224,512.02	28,162.34	2,252,674.36	1,497,403.59	39,798.85	1,537,202.44
Capital expenditure	1,034.68	-	1,034.68	1,153.32	-	1,153.32
Depreciation	760.11	-	760.11	670.93	-	670.93
Other non-cash expenses	10,456.22	1.00	10,457.22	7,502.53	1.00	7,503.53

9. Expenditure in Foreign Currency:

Particulars	31 st March 2016	31 st March 2015
Business / Sales Promotion / Staff Training and Seminar	50.72	11.36

10. CSR Expenses

CSR Expenses	31 st March 2016	31 st March 2015
Gross Amount Required to be spent during the year	540.00	322.00
Amount Spent during the year		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	314.15	-



Aditya Birla Finance Limited

Notes to the Financial Statements (*Continued*)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

11. Merger

Madura Garments Lifestyle Retail Company Limited (MGLRCL), a fellow subsidiary of the Company, was amalgamated with the Company in terms of the Scheme of Amalgamation (the Scheme) under Sections 391 to 394 of the Companies Act, 1956 including corresponding provisions of the Companies Act, 2013, as approved by the Hon'ble High Court of Gujarat vide its order O/Comp/392/2015 dated December 21, 2015 with an appointed date of July 01, 2015. The Scheme was made effective by the Company upon filing of Form INC - 28 with the Registrar of Companies, Gujarat on January 25, 2016.

Both MGLRCL and the Company are wholly owned subsidiaries of Aditya Birla Nuvo Limited.

In accordance with the said Scheme, the assets, liabilities and reserves of MGLRCL have been accounted at the values at which they were appearing in the books of MGLRCL as at July 01, 2015 and the difference between the net assets (assets and liabilities) and reserves of MGLRCL transferred to the Company is shown in the general reserves of the Company. The amalgamation has been accounted for under the "Pooling of Interest method" as prescribed by "Accounting Standard 14 (AS-14) Accounting for Amalgamation" notified under Section 133 of the Companies Act 2013.

The consideration payable to the shareholders of MGLRCL in terms of the Scheme is:

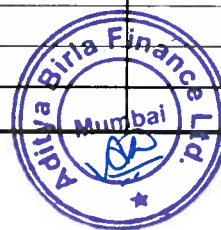
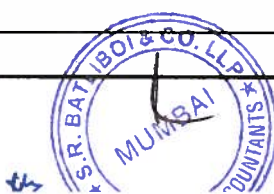
(a) 9 (Nine) equity shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up of the Company for every 32 (Thirty Two) equity shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up of MGLRCL to the equity shareholders of MGLRCL; and

(b) 1 (One) 8% Cumulative Redeemable Preference Shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up of the Company for every 1 (One) 8% Cumulative Redeemable Preference Shares of the face value of Rs.10/- (Rupees Ten Only) each fully paid-up of MGLRCL to the preference shareholder of MGLRCL.

Accordingly, the Company has issued and allotted 53,455,883 equity shares of the face value of Rs. 10/- (Rupees Ten Only) each fully paid up to the equity shareholders of MGLRCL and 10,000,000 8% Cumulative Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten Only) each fully paid up to the preference shareholders of MGLRCL.

In terms of the Scheme, the Company has acquired assets having Net Book Value of Rs. 42,586.15 Lakhs as detailed hereunder:

Particulars	Rs. in Lakhs
Investments	42,500.00
Short term Loans and Advances	86.15
Net Book Value	42,586.15



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

The difference between the net book value, after adjusting reserves of MGLRCL and the Equity and Preference shares issued to shareholders of MGLRCL is charged to General Reserve, in accordance with the Scheme, as detailed hereunder.

Particulars		Rs. in Lakhs
Net Book Value (as above)	(A)	42,586.15
Less: Deficit in Profit and Loss account considered as Profit and Loss account of the Company		(20,062.60)
Add: Securities Premium considered as Securities Premium of the Company		42,642.21
	(B)	22,579.61
Balance	(C) = (A) - (B)	20,006.54
Equity Shares issued to Shareholders of MGLRCL	(D)	5,345.59
Preference Shares issued to Shareholders of MGLRCL	(E)	1,000.00
Amount Transferred To General reserve (F) = (C) - (D) - (E)		13,660.95

The Preference Shares issued by the Company and held by MGLRCL viz. 425,000,000, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each, aggregating to Rs. 4,250,000,000/- (Rupees Four Hundred and Twenty Five Crores Only) has been cancelled and no preference shares have been issued as MGLRCL has been amalgamated with the Company pursuant to the Scheme.

Increase in Authorised Share Capital of the Company on account of merger is detailed as under:

Particulars	No. of Shares	Rs in Lakhs
Equity Shares of Rs. 10 each	270,000,000	27,000.00
8 % Cumulative Redeemable Preference Shares of Rs. 10 each	10,000,000	1,000.00

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

Particulars/Year	Opening	Purchase	Sales	Closing
Units of Mutual Funds 2015-2016 (Nos.)	Nil	294,497,071.77	294,497,071.77	Nil
2014-2015 (Nos.)	Nil	127,028,662.65	127,028,662.65	Nil
Stock of Securities 2015-2016 (Rs.)	46,756.69	691,233.35	705,977.21	33,020.01
2014-2015 (Rs.)	11,672.48	798,509.92	763,937.14	46,756.69

Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

13. Information in respect of restructured assets in accordance with RBI circular no. (RBI/2013-14/459) DNBS. CO. PD. No. 367/03.10.01/2013-14 on restructuring of advances by NBFC.

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

Sr. no.	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Total	Loss	Doubtful	Standard	Sub-Standard	Total	Loss	Total	
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss									
1	Restructured Accounts at April 1, 2015																	
	No. of borrowers	-	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	7,305.26	207.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	3,426.83	207.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year ended March 31, 2016																	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year ended March 31, 2016																	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances at April 1, 2015, which cease to attract higher provisioning and/or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at April 1, 2016																	
	No. of borrowers	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Amount outstanding	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Provision thereon	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
5	Downgradations of restructured accounts during the year ended March 31, 2016																	
	No. of borrowers	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	4,083.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	4,083.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year ended March 31, 2016																	
	No. of borrowers	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	207.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts at March 31, 2016																	
	No. of borrowers	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	2,922.07	4,083.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	2,488.50	4,083.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

(Currency: Rupees in Lakhs)

13. Information in respect of restructured assets (Continued)

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

Sr. no.	Asset Classification Details	Type of Restructuring					Others					Total									
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total										
1	Restructured Accounts at April 1, 2015																				
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year ended March 31, 2016																				
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year ended March 31, 2016																				
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances at April 1, 2015, which cease to attract higher provisioning and/or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at April 1, 2016																				
	No. of borrowers	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Amount outstanding	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Provision thereon	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Downgradations of restructured accounts during the year ended March 31, 2016																				
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year ended March 31, 2016																				
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured Accounts at March 31, 2016																				
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

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

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

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

14.2 Penalties levied if any during the year:

Nil

14.3 Investments

		(Rs.in Crores)	
Particulars		Current Year	Previous Year
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	498.91	40.69
	(b) Outside India,	-	-
	(ii) Provisions for Depreciation		
	(a) In India	7.71	0.74
	(b) Outside India,	-	-
	(iii) Net Value of Investments		
	(a) In India	491.20	39.95
	(b) Outside India,	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	0.74	0.46
	(ii) Add : Provisions made during the year	7.50	0.28
	(iii) Less : Write-off / write-back of excess provisions during the year	0.53	-
	(iv) Closing balance	7.71	0.74



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

14.4 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of P&L	(Rs.in Crores)	
	Current Year	Previous Year
Provision for depreciation on Investment	7.50	0.28
Provision towards Non Performing Assets	50.75	46.01
Provision made towards Income tax (Net of Deferred Tax)	217.75	140.17
Other Provision and Contingencies (with details)		
- Investments Written off	0.52	-
- Bad debts/Advances Written off	25.24	30.17
- Provision for Doubtful Debts (written back)	(24.46)	(30.19)
- Provision for diminution in Current Investment (written back)	(2.22)	(0.35)
- Change in Carrying Value of Current Investment	0.04	2.22
- Provision for diminution in Long Term Investment (written back)	(0.52)	-
- Provision for diminution on account of restructuring	-	-
- Provision for Premium on Investment (written back)	(3.37)	-
- General Contingency Provision	-	1.53
Provision for Standard Assets	32.72	14.21

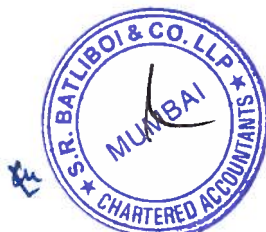
14.5 Concentration of Advances

Particulars	(Rs.in Crores)	
	As on 31 March 2016	
Total Advances to twenty largest borrowers	4,440.22	
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	17.80%	

14.6 Concentration of Exposures

Particulars	(Rs.in Crores)	
	As on 31 March 2016	
Total Exposure to twenty largest borrowers / customers*	4,440.22	
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	17.80%	

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

14.7 Concentration of NPAs

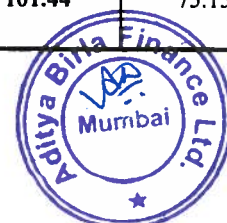
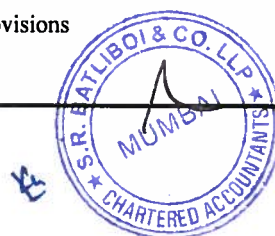
(Rs.in Crores)	
Particulars	As on 31 March 2016
Total Exposure to top four NPA accounts	106.95

14.8 Sector-wise NPAs

Sr No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	98.94%
2	MSME	0.01%
3	Corporate borrowers	0.60%
4	Services	0.01%
5	Unsecured working capital loans	0.00%
6	Auto loans	0.00%
7	Other personal loans	1.31%

14.9 Movement of NPAs

(Rs.in Crores)		
Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	0.22	0.46
(ii) Movement of NPAs (Gross)		
(a) Opening balance	152.99	147.11
(b) Additions during the year	45.22	51.97
(c) Reductions during the year	(41.04)	46.09
(d) Closing balance	157.17	152.99
(iii) Movement of Net NPAs		
(a) Opening balance	77.84	87.79
(b) Additions during the year	(5.53)	5.95
(c) Reductions during the year	(16.58)	15.90
(d) Closing balance	55.73	77.84
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	75.15	59.32
(b) Provisions made during the year	50.75	46.02
(c) Write-off / write-back of excess provisions	(24.46)	30.19
(d) Closing balance	101.44	75.15



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued) for the year ended 31st March 2016

14.10 Credit Rating

Instrument	Credit Rating Agency	Current Year	Previous Year
Commercial Paper	ICRA Limited	A1+	A1+
NCD	CARE Limited	CARE AA+	CARE AA+
	ICRA Limited	[ICRA] AA+ Stable	[ICRA] AA+ Stable
	India Ratings & Research Private Limited	IND AA+ Stable	IND AA+ Stable
Sub Debt	CARE Limited	CARE AA+	CARE AA+
	ICRA Limited	[ICRA] AA+ Stable	[ICRA] AA+ Stable
	India Ratings & Research Private Limited	IND AA+ Stable	IND AA+ Stable
Long Term Bank Loans	ICRA Limited	[ICRA] AA+ Stable	[ICRA] AA+ Stable
Short Term Bank Loans	ICRA Limited	[ICRA] A1+	[ICRA] A1+

14.11 Customer Complaints

Sr. No.	Particulars	For the year ended 31 March 2016
(a)	No. of complaints pending at the beginning of the year	-
(b)	No. of complaints received during the year	31
(c)	No. of complaints redressed during the year	28
(d)	No. of complaints pending at the end of the year	3

14.12 Disclosures pursuant to RBI Notification No. DNBR. 019/CGM (CDS) - 2015 dated April 10, 2015 are shown in note 23 (14) of notes to the financial statements only to the extent they are applicable to the Company.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31st March 2016

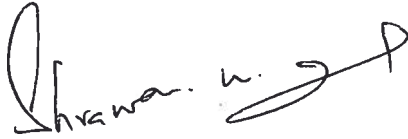
(Currency: Rupees in Lakhs)

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

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No:
301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102

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



Ajay Srinivasan

(Director)

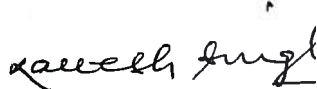
(DIN – 00121181)



B. N. Puranmalka

(Director)

(DIN – 00007432)



Rakesh Singh

(Chief Executive

Officer)



Sanjay Miranka

(Chief Financial Officer)



Sekhar Mosur

(Manager)



Ankur Shah

(Company
Secretary)

Place: Mumbai

Date: 03 May 2016



Place: Mumbai

Date: 03 May 2016