



BIG ON MILESTONES

ANNUAL REPORT 2016-17

Aditya Birla Capital Limited

PROTECTING INVESTING FINANCING ADVISING



**ADITYA BIRLA
CAPITAL**

CORPORATE INFORMATION***Board of Director(s)**

Mr. Arun Kumar Adhikari

Mr. Durga Prasad Rath

(upto 23rd June 2017)

Mrs. Pinky Mehta

*(appointed as a Whole-time Director
and CFO w.e.f 1st July 2017)*

Mr. Puranam Hayagreeva Ravikumar

Mr. Shriram Jagetiya

Mr. Subhash Chandra Bhargava

Mrs. Vijayalakshmi Rajaram Iyer

Mr. Vijay Kothari

*(upto 5th November 2016)***Key Managerial Personnel(s)**

Mr. Ajay Srinivasan

Chief Executive Officer

Mr. Anjali Makhija

Chief Financial Officer *(upto 23rd June 2017)*

Mr. Sailesh Kumar Daga

Company Secretary

Senior Management Team

Mr. A. Dhananjaya

Chief Compliance and Risk Officer

Mr. Ajay Kakar

Chief Marketing Officer

Mr. Gaurav Zutshi

Chief Digital Officer

Mr. Mukesh Malik

Chief Operating Officer

Mr. Pramo Selvaratnam

President -Business Development

Mr. Subhro Bhaduri

Chief Human Resource Officer

Statutory Auditors

S R Batliboi & Co. LLP,

14th Floor, The Ruby,

29, Senapati Bapat Marg,

Dadar (West), Mumbai - 400 028

** As on 26 June 2017***Secretarial Auditors**

BNP & Associates,

Practising Company Secretaries

DBS Heritage House,

Prescott Road, Fort,

Mumbai - 400 001

Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B,

Plot 31 and 32, Gachibowli,

Financial District,

Hyderabad - 500 008

Email Id: adityacapital@karvy.com

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Corporate Office : One Indiabulls Centre, Tower-1, 18th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg,
Elphinstone Road, Mumbai-400 013 Tel: 022 4356 7000, Fax: 022 4356 7111

Directors' Report

Dear Shareholders,

The Directors of Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) ("your Company" or "the Company" or "ABCL") are pleased to present the **Tenth** Annual Report and the Audited Financial Statements of your Company for the financial year ended 31st March 2017.

I. FINANCIAL DATA AND RELATED MATTERS:

A. Financial Performance

	(₹ in Crores)			
	Consolidated		Standalone	
Particulars	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	5,805.69	3,597.95	34.99	7.28
Other Income	80.18	71.18	0.03	0.07
Total Revenue	5,885.87	3,669.13	35.02	7.35
Total Expenses	4,809.30	2,791.67	30.11	6.09
Profit / (Loss) before Depreciation/ Amortization, Interest and Tax	1,119.74	844.61	4.91	1.25
Depreciation and Amortization	43.17	32.85	0.14	0.03
Finance Cost	10.83	8.81	0.53	-
Profit / (Loss) before Tax	1,065.74	868.65	4.24	1.23
Current Tax	380.47	372.91	-	1.81
MAT Credit	(0.36)	(0.36)	-	-
Provision for Tax of earlier years	2.00	7.17	-	0.62
Write back of excess provision for Tax	(7.52)	(35.15)	-	(0.72)
Profit / (Loss) for the year	691.15	524.08	4.24	(0.48)
Basic earnings per share	6.35	5.01	0.05	(0.01)
(Face value of ₹ 10 each)				
Diluted earnings per share	6.35	4.34	0.05	(0.01)
(Face value of ₹ 10 each)				

The above figures are extracted from the standalone and consolidated financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 129(3) of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

B. Implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS)

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February 2015.

Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged

with International Financial Reporting Standards (IFRS). The accounts of the Company are consolidated by Aditya Birla Nuvo Limited (ABNL) the Holding Company. As Indian Accounting Standards (IND AS) is applicable to ABNL, the Company has also prepared its accounts under IND AS.

As IND AS will be applicable to the Company from April 1, 2018, the financial statements for the year under review has been prepared as per Indian Generally Accepted Accounting Principles (IGAAP).

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its Subsidiaries, prepared in accordance with the Companies Act, 2013 and applicable Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report. The consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies, Associates and Joint Ventures.

The Financial Statements as stated above are also available on the website of the Company and can be accessed at the Web-Link: <http://adityabirlacapital.com/Pages/Investors/FinReports.aspx>

C. Statement containing salient features of financial statements of subsidiaries

A report on the performance and financial position of each of its subsidiaries, associates as per the Section 129(3) of the Companies Act, 2013 ("Act") and the Rules made thereunder is provided in the prescribed form **AOC 1** as per **Annexure I**.

D. Review of Operations

Aditya Birla Capital Limited is registered with the Reserve Bank of India (RBI) as a Non Deposit taking Systemically Important Core Investment Company ("**CIC-ND-SI**"). ABCL is primarily a holding company, holding investment in its Subsidiaries, Joint Ventures & Associates and carries out such activities, as are permitted under the directions issued by the RBI for Core Investment Companies. It has a significant presence across several business sectors including NBFC, asset management, life insurance, health insurance and wellness, housing finance, private equity, general insurance broking, wealth management, broking, online personal finance management, and pension fund management. The Company has recently applied to RBI for seeking license to start asset reconstruction and securitisation business.

The Company's businesses are spread across the gamut of financial services in India, and include entities among the top five largest private diversified NBFCs in India based on AUM as of 31 March 2017 (source: CRISIL), the 4th largest asset management company in India by domestic AAUM as published by AMFI for the quarter ended March 2017, a leading private life insurance company in India and among the top five general insurance brokers in India.

Across our 12 lines of business, the Company manages assets worth ₹ 24,630 Crores and has over 12,000 employees as of 31 March 2017. It has a presence in more than 400 cities in India through over 1,300 points of presence and over 142,000 agents and channel partners. Our AUM (across our asset management and insurance businesses) has grown from ₹ 10,740 Crores in fiscal year 2013 to ₹ 24,630 Crores in fiscal year 2017, while our lending book has grown from ₹ 800 Crores to ₹ 3,880 Crores over the same period. With consolidated revenue of ₹ 588.6 Crores and profits before tax of ₹ 106.6 Crores for the year ended 31 March 2017, the Company has emerged as a significant player in the financial services business among non-bank players.

The Company had a net worth of ₹ 4,610.9 Crores and debt of ₹ 493.0 Crores as on March 31, 2017 and has deployed ₹ 5,054.0 Crores as investment in its Subsidiaries and private equity fund. During the year ended March 31, 2017, the Company received capital infusion of ₹ 2,948.0 Crores from its holding company and raised debt of ₹ 493.0 Crores to meet its capital requirement for investment in subsidiary companies and redemption of preference shares.

Upon consummation of the Scheme, the Company will be a subsidiary of Grasim Industries Limited (a part of Aditya Birla Group), a Company having a leadership position across its manufacturing as well as services sector businesses.

E. Reserves

In view of carried forward losses, the Company has not transferred any amount to the General Reserve.

F. Dividend

In view of carried forward losses, your Directors do not recommend any dividend for the year under review.

G. Related Party Transactions

During the financial year under review, your Company entered into related party transactions which were on arms' length basis and in the ordinary course of business. There were no material transactions with any related party as defined under Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions have been approved by the Audit Committee of the Board of Directors of your Company and are being reviewed by them on periodic basis.

The details of contracts and arrangement with related parties of your Company for the financial year ended 31 March 2017 is given in Note No. 31 to the financial statements.

H. Conservation of Energy & Technology Absorption

The Company has no particulars to report as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption considering the nature of activities undertaken by the Company during the year under review.

I. Foreign Exchange earnings and expenditure during the year:

There were no foreign exchange during the year. The foreign exchange outgo was ₹ 1,66,55,846/-.

J. Material Changes and Commitment affecting Financial Position of the Company

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31 March 2017 and the date of the Directors' report.

K. Internal Financial Controls

The Company has in place adequate Internal Financial Controls commensurate with the size, scale and complexity of its operations to ensure the orderly and efficient conduct of its business. Your company has documented standard operating procedure (SOP), Risk Control Mechanism (RCM) and Entity Level Controls (ELC) of the Company.

L. Statutory Auditors, their Report and Notes to Financial Statements

As per the provisions of the Companies Act, 2013 ("the Act") the period of office of M/s. S R Batliboi & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 301003E) Statutory Auditors of the Company, is expiring at the conclusion of ensuing Annual General Meeting.

It is proposed to appoint M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No.:117366W/W-100018, LLP Identification No: AAB-8737) as Statutory Auditors of the Company for a term of 5 years i.e. from the date of ensuing Annual General Meeting till the conclusion of Fifteenth Annual

General Meeting of the Company. M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants have given their consent in writing and have furnished a certificate to the effect that their appointment, if made, would be in accordance with the provisions of Section 139(1) of the Act and that they meet with the criteria prescribed under Section 141 of the Act, for holding the office, as Statutory Auditors of the Company. Your Directors recommend their appointment at the ensuing Annual General Meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial ended 31 March 2017.

II. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND BUSINESS OUTLOOK

A. Key Highlights

- The Board of Directors at its Meeting held on 11 August 2016 approved a Composite Scheme of Arrangement (SoA) between Aditya Birla Nuvo Limited (ABNL) and Grasim Industries Limited (Grasim) and the Company and their respective shareholders and creditors.
- Subsequently, during the year under review and as on the date of this report, the following events occurred with respect to Scheme of Arrangement (SoA):
 - ❖ Approval received from Competition Commission of India (CCI)
 - ❖ Reserve Bank of India (RBI) approval for purchase of shares of Birla Sun Life Insurance Company Limited and prior approval for change in control of the Company from Aditya Birla Nuvo Limited to Grasim Industries Limited.
 - ❖ The Scheme has been sanctioned by the Hon'ble NCLT on 1 June 2017.
 - ❖ The ABNL Amalgamation Committee and Merger Committee of Aditya Birla Nuvo Limited and Grasim Industries Limited had fixed 1 July 2017 as the Effective Date-1 for the effectiveness of Part II of the SoA.
 - ❖ Grasim Industries Limited fixed the record date-1 for the effectiveness of Part II of the Scheme as 6 July 2017 and the Board

and Grasim Industries Limited fixed 4 July 2017 as the Effective Date-2 for the effectiveness of Part III of the Scheme and 20 July 2017 as the Record Date-2 for the effectiveness of Part III of the Scheme.

- The Company on 23 March 2017, acquired 969,616,080 Equity shares of Birla Sun Life Insurance Company Limited (BSLI) constituting 51% of the issued and subscribed share capital of BSLI, from Aditya Birla Nuvo Limited (ABNL), the Company's Holding Company. Subsequently, Birla Sun Life Insurance Company Limited (BSLI) has become subsidiary of the Company effective from 23 March 2017.
- The Credit Rating agency ICRA Limited has assigned the rating of "[ICRA]A1+" for the Company's ₹ 500 Crores Commercial Paper Programme. The Company has an outstanding of ₹ 492.97 Crores as on 31 March 2017 raised debt capital through issue of Commercial Paper.
- The Company has incorporated a new subsidiary Company in the name of Aditya Birla Wellness Private Limited (ABWPL) on 23 June 2016 by subscribing to its Memorandum of Association. The Company holds 51% shares in ABWPL.
- The Company has incorporated a wholly owned Subsidiary Company in the name of Aditya Birla ARC Limited (ABARCL) on 10 March 2017.
- Birla Sun Life Asset Management Company Limited (BSLAMCL), a subsidiary Company) through Aditya Birla Sun Life AMC Pte Ltd., Singapore (wholly owned subsidiary Company of BSLAMCL) incorporated 2 new Companies in the name of Global Clean Energy Fund SPC, Cayman Islands (Formerly known as Global Clean Energy Fund) and New Horizon Fund - SPC, Cayman Islands which became a step down subsidiary of the Company with effect from 1 April 2016 and 28 April 2017 respectively.
- The Company has received maiden Interim Dividend from Birla Sun Life Asset Management Company Limited-Subsidiary Company, amounting ₹ 25.50 Crores during the year under review.
- The Company has a net worth of ₹ 4,610.90 Crores as on 31 March 2017 and has deployed ₹ 5,053.97 Crores as investment in its subsidiaries, joint ventures and associates and Private Equity Fund.

- A Scheme of Arrangement between Aditya Birla Money Mart Limited (ABMML) and Aditya Birla Finance Limited (ABFL) (Subsidiary Companies) was approved by the Hon'ble Gujarat High Court. ABFL and ABMML filed the certified copies of the Scheme and Order of the Gujarat High Court with the Registrar of Companies on 31 December 2016 being the effective date. As per the Scheme of Arrangement, the Wealth Management undertaking of ABMML stands transferred to and vested in ABFL on a going concern basis effective from 31 December 2016, Appointed Date being 1 April 2016.
- The name of the Company was changed from Aditya Birla Financial Services Limited to Aditya Birla Capital Limited effective from 21 June 2017.

Key Subsidiaries

Aditya Birla Finance Limited (Non Banking Financial Company) (ABFL)

- Aditya Birla Finance Limited ("ABFL") is among the leading well-diversified financial services company in India offering end-to-end lending, financing and wealth management solutions to a diversified range of customers across the country. ABFL is registered with RBI as a systemically important non-deposit accepting non-banking finance company ("NBFC") and ranks among the top five largest private diversified NBFCs in India based on AUM as of 31 March 2017 (source: CRISIL).
- ABFL caters to the varied needs of diverse set of customers ranging across retail, HNI, ultra HNI, micro enterprises, SME, mid and large corporates. ABFL offers customized solutions in areas of personal and business loans, corporate finance, mortgages, capital market based lending, project loans, structured finance, wealth management and digital lending, debt capital markets and syndication.
- The lending book of ABFL grew year on year by 35% to reach ₹ 34,703 Crores mark as on 31 March 2017.
- Driven by strong growth in lending book and fee based income, revenue from operations rose from ₹ 2,463 Crores in FY16 to ₹ 3,425 Crores in FY17, an increase of 39% and its earnings before tax increased from ₹ 626 Crores to ₹ 832 Crores an increase of 33%.
- The credit environment continued to be challenging during the year. With diversified portfolio, strong credit appraisal and risk

management practices ABFL had been able to maintain healthy loan book. As on 31 March 2017, Gross NPA ratio stood at 0.47% (Previous Year: 0.63%) and Net NPA ratio at 0.21% (Previous Year: 0.22%).

- ABFL received capital infusion of ₹ 700 Crores during the year (Previous year ₹ 702 Crores). ABFL's net worth expanded year-on-year by 35% from ₹ 3,696 Crores to ₹ 4,991 Crores led by capital infusion and internal accruals.

Aditya Birla Housing Finance Limited (Housing Finance) (ABHFL)

- Aditya Birla Housing Finance Limited ("ABHFL"), is a fast growing housing finance company ("HFC") in India. ABHFL commenced operations in the housing finance sector in October 2014 and significantly expanded its business by expanding its footprint to 40 branches and over 1,700 channel partners, as on March 2017.
- ABHFL is registered with the NHB as a systemically important non deposit accepting housing finance company. ABHFL aims to enhance its focus on tie-ups with developers and builders, along with achieving the right balance of sourcing and product mix and increasing its penetration by cross selling and up-selling.
- In FY17, the book size has grown by 110% to ₹ 4,136 Crores from ₹ 1,973 Crores a year ago. Driven by strong growth in lending book, revenue from operations grew from ₹ 101 Crores to ₹ 315 Crores in FY17.
- ABHFL received capital infusion of ₹ 178 Crores during the year (Previous year ₹ 189 Crores). ABHFL's net worth expanded year-on-year from ₹ 205 Crores to ₹ 367 Crores led by capital infusion. The business is growing at a rapid pace and would require further capital for future growth.

Birla Sun Life Asset Management Company Ltd. (BSLAMCL)

- Birla Sun Life Asset Management Company Limited ("BSLAMC") is the 4th largest asset management company in India by domestic average assets under management ("AAUM") as published by AMFI for the quarter ended March 2017, with a market share of 10.67% of domestic AAUM. BSLAMC is one of the leading providers of asset management services in India and manages the investment portfolios of Birla Sun Life Mutual Fund.

- Mutual fund industry Average AUM (AAUM) for the quarter ended 31 March 2017 grew year-on-year by 35.2% to reach its highest ever ₹ 18.3 trillion mark. Equity assets grew by 39.7% to ₹ 5.9 trillion, Debt assets grew by 38.4% to ₹ 8.4 trillion and Liquid assets by 23.5% to ₹ 4.0 trillion. [Source: Association of Mutual Funds in India ("AMFI"), www.amfiindia.com].
- BSLAMC domestic Average AUM (AAUM) for the quarter ended 31 March 2017, surged year-on-year by 43% to reach ₹ 1,95,049 Crores. Its domestic Equity AAUM surged y-o-y by 57% to ₹ 49,914 Crores. Its equity ranking improved to number 4 with market share improving from 7.6% to 8.5%.
- With a far reaching network of 145 branches and other distribution channels, a wide range of product offerings across equity, debt, balanced as well as structured asset classes and consistent investment performance, BSLAMC has over 3.9 million investor folios as of 31 March 2017.
- Led by strong growth in assets under management, BSLAMC consolidated revenue is up by 27% from ₹ 765 Crores to ₹ 969 Crores in FY17. Earnings before tax rose by 7.3% from ₹ 314 Crores to ₹ 337 Crores in FY17 due to higher equity inflows, penetration into B15 markets through Market Representatives and higher share of SIPs increasing persistency at low costs. The MF industry is moving towards trail commission which would see higher commission outflows in future years.

Aditya Birla Insurance Brokers Limited (ABIBL)

- Aditya Birla Insurance Brokers Limited ("ABIBL") is a leading composite insurance broker (non-life and re-insurance) registered and regulated by the Insurance Regulatory and Development Authority of India ("IRDAI").
- ABIBL is in the business of insurance broking and risk advisory services in non-life and reinsurance business. It specializes in providing insurance broking and risk management solutions for companies and individuals. ABIBL also offers re-insurance solutions to insurance companies and has developed strong relations with Indian as well as global insurers operating in India, South Asia, Middle East and South East Asia.
- In FY17, ABIBL's premium placement rose y-o-y by 59% to ₹ 2,580 Crores while non life

industry premium without crop insurance in India grew by 18%. Its market share in non-life industry increased to 2.02% (Previous Year 1.68%).

- ABIBL's earnings before tax grew by 19% from ₹ 32.86 Crores in FY16 to ₹ 38.52 Crores in FY17.

Aditya Birla Capital Advisors Private Limited (Private Equity) (ABCAPL)

- ABCAP provides financial advisory and management services with focus on managing venture capital funds and alternate investment funds. ABCAP is presently appointed as an investment manager to two SEBI registered domestic venture capital funds, namely, Aditya Birla Private Equity - Fund I and Aditya Birla Private Equity – Sunrise Fund, It currently manages gross AUM of ₹ 1179 Crores under these two funds.
- In addition, ABCAP offers investment management and advisory services as Aditya Birla Private Equity ("ABPE") to domestic and global investors and partners with its portfolio companies to provide them strategic direction for their operations and growth. ABPE focuses on growth investments in mid-market companies, with India as the investment destination.
- ABCAP seeks to tap the broader alternative funds market through a variety of products such as buy out funds and mezzanine funds in the future.
- During 2016-17, ABCAPL reported revenue of ₹ 17 Crores and posted net profit of ₹ 1.6 Crores.

Aditya Birla Money Limited (Equity & Commodity Broking) (ABML)

- Aditya Birla Money Limited ("ABML"), incorporated in 1995, is a listed company. Its shares are listed on the BSE and NSE. ABML is currently engaged in the business of securities broking and is registered as a stock broker with SEBI. It is a member of the BSE and NSE and offers equity and derivatives trading through NSE and BSE. It holds license from SEBI and offers portfolio management services. ABML is also registered as a depository participant with National Securities Depository Limited ("NSDL") and the Central Depository Services Limited ("CDSL"). It also holds SEBI license as a research analyst and ARN code issued by AMFI.

Aditya Birla Capital Limited

(Formerly known as Aditya Birla Financial Services Limited)
CIN: U67120GJ2007PLC058890
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- It offers a wide range of solutions including broking, portfolio management services, depository and e-insurance repository solutions and distribution of other financial products. It has a combined pan India distribution network with 40 plus branch offices and 700 plus franchisee offices.
- It also has a robust online and offline model with a strong technological backbone to support a large registered customer base of over 300,000 customers.
- Consolidated revenue from operations of ABML improved marginally to ₹ 125 Crores (previous year: ₹ 119 Crores).
- Net profit doubled to ₹ 8 Crores against ₹ 4 Crores in previous year due to 32% increase in margin book, new franchisee acquisition, increase in dealer productivity and revamped web trading platform.

Aditya Birla MyUniverse Limited (Formerly known as Aditya Birla Customer Services Limited) (Online Money Management) (ABMUL)

- Aditya Birla MyUniverse Limited ("ABMUL") was incorporated in 2008 and ventured into the personal finance management space in 2012 through its online money management platform www.MyUniverse.co.in ("MyUniverse"). It offers its customers account aggregation of all financial services products including bank accounts, credit cards, loans, mutual funds, demat accounts, insurance, incomes and expenses in a highly secure environment.
- MyUniverse provides the customers with a single window view of their personal financial universe thereby helping them in evaluation of their net worth. It also seeks to assist its customers with money management through a wide range of personal finance services such as expense tracking, setting budgets, transactions tracking, registration for payment of bills and online tax filing services, through third party service providers.
- It is a rapidly growing platform and now has over 3.76 million registered customers with around 8% to 15% of them using the aggregation services.
- MyUniverse works with over 45 financial institutions and offers their services and products.

- During 2016-17, ABMUL reported revenue of ₹. 11.44 Crores and posted net loss of ₹ 57.71 Crores.

Aditya Birla Health Insurance Co. Limited (ABHICL) (Health Insurance)

- ABHICL is a 51:49 Venture between MMI Strategic Investments (Pty) Limited, South Africa and Aditya Birla Capital Limited.
- ABHICL's multi-channel distribution strategy drives scale and comprises of agency, Bancassurance, brokers, digital and online tele-assisted channels and all such channels are active. As at 31 March 2017, agency roll out was achieved in seven cities and nine branches with around 1,800 agents and ABHICL has partnered with four banks including HDFC Bank. ABHICL also has over 50 brokers.
- ABHICL is a 51:49 Venture between MMI Strategic Investments (Pty) Limited, South Africa and Aditya Birla Capital Limited.
- ABHICL commenced business operation from Q3 FY17 and Gross premium of 54 Crores and net loss of ₹ 87 Crores.

B. Change in nature of business

During the year under review, there has been no change in the nature of business of the Company.

C. Significant and material orders passed by the Regulators or Courts or Tribunals

Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective Shareholders and Creditors.

The Board of Directors at its Meeting held on 11 August 2016 approved the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and the Company and their respective shareholders and creditors. The Scheme proposed that Aditya Birla Nuvo Limited- shall merge with Grasim Industries Limited (Grasim or the Transferee Company) and upon the merger becoming effective, the financial services business of amalgamated Grasim shall be demerged into the Company (the Resulting Company) and ABCL shall issue shares to the Shareholders of amalgamated Grasim as per the share entitlement ratio as per the Scheme. Consequently, ABCL shall be

listed in accordance with the draft Composite Scheme of Arrangement under Sections 391 – 394 and other relevant provisions of the Companies Act, 1956 (including those of the Companies Act, 2013 as are notified and applicable from time to time, and collectively, the "Act") ("the Scheme").

Subsequent to the approval of the Board of Directors the following actions were taken:

- The draft Scheme of Arrangement (SoA) was filed by Aditya Birla Nuvo Limited with the Stock Exchanges on 17 August 2016 and no adverse observations/no objection letters dated 16 November 2016 were received from BSE Limited and National Stock Exchange of India Limited to Aditya Birla Nuvo Limited and Grasim Industries Limited.
- The SoA was filed with the Competition Commission of India (CCI) on 8 September 2016 and thereafter, the CCI vide its Letter dated 7 December 2016 approved the SoA. The Certified copy of order was received from Competition Commission of India vide its letter No.: Comb Reg. No.: C-2016/09/429/2340 dated 20 January 2017 bearing registration no. C-2016/09/429.
- Application for prior approval was filed with the Reserve Bank of India (RBI) for purchase of shares of Birla Sun Life Insurance Company Limited (BSLI) on 8 October 2016 and the RBI vide its letter dated 14 March 2017 approved the application. Pursuant to the receipt of the approval by the RBI, the Company purchased 51% of Equity Shares of BSLI from Aditya Birla Nuvo Limited on 23 March 2017, thereby becoming its Holding Company.
- Application for prior approval of Reserve Bank of India (RBI), for change in the shareholder of the Company from Aditya Birla Nuvo Limited to Grasim Industries Limited pursuant to the Composite scheme of arrangement (SoA) was filed on 12 January 2017, as per requirement of Core Investment Company (Reserve Bank) Directions, 2016 and the RBI vide its letter dated 14 March 2017 granted the prior approval.
- Application in National Company Law Tribunal (NCLT) was filed on 16 January 2017 for dispensation of Meeting of Equity Shareholders/Preference Shareholders and creditors and approval of the Scheme. The National Company Law Tribunal, Bench at Ahmedabad thereafter passed the Final order

vide its Order CA(CAA) No. 3/230-232/NCLT/AHM/2017 on 6 February 2017 and as rectified vide order dated 14 February 2017.

- The Company vide NCLT's order convened the Meeting(s) of Equity Shareholders on 10 April 2017 at 10.00 a.m. at the registered office of the Company and subsequently, the Equity Shareholders of the Company approved the SoA at its Meeting held on 10 April 2017. No Meeting of Preference Shareholders was convened on 10 April 2017, as the Number of Preference Shareholders as on the date of Meeting was Nil. The Notice of Extraordinary General Meeting to Equity Shareholders of the Company was sent on 7 March 2017.
- The Scheme has been approved by NCLT on 1 June 2017.
- The Committee of the Board of Directors of Grasim and ABCL have decided to make the demerger of financial services business of Grasim in ABCL effective on 4 July 2017.

Note: No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

D. Share Capital

Alteration in Memorandum and Articles of Association of the Company

a) Equity Share Capital

During the year under review the Company has allotted the following Equity Shares:

Date of Allotment	No. of Shares	Face Value	Premium	Issue Price	Total Amount (incl. premium)	Type of Allotment
3-Jun-2016	2,00,00,000	10	90	100	200,00,00,000	Rights basis
2-Mar-2017	38,25,80,000	10	60	70	2,678,06,00,000	Rights basis
Total	40,25,80,000				2,878,06,00,000	

During the year under review the Company has converted the following Preference Shares into Equity Shares:

Date of Allotment	No. of Preference Shares	No. of Equity Shares	Face Value	Premium	Issue Price	Total Amount (incl. premium)	Type of Allotment
22-Dec-2016	2,95,00,000	29,50,000	10	90	100	29,50,00,000	Conversion into Equity Shares
16-Feb-2017	2,70,00,000	27,00,000	10	90	100	27,00,00,000	Conversion into Equity Shares
16-Feb-2017	28,00,00,000	2,80,00,000	10	90	100	280,00,00,000	Conversion into Equity Shares
Total	33,65,00,000	3,36,50,000				336,50,00,000	

- During the year under review, for augmenting the Company's financial resources and strengthening its capital structure in line with the Company's intended activities, the Company reclassified its Authorised Share Capital to ₹ 4000,00,00,000 (Rupees Four Thousand Crores Only) divided into 220,00,00,000 (Two Hundred Twenty Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) and 180,00,00,000 (One Hundred Eighty Crores) Preference Shares of ₹ 10/- (Rupees Ten Only) each by obtaining Shareholders' consent at the Extra-Ordinary General Meeting held on 20 February 2017.
- Further, the Company reclassified its Authorised Share Capital to ₹ 4000,00,00,000 (Rupees Four Thousand Crores Only) divided into 400,00,00,000 (Four Hundred Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each by obtaining Shareholders' consent at the Extra-Ordinary General Meeting held on 12 June 2017.
- Consequent to the reclassification in the Authorised Share Capital of the Company, Clause V(a) of the Memorandum of Association was altered so as to reflect the reclassification in the Authorised Share Capital.

b) Preference Share Capital (Partly paid up share):

During the year under review, the partly paid up 20,00,00,000 - 6%- Non-Convertible Non Cumulative Redeemable Preference Shares with a face value of ₹ 10/- each allotted to Aditya Birla Nuvo Limited on 30 March 2016, became fully paid up on 30 May 2016.

Conversion:

During the year under review, the Company has converted 33,65,00,000 -0.01% - Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each into 3,36,50,000 Equity Shares of ₹ 10/- each at an issue price of ₹ 100/- (including ₹ 90/- premium) as per the terms and conditions of the CCPS.

Further, out of 33,65,00,000 -0.01% - Non-Cumulative Compulsorily Convertible Preference Shares (CCPS), the Company received a request from its Preference Shareholder for early conversion of 28,00,00,000 - 0.01% - Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each. The Company on approval of the Board of Directors and the Equity Shareholder/Preference Shareholder, converted the above Shares into 2,80,00,000 Equity Shares of ₹ 10/- (Rupees Ten only) each at a premium of ₹ 90/- (Rupees Ninety Only) per share, aggregating to ₹ 28,00,00,000/- (Rupees Twenty Eight Crores Only) on 16 February 2017, at an early date.

Redemption:

At the request received from its Preference Shareholder for early redemption of 1,47,11,10,000 - 6%- Non-Convertible Non Cumulative Redeemable Preference Shares with a face value of ₹ 10/- each, the Company on approval of the Board of Directors and the Equity Shareholder/Preference Shareholder, redeemed the above Shares on 2 March 2017, as per the terms and conditions stipulated at the time of allotment.

E. Issue of Equity shares with differential voting rights:

During the financial year, the Company has not issued equity shares with differential rights.

F. Loans given, investment made, guarantees given or security provided under Section 186 of the Companies Act, 2013:

The particulars of the loans, guarantees and investments covered under provisions of the Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in the Note no. 11, 12 and 13 of the financial statements.

G. Public Deposits

Your Company has not accepted any fixed deposits during the financial year ended 31 March 2017 from the public in accordance with the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014. There was no unclaimed deposit and interest accrued as on 31 March 2017.

H. Extract of Annual Return

The extract of annual return for the financial year ended 31 March 2017 in Form MGT-9 is attached as per **Annexure III**.

I. Particulars of Employees

The particular of employees of the Company as required under the provisions of Section 197 of the Companies Act 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is mentioned in **Annexure II**.

J. Holding and Subsidiaries

Aditya Birla Nuvo Limited is the Holding Company of the Company.

As on the date of this report and during the financial year ended 31 March 2017, the following Companies became Subsidiary of the Company:

1. Global Clean Energy Fund SPC (Formerly known as Gobal Clean Energy Fund) became a subsidiary of the Company from 1 April 2016;
2. Aditya Birla Wellness Private Limited (ABWPL) became a subsidiary of the Company from 23 June 2016;
3. Aditya Birla ARC Limited, became a subsidiary of the Company with effect from 10 March 2017;
4. Birla Sun Life Insurance Company Limited (BSLI) became a subsidiary of the Company with effect from 23 March 2017; and
5. New Horizon Fund - SPC, Cayman Islands became a subsidiary of the Company from 28 April 2017.

K. Management Discussion and Analysis

The year under review was a year of surprises for Global financial markets. Global growth moved to 3.1% (according to the World Bank) in 2016 and is expected to rise to 3.5% in 2017 and 3.6% in 2018. The recovery in the US is the prime driver for this growth improvement for now. Also, stable commodity prices are expected to keep growth in Emerging Markets fairly reasonable. The World Bank expects Advanced Economies to grow @ 2.0% (up from 1.7% in 2016) and the Emerging and developing economies are expected to grow @ 4.5% in 2017, up from 4.1% in 2016. Overall therefore, global growth is expected to pick up.

With inflation in Advanced economies set to rise to 2% (as per the World Bank's estimate) from 0.8% in 2016, 2017 would be keenly watched by global financial markets to see what trajectory would Fed rates follow, post the first hike already seen in Mar 2017. In the absence of any meaningful tail winds to commodity prices, any spike in global inflation is less likely.

In the backdrop of ongoing uncertainty, financial markets are expected to be on their toes all throughout.

On the Indian macroeconomic front, FY17 started on a good note with various economic activity indicators slowly recovering and normal monsoon after 2 years of bad monsoon adding to the momentum. This was followed by a brief period of volatility as news around BREXIT led to market uncertainty. Soon, markets got over this, the legislation of inflation targeting framework and creation of the monetary policy committee offered some direction to markets. The run up to the festive season saw improved sentiments in the backdrop of overall macroeconomic stability. Increased activity around the reform agenda, passing of Goods and Services Tax (GST) bill paints a good outlook. The demonetization exercise placed a temporary kink in an otherwise smooth recovery process. But the outcome of this exercise will be a cleaner economy, better tax compliance, a change in attitude towards cash transactions and reduced corruption.

FY17 is expected to close with a Gross value added (GVA) growth of 6.7% yoy down from 7.8% yoy in FY16. Inflation remained well under control, over achieving RBI's target of 5.0% by averaging at 4.5% for FY17 down from 4.9% in FY16.

The natural by product of the demonetization exercise was a flush of deposits into the banking system. This liquidity surplus with banks enabled monetary policy transmission significantly as banks cut their Marginal Cost of funds based Lending Rates (MCLR) by about 90 bps post this move. But credit off take continued to remain muted. FY17 saw average credit growth of 7% yoy down from 9% yoy in FY16.

While the reliance on banks as a provider of funds took a bit of a hit, non-bank sources took the lead by disbursing ~62% of the overall flow of funds to the commercial sector. External fund flows, especially in the form of Foreign Direct Investment (FDI) played an important role in this, as gross FDI inflows for FY17 stood at ~ USD 60 bn, up from ~ USD 55 bn in FY16. In fact, post the state election results, a new found interest from Foreign Portfolio Investments (FPI) has added to the currency strength basis which INR has already appreciated by ~5% since the beginning of 2017.

Growth prospects for FY18 seem to be improving and inflation looks contained. While the government is all set to go ahead with GST, FII's are looking at India positively and there is increased thrust on financial inclusion that has encouraged retail participation in the financial services industry especially in the non-bank space. Overall, this bodes well for the Financial Service industry.

III. CORPORATE GOVERNANCE AND SECRETARIAL MATTERS:

A. Corporate Governance Report

Your Directors reaffirm their commitment to the corporate governance standards to the extent they are applicable to the Company. However, the requirement of making a Corporate Governance Report is not applicable to the Company.

B. Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy. During the year under review, the Board of Directors met 7 (Seven) times.

The Meetings were held on 19 April 2016, 11 May 2016, 29 July 2016, 3 August 2016, 11 August 2016, 8 November 2016 and 8 February 2017.

The Composition, attendance and sitting fees for the financial year ended 31 March 2017 are as follows:

Name of Director(s)	Category	No. of Meeting(s)		Sitting Fees paid (in ₹)
		Held	Attended	
Mr. Subhash Chandra Bhargava*	Independent Director	2	2	1,00,000
Mr. Durga Prasad Rathi	Independent Director	7	6	3,00,000
Mr. Vijay Kothari#	Independent Director	5	5	2,50,000
Mr. Shriram Jagetiya	Non-Executive Director	7	6	Nil
Mrs. Pinky Mehta	Non-Executive Director	7	6	Nil

* Mr. Subhash Chandra Bhargava was appointed as an Additional (Independent) Director with effect from 1 September 2016.

Mr. Vijay Kothari ceased to be a Director of the Company with effect from 5 November 2016, due to his untimely demise.

C. Committees of Board

Audit Committee

During the financial year ended 31 March 2017, the Board of Directors of the Audit Committee of your Company comprised of Mr. Durga Prasad Rathi (Independent Director), Mr. Vijay Kothari (Independent Director) and Mr. Shriram Jagetiya (Non-Executive Director). However, Mr. Vijay Kothari- Independent Director of the Company left for heavenly abode on 5 November 2016 and thereafter, the Company

reconstituted its Audit Committee comprising of Mr. Durga Prasad Rathi (Independent Director), Mr. Subhash Chandra Bhargava (Independent Director) and Mr. Shriram Jagetiya (Non-Executive Director). Mr. Durga Prasad Rathi was the Chairman of the Audit Committee.

During the year, the Audit Committee met 5 (Five) times. The Meeting(s) were held on 11 May 2016, 3 August 2016, 11 August 2016, 8 November 2016 and 8 February 2017.

The composition, attendance and sitting fees paid for the Financial year ended 31 March 2017 are as follows:-

Name of Member(s)	Category	No. of Meeting(s)		Sitting Fees paid (in ₹)
		Held	Attended	
Mr. Subhash Chandra Bhargava*	Independent Director	1	1	25,000
Mr. Durga Prasad Rathi	Independent Director	5	4	1,00,000
Mr. Vijay Kothari#	Independent Director	3	3	75,000
Mr. Shriram Jagetiya	Non-Executive Director	5	4	Nil

* Mr. Subhash Chandra Bhargava was appointed as an Additional (Independent) Director with effect from 1 September 2016.

Mr. Vijay Kothari ceased to be a Director of the Company with effect from 5 November 2016, due to his untimely demise.

During the year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company. The Committee has also reviewed the procedures laid down by your Company for assessing and managing the risks.

During the year under review, all recommendations made by the Audit Committee were accepted by the Board.

As on the date of this report and after the financial year ended 31 March 2017, Mr. Durga Prasad Rathi- Chairman of the Audit Committee tendered his resignation with effect from 23 June 2017. Thereafter, the Company reconstituted its Audit Committee comprising of Mrs. Vijayalakshmi Iyer (Independent Director), Mr. Puranam Hayagreeva Ravikumar (Independent Director) and Mr. Shriram

Jagetiya (Non-Executive Director). Mrs. Vijayalakshmi Iyer is the Chairperson of the Committee.

Nomination and Remuneration Committee

During the financial year 31 March 2017, the Nomination and Remuneration Committee of your Company comprised of Mr. Durga Prasad Rathi (Independent Director), Mr. Vijay Kothari (Independent Director) and Mr. Shriram Jagetiya (Non-Executive Director). However, Mr. Vijay Kothari- Independent Director of the Company left for heavenly abode on

5 November 2016. Thereafter, the Company reconstituted its Nomination and Remuneration Committee comprising of Mr. Durga Prasad Rathi (Independent Director), Mr. Subhash Chandra Bhargava (Independent Director) and Mr. Shriram Jagetiya (Non-Executive Director). Mr. Durga Prasad Rathi was the Chairman of the Nomination and Remuneration Committee.

During the year, the Nomination and Remuneration Committee met 3 (Three) times. The Meeting were held on 19 April 2016, 3 August 2016 and 8 February 2017.

The composition, attendance and sitting fees paid for the Financial year ended 31 March 2017 are as follows:-

Name of Member(s)	Category	No. of Meeting(s)		Sitting Fees paid (in ₹)
		Held	Attended	
Mr. Subhash Chandra Bhargava*	Independent Director	1	1	20,000
Mr. Durga Prasad Rathi	Independent Director	3	3	60,000
Mr. Vijay Kothari#	Independent Director	2	2	40,000
Mr. Shriram Jagetiya	Non-Executive Director	3	2	Nil

* Mr. Subhash Chandra Bhargava was appointed as an Additional (Independent) Director with effect from 1 September 2016.

Mr. Vijay Kothari ceased to be a Director of the Company with effect from 5 November 2016, due to his untimely demise.

As on the date of this report and after the financial year ended 31 March 2017, the Company changed the nomenclature of Nomination and Remuneration Committee to Nomination, Remuneration and Compensation Committee and reconstituted the Committee comprising of Mr. Arun Adhikari (Independent Director), Mr. Subhash Chandra Bhargava (Independent Director) and Mr. Shriram Jagetiya (Non-Executive Director). Mr. Arun Adhikari is the Chairman of the Committee.

The Nomination and Remuneration Committee has formulated policy on remuneration as provided under sub-Section (3) of Section 178 and is attached herewith in **Annexure IV**.

Allotment Committee

During the beginning of the financial year ended 31 March 2017, the Allotment Committee of your company comprised of 2 (Two) Non-Executive Directors viz. Mrs. Pinky Mehta and Mr. Shriram Jagetiya. However, during the year under review the Board reconstituted the Allotment Committee comprising of Mr. Durga Prasad Rathi (Independent Director), Mrs. Pinky Mehta (Non Executive Director) and Mr. Shriram Jagetiya (Non Executive Director). The Chairman of the Allotment Committee is to be elected by the Members amongst themselves at the Meeting.

During the year, the Allotment Committee met 4 (Four) times. The Meeting(s) were held on 3 June 2016, 22 December 2016, 16 February 2017 and 2 March 2017.

The composition, attendance and sitting fees paid for the Financial year ended 31 March 2017 are as follows:-

Name of Member(s)	Category	No. of Meeting(s)		Sitting Fees paid (in ₹)
		Held	Attended	
Mrs. Pinky Mehta	Non-Executive Director	4	3	Nil
Mr. Durga Prasad Rathi	Independent Director	4	3	60,000
Mr. Shriram Jagetiya	Non-Executive Director	4	4	Nil

As on the date of this report and after the financial year ended 31 March 2017, Mr. Durga Prasad Rathi tendered his resignation with effect from 23 June 2017 and thereafter the Board reconstituted the Committee comprising of Mr. Subhash Chandra Bhargava (Independent Director), Mrs. Pinky Mehta (Non-Executive Director) and Mr. Shriram Jagetiya (Non-Executive Director).

Corporate Social Responsibility Committee

In accordance with Section 135 of the Companies Act, 2013 your Company has a

Corporate Social Responsibility (CSR) Committee consisting of 1 (One) Independent Director and 2 (Two) Non-Executive Directors which comprised of Mr. Durga Prasad Rathi (Independent Director), Mr. Shriram Jagetiya (Non-Executive Director) and Mrs. Pinky Mehta (Non-Executive Director) respectively. Mr. Durga Prasad Rathi was the Chairman of the Corporate Social Responsibility Committee.

During the year, the CSR Committee met once on 8 February 2017.

The composition, attendance and sitting fees paid for the Financial year ended 31 March 2017 are as follows:-

Name of Member(s)	Category	No. of Meeting(s)		Sitting Fees paid (in ₹)
		Held	Attended	
Mr. Durga Prasad Rathi	Independent Director	1	1	20,000
Mrs. Pinky Mehta	Non-Executive Director	1	0	Nil
Mr. Shriram Jagetiya	Non-Executive Director	1	1	Nil

In view of losses in the previous years, your Company was not required to spend any amount towards the CSR. Accordingly, no CSR activity was undertaken by the Company.

As on the date of this report and after the financial year ended 31 March 2017, the Company reconstituted the Committee comprising of Mr. Arun Adhikari (Independent Director), Mr. Subhash Chandra Bhargava (Independent Director) and Mr. Puranam Hayagreeva Ravikumar (Independent Director). Mr. Arun Adhikari is the Chairman of the Committee.

Stakeholders Relationship Committee

As on the date of this report and after the financial year ended 31 March 2017, your Company constituted the Stakeholders Relationship Committee comprising of Mrs. Vijayalakshmi Rajaram Iyer (Independent Director), Mrs. Pinky Mehta (Non Executive Director) and Mr. Shriram Jagetiya (Non Executive Director). Mrs. Vijayalakshmi Rajaram Iyer is the Chairperson of the Committee.

The scope and function of the Committee is in accordance with Section 178 of the Companies Act, 2013.

Risk Management Committee

As on the date of this report, your Company constituted the Risk Management Committee comprising of Mrs. Vijayalakshmi Rajaram Iyer

(Independent Director), Mr. Puranam Hayagreeva Ravikumar (Independent Director) and Mr. Shriram Jagetiya (Non Executive Director). Mrs. Vijayalakshmi Rajaram Iyer is the Chairperson of the Committee.

The Risk Management Committee is responsible for governing the risk identification, assessment, measurement and reporting process of the business risks faced by our Company and its Subsidiaries. Our Risk Management Committee is responsible for assisting our management with implementation of the enterprise risk management framework of our Company in accordance with our risk management policy and carry out the following responsibilities:

- Risk identification;
- Risk assessment;
- Risk response and risk management strategy; and
- Risk monitoring, communication and reporting.

Finance Committee

As on the date of this report, your Company constituted the Finance Committee comprising of Mr. Puranam Hayagreeva Ravikumar (Independent Director), Mrs. Pinky Mehta (Non Executive Director) and Mr. Shriram Jagetiya (Non Executive Director). Mr. Puranam Hayagreeva Ravikumar is the Chairman of the Committee.

The Finance Committee shall oversee and provide effective supervision of management for finance matters of the Company with a view to ensure proper mix of various financing instruments, secured and unsecured borrowings, optimum borrowing cost and to keep the financial ratios of the Company at an optimum level keeping in view the short-term and long term requirements as well as plans of the Company. It shall advise, guide and suggest measures to add value and improve the financial structure, methods and means to raise resources, optimum level of gearing, frame guidelines on borrowings and interest rate hedging. It shall also provide directions to the management in the areas that need to be strengthened.

D. Directors' Responsibility Statement

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained from the operating management, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended 31 March 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and of the profit of the Company for year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down Internal Financial Controls and that such Internal Financial Controls are adequate and are operating effectively; and

- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

E. Formal Annual Evaluation

The evaluation framework for assessing the performance of the Directors of your Company comprises of contributions at the Meetings and strategic perspective or inputs regarding the growth and performance of your Company, among others. Meeting of Independent Director(s) was held on 8 February 2017.

Pursuant to the provisions of the Companies Act, 2013 the Directors have carried out the annual performance evaluation of the Board, Independent Directors, Non-Executive Directors and the Committees of the Board.

F. Directors

As on 31 March 2017, your Board comprised of 4 (Four) Directors which included 2 (Two) Non-Executive Directors and 2 (Two) Independent Directors. Your Directors on the Board possess experience, competency and are renowned in their respective fields. All Directors are liable to retire by rotation except Mr. Durga Prasad Rathi (Independent Director) whose term of 5 consecutive years were approved by the Shareholders of the Company in the Annual General Meeting and Mr. Subhash Chandra Bhargava, if appointed at the ensuing Annual General Meeting whose candidature is proposed for the office of Independent Director of the Company.

During the year under review, Mr. Vijay Kothari-Independent Director of the Company left for heavenly abode on 5 November 2016. The Company expresses their deep condolences at the untimely and sad demise of Mr. Kothari and place on record its deep appreciation for the services rendered by Mr. Kothari, during his tenure.

Mr. Shriram Jagetiya, Director of your Company retires from the office by rotation and being eligible, offers himself for re-appointment.

As at the date of this report and after the financial year ended 31 March 2017, Mr. Durga Prasad Rathi – Independent Director tendered his resignation with effect from 23 June 2017 and further the Company appointed 3 Additional (Independent) Director(s) on the Board thereby re-arranging the Composition of the Board of Directors of the Company as under:

Director(s)	Category	Date of appointment	Date of Cessation
Mr. Subhash Chandra Bhargava	Independent Director	1-Sep-16	-
Mr. Durga Prasad Rathi	Independent Director	31-Mar-15	23-Jun-17
Mrs. Pinky Mehta	Non-Executive Director till 30 June 2017 Whole-time Director and Chief Financial Officer with effect from 1 July 2017	31-Mar-15	-
Mr. Shriram Jagetiya	Non-Executive Director	15-Oct-07	-
Mr. Vijay Kothari*	Independent Director	31-Mar-15	5-Nov-16
Mrs. Vijayalakshmi Rajaram Iyer	Independent Director	26-Jun-17	-
Mr. Arun Adhikari	Independent Director	26-Jun-17	-
Mr. Puranam Hayagreeva Ravikumar	Independent Director	26-Jun-17	-

* Mr. Vijay Kothari ceased to be a Director of the Company w.e.f 5 November 2016, due to his untimely demise.

The Company expressed its deep appreciation for the valuable contribution made by Mr. Rathi, during his tenure.

G. Declaration by Independent Directors

Pursuant to Section 149(4) of the Companies Act, 2013 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014, the Central Government has prescribed that your Company shall have minimum two Independent Directors. In view of the above provisions, as at the Financial year ended 31 March 2017, your Company has 2 (Two) Independent Directors - Mr. Subhash Chandra Bhargava and Mr. Durga Prasad Rathi. Both the above Independent Directors meet the criteria of 'Independence' as prescribed under Section 149(6) and have submitted their respective declarations to the

effect that they meet with the criteria of 'Independence' as required under Section 149(7) of the Companies Act, 2013.

As at the date of this report and after the financial year ended 31 March 2017, your Company has appointed Mrs. Vijayalakshmi Rajaram Iyer, Mr. Arun Adhikari and Mr. Puranam Hayagreeva Ravikumar as Additional (Independent) Directors of the Company. All the above Independent Directors meet the criteria of 'Independence' as prescribed under Section 149(6) and have submitted their respective declarations to the effect that they meet with the criteria of 'Independence' as required under Section 149(7) of the Companies Act, 2013.

H. Key Managerial Personnel

As on 26 June 2017, Key Managerial Personnel of the Company comprised of the following:

Name of the Key Managerial Personnel	Category	Date of appointment	Date of Cessation
Mr. Ajay Srinivasan	Chief Executive Officer	27 March 2015	-
Mrs. Anjali Makhija*	Chief Financial Officer	1 May 2016	23 June 2017
Mr. Ankur Bansal [#]	Chief Financial Officer	13 May 2015	30 April 2016
Mr. Sailesh Kumar Daga	Company Secretary	27 March 2015	-

[#] Mr. Ankur Bansal was a Key Managerial Personnel designated as a Chief Financial Officer from 13 May 2015 to 30 April 2016.

* Mrs. Anjali Makhija was appointed as a Key Managerial Personnel designated as a Chief Financial Officer with effect from 1 May 2016.

As at the date of this report and after the financial year ended 31 March 2017, Mrs. Anjali Makhija – Chief Financial Officer (CFO) of the Company relinquished her position as a CFO with effect from 23 June 2017 and Mrs. Pinky Mehta has been appointed as the Whole-time Director & Chief Financial Officer of the Company with effect from 1 July 2017, subject to the approval of Members at the ensuing Annual General Meeting.

I. Secretarial Audit Report

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BNP & Associates, Practicing Company Secretaries to conduct the secretarial audit for the financial year ended 31 March 2017. The Secretarial Audit Report as received from M/s. BNP & Associates, Practicing Company Secretaries is appended to this Report as **Annexure V**.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

J. Internal Audit Framework

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

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

K. Risk Management Framework

The Company has a Risk Management Framework in place which includes identifying the elements of risk which in the opinion of the Board may threaten the existence of the company.

L. Re-appointment of Independent Director after term of five (5) years by passing of a Special resolution

The provisions of Section 149(10) of the Companies Act, 2013 read with their relevant rules framed thereunder, does not apply to the Company and as such, reporting requirements as mentioned are not applicable.

M. Disclosure of receipt of commission by Managing Director or Whole-Time Director from Holding Company or Subsidiary Company

During the year under review, your Company had no Managing Director or Whole-time Director and as such disclosure requirements as per section 197(14) of the Companies Act, 2013 are not applicable.

N. Cost Audit

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

O. Other Disclosures

During the financial year ended 31 March 2017:

- Your Company has not issued: -
 - Any shares with differential rights;
 - Any sweat equity shares;
 - Employees Stock Option Plan / Scheme and
- There was no revision in the financial statements.

IV. POLICIES

A. Whistle Blower Policy

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of the Directors and employees by using the mechanism provided in the Whistle Blower Policy.

B. Policy to prevent Sexual Harassment at Workplace

Your Company has in place an appropriate Policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. We further state

that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Human Resources

Your Company believes that human resources will play a critical role in its future growth. With an unswerving focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programs, knowledge exchange conferences and providing communication channels for information sharing, to name a few of the initiatives.

Awards and Certifications

- Our subsidiary BSLI was ranked 4th in a customer loyalty study conducted by Kantar IMRB;
- Our subsidiary BSLAMC received the 'Best Innovative Approach to Investor Awareness' award at the Outlook Money Awards 2016;
- Our subsidiary BSLAMC received the 'Overall Fund House of the Year' award at the Thomson Reuter Lipper Awards;
- Our subsidiary BSLAMC received the 'Best Fund House - Investor Education' at the Asia Asset Management Awards;

- The product portfolio of our subsidiary ABHICL received the 'New Insurance product of the year' award from the World Health and Wellness Congress; and
- Our subsidiary ABHICL received the 'Innovator of the year' at Insurance India Summit & Awards 2017.

Acknowledgements

Your Directors take this opportunity to express their sincere appreciation for the excellent support and cooperation extended by the shareholders and other business associates. Your Directors gratefully acknowledge the ongoing cooperation and support provided by the Central and State Governments and all Regulatory bodies.

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

For and on behalf of the Board
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

Shriram Jagetiya

Director

DIN: 01638250

Pinky Mehta

Director

DIN: 00020429

Date: 26 June 2017

Place: Mumbai

ANNEXURE - I

AOC-1

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies for the year ended 31 March 2017

PART - A: SUBSIDIARIES

Name of Subsidiaries	Aditya Birla Capital Advisors Private Limited	Aditya Birla MyUniverse Limited	Aditya Birla Trustee Company Private Limited	Aditya Birla Insurance Brokers Limited	Aditya Birla Money Mart Limited
Date since when Subsidiary acquired	02-Jul-08	11-Dec-08	28-Nov-08	15-Apr-10	06-Aug-09
Currency	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Share Capital (Equity)	3.50	18.00	0.05	2.70	0.10
Other Equity	31.33	(198.04)	0.28	56.43	(3.62)
Total Assets (Non-Current Assets + Current Assets)	41.28	36.78	0.35	93.98	30.08
Total Liabilities (Non-Current Liabilities + Current Liabilities)	6.45	216.82	0.02	34.85	33.60
Investments	35.28	0.00	0.34	21.12	27.58
Revenue from Operations	16.52	11.55	0.07	121.09	0.11
Profit/(Loss) before Tax	1.58	(57.69)	0.06	38.72	(1.17)
Tax Expenses	(0.35)	0.00	0.02	13.69	0.00
Profit/(Loss) for the Year	1.93	(57.69)	0.04	24.66	(1.17)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	-	-	-	-	-
Percentage Holding as on 31 Mar 2017	100%	93.70%	100%	50.002%	100%
Exchange Rate as on 31 Mar 2017	-	-	-	-	-

Name of Subsidiaries	Aditya Birla Money Insurance Advisory Services Limited	ABCAP Trustee Company Private Limited	Birla Sun Life Trustee Company Private Limited	Aditya Birla Wellness Private Limited	Aditya Birla Financial Shared Services Limited
Date since when Subsidiary acquired	06-Aug-09	25-Mar-16	10-Oct-12	23-Jun-16	03-Aug-09
Currency	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Share Capital (Equity)	0.49	0.01	0.02	1.70	0.05
Other Equity	(17.82)	(0.01)	0.63	8.78	0.34
Total Assets (Non-Current Assets + Current Assets)	2.80	0.00	0.70	17.58	30.90
Total Liabilities (Non-Current Liabilities + Current Liabilities)	20.14	0.00	0.05	7.10	30.51
Investments	0.00	0.00	0.60	-	0.00
Revenue from Operations	1.70	0.00	0.05	0.08	0.00
Profit/(Loss) before Tax	(2.07)	(0.01)	0.08	(2.41)	0.31
Tax Expenses	0.00	0.00	0.02	-	0.05
Profit/(Loss) for the Year	(2.07)	(0.01)	0.06	(2.41)	0.26
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	-	-	-	-	-
Percentage Holding as on 31 Mar 2017	100%	100%	50.85%	51%	100%
Exchange Rate as on 31 Mar 2017	-	-	-	-	-

Name of Subsidiaries	Aditya Birla Health Insurance Co. Limited	Aditya Birla Commodities Broking Limited	Birla Sun Life AMC (Mauritius) Limited	Aditya Birla Sun Life AMC Pte. Limited, Singapore	Aditya Birla Sun Life AMC Limited, Dubai
Date since when Subsidiary acquired	22-Apr-15	06-Mar-09	20-May-96	25-Jan-10	09-Nov-10
Currency	₹ in Crores	₹ in Crores	US\$ in Mn ₹ in Crores	SGD in Mn ₹ in Crores	US\$ in Mn ₹ in Crores
Share Capital (Equity and Preference)	100.44	5.50	0.05 0.29	13.60 63.13	3.13 20.26
Reserves and Surplus	45.19	(1.12)	0.91 5.93	(10.60) (49.22)	(2.42) (15.68)
Total Assets (Non-Current Assets + Current Assets)	313.23	26.76	0.99 6.45	4.47 20.77	0.94 6.08
Total Liabilities (Non-Current Liabilities + Current liabilities)	167.56	22.37	0.03 0.22	1.48 6.86	0.23 1.49
Investments	228.92	0.00	0.00 0.00	0.00 0.00	0.00 0.00
Revenue from Operations	51.22	6.90	0.91 6.13	5.32 25.80	0.68 4.56
Profit/(Loss) before Tax	(86.67)	1.13	0.77 5.19	0.34 1.64	(0.07) (0.49)
Tax Expenses	0	0.00	0.02 0.16	0.00 0.00	- 0.00
Profit/(Loss) for the Year	(86.67)	1.13	0.75 5.04	0.34 1.64	(0.07) (0.49)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	-	-	0.60 4.03	- -	- -
Percentage Holding as on 31 Mar 2017	51%	75%	51%	51%	51%
Exchange Rate as on 31 Mar 2017	-	-	BS - 64.8386, P&L - 67.0896	BS - 46.4180, P&L - 48.4550	BS - 64.8386, P&L - 67.0896

Name of Subsidiaries	Birla Sun Life Asset Management Company Limited	Birla Sun Life Insurance Company Limited	Birla Sun Life Pension Management Limited	Aditya Birla Housing Finance Limited	Aditya Birla Finance Limited	Aditya Birla Money Limited
Date since when Subsidiary acquired	10-Oct-12	23-Mar-17	23-Mar-17	31-Dec-12	22-Apr-10	06-Mar-09
Currency	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Share Capital (Equity and Preference)	18.00	1901.20	27.00	333.05	637.41	15.54
Reserves and Surplus	973.07	(96.55)	0.07	34.43	4353.92	27.77
Total Assets (Non-Current Assets + Current Assets)	1243.73	35986.82	28.35	4184.68	35419.86	266.85
Total Liabilities (Non-Current Liabilities + Current Liabilities)	252.65	34182.16	1.29	3817.20	30428.53	223.54
Investments	974.92	9635.12	26.28	0.00	1442.86	5.50
Revenue from Operations	938.36	5533.55	-	314.70	3424.70	117.69
Profit/(Loss) before Tax	334.80	122.82	1.09	(15.50)	831.93	6.96
Tax Expenses	113.70	-	0.88	0.00	246.68	0.81
Profit/(Loss) for the Year	221.10	122.82	0.21	(15.50)	585.26	6.15
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	60.18	0.00	0.00	-	0.98	-
Percentage Holding as on 31 Mar 2017	51%	51%	51%	100%	90.23%	75%
Exchange Rate as on 31 Mar 2017	-	-	-	-	-	-

PART - B: ASSOCIATES & JOINT VENTURES: NOT APPLICABLE

For and on behalf of the Board
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

Date: 26 June 2017
Place: Mumbai

Shriram Jagetiya
Director
DIN: 01638250

Pinky Mehta
Director
DIN: 00020429

ANNEXURE - II

Particulars of Employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**(a) List of Employees, if employed throughout the financial year, were in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 1,02,00,000/- and also the top ten employees in terms of remuneration drawn for the financial year ended 31 March 2017**

Employee Name	Designation	Gross Remuneration (₹)	Qualification	Age	Date of Employment	Last Employment
Mr. Ajay Srinivasan	Chief Executive Officer	24,34,97,656	MBA- Finance, IIM, Ahmedabad	53	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. A Dhananjaya	Chief Compliance & Risk Officer	3,82,02,546	B. Tech, PGDM - IIM, Bangalore	55	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Ajay Kakar	Chief Marketing Officer	3,90,71,373	CFP	54	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Tarun Pandey	Senior Vice President	1,18,98,688	MBA- Marketing and Sales Management, Bharati Vidy Bhawan	46	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Nikhilesh Balgi	Senior Vice President	1,47,78,587	MMS-Finance-Mumbai University	42	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Devashis Rath	Vice President	1,02,57,472	PhD in Management, MDI, Gurgaon	49	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Ms. Loveleen Sahrawat	Senior Vice President	1,20,78,385	Masters in Mass Comm-Indian Institute of Mass Communication, New Delhi	42	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Subhro Bhaduri	Chief Human Resource Officer	3,38,14,736	MBA-HR, XISS and MCCC- (Clinical Organizational Psychology), INSEAD	52	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Sarb Preet Singh	Executive Vice President	1,48,36,186	MMS- Marketing-Mumbai University	48	01-08-2015	Birla Sun Life Asset Management Company Ltd.
Mr. Gaurav Zutshi	Executive Vice President	1,26,14,310	BE in Comp Science-REC Trichy	41	31-12-2015	First Data Asia Pacific Pvt Ltd.

(b) List of employees of the Company for the part of the year and were paid remuneration during the financial year ended 31 March 2017 which in aggregate was not less than ₹ 8,50,000/- per month:

Employee Name	Designation	Gross Remuneration (₹)	Qualification	Age	Date Of Employment	Last Employment
Mr. Ankur Bansal	Joint Vice President	17,68,007	PGDM - Finance	39	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. G V Gopalakrishnan	Chief Operating Officer	1,36,88,310	PGDM - Management	55	01-07-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Sudhakar Ramasubramanian	MD-ABML & CEO-Wealth & Online Business	67,07,175	PGDM IIM- A	49	01-10-2014	Aditya Birla Management Corporation Pvt. Ltd.
Mr. Mukesh Malik	Chief Operations Officer	1,40,43,597	Chartered Accountant	50	11-07-2016	Citibank
Mr. Pramodana Randhir Selvaratnam	President	26,31,906	MBA Finance (Harvard Business School), CPA	44	15-02-2017	Aditya Birla Management Corporation Pvt. Ltd.

Notes:

1. Remuneration includes salary, bonus, incentive, allowances, medical benefits, Company's contribution to Provident Fund and Superannuation Fund / Gratuity, wherever applicable, leave encashment, leave travel assistance, and monetary value of taxable perquisites wherever applicable.
2. All Appointments are non-contractual.
3. None of the above employees are related to any of the Director(s) of the Company.

For and on behalf of the Board

Aditya Birla Capital Limited**(Formerly known as Aditya Birla Financial Services Limited)**

Date: 26 June 2017

Place: Mumbai

Shriram Jagetiya

Director

DIN: 01638250

Pinky Mehta

Director

DIN: 00020429

ANNEXURE - III

Form No. MGT – 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

CIN	U67120GJ2007PLC058890
Registration Date	15 October 2007
Name of the Company	Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Category / Sub-Category of the Company	Public Company/ Limited by Shares
Address of the Registered office and contact details	Indian Rayon Compound, Veraval, Gujarat - 362 266. Telephone +91 2876 245711 Fax +91 2876 243220
Whether Listed company	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	
Till 14 June 2017	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400 078.
With effect from 15 June 2017	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31 and 32, Gachibowli, Financial District, Hyderabad - 500 008

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Core Investment Company	6420 - Aditya Birla Capital Limited holds a certificate of Registration bearing no. B.01.00555 issued by the RBI to carry on business of a Non-Deposit taking systematically Important Core Investment Company (CIC-ND-SI) under section 45-IA of the RBI Act, 1934.	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Registered Address of the Company	CIN /GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Aditya Birla Nuvo Limited (ABNL)	Indian Rayon Compound, Veraval, Gujarat-362 266	L17199GJ1956PLC001107	Holding	100.00	2(46)
2	Aditya Birla Capital Advisors Pvt. Ltd. (ABCAPL)	One Indiabulls Centre, Tower 1, 18 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road., Mumbai-400 013	U74140MH2008PTC179360	Subsidiary	100.00	2(87)(ii)
3	ABCAP Trustee Company Private Ltd. (ABCAPTCL)	A-4, 4 Floor, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400 030	U74120MH2013PTC242390	Subsidiary	100.00	2(87)(ii)
4	Aditya Birla MyUniverse Ltd. (ABMUL) (Formerly known as Aditya Birla Customer Services Ltd.)	Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400 030	U93000MH2008PLC186669	Subsidiary	93.70	2(87)(ii)
5	Aditya Birla Financial Shared Services Ltd. (ABFSSL)	One Indiabulls Centre, Tower 1, 18 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road., Mumbai-400 013	U65999MH2008PLC183695	Subsidiary	100.00	2(87)(ii)
6	Aditya Birla Trustee Company Pvt. Ltd. (ABTCPL)	Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400 030	U74999MH2008PTC186670	Subsidiary	100.00	2(87)(ii)
7	Aditya Birla Money Ltd. (ABML)	Indian Rayon Compound, Veraval, Gujarat-362 266	L65993GJ1995PLC064810	Subsidiary	75.00	2(87)(ii)
8	Aditya Birla Commodities Broking Ltd. (ABCBL) (100% Subsidiary of ABML)	Indian Rayon Compound, Veraval, Gujarat-362 266	U51501GJ2003PLC065196	Subsidiary	75.00	2(87)(ii)
9	Aditya Birla Money Mart Ltd. (ABMML)	Indian Rayon Compound, Veraval, Gujarat-362 266	U61190GJ1997PLC062406	Subsidiary	100.00	2(87)(ii)
10	Aditya Birla Money Insurance Advisory Services Ltd. (ABMIASL) (100% Subsidiary of ABMML)	Indian Rayon Compound, Veraval, Gujarat-362 266	U67200GJ2001PLC062240	Subsidiary	100.00	2(87)(ii)
11	Aditya Birla Insurance Brokers Ltd. (ABIBL)	Indian Rayon Compound, Veraval, Gujarat-362 266	U99999GJ2001PLC062239	Subsidiary	50.002	2(87)(ii)
12	Aditya Birla Finance Ltd. (ABFL)	Indian Rayon Compound, Veraval, Gujarat-362 266	U65990GJ1991PLC064603	Subsidiary	90.23	2(87)(ii)
13	Aditya Birla Housing Finance Ltd. (ABHFL)	Indian Rayon Compound, Veraval, Junagadh, Gujarat-362 266	U65922GJ2009PLC083779	Subsidiary	100.00	2(87)(ii)
14	Birla Sun Life Trustee Company Pvt. Ltd. (BSLTCPL)	One Indiabulls, Tower 1, 17 th Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road., Mumbai-400 013	U74899MH1994PTC166755	Subsidiary	50.85	2(87)(ii)
15	Birla Sun Life Asset Management Company Ltd. (BSLAMC)	One Indiabulls, Tower 1, 17 th Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road., Mumbai-400 013	U65991MH1994PLC080811	Subsidiary	51.00	2(87)(ii)
16	Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of BSLAMC)	IFS Court, Twenty Eight, Cybercity Ebene, Mauritius	Foreign Company	Subsidiary	51.00	2(87)(ii)

Sl. No.	Name of the Company	Registered Address of the Company	CIN /GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
17	Aditya Birla Sun Life AMC (Dubai) (100% Subsidiary of BSLAMC)	Unit 05, Floor-7, Currency House - Building 1, Dubai International Financial Centre, Dubai, 482027, United Arab Emirates	Foreign Company	Subsidiary	51.00	2(87)(ii)
18	Aditya Birla Sun Life AMC Pte Ltd. Singapore (100% Subsidiary of BSLAMC)	1 Marina Boulevard #28-00, One Marina Boulevard, 018989, Singapore	Foreign Company	Subsidiary	51.00	2(87)(ii)
19	India Advantage Fund Limited, Mauritius (100% Subsidiary of BSLAMC)	IFS Court, Bank Street Twenty Eight, Cybercity Ebene - 72201, Mauritius	Foreign Company	Subsidiary	51.00	2(87)(ii)
20	International Opportunities Fund (100% Subsidiary of BSLAMC, Singapore)	4 th Floor, Harbour Place, 103 South Church Street, Grand Cayman	Foreign Company	Subsidiary	51.00	2(87)(ii)
21	Global Clean Energy Fund SPC (100% Subsidiary of BSLAMC, Singapore)	4 th Floor, Harbour Place, 103 South Church Street, Grand Cayman Cayman Islands KY1-1002	Foreign Company	Subsidiary	51.00	2(87)(ii)
22	Aditya Birla Health Insurance Co. Ltd. (ABHICL)	10/A, Romel Tech- Park, Bldg. No. 2, 10 th Floor., Nirlon Compound, Western Express Highway, Goregaon East Mumbai 400063	U66000MH2015PLC263677	Subsidiary	51.00	2(87)(ii)
23	Aditya Birla Wellness Private Limited (ABWPL)	D- Wing, 1 st Floor, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai - 400 030	U74999MH2016PTC282782	Subsidiary	51.00	2(87)(ii)
24	Aditya Birla ARC Limited (ABARCL)	18 th Floor, One Indiabulls Centre, Jupiter Mills Compound, 841, S B Marg, Elphinstone Road, Mumbai - 400 013	U65999MH2017PLC292331	Subsidiary	100.00	2(87)(ii)
25	Birla Sun Life Insurance Company Limited (BSLI)	One Indiabulls Centre, Tower 1, 16 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai - 400 013	U99999MH2000PLC128110	Subsidiary	51.00	2(87)(ii)
26	Birla Sun Life Pension Management Limited (BSLPML) (100% Subsidiary of BSLI)	One Indiabulls Centre, Tower 1, 16 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road., Mumbai - 400 013	U66000MH2015PLC260801	Subsidiary	51.00	2(87)(ii)
27	New Horizon Fund - SPC, Cayman Islands	Harneys Services (Cayman) Limited, 4 th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands	Foreign Company	Subsidiary	51.00	2(87)(ii)

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	60 [#]	60 [#]	-	-	60 [#]	60 [#]	0.00	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	10,99,95,000	68,60,14,940	79,60,10,000	100	81,89,59,940	41,32,80,000	123,22,39,940	100	35.40 [#]
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	10,99,95,000	68,60,15,000	79,60,10,000	100	81,89,59,940	41,32,80,060	123,22,40,000	100	35.40 [#]
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10,99,95,000	68,60,15,000	79,60,10,000	100	81,89,59,940	41,32,80,060	123,22,40,000	100	35.40 [#]
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-

i) Category-wise Share Holding (Continued)

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10,99,95,000	68,60,15,000	79,60,10,000	100	81,89,59,940	41,32,80,060	123,22,40,000	100	35.40 [®]

Held as a Nominee of Aditya Birla Nuvo Limited

® There was increase in no. of Equity shares due to issuance of Equity Shares on Rights basis and conversion of Preference Shares into Equity Shares during the year as per the terms and conditions of issuance.

**(ii) Shareholding of Promoters
EQUITY SHARES**

Sl. No.	Shareholder's Name	Equity Shareholding at the beginning of the year as on 01-04-2016			Equity Shareholding at the end of the Year 31-03-2017			% Change in Equity shareholding during the year
		No. of Equity Shares	% of total Equity Shares of the Company	% of Equity Shares Pledged / encumbered to total shares	No. of Equity Shares	% of total Equity Shares of the Company	% of Equity Shares Pledged / encumbered to total shares	
1.	Aditya Birla Nuvo Limited	79,57,10,000 [#]	99.96	-	123,22,40,000 [*]	100.00	-	0.04
2.	ABNL Investment Limited	3,00,000	0.04	-	-	-	-	(100.00)
	Total	79,60,10,000 [#]	100	-	123,22,40,000 [*]	100.00	-	(99.96)

60 Shares held in physical form by Nominees of Aditya Birla Nuvo Limited.

* There was increase in no. of Equity shares due to issuance of Equity Shares on Rights basis and conversion of Preference Shares into Equity Shares during the year as per the terms and conditions of issuance.

PREFERENCE SHARES

a) 0.01% - Non Cumulative Compulsorily Convertible Preference Shares

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01-04-2016			Shareholding at the end of the Year as on 31-03-2017			% Change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Aditya Birla Nuvo Limited	336,500,000	100	-	-	-	-	(100.00)*
	Total (A)	336,500,000	100	-	-	-	-	(100.00)*

* There was decrease in no. of Preference shares due to conversion/early conversion of Preference Shares into Equity Shares during the year as per the terms and conditions of issuance.

PREFERENCE SHARES (Contd...)**b) 6% - Non Convertible Non Cumulative Redeemable Preference Shares**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01-04-2016			Shareholding at the end of the Year as on 31-03-2017			% Change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Aditya Birla Nuvo Limited	1,47,11,10,000	100.00	-	-	-	-	(100.00)*
	Total (B)	1,47,11,10,000	100.00	-	-	-	-	(100.00)*

* There was decrease in the no. of preference shares due to early redemption of Preference Shares.

iii. CHANGE IN PROMOTERS' SHAREHOLDING:
EQUITY SHARES

Shareholder's Name	Equity Shareholding at the beginning of the year		Date	Increase/ (decrease) in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total Equity shares of the Company				No. of shares	% of total shares of the Company
1. Aditya Birla Nuvo Limited	79,57,10,000 [#]	99.96%	01-Apr-16	-	-	79,57,10,000 [#]	99.96
			03-Jun-16	1,99,92,465	Rights Issue	81,57,02,465	99.96%**
			22-Dec-16	29,50,000	Conversion	81,86,52,465	99.96%**
			06-Feb-17	3,07,535	Purchase	81,89,60,000	100.00%**
			16-Feb-17	27,00,000	Conversion	82,16,60,000	100.00%**
			16-Feb-17	2,80,00,000	Conversion	84,96,60,000	100.00%**
			02-Mar-17	38,25,80,000	Rights Issue	123,22,40,000	100.00%**
			31-Mar-17	-	-	123,22,40,000	100.00%**
2. ABNL Investment Limited	3,00,000	0.04%	01-Apr-16	-	-	3,00,000	0.04
			03-Jun-16	7,535	Rights Issue	3,07,535	0.04
		(0.04%)	06-Feb-17	(3,07,535)	Sell	-	-
			31-Mar-17	-	-	-	-

[#] 60 Shares held in physical form by Nominees of Aditya Birla Nuvo Limited.

* There was increase in no. of Equity shares due to issuance of Equity Shares on Rights basis, purchase and conversion of Preference Shares into Equity Shares during the year as per the terms and conditions of issuance.

PREFERENCE SHARES**a) 0.01%- Non Cumulative Compulsorily Convertible Preference Shares**

Shareholder's Name	Equity Shareholding at the beginning of the year		Date	Increase/ (decrease) in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total Equity shares of the Company				No. of shares	% of total shares of the Company
1. Aditya Birla Nuvo Limited	33,65,00,000	100.00%*	01-Apr-16	-	-	33,65,00,000	100.00%*
			22-Dec-16	(2,95,00,000)	Conversion	30,70,00,000	100.00*
			16-Feb-17	(2,70,00,000)	Conversion	28,00,00,000	100.00*
			16-Feb-17	(28,00,00,000) [#]	Conversion	-	-
	-	-	31-Mar-17	-	-	-	-

* There was decrease in shareholding due to conversion of Preference Shares into Equity Shares during the year as per the terms and conditions of issuance.

[#] There was early conversion of 0.01% Preference Shares into Equity Shares at the request of the Shareholder on 16 February 2017.

b) 6%- Non Convertible Non Cumulative Redeemable Preference Shares

Shareholder's Name	Equity Shareholding at the beginning of the year		Date	Increase/ (decrease) in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total Equity shares of the Company				No. of shares	% of total shares of the Company
1. Aditya Birla Nuvo Limited	1,47,11,10,000*	100.00*	01-Apr-16	-	-	1,47,11,10,000*	100.00
			2-Mar-17	(1,47,11,10,000)*	Redemption	0	0.00
	0	0.00	31-Mar-17	-	-	0	0.00

* There was decrease in no. of Preference shares due to redemption made during the year.

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Shareholder's Name	Equity Shareholding at the beginning of the year		Date	Increase/ (decrease) in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total Equity shares of the Company				No. of shares	% of total shares of the Company
1. Aditya Birla Nuvo Limited	79,57,10,000 [#]	99.96	01-Apr-16	-	-	79,57,10,000 [#]	99.96
			03-Jun-16	1,99,92,465	Purchase (Rights basis)	81,57,02,465	99.96*
			22-Dec-16	29,50,000	Conversion	81,86,52,465	99.96*
			06-Feb-17	3,07,535	Purchase	81,89,60,000	100.00%**
			16-Feb-17	27,00,000	Conversion	82,16,60,000	100.00*
			16-Feb-17	2,80,00,000	Conversion	84,96,60,000	100.00*
			02-Mar-17	38,25,80,000	Purchase (Rights basis)	123,22,40,000	100.00*
			31-Mar-17	-	-	123,22,40,000	100.00*
2. ABNL Investment Limited	3,00,000	0.04	01-Apr-16	-	-	3,00,000	0.04
			03-Jun-16	7,535	Purchase (Rights basis)	3,07,535	0.04
			06-Feb-17	(3,07,535)	Sell	-	\$.
			31-Mar-17	-	-	-	-

* There was increase in no. of shares due to Rights Issue made during the year from time to time and conversion of Preference Shares into Equity Shares during the year as per the terms and conditions of issuance.

[#] There was increase in no. of shares due to purchase of Shares made during the year

^{\$} There was decrease in no. of shares due to transfer of Shares made during the year.

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
For each of the Directors and KMP				
At the beginning of the year				
Mr. Shriram Jagetiya*	10	0.00%	10	0.00
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease		-		-
At the end of the year		-		-
Mr. Shriram Jagetiya*	10	0.00%	10	0.00

* Held as a Nominee of Aditya Birla Nuvo Limited

Note: 1. Shareholding of other Directors – NIL.**2. Shareholding of Key Managerial Personnel** – Nil.**V INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment for the financial year ended 31 March 2017:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-			
• Addition	-	4,92,96,99,303	-	4,92,96,99,303
• Reduction	-		-	-
Net Change	-	4,92,96,99,303	-	4,92,96,99,303
Indebtedness at the end of the financial year	-			
i. Principal Amount	-	4,92,96,99,303	-	4,92,96,99,303
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	53,39,553	-	53,39,553
Total (i+ii+iii)	-	4,93,50,38,856	-	4,93,50,38,856

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND/OR MANAGER:**

During the year under review, the Company did not have Managing Director, Whole-time Director and/or Manager and as such no remuneration was required to be paid to them.

B. REMUNERATION TO OTHER DIRECTORS:

During the year under review, the Company paid the following Sitting fees to its Independent Directors for attending Board and Committee Meetings as follows:-

Name of the Director(s)	Sitting Fees paid (₹)
Mr. Subhash Chandra Bhargava*	1,45,000
Mr. Durga Prasad Rath	5,40,000
Late Mr. Vijay Kothari*	3,65,000

appointed with effect from 1 September 2016

* Mr. Vijay Kothari ceased to be a Director of the Company with effect from 5 November 2016, due to his untimely demise.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND/OR MANAGER

Particulars of Remuneration	Key Managerial Personnel (in ₹)				
	Mr. Ajay Srinivasan-Chief Executive Officer	Mr. Ankur Bansal-Chief Financial Officer ^{\$}	Mrs. Anjali Makhija-Chief Financial Officer [*]	Mr. Sailesh Kumar Daga-Company Secretary [^]	Total
Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,61,13,971	17,49,871	40,18,035	-	24,18,81,877
(b) Value of perquisites u/s17(2) Income-tax Act, 1961	4,04,99,89	-	12,018	-	40,62,007
(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
Stock Option	-	-	-	-	-
Sweat Equity	-	-	-	-	-
Commission	-	-	-	-	-
- as % of profit	-	-	-	-	-
- others, specify	-	-	-	-	-
Others, please Specify (PF and Reimbursements)	33,33,696	18,136	2,06,973	-	35,58,805
Total	24,34,97,656	17,68,007	42,37,026	-	24,95,02,689

^{\$} Mr. Ankur Bansal was appointed as a Key Managerial Personnel designated as a Chief Financial Officer with effect from 13 May 2015 and upto 30 April 2016.

^{*} Mrs. Anjali Makhija was appointed with effect from 1 May 2016.

[^] Mr. Sailesh Kumar Daga an employee of Aditya Birla Nuvo Ltd. (Holding Company) was appointed as the Company Secretary and no remuneration was paid to him by the Company.

IV PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year ended 31 March 2017, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

For and on behalf of the Board
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

Date: 26 June 2017
Place: Mumbai

Shriram Jagetiya
Director
DIN: 01638250

Pinky Mehta
Director
DIN: 00020429

ANNEXURE - IV

Executive Remuneration Philosophy/Policy

Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) ("the Company"), an Aditya Birla Group Company has adopted this Executive Remuneration Philosophy/Policy as applicable across Group Companies. The highlights of the Philosophy/Policy are detailed below.

I. Objectives of the Executive Remuneration Program:

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

II. Our executive remuneration program is intended to:

III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size.

IV. Executive Pay-Mix:

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits.

V. Performance Goal Setting:

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

VI. Executive Benefits and Perquisites:

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to *encourage long-term careers with the Group*.

VII. Risk and Compliance:

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

VIII. Claw back Clause:

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him / her as per restatement of financial statements, pertaining to the relevant performance year.

IX. Implementation:

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

For and on behalf of the Board
Aditya Birla Capital Limited
 (Formerly known as Aditya Birla Financial Services Limited)

Date: 26 June 2017
 Place: Mumbai

Shriram Jagetiya
 Director
 DIN: 01638250

Pinky Mehta
 Director
 DIN: 00020429

Secretarial Audit Report ANNEXURE - V

For the financial year ended 31st March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Aditya Birla Financial Services Limited

Indian Rayon Compound

Veraval - 362266, Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Aditya Birla Financial Services Limited** (hereinafter called the 'Company') for the audit period covering the financial year ended on 31st March 2017 (the 'Audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and subject to our separate letter attached as Annexure I; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies Act and dealing with client to the extent applicable to the Company;
- (iv) Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015; and the directions/instructions issued by the Reserve Bank of India on Non- Banking Financial- Non-Deposit taking – Systematically Important Core Investment Company (CIC – ND – SI) from time to time to the extent of the Capital requirements and periodic reporting's done by the Company;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

During the period under review, provisions of the following Act/ Regulations were not applicable to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The following Regulations and guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- h. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

1. In order to meet fund requirements of its subsidiaries, the Company set its investment limit upto ₹ 1300 crores for Financial Year 2016-17. Subsequently, the Company increased its limit to ₹ 2,500 Crores for Financial Year 2016-17.
2. Issued 2,00,00,000 equity shares of face value ₹ 10/- each at price of ₹ 100/- per share (including premium of ₹ 90/- per share) aggregating to ₹ 200 crores on Right Basis.
3. Approval of Composite Scheme of arrangement between the Company, Aditya Birla Nuvo Ltd. and Grasim Industries Ltd. and their respective shareholders and creditors.
4. Issued 38,25,80,000 equity shares of Face Value of ₹ 10/- each at price of ₹ 70/- each (including premium of ₹ 60/- each) on right basis.
5. Converted 33,65,00,000- 0.01% Compulsory convertible Preference shares into 3,36,50,000 equity shares of ₹ 10/- each at premium of ₹ 90/- each.
6. Consent granted by Company for approval of scheme of Arrangement between Aditya Birla Money Mart Limited and Aditya Birla Finance Limited and their respective shareholders and creditors.
7. Reclassification of Authorized Share capital of the Company from ₹ 4000,00,00,000 divided into 100,00,00,000 Equity Shares of ₹10/- and 300,00,00,000 Preference Shares of ₹ 10/- each to ₹ 4000,00,00,000 divided into 220,00,00,000 Equity Shares of ₹ 10/- and 180,00,00,000 Preference Shares of ₹ 10/- each, thereby altering the Memorandum and Articles of Association of the Company.
8. Redeemed 1,47,11,10,000 - 6% Non - Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each.
9. Issued Commercial papers aggregating to ₹ 500 Crores.

For **BNP & Associates**
Company Secretaries
Firm Regn. No. P2014MH037400

B. Narasimhan

Partner

FCS 1303 / CP No.10440

Place: Mumbai

Date: May 09, 2017

**ANNEXURE I TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED
31ST MARCH 2017**

To,
**The Members,
Aditya Birla Financial Services Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Aditya Birla Financial Services Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
Firm Regn. No. P2014MH037400

B. Narasimhan
Partner
FCS 1303 / CP No.10440

Place: Mumbai
Date: May 09, 2017

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Aditya Birla Financial Services Limited Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 39 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

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

Chartered Accountants

ICAI Firm Registration Number 301003E/E300005

per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 09, 2017

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

Re: Aditya Birla Financial Services Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
 (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
 (c) According to the information and explanations given to us, there are no dues of income tax, service tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the 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) 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.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, 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 Number: 102102

Place of Signature: Mumbai

Date: May 09, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADITYA BIRLA FINANCIAL SERVICES LIMITED

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

We have audited the internal financial controls over financial reporting of Aditya Birla Financial Services Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Number: 102102

Place of Signature: Mumbai

Date: May 09, 2017

Balance Sheet

As at March 31, 2017

	Note No.	As at March 31, 2017	Amount in ₹ As at March 31, 2016
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3	12,32,24,00,000	25,33,62,00,000
Reserves and Surplus	4	33,78,66,29,604	5,96,09,39,047
		46,10,90,29,604	31,29,71,39,047
(B) Current Liabilities			
Short-term Borrowings	5	4,92,96,99,303	-
Trade Payables	6	17,97,80,863	13,11,66,522
Other Current Liabilities	7	1,62,81,052	26,88,187
Short-term Provisions	8	31,94,26,087	3,22,00,864
		5,44,51,87,305	16,60,55,573
Total Equity and Liabilities		51,55,42,16,909	31,46,31,94,620
ASSETS			
(C) Non-Current Assets			
Fixed Assets			
Property, Plant and Equipments	9	2,48,23,987	80,27,585
Intangible Assets	10	1,28,09,246	34,17,792
Intangible Assets Under Development	10	4,66,61,661	-
		8,42,94,895	1,14,45,377
Non-Current Investments	11	50,53,96,75,664	31,16,35,30,305
Long-term Loans and Advances	12	8,24,41,403	5,25,22,592
		50,70,64,11,962	31,22,74,98,274
(D) Current Assets			
Current Investments	13	29,98,51,662	-
Cash and Bank Balances	14	2,46,60,627	3,12,91,265
Short-term Loans and Advances	15	1,97,93,635	2,19,34,330
Other Current Assets	16	50,34,99,023	18,24,70,751
		84,78,04,947	23,56,96,346
Total Assets		51,55,42,16,909	31,46,31,94,620

Significant Accounting Policies.

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

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

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

Per Shrawan Jalan
Partner
Membership No.102102

Subhash Chandra Bhargava
Director
DIN-00020021

Pinky Mehta
Director
DIN-00020429

Ajay Srinivasan
Chief Executive Officer

Anjali Makhija
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, May 09, 2017

Mumbai, May 09, 2017

Statement of Profit and Loss

For the year ended March 31, 2017

	Note No.	Year Ended March 31, 2017	Amount in ₹ Year Ended March 31, 2016
Revenue from Operations	17	34,98,79,228	7,27,61,935
Other Income	18	3,38,217	7,20,051
Total Revenue		35,02,17,445	7,34,81,986
Expenses			
Employee Benefit Expenses	19	24,45,13,309	3,56,60,294
Other Expenses	20	5,65,92,184	2,52,73,908
Total Expenses		30,11,05,493	6,09,34,202
Profit Before Depreciation/Amortisation, Interest and Tax (PBDIT)		4,91,11,952	1,25,47,784
Depreciation and Amortisation Expenses	21	13,81,842	2,89,083
Finance Cost	22	53,39,553	-
Profit Before Tax		4,23,90,557	1,22,58,701
Tax Expenses			
- Current Tax		-	1,81,38,367
- Provision for Tax of Earlier Year		-	61,60,485
- Write Back of Excess Provision for Tax		-	(72,03,799)
Profit/(Loss) for the Year		4,23,90,557	(48,36,352)
Basic Earnings Per Share (₹)	23	0.05	(0.01)
Diluted Earnings Per Share (₹)		0.05	(0.01)
(Face Value of ₹ 10/- each)			
Significant Accounting Policies.	2		

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

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

Per Shrawan Jalan
Partner
Membership No.102102

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

Subhash Chandra Bhargava
Director
DIN-00020021

Pinky Mehta
Director
DIN-00020429

Ajay Srinivasan
Chief Executive Officer

Anjali Makhija
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, May 09, 2017

Mumbai, May 09, 2017

Cash Flow Statement

For the year ended March 31, 2017

		Amount in ₹	
PARTICULARS	Year Ended March 31, 2017	Year Ended March 31, 2016	
A Cash Flow From Operating Activities			
Profit/ (Loss) Before Tax	4,23,90,557	1,22,58,700	
Adjustments For :			
Depreciation and Amortisation Expenses	13,81,842	2,89,083	
Gain on Sale of Investments	(1,45,55,407)	(68,75,709)	
Gain on Fixed Assets Sold	(1,55,427)	-	
Interest Income - Others	(1,82,790)	(7,20,051)	
Interest Income from Subsidiaries	(4,99,998)	(4,098)	
Dividend Income Received From Subsidiary Companies	(33,48,23,823)	(6,58,82,128)	
	(34,88,35,603)	(7,31,92,903)	
Operating Profit / (Loss) Before Working Capital Changes	(30,64,45,046)	(6,09,34,203)	
Adjustments For :			
Decrease/(Increase) in Loans and Advances	31,84,367	1,04,84,517	
Decrease/(Increase) in Other Assets	(32,10,28,272)	2,77,93,165	
Increase/(Decrease) in Trade Payables	4,86,14,341	(13,64,71,742)	
Increase/(Decrease) in Other Liabilities	1,35,92,865	(1,65,25,931)	
Increase/(Decrease) in Provisions	28,72,25,223	(1,52,64,219)	
	3,15,88,524	(12,99,84,209)	
Cash Generated From Operations	(27,48,56,522)	(19,09,18,412)	
Income Taxes Refund/(Paid)	(3,09,62,483)	(2,17,61,594)	
Net Cash (Used In)/From Operating Activities	(30,58,19,005)	(21,26,80,005)	
B Cash Flow From Investing Activities			
Sale/(Purchase) of Current Investments (Net)	(28,52,96,255)	6,26,47,506	
Purchase of Fixed Assets	(7,40,75,932)	(66,93,242)	
Acquisition of Additional Shares/ Investment in Subsidiary	(20,05,00,09,387)	(9,90,91,17,498)	
Proceeds Received from Private Equity Fund on Redemption of Units	67,38,64,028	27,74,36,185	
Interest Received – Others	1,82,790	7,20,051	
Interest Received from Subsidiaries	4,99,998	4,098	
Dividend Income Received From Subsidiary Companies	33,48,23,823	6,58,82,129	
	(19,40,00,10,936)	(9,50,91,20,771)	
Net Cash Flow From Investing Activities	(19,40,00,10,936)	(9,50,91,20,771)	
C Cash Flow From Financing Activities			
Increase/(Decrease) in Borrowings	4,92,96,99,303		
Redemption of Preference Shares	(14,71,11,00,000)		
Proceeds From Issue of Shares (Including Securities Premium)	29,48,06,00,000	19,69,91,99,303	9,70,00,00,000
		19,69,91,99,303	9,70,00,00,000
Net Cash Flow From Financing Activities	19,69,91,99,303	9,70,00,00,000	
D Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)	(66,30,638)	(2,18,00,776)	
Cash And Cash Equivalents at the Beginning of The Year	3,12,91,265	5,30,92,041	
Cash And Cash Equivalents at the End of The Year	2,46,60,627	3,12,91,265	
Note:			
Cash and Cash Equivalents Includes			
Cash on Hand	-	-	
Cash at Bank	2,46,60,627	3,12,91,265	
	2,46,60,627	3,12,91,265	

Significant Accounting Policies.

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

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

Chartered Accountants

ICAI Firm registration no. 301003E/E300005

For and on behalf of Board of Directors

Aditya Birla Financial Services Limited

Per Shrawan Jalan

Partner

Membership No.102102

Subhash Chandra Bhargava

Director

DIN-00020021

Pinky Mehta

Director

DIN-00020429

Ajay Srinivasan

Chief Executive Officer

Mumbai, May 09, 2017

Anjali Makhija

Chief Financial Officer

Mumbai, May 09, 2017

Sailesh Daga

Company Secretary

Notes Forming Part of Financial Statements

1. Corporate Information

Aditya Birla Financial Services Limited (the 'Company') was incorporated on October 15, 2007. The Company is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at Indian Rayon Compound, Veraval, Gujarat - 362 266. The Company had received Certificate of Registration from the Reserve Bank of India ('RBI') on May 19, 2009 to commence/carry on the business of non-banking financial institution.

The Company is a Non-Deposit taking Systemically Important Core Investment Company (CIC-ND-SI) registered with the Reserve Bank of India vide certificate no B.01.00555 dated October 16, 2015. The Company has been set up as a holding company for the Financial Services Business of Aditya Birla Nuvo Limited.

2. Summary of Significant accounting policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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

(b) Use of Estimate

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

(c) Property, Plant and Equipments

Plant and equipments, capital work in progress are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipments are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful life and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipments as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on tangible fixed assets is provided on straight line basis using the rates arrived at based on the useful estimated life by the management. The Company has used the following useful life to provide depreciation on its fixed assets.

Asset Category	Useful life prescribed by Schedule II of The Companies Act, 2013	Estimated useful life
Furniture and fixtures	10 years	5 years
Office equipment's (computers)	3 years	4 years
Vehicles	6 years	4 years

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

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

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

(d) Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are amortized on a straight line basis over their estimated useful life which is estimated at 3 years.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net

disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

(e) Impairment of Assets

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

(f) Investments

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

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

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

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

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

(g) Revenue Recognition

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

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

Dividend income on investments is accounted for when the right to receive the payment is established which is generally when the shareholders approve the dividend.

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

(h) Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Exchange Differences

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

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

(i) Taxation

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

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

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

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

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

(j) Retirement and Other Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

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

(k) Contingent Liabilities and Provisions

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

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

(l) Leases

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

(m) Cash and Cash Equivalent

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

(n) 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(o) Cash Flow Statement

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

(p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus 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.

		Amount in ₹	
		As at March 31, 2017	As at March 31, 2016
NOTE: 3			
SHARE CAPITAL			
Authorised:			
2,20,00,00,000 (Previous Year 1,00,00,00,000) Equity Shares of ₹ 10/- each		22,00,00,00,000	10,00,00,00,000
1,80,00,00,000 (Previous Year 3,00,00,00,000) Preference Shares of ₹ 10/- each		18,00,00,00,000	30,00,00,00,000
		40,00,00,00,000	40,00,00,00,000
Issued, Subscribed & Paid-up			
Equity Share Capital			
1,23,22,40,000 (Previous Year 79,60,10,000) Equity Shares of ₹10/- each fully paid up		12,32,24,00,000	7,96,01,00,000
		12,32,24,00,000	7,96,01,00,000
Preference Share Capital			
NIL (Previous Year 33,65,00,000) 0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (Refer Note No. 40)		-	3,36,50,00,000
NIL (Previous Year 1,27,11,10,000) 6% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up (Refer Note No. 43)		-	12,71,11,00,000
NIL (Previous Year 20,00,00,000) 6% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each partly paid up ₹ 6.50 each (Refer Note No. 43)		-	1,30,00,00,000
		-	17,37,61,00,000
Total Share Capital		12,32,24,00,000	25,33,62,00,000

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

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

(b) Term/Right Attached to Equity Shares

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

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

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

Sr. No.	Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
		No. of Shares Held	% of total paid-up equity share capital	No. of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited (with nominees)	1,23,22,40,000	100.00%	79,57,10,000	99.96%

ii) Preference Shares

Sr. No.	Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
		No. of Shares Held	% of total paid-up preference share capital	No. of Shares held	% of total paid-up preference share capital
1	Aditya Birla Nuvo Limited	-	0.00%	1,80,76,10,000	100.00%

NOTE: 4**RESERVES & SURPLUS****A) Securities Premium Account**

Opening Balance	7,11,00,00,000	3,60,00,00,000
Addition:		
Issue of Equity Shares (Refer Note No. 42)	24,75,48,00,000	2,25,00,00,000
Conversion of Preference Shares (Refer Note No. 40)	3,02,85,00,000	1,26,00,00,000
	34,89,33,00,000	7,11,00,00,000

B) Retained Earnings

Opening Balance	(1,14,90,60,953)	(1,14,42,24,601)
Addition:		
Profit/(Loss) for the Year	4,23,90,557	(48,36,352)
	(1,10,66,70,396)	(1,14,90,60,953)

Total Reserves and Surplus

	As at March 31, 2017	Amount in ₹ As at March 31, 2016
	33,78,66,29,604	5,96,09,39,047

NOTE: 5**SHORT-TERM BORROWINGS**

Unsecured		
Commercial Papers (Refer Note No. 46)	4,92,96,99,303	-
	4,92,96,99,303	-

NOTE: 6**TRADE PAYABLES**

Trade Payables for Salaries, Wages, Bonus and Other Employee Benefits	13,20,33,287	11,29,14,000
Trade Payables (Others)		
Outstanding Dues to Other Than Micro and Small Enterprises (Refer Note No. 28)	4,77,47,576	1,82,52,522
	17,97,80,863	13,11,66,522

NOTE: 7**OTHER CURRENT LIABILITIES**

Statutory Dues	1,61,64,376	26,21,515
Employee's Deposit - OYCS Scheme	1,16,676	66,672
	1,62,81,052	26,88,187

NOTE: 8**SHORT-TERM PROVISIONS****Provision for Employee Benefits**

Leave Encashment	1,00,36,751	2,29,46,358
Gratuity (Funded)	10,26,469	92,54,506
Long-Term Incentive Plan (Refer Note No. 47)	30,83,62,867	-
	31,94,26,087	3,22,00,864

NOTE: 9**PROPERTY, PLANT AND EQUIPMENTS**

	Furniture's & Fixtures	Office	Vehicles	(Amount in ₹) Total Equipment
Gross Block				
As at April 1, 2015	58,500	88,34,157	51,77,893	10,70,550
Additions	37,000	5,97,153	4719,886	53,54,039
Deletions	-	-	-	-
As at March 31, 2016	95,500	94,31,310	98,97,779	1,94,24,589
Additions	-	69,66,689	1,70,50,022	2,40,16,711
Deletions	-	-	34,38,666	34,38,666
As at March 31, 2017	95,500	1,63,97,999	2,35,09,135	4,00,02,634
Accumulated Depreciation				
As at April 1, 2015	4,077	69,68,602	20,56,652	90,29,331
For the year	16,768	6,80,203	16,70,702	23,67,673
Deletions	-	-	-	-
As at March 31, 2016	20,845	76,48,805	37,27,354	1,13,97,004
For the year	22,753	20,20,509	40,14,194	60,57,456
Deletions	-	-	22,75,813	22,75,813
As at March 31, 2017	43,598	96,69,314	54,65,735	1,51,78,647
Net Block as at March 31, 2016	74,655	17,82,505	61,70,425	80,27,585
Net Block as at March 31, 2017	51,902	67,28,685	1,80,43,400	2,48,23,987

NOTE: 10**INTANGIBLE ASSETS**

	Computer Software	Total
Gross Block		
As at April 1, 2015	-	-
Additions	35,08,750	35,08,750
Deletions	-	-
As at March 31, 2016	35,08,750	35,08,750
Additions	1,37,83,753	1,37,83,753
Deletions	-	-
As at March 31, 2017	1,72,92,503	1,72,92,503
Accumulated Amortisation		
As at March 31, 2016	90,958	90,958
For the year	43,92,299	43,92,299
Deletions	-	-
As at March 31, 2017	44,83,257	44,83,257
Intangible Assets Under Development*	-	4,66,61,661
Net Block as at March 31, 2016	34,17,792	34,17,792
Net Block as at March 31, 2017	1,28,09,246	5,94,70,907

* Related to Digital/Technology Related Projects.

Allocation of Depreciation and Amortisation to Subsidiaries

Particulars	March 31, 2017	March 31, 2016
Depreciation	60,57,456	23,67,673
Amortisation	43,92,299	90,958
Total	1,04,49,755	24,58,631
Less:		
Allocated to Subsidiaries	(90,67,913)	(21,69,548)
Charged to Statement of Profit and Loss Account	13,81,842	2,89,083

Amount in ₹

NOTE: 11

INVESTMENTS : NON-CURRENT

Trade Investments Valued at cost, except otherwise stated		Face Value	Number		Number	
Investment in Equity Instruments - Quoted						
Subsidiary						
Aditya Birla Money Limited (Refer Note No. 32)	1	4,15,50,000	2,48,30,28,000	4,15,50,000	2,48,30,28,000	
Less : Diminution in investment of Aditya Birla Money Limited			12,41,51,400		12,41,51,400	
				2,35,88,76,600		2,35,88,76,600
Investment in Equity Instruments - Unquoted						
Subsidiaries						
Aditya Birla Capital Advisors Private Limited	10	35,00,000		3,50,00,250	35,00,000	3,50,00,250
Aditya Birla Financial Shared Services Limited	10	50,000		5,00,000	50,000	5,00,000
Aditya Birla Customer Services Limited (Refer Note No. 34)	10	1,68,66,271		71,10,98,369	1,68,66,271	71,10,98,369
Aditya Birla Trustee Company Private Limited	10	50,000		5,00,250	50,000	5,00,250
Aditya Birla Insurance Brokers Limited	10	13,50,054		30,00,120	13,50,054	30,00,120
Aditya Birla Finance Limited (Refer Note No. 33)	10	56,61,35,431		27,95,06,14,630	50,61,09,697	20,00,05,74,550
Aditya Birla Money Mart Limited (Refer Note No. 33)	10	1,00,000	3,61,129		2,00,00,000	24,07,53,095
Less : Diminution in investment of Aditya Birla Money Mart Limited			-	3,61,129		16,85,27,167
Aditya Birla Housing Finance Limited	10	33,30,50,000		4,17,66,47,500	23,92,50,000	2,39,44,47,500
Birla Sun Life Asset Management Company Limited	10	91,79,980		33,70,99,052	91,79,980	33,70,99,052
Birla Sun Life Insurance Company Limited	10	96,96,16,080		12,06,92,56,288	-	-
Birla Sun Life Trustee Company Private Limited	10	10,170		1,53,540	10,170	1,53,540
Aditya Birla Wellness Private Limited	10	22,27,000		6,58,10,000	-	-
(Includes ₹ 40,800,000 Share Application Money for 1,360,000 Shares allotted on April 03, 2017)						
Aditya Birla Health Insurance Co. Limited	10	5,12,25,001		51,22,50,010	1,80,00,000	18,00,00,000
ABCAP Trustee Company Private Limited	10	10,000		1,00,000	10,000	1,00,000
Total Equity Shares Investments				48,221,267,738		26,09,35,76,160
Investment in Preference Shares - Unquoted						
Subsidiaries						
0.01% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Finance Limited		-	-		17,50,00,000	1,77,79,82,191
0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Customer Services Limited (Refer Note No. 34)	10	46,95,938		59,99,99,998	46,95,938	59,99,99,998
8% Redeemable Non Convertible Non Cumulative Preference Shares of Aditya Birla Money Limited	100	10,00,000		30,00,00,000	10,00,000	30,00,00,000
0.01% Redeemable Non Convertible Cumulative Preference Shares Aditya Birla Money Mart Limited (Refer Note No. 33)	10	1,00,000	10,00,000		10,00,00,000	1,00,00,00,000
Less : Diminution in Investment of Aditya Birla Money Mart Limited			7,00,000	3,00,000		70,00,00,000
Total Preference Shares Investments				90,02,99,998		2,97,79,82,189
Investment in Private Equity Funds						
Investment in Aditya Birla Private Equity - Fund I	95.76	78,91,812		75,56,80,908	1,38,13,580	1,32,27,20,472
Investment in Aditya Birla Private Equity - Sunrise Fund	100	16,24,270		16,24,27,020	26,92,515	26,92,51,484
Total Private Equity Fund Investments				91,81,07,928		1,59,19,71,956
Investment in Debentures						
0.1% Compulsory Convertible Debentures (CCD):						
Aditya Birla Money Mart Limited (Refer Note No. 33)	100	26,00,866		26,00,86,600	50,00,000	50,00,00,000
Aditya Birla Finance Limited (Refer Note No. 33)	100	23,99,134		23,99,13,400	-	-
Total Debentures Investments				50,00,00,000		50,00,00,000
Total Non-current Investments				50,53,96,75,664		31,16,35,30,305

Note:

- Aggregate Amount of Quoted Investment ₹ 2,35,88,76,600 (March 31, 2016 ₹ 2,35,88,76,600) Market Value of ₹ 1,31,09,02,500 (March 31, 2016 ₹ 83,30,77,500)
- Aggregate Amount of Unquoted Investment ₹ 48,18,07,99,064 (March 31, 2016 ₹ 28,80,46,53,705)
- Aggregate Amount of Diminution in Value of Investment ₹ 12,41,51,400 (March 31, 2016 ₹ 99,26,78,567)
- Aggregate Amount of Private Equity Fund:-
 - Sunrise Fund ₹ 23,47,71,986 at NAV of ₹ 144.54 (March 31, 2016 ₹ 30,66,23,608 at NAV of ₹ 113.88)
 - Fund I ₹ 1,10,71,42,536 at NAV of ₹ 140.29 (March 31, 2016 ₹ 1,21,37,99,275 at NAV of ₹ 87.87)

	As at March 31, 2017	Amount in ₹ As at March 31, 2016
NOTE: 12		
LONG-TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Security Deposits	15,00,000	6,00,000
Advance Tax [Net of Provision ₹ 2,42,98,852 (March 31, 2016 ₹ 2,42,98,852)]	8,09,41,403	4,99,78,920
Loans and Advances to Employees	-	19,43,672
	8,24,41,403	5,25,22,592
NOTE: 13		
CURRENT INVESTMENTS		
Investment in Mutual Fund - Unquoted		
Birla Sun life Cash Plus - Growth [Units - 1,148,424.198 (March 31, 2016 Units - Nil)]	29,98,51,662	-
	29,98,51,662	-
Market Value as on March 31, 2017 ₹ 300,242,989 (March 31, 2016 ₹ Nil)		
NOTE: 14		
CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks in Current Accounts	2,46,60,627	3,12,91,265
	2,46,60,627	3,12,91,265
NOTE: 15		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Security Deposits	1,59,46,375	1,59,46,375
Service Tax Receivable	38,47,260	30,69,186
Prepaid Expenses	-	11,96,673
Loans and Advances to Employees	-	17,22,096
	1,97,93,635	2,19,34,330
NOTE: 16		
OTHER CURRENT ASSETS		
(Unsecured Considered Good)		
Advances/Receivables from Related Parties	49,84,88,781	18,24,70,751
Prepaid Expenses	47,05,421	-
Others	3,04,821	-
	50,34,99,023	18,24,70,751

	Amount in ₹	
	Year Ended March 31, 2017	Year Ended March 31, 2016
NOTE: 17		
REVENUE FROM OPERATIONS		
Gain on Sale of Mutual Funds	1,45,55,407	68,75,709
Interest Income from Subsidiaries	4,99,998	4,098
Dividend from Subsidiaries	33,48,23,823	6,58,82,128
	34,98,79,228	7,27,61,935
NOTE: 18		
OTHER INCOME		
Interest Income - Others	1,82,790	7,20,051
Gain on Sale of Fixed Assets	1,55,427	-
	3,38,217	7,20,051
NOTE: 19		
EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	23,95,29,441	3,35,65,508
Contribution to Provident & Other Funds (Refer note 26 (B))	42,59,136	16,59,223
Staff Welfare Expenses	7,24,732	4,35,563
	24,45,13,309	3,56,60,294
NOTE: 20		
OTHER EXPENSES		
Rent	39,89,759	29,33,333
Repairs and Maintenance :		
Buildings	3,21,188	3,50,102
Others	4,32,630	2,16,932
Insurance	1,79,208	2,62,005
Rates and Taxes	3,29,94,564	1,35,22,249
Advertisement	2,68,042	7,72,593
Legal & Professional Fees	1,13,63,894	26,19,658
Printing and Stationery	2,53,856	2,02,911
Travelling and Conveyance	18,87,492	16,44,668
Communication Expenses	1,63,933	1,19,280
Bank Charges	75,769	5,893
Auditors' Remuneration (Refer Note No. 27)	12,56,895	8,31,642
Electricity Charges	7,11,951	4,62,581
Miscellaneous Expenses	26,93,003	13,30,061
	5,65,92,184	2,52,73,908
NOTE: 21		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets (Refer Note No. 9)	8,01,881	1,98,125
Amortisation of Intangible Assets (Refer Note No. 10)	5,79,961	90,958
	13,81,842	2,89,083
NOTE: 22		
FINANCE COST		
Interest on Borrowings	53,39,553	-
	53,39,553	-
NOTE: 23		
Earnings Per Share (EPS)		
The Following Reflects the Profit and Share Data Used in the Basic and Diluted EPS Computation		
Basic		
Earnings Per Share (EPS) is Calculated as Under:		
Net Profit / (Loss) as per the Statement of Profit and Loss	4,23,90,557	(48,36,352)
Less: Preference Dividend and Tax Thereon	-	-
Net Profit for EPS	4,23,90,557	(48,36,352)
Weighted Average Number of Equity Shares for Calculation of Basic EPS	83,29,81,799	75,81,82,603
Basic EPS (₹)	0.05	(0.01)
(Face Value of ₹ 10/- each)		
Diluted EPS (₹)	0.05	(0.01)

24. Operating Leases

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Lease payments recognised in the profit and loss	2,65,00,050	2,69,78,400

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

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Within one year	-	2,47,30,200
After one year but not more than five years	NIL	NIL
Lease payments recognized in the profit and loss	NIL	NIL

25. Deferred Tax Liabilities/ Assets

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

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability		
Depreciation / Amortisation	-	4,75,581
Gross Deferred Tax Liability	-	4,75,581
Deferred Tax Assets		
Unabsorbed depreciation and carry forward	30,74,705	-
Difference of Fixed Assets WDV	19,52,860	-
Expenses allowed on payment basis		
Leave Encashment	28,94,599	75,86,754
Gross Deferred Tax Assets	79,22,164	75,86,754
Deferred Tax Assets (Net)		
	79,22,164	71,11,173
Deferred Tax Assets recognized (restricted upto reversal of Deferred Tax Liabilities)	Nil	Nil

26. Employee Benefit Plans and Employee Contribution Plans

(A) Defined benefit plans :

The Company operates defined plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at minimum 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

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

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Amount recognized in the Balance Sheet in respect of gratuity		
Present value of the funded defined benefit obligation at the end of the year	5,43,38,550	4,88,07,802
Fair value of plan assets	(5,33,12,132)	(3,95,53,296)
Net liability	10,26,418	92,54,506
Amount recognized in salary, wages and employee benefits in the statement of profit and loss in respect of gratuity		
Current service cost	66,89,613	91,20,739
Interest on defined benefit obligations	37,55,532	31,39,048
Expected return on plan assets	(33,59,634)	(30,23,822)
Net actuarial losses/(gain) recognized during the year	61,75,102	(55,31,123)
Past services cost	-	-

Amount in ₹

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Net gratuity cost	1,32,60,613	37,04,842
Actual return on plan asset		
Expected return on plan assets	33,59,634	30,23,822
Actuarial gain on plan assets	(11,44,696)	(3,80,404)
Actual Return on plan assets	22,14,938	26,43,418
Reconciliation of present value of the obligation and the fair value of the plan assets		
Change in defined benefit obligation		
Opening defined benefit obligation	4,88,07,802	3,69,09,878
Current service cost	66,89,613	91,20,739
Interest cost	37,55,532	31,39,048
Actuarial losses/(gain)	73,19,798	(59,11,527)
Past service cost	-	-
Liabilities assumed on acquisition / (settled on divestiture)	-	-
Benefits paid	(1,22,34,195)	55,49,664
Closing defined benefit obligation	5,43,38,550	4,88,07,802
Change in fair value of plan assets		
Opening fair value of the plan assets	3,95,53,296	3,43,17,986
Expected return on plan assets	33,59,634	30,23,822
Actuarial losses/(gain) on plan assets	11,44,696	(3,80,404)
Contributions by the employer	2,14,88,701	(29,57,772)
Assets acquired on acquisition / (distributed on divestiture)	-	-
Benefits paid	(1,22,34,195)	55,49,664
Closing fair value of the plan assets	5,33,12,132	3,95,53,296
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Government Of India Securities	63,47,245	82,97,856
Corporate Bonds	2,19,425	1,58,946
Special Deposit Schemes	11,55,697	8,34,785
Insurer Managed Funds	3,18,43,173	2,19,04,581
Others	1,37,46,591	83,57,579
Total	5,33,12,131	3,95,53,296
Principal actuarial assumptions as at the balance sheet date		
Discount rate	7.40%	7.70%
Estimated rate of return on plan assets	7.40%	7.70%
Future salary escalation	7.00%	7.00%

Experience Adjustments:

(Amount in ₹)

Particulars	2017	2016	2015	2014	2013
Experience adjustment on plan liabilities	59,90,773	(33,31,506)	87,80,947	-	-
Experience adjustment on plan asset	11,44,696	1,47,098	4,68,547	-	-

(B) Defined contributions plans:

(Amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Employee Provident Fund & Pension	1,14,44,289	1,01,04,329
Contribution to Superannuation Fund	75,03,589	74,09,840
Total	1,89,47,878	1,75,14,169

27. During the year, the Company has paid following amount to statutory auditors:

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit Fees (excluding service tax)	5,00,000	2,50,000
Limited Review (excluding service tax)	3,00,000	3,00,000
Tax Audit (excluding service tax)	2,00,000	50,000
Other services	2,00,000	2,00,000
Reimbursement of expenses	56,895	31,642
Total*	12,56,895	8,31,642

28. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Based on the information available with the Company, no amounts have fallen due for payment to suppliers who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2017.

29. Contingent Liabilities and Commitments

a. Capital Commitments:

- i) There is capital commitment of which ₹ 10,200,000 as on March 31, 2017 (March 31, 2016 ₹ Nil) towards Intangible Assets under Development for Digital/Technology related projects.
- ii) The Company has subscribed to the memorandum of the new Company (Aditya Birla ARC Limited (ARC)) incorporated on March 10, 2017 for ARC business. The Board has approved Equity Participation/Investment up to an amount not exceeding ₹ 20,000,000 in one or more tranches in the Company.
- iii) Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by the Aditya Birla Nuvo Limited – the Holding Company, in respect of Birla Sun Life Insurance Company Limited, the Company agreed to infuse its share of capital from time to time to meet the solvency requirement prescribed by the regulatory authority.
Transfer of investments in Birla Sun Life Insurance Company Ltd., is restricted by the terms contained in Shareholder Agreement entered into by Aditya Birla Nuvo Limited – the Holding Company.

b. Contingent Liabilities:

- i) Aditya Birla Customer Services Ltd. (ABC SL), a subsidiary of the Company, has issued 0.001%- Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC) vide Shareholders' Agreement, dated 19th December, 2014, and Subscription Agreement dated December 19, 2014 (SHA). Under the said SHA, the Company has granted to IFC an option to sell the shares to the Company at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC up to a maximum of 120 months from the date of subscription by IFC, in the event ABC SL fails to provide an opportunity to IFC to exit from ABC SL within 60 months from the date of subscription by IFC in the form of Listing, Secondary Sale or Acquisition, etc. In the event ABC SL fails to fulfill its obligation, the Company will be obligated to fulfill this obligation.

30. Segment Reporting

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

31. Related Party Disclosure

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

Relationship	Name of the Party
Holding Company	Aditya Birla Nuvo Limited
Subsidiaries	1. Aditya Birla Capital Advisors Private Limited
	2. Aditya Birla Customer Services Limited
	3. Aditya Birla Financial Shared Services Limited
	4. Aditya Birla Trustee Company Private Limited
	5. Aditya Birla Money Limited
	6. Aditya Birla Money Mart Limited
	7. Aditya Birla Insurance Brokers Limited
	8. Aditya Birla Finance Limited
	9. Aditya Birla Housing Finance Limited
	10. Birla Sun Life Asset Management Company Limited
	11. Birla Sun Life Insurance Company Limited (w.e.f. March 23, 2017)
	12. Birla Sun Life Pension Management Limited (100% Subsidiary of Birla Sun Life Insurance Company Limited w.e.f. March 23, 2017)
	13. Aditya Birla Health Insurance Co. Limited
	14. ABCAP Trustee Company Private Limited

Relationship	Name of the Party
	15. Aditya Birla Commodities Broking Limited (100% Subsidiary of Aditya Birla Money Limited)
	16. Aditya Birla Wellness Private Limited (w.e.f. June 23, 2016)
	17. Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)
	18. Birla Sun Life Trustee Company Private Limited
	19. Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of Birla Sun Life Asset Management Company Limited)
	20. Aditya Birla Sun Life AMC Ltd; Dubai (100% Subsidiary of Birla Sun Life Asset Management Company Limited)
	21. Aditya Birla Sun Life AMC Pte. Ltd; Singapore (100% Subsidiary of Birla Sun Life Asset Management Company Limited)
	22. India Advantage Fund Ltd; Mauritius (100% Subsidiary of Birla Sun Life Asset Management Company Limited)
	23. International Opportunities Fund – SPC, Cayman Islands (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd. Singapore)
	24. Global Clean Energy Fund SPC (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd. Singapore) (w.e.f. April 01, 2016)
	25. Aditya Birla ARC Limited (w.e.f. March 10, 2017)
Key Managerial Personnel	1. Ajay Srinivasan, Chief Executive Officer
	2. Anjali Makhija, Chief Financial Officer (w.e.f. May 01 2016)
	3. Ankur Bansal, Chief Financial Officer (Till April 30, 2016)
	4. Sailesh Kumar Daga, Company Secretary
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	1. ABNL Investment Limited
	2. Idea Cellular Limited
	3. Aditya Birla Idea Payments Bank Limited

Refer **Annexure 1** for the transactions with related parties.

- 32.** During the current year, the Company has reassessed its value of investments in Aditya Birla Money Limited ("ABML") based on the Company's last 2 years profitable business performance and future business plan. Considering investment of long term and strategic nature and based on independent valuation report obtained by the Company, no additional impairment provision is required to be made in financial statements as at March 31, 2017 in this regard. In the previous years the Company had reassessed its value of investments in Aditya Birla Money Limited ("ABML") and had made a provision of ₹ 124,151,400 as at March 31, 2014 being 5% against equity shares and the same is carried as at March 31, 2017.
- 33. Scheme of Arrangement between Subsidiary Companies:**
- During the year, the Hon'ble High Court of Gujarat, Ahmedabad approved the Scheme of Arrangement vide order O/COMP/445/2016 dated November 24, 2016, and the certified true copies of the scheme and order were received on December 21, 2016., whereby the Wealth Management Undertaking of Aditya Birla Money Mart Limited (ABMM), a subsidiary of the Company was demerged and transferred to Aditya Birla Finance Limited (ABFL), also a subsidiary of the Company, with the Appointed Date of April 1, 2016. The Scheme of Arrangement was made effective on December 31, 2016.
 - In consideration of the demerger, the Company has received 10,277,778 equity shares of ₹ 10 each of ABFL as per the share entitlement ratio determined based on an independent valuation report at 3 equity shares of ₹ 10 each in ABFL for every 8 equity shares of ₹10 each held in ABMM and 1 equity share of ₹ 10 each in ABFL for every 36 0.01%- Redeemable Non Convertible Preference Shares of ₹ 10 each held in ABMM.
 - As per the Scheme of Arrangement, the general purpose borrowings in ABMM have been transferred to the Company in proportion to the value of assets transferred to ABFL. Accordingly, ABFL has issued 0.1%- Compulsory Convertible Debentures (CCD) of value of ₹ 239,913,400 to the Company in lieu of such amount of CCD of ABMM which were transferred to ABFL. Hence the current holding pattern of CCD's by the Company is as under:
 - a) ABFL - ₹ 239,913,400
 - b) AMML - ₹ 260,086,600
 - The carrying value of the investments in ABMM (net of impairment) is considered to be at fair value of asset given up for equity shares received from ABFL.
- 34.** The Company has investment in Equity Shares and Preference Shares of Aditya Birla Customer Services Limited ("ABCSL") of ₹ 711,098,369 (Previous year ₹ 711,098,369) and of ₹ 599,999,999 (Previous year ₹ 599,999,999) respectively. The Investee Company (ABCSL) is making substantial losses and its net worth has been eroded. Based on the business plan of ABCSL and strategic investment by International Finance Corporation in the ABCSL in the previous year, the Company has assessed the value of ABCSL being higher than the investment. Accordingly, based on the business plan and considering that the investment being long term and strategic in nature, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at March 31, 2017 in this regard.

35. The Company has investment in 0.1%- Compulsory Convertible Debentures (CCD) of Aditya Birla Money Mart Limited ("ABMML") of ₹ 260,086,600 (Previous year ₹ 500,000,000). The Investee Company (ABMML) is making losses and its net worth has been eroded. Considering the plans and the investment being strategic and long-term in nature, diminution in the value of the said investment has been considered as temporary and hence no provision is required to be made in financial statements as at March 31, 2017 in this regard.
36. During the current year, the Company has, to its subsidiaries and other financial services group companies ("Group"), provided services such as strategy and business planning, risk and compliance, technology and operational support, marketing and public relations, human resources, etc. The Company has retained approximately 30% of the total cost and allocated the balance to the respective companies on the basis of time spent, marketing budget and number of employees. Increase in retention percentage as compared to previous year is mainly because of higher retention of Long Term Incentive Plan. The amount allocated to the various companies is as given hereunder:

Amount in ₹

Name of the Company	Year Ended March 31, 2017	Year Ended March 31, 2016
Birla Sun Life Insurance Company Limited	23,68,53,001	17,46,88,093
Birla Sun Life Asset Management Company Limited	16,60,16,465	7,49,93,649
Aditya Birla Finance Limited	27,37,91,450	11,24,84,479
Aditya Birla Insurance Brokers Limited	2,79,56,955	1,17,49,005
Aditya Birla Capital Advisors Private Limited	99,94,018	82,49,301
Aditya Birla Money Limited	40,585	1,00,91,908
Aditya Birla Money Mart Limited	29,757	1,00,70,893
Aditya Birla Customer Services Limited	58,224	2,25,94,684
Total	71,47,40,455	42,49,22,012

37. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2017.
38. Current tax for the year of ₹ NIL (previous year ₹ 18,138,367) includes the tax on the income accrued under Section 115U of the Income Tax Act, 1961 on the Venture Capital Investment.
39. The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / accounting standards.
40. **Conversion of Preference Shares:**
- a) During the year 56,500,000 0.01%- Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each were due for conversion on the existing terms and condition, accordingly the Company has converted preference shares into 5,650,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
- b) During the year the Company has made early conversion of its 280,000,000 0.01%- Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each into 28,000,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
41. During the year the Company has reclassified its Authorised Share Capital. The revised structure comprises of 2,200,000,000 Equity shares of ₹ 10 each and 1,800,000,000 Preference Shares of ₹ 10 each.
42. **Rights Issue of Equity Shares:**
- During the year the Company made,
- a) Rights issue of 20,000,000 Equity Shares of ₹ 10 each at a premium of ₹ 90 each.
- b) Right issue of 382,580,000 Equity Shares of ₹ 10 each at a premium of ₹ 60 each.
43. During the year the Company made early redemption of its 1,471,110,000 6%- Non-Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each held by Aditya Birla Nuvo Limited. The redemption is made as per existing terms and conditions.
44. During the year, the Board of Directors of the Company at its Board Meeting held on August 11, 2016, had approved a Composite Scheme of Arrangement between Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (GIL) and the Company and their respective shareholders and creditors ('Scheme'). The Scheme provides for the amalgamation of ABNL with GIL on a going concern basis, demerger of the financial services business from amalgamated GIL into the Company post the amalgamation and consequent listing of the equity shares of the Company. The approval for the Scheme had been received from the Competition Commission of India. The Hon'ble National Company Law Tribunal, Bench at Ahmedabad (NCLT) had directed holding of the meeting of the Shareholders of the Company on April 10, 2017 and the Shareholders of the Company have unanimously approved the Scheme. The Company has filed the Petition with the NCLT for approval of the Scheme. Pending approval of the Scheme, no effect has been given in the financial statements of the Company.
45. During the year the Company acquired 969,616,080 Equity shares of Birla Sun Life Insurance Company Limited (BSLI) constituting 51% of the issued and subscribed share capital of BSLI, from Aditya Birla Nuvo Limited (ABNL), the Company's Holding Company after obtaining requisite approvals from Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDA).
46. During the year ICRA rated Commercial Paper Program of ABFSL as "(ICRA) A1+" and accordingly the Company raised funds through Commercial Paper amounting to ₹ 500 Crore.

47. During the year the Company has introduced Long Term Incentive Plan for selective employees. Long Term Incentive plan 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 fulfillment of criteria prescribed by the Company.

48. Cash transaction in specified bank notes:

The company did not hold or transact in Specified Bank Notes (SBN) during the period from November 08, 2016 to December 30, 2016. The SBN shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 08, 2016.

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

49. **Disclosure as required under Annexure I of Master Direction - Core Investment Companies (Reserve Bank), Direction, 2016.**
Schedule to the Balance Sheet of a non-deposit taking Core Investment Company (Refer Annexure 2).

50. Disclosure of details as required under Clause No. 19 of Master Direction - Core Investment Companies (Reserve Bank) Direction, 2016.

- (a) **Provisions as per CIC Guidelines** – The Company has not provided any amount related standard assets, sub standard assets, doubtful and loss assets.
- (b) Exposure to real estate sector, both direct and indirect – Nil
- (c) Maturity pattern of assets and liabilities

Particulars	Less than 6 months	Over 6 months to 1 year	1 year to 3 year	Over 3 years	Total
Liabilities					
Borrowings	4,92,96,99,303	-	-	-	4,92,96,99,303
Assets					
Advances	-	-	8,24,41,403	-	8,24,41,403
Investments (Net of Provision)	-	-	1,81,84,07,926	48,72,12,67,738	50,53,96,75,664

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

As per our attached report of even date

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

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

Per Shrawan Jalan
Partner
Membership No.102102

Subhash Chandra Bhargava
Director
DIN-00020021

Pinky Mehta
Director
DIN-00020429

Ajay Srinivasan
Chief Executive Officer

Anjali Makhija
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, May 09, 2017

Mumbai, May 09, 2017

Annexure 1 - Related Party Transactions

Sr. No.	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
	Brief description - Company wise and item wise		
1	Other Transactions		
	Issue of Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	28,77,98,46,500	2,47,00,00,000
	ABNL Investment Limited	7,53,500	3,00,00,000
	Conversion of Preference Shares to equity shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	3,36,50,00,000	1,40,00,00,000
	Issue of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	70,00,00,000	7,20,00,00,000
	Redemption of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	14,71,11,00,000	-
	Investment Equity shares		
	Aditya Birla Finance Limited (incl. Purchase of shares from ABNL Investment Limited)	5,80,04,93,070	7,02,45,00,000
	Aditya Birla Housing Finance Limited	1,78,22,00,000	1,89,20,00,000
	Aditya Birla Customer Services Limited	-	-
	Birla Sun Life Trustee Company Private Limited - Unquoted	-	-
	Aditya Birla Wellness Private Limited (incl. Share application money of ₹ 4,08,00,000)	6,58,10,000	-
	Aditya Birla Health Insurance Co. Limited (incl. Purchase of shares from Aditya Birla Nuvo Limited)	33,22,50,010	18,00,00,000
	Birla Sun Life Insurance Company Limited (Purchased from Aditya Birla Nuvo Ltd)	12,06,92,56,288	-
	ABCAP Trustee Company Pvt Ltd	-	1,00,000
	Investment Preference shares		
	Aditya Birla Customer Services Limited	-	31,25,17,498
	Investment Compulsory Convertible Debentures		
	Aditya Birla Money Mart Limited	-	50,00,00,000
	Recovery of Expenses		
	Aditya Birla Nuvo Limited	17,996	10,62,819
	Deposit Received From Aditya Birla Nuvo Limited	-	4,00,000
	Deposit Paid Aditya Birla Nuvo Limited	-	4,00,000
	Aditya Birla Insurance Brokers Limited (Excl of S tax ₹ 39,13,974, SBC ₹ 1,39,285 and KKC ₹ 1,35,519)	2,79,56,954	1,17,49,005
	Reimbursement of Salary Expenses	2,31,09,561	82,60,688
	Reimbursement of Employers Cont to PF	3,19,668	5,55,090
	Reimbursement of Employers Cont to Superannuation	2,09,594	-
	Gratuity	3,70,403	-
	Reimbursement of Other Expenses	36,55,840	28,68,909
	Reimbursement of Depreciation	2,91,888	64,318
	Aditya Birla Capital Advisors Private Limited (Excl of S tax ₹ 13,99,163, SBC ₹ 49,970 and KKC ₹ 46,975)	99,94,019	82,49,301
	Reimbursement of Salary Expenses	66,46,922	58,00,057
	Reimbursement of Employers Cont to PF	2,23,439	3,89,744
	Reimbursement of Employers Cont to Superannuation	1,46,501	-
	Gratuity	2,58,902	-
	Reimbursement of Other Expenses	25,14,233	20,14,341
	Reimbursement of Depreciation	2,04,022	45,159
	Aditya Birla Finance Limited (Excl of S tax ₹ 3,83,82,803, SBC ₹ 13,68,957 and KKC ₹ 13,33,010)	27,40,61,118	11,24,84,479

Sr. No.	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
	Reimbursement of Salary Expenses	22,70,11,514	7,70,86,137
	Reimbursement of Employers Cont to PF	30,93,005	46,78,106
	Reimbursement of Employers Cont to Superannuation	20,27,967	-
	Gratuity	35,83,909	-
	Interest Income on CCD (Wealth Division)	2,39,913	-
	Reimbursement of Other Expenses	3,52,50,839	3,01,78,188
	Reimbursement of Other Expenses (Wealth Division)	29,756	-
	Reimbursement of Depreciation	28,24,215	5,42,048
	Recovery of Expenses		
	Nomination Fees - Paid	-	5,00,000
	Nomination Fees - Received	-	5,00,000
	Birla Sun Life Insurance Company Limited (Excl of S tax ₹ 3,32,36,882, SBC ₹ 87,11,031, KKC ₹ 11,25,085)	23,68,53,001	17,46,88,093
	Reimbursement of Salary Expenses	17,52,19,803	11,99,70,393
	Reimbursement of Employers Cont to PF	40,95,470	86,92,718
	Reimbursement of Employers Cont to Superannuation	26,85,245	-
	Gratuity	47,45,480	-
	Reimbursement of Other Expenses	4,63,67,439	4,16,47,486
	Reimbursement of Depreciation	37,39,564	9,34,090
	Other Reimbursement of Expenses	-	34,43,406
	Recovery of Expenses	49,82,793	49,06,791
	Birla Sun Life Asset Management Company Limited (Excl of S tax ₹ 2,32,42,305, SBC ₹ 8,30,082 and KKC ₹ 8,02,856)	16,60,16,464	7,49,93,649
	Reimbursement of Salary Expenses	13,29,27,081	5,27,27,801
	Reimbursement of Employers Cont to PF	21,99,358	35,43,125
	Reimbursement of Employers Cont to Superannuation	14,42,036	-
	Gratuity	25,48,428	-
	Reimbursement of Other Expenses	2,48,91,332	1,83,12,184
	Reimbursement of Depreciation	20,08,229	4,10,539
	Recovery Of Expenses	-	71,92,461
	Aditya Birla Financial Shared Services Limited (Excl of S Tax ₹ 97,860, SBC ₹ 3515, KKC ₹ 3515)	38,75,664	-
	Reimbursement of Other Expenses	6,98,986	-
	Reimbursement of Capital Expenses	31,76,678	-
	Recovery of Expenses		
	Reimbursement of Other Expenses	2,39,959	-
	Deposit Refund	1,82,000	-
	Aditya Birla Customer Services Limited (Excl Of S Tax ₹ 8,152, SBC ₹ 291, KKC ₹ 291)	58,224	2,25,94,684
	Reimbursement of Salary Expenses	-	1,74,04,513
	Reimbursement of Employers Cont to PF	-	7,81,461
	Reimbursement of Other Expenses	58,224	43,29,044
	Reimbursement of Depreciation	-	79,666
	Recovery of Expenses		
	Nomination Fees - Paid	1,00,000	-
	Nomination Fees - Received	1,00,000	-
	Aditya Birla Money Mart Limited	2,60,087	1,01,76,049
	Reimbursement of Salary Expenses	-	70,02,653
	Reimbursement of Employers Cont to PF	-	4,59,683
	Reimbursement of Other Expenses	-	25,61,695

Sr. No.	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
	Reimbursement of Depreciation	-	46,862
	Other Comprehensive Income	-	1,01,058
	Aditya Birla Money Mart Limited - CCD Interest Income	2,60,087	4,098
	Recovery of Other Expenses	-	14,217
	Nomination Fees - Paid	1,00,000	3,00,000
	Nomination Fees - Received	1,00,000	3,00,000
	Aditya Birla Money Limited (Excl Of S Tax ₹ 5,682, SBC ₹ 203, KKC ₹ 203)	40,585	1,00,91,908
	Reimbursement of Salary Expenses	-	70,02,653
	Reimbursement of Contribution to Fund	-	4,59,683
	Reimbursement of Other Expenses	40,585	25,82,710
	Reimbursement of Depreciation	-	46,862
	Nomination Fees - Paid	1,00,000	1,00,000
	Nomination Fees - Received	1,00,000	-
	Aditya Birla Health Insurance Co. Limited	65,71,309	1,27,38,254
	Reimbursement of Salary and other expenses	14,42,394	1,27,38,254
	Amount Paid On account of Employee TRF - Ankur Bansal	23,08,663	-
	Amount Paid On account of Employee TRF - Srinivas Subramanian	28,20,252	-
	Prepaid Expenses		
	Employee Insurance Premium Paid	10,77,206	-
	Aditya Birla Housing Finance Limited (Excl of S Tax ₹ 2,21,252, SBC ₹ 7,902, KKC ₹ 7,902)	26,33,149	-
	Reimbursement of Salary Expenses	15,80,365	-
	Receivable on account of Employee TRF - Anjali Makhija	10,52,784	-
	Aditya Birla Idea Payments Bank Limited	1,16,28,176	-
	Expenses on account of Employee Transfer	1,16,28,176	-
	- Dividend Received From Subsidiaries		
	Aditya Birla Finance Limited	1,75,000	1,75,000
	Aditya Birla Insurance Brokers Limited	7,96,28,979	6,57,07,128
	Birla Sun Life Asset Management Company Limited	25,50,19,844	-
2	Outstanding Balances		
	- Receivables		
	Aditya Birla Financial Shared Services Limited	28,71,128	15,11,420
	Aditya Birla Capital Advisors Private Limited	20,10,489	13,01,787
	Aditya Birla Insurance Brokers Limited	1,84,50,789	16,40,779
	Aditya Birla Finance Limited	19,12,70,469	1,39,31,052
	Birla Sun Life Insurance Company Limited	7,68,01,601	2,25,34,266
	Birla Sun Life Asset Management Company Limited	9,83,62,984	2,06,37,022
	Aditya Birla Customer Services Limited	74,83,315	1,61,82,143
	Aditya Birla Money Mart Limited	-	27,19,388
	Aditya Birla Money Limited	-	1,92,362
	Aditya Birla Housing Finance Ltd	2,96,921	-
	Aditya Birla Health Insurance Co. Limited	-	5,62,974
	ABCSL Employee Welfare Trust	10,10,50,000	10,10,50,000
	Aditya Birla Nuvo Limited	10,000	-
	- Payables		
	Aditya Birla Financial Shared Services Limited (Salary reimbursement)	-	-
	Aditya Birla Nuvo Limited	-	17,220
	Aditya Birla Insurance Brokers Limited	-	-

Sr. No.	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
	Aditya Birla Health Insurance Co. Limited	1,18,915	-
	- Others		
	Equity Shares held by Aditya Birla Nuvo Limited (Holding Company) [including share premium of ₹ 34,89,33,00,000 (March 31, 2016 ₹ 7,083,000,000)]	47,21,57,00,000	15,04,01,00,000
	Equity Shares held by ABNL Investment Limited [including share premium of ₹ 2,70,00,000]	-	3,00,00,000
	Preference Shares held by Aditya Birla Nuvo Limited (Holding Company)	-	17,37,61,00,000
	Equity shares capital held by the Company		
	Aditya Birla Money Limited - Quoted	2,48,30,28,000	2,48,30,28,000
	Aditya Birla Capital Advisors Private Limited - Unquoted	3,50,00,250	3,50,00,250
	Aditya Birla Financial Shared Services Limited - Unquoted	5,00,000	5,00,000
	Aditya Birla Customer Services Private Limited - Unquoted	71,10,98,369	71,10,98,369
	Aditya Birla Trustee Company Private Limited - Unquoted	500,250	5,00,250
	Aditya Birla Insurance Brokers Limited - Unquoted	30,00,120	30,00,120
	Aditya Birla Finance Limited - Unquoted	27,95,06,14,630	20,00,05,74,550
	Birla Sun Life Asset Management Company Limited - Unquoted	33,70,99,052	33,70,99,052
	Birla Sun Life Trustee Company Private Limited - Unquoted	1,53,540	1,53,540
	Aditya Birla Housing Finance Limited - Unquoted	4,17,66,47,500	2,39,44,47,500
	Aditya Birla Money Mart Limited - Unquoted	3,61,129	24,07,53,095
	Aditya Birla Health Insurance Co. Limited - Unquoted	51,22,50,010	18,00,00,000
	ABCAP Trustee Company Private Limited - Unquoted	1,00,000	1,00,000
	Aditya Birla Wellness Private Limited - Unquoted (incl. Share application money of ₹ 4,08,00,000)	6,58,10,000	-
	Birla Sun Life Insurance Company Limited	12,06,92,56,288	-
	Preference shares capital held by the Company		
	Aditya Birla Finance Limited		
	0.01% Compulsory Convertible Preference Shares	-	1,77,79,82,171
	Aditya Birla Money Mart Limited		
	0.01% Redeemable Non Convertible Non Cumulative Preference Shares	10,00,000	1,00,00,00,000
	Aditya Birla Money Limited		
	8% Redeemable Non Convertible Cumulative Preference Shares	30,00,00,000	30,00,00,000
	Aditya Birla Customer Services Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	59,99,99,998	59,99,99,998
	Investment in Aditya Birla Private Equity - Sunrise Fund	16,24,27,020	26,92,51,484
	Investment in Aditya Birla Private Equity - Fund I	75,56,80,908	1,32,27,20,472
	Debentures held by the Company		
	0.1% Cumulative Convertible Debentures (CCD) - Aditya Birla Money Mart Limited	26,00,86,600	50,00,00,000
	0.1% Cumulative Convertible Debentures (CCD) - Aditya Birla Finance Limited	23,99,13,400	-
3	Key Managerial Personnel		
	Ankur Bansal (Till April 30, 2016)	3,54,244	-
	Anjali Makhija (w.e.f. May 01, 2016)	42,37,026	-
	Ajay Srinivasan (Amounts shown here are before allocation to subsidiary companies)	24,34,97,656	12,78,96,949

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

Annexure : 2

(Amount in ₹)

Sr No	Particulars	Amount Outstanding	Amount Overdue
1	Liabilities Side:		
	Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	4,93,50,38,856	-
	(f) Other Loans (specify nature)	-	-
	Assets Side :	Amount Outstanding	
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	-	-
	(b) Unsecured	60,57,34,061	-
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities :	Amount	
	(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	-	-
4	Break-up of Investments :		
	<u>Current Investments :</u>		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	-	-
	(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	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	29,98,51,662	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

Sr No	Particulars	Amount Outstanding	Amount Overdue
	Long Term Investments :		
1.	<u>Quoted :</u>		
	(i) Shares : (a) Equity	2,35,88,76,600	-
	(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	45,86,23,91,138	-
	(b) Preference	90,02,99,998	-
	(ii) Debentures and Bonds	50,00,00,000	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Private Equity Fund	91,81,07,928	-

5	Borrower group-wise classification of assets financed as in (2) and (3) above :		
	<u>Category</u>	Secured	Unsecured
1.	<u>Related Parties</u>		
	(a) Subsidiaries		39,74,38,781
	(b) Companies in the same Group	-	-
	(c) Other related parties	-	10,10,50,000
	(d) Other than related parties	-	10,72,45,280
	Total	-	60,57,34,061

6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	<u>Category</u>	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1.	<u>Related Parties</u>		
	(a) Subsidiaries	-	49,62,15,67,736
	(b) Companies in the same Group	-	-
	(c) Other related parties	-	-
	(d) Other than related parties	-	91,81,07,928
	Total	-	50,53,96,75,664

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and

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

Emphasis of Matter

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required bylaw relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 34(i) to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 34(ii) to the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2017; and

- iv. The Holding Company and subsidiaries incorporated in India have provided disclosures in Note 33 in the consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 9, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding to the holding and nature of cash transactions, including those in Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Holding Company and as produced to us by the management.

Other Matter

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

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

- (a) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to these seven subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.
- (b) The auditors of Birla Sun Life Insurance Company Limited ('BSLI'), a subsidiary company, have reported that the actuarial valuation of liabilities of BSLI for life policies in force and policies where premium is discontinued is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") read with Insurance Regulatory and Development Authority of India circular IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016, and has been relied upon by the auditors of BSLI, as mentioned in "Other Matter" para (c) of our audit report on the consolidated financial statements of the Holding Company as at and for the year ended March 31, 2017. Accordingly, auditors of BSLI have not audited the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: 26 June 2017

Consolidated Balance Sheet

As at March 31, 2017

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

Significant Accounting Policies

1

The accompanying notes are integral part of financial statements

As per our attached report of even date

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

Chartered Accountants

ICAI Firm registration no. 301003E/E300005

For and on behalf of Board of Directors

Per Shrawan Jalan

Partner

Membership No.102102

Mumbai, June 26, 2017

Shriram Jagetiya

Director

DIN-01638250

Mumbai, June 26, 2017

Pinky Mehta

Director

DIN-00020429

Sailesh Daga

Company Secretary

Statement of Profit and Loss

For the year ended March 31, 2017

		Year Ended March 31, 2017	₹ in crore Year Ended March 31, 2016
Note No.			
	18	5,805.69	3,597.95
	19	80.18	71.18
Total Revenue		5,885.87	3,669.13
Expenses			
	20	717.21	501.24
		344.56	190.35
	21A	2,288.27	1,599.89
	21B	10.83	8.81
	22	43.17	32.85
		416.17	-
	23A	276.86	-
	23B	723.06	467.34
Total Expense		4,820.13	2,800.48
Profit Before Tax and Exceptional Item		1,065.74	868.65
Less : Exceptional Items		-	-
Profit Before Tax		1,065.74	868.65
Tax Expenses			
		380.47	372.91
		(0.36)	(0.36)
		2.00	7.17
		(7.52)	(35.15)
Profit for the Year		691.15	524.08
Profit for the Year Attributable to			
		530.00	380.53
		161.15	143.55
Profit for the Year (A) + (B)		691.15	524.08
Basic Earnings Per Share (₹)		6.35	5.01
Diluted Earnings per Share (₹)	24	6.35	4.34
(Face Value of ₹ 10/- each)			
Significant Accounting Policies	1		

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

As per our attached report of even date

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

Chartered Accountants

ICAI Firm registration no. 301003E/E300005

Per Shrawan Jalan

Partner

Membership No.102102

Mumbai, June 26, 2017

For and on behalf of Board of Directors

Shriram Jagetiya

Director

DIN-01638250

Mumbai, June 26, 2017

Pinky Mehta

Director

DIN-00020429

Sailesh Daga

Company Secretary

Cash Flow Statement

For the year ended March 31, 2017

₹ in crore

PARTICULARS	Year Ended March 31, 2017	Year Ended March 31, 2016
Cash Flow From Operating Activities		
Profit Before Tax	1,065.74	868.65
Adjustment For-		
Interest Income	(16.15)	(31.38)
General Contingency Provision written back	-	19.81
Depreciation	37.27	32.85
Interest Expense other than NBFC	10.83	8.81
Foreign Currency Translation Reserve	(0.44)	0.40
Net gain on sale of investments	(56.92)	(12.93)
Profit on sale of FA	(0.07)	(0.10)
Dividend Income	(1.36)	(2.65)
Change in valuation of liability in respect of life insurance policies in force	541.96	-
Operating Profit Before Working Capital Changes	515.12	14.81
Adjustment For-		
Decrease/(Increase) in Trade Receivable	(96.37)	(54.36)
Decrease/(Increase) in Loans	(11,102.10)	(9,923.26)
Decrease/(Increase) in Other assets	7.47	(2.47)
Decrease/(Increase) in Stock of Securities	(252.59)	137.37
Decrease/(Increase) in Trade Payable	(36.04)	22.90
Decrease/(Increase) in Provisions	200.79	40.07
Decrease/(Increase) in Other liabilities	2,503.33	571.00
Cash Generated from Operations	(7,194.65)	(8,325.29)
Income Taxes Refund/(Paid)	(386.29)	(372.13)
Net Cash flow from operations	(7,580.94)	(8,697.42)
Cash Flow from Investing Activities		
Additions to Fixed Assets	(94.83)	(27.34)
Addition to intangibles	(22.03)	(20.76)
Deletion from Fixed Assets	4.19	0.66
Dividend Income	1.36	2.65
Purchase of long term investments	-	(44.84)
Redemption of long term investment	67.38	-
MF (purchase)/Sale of Investments (net)	(842.50)	(595.75)
Interest Received	15.55	35.02
ICDs (Net)	9.00	(3.00)
Bank Deposits more than 3 months (Net)	(11.25)	15.69
Acquisition of subsidiaries	(1,226.97)	-
Net Cash (Used in)/From Investing Activities	(2,100.10)	(637.67)
Cash Flow from Financing activities		
Proceeds from issue of Equity shares	2,878.06	250.00
Proceeds from issue of Preference shares (including subsidiaries)	-	755.00
Proceeds from Long term borrowing	3,565.05	5,129.10
Proceeds from Short term including current maturities	4,511.30	3,068.32
Dividend paid by subsidiaries to MI	(9.58)	(7.90)
Interest paid (Other than NBFC)	(10.83)	(8.61)
Dividend	(0.80)	(0.80)
Dividend tax	(6.98)	(1.35)
Proceeds from stake dilution in subsidiaries	334.42	-
Proceeds of partly paid up Preference shares	70.00	-
Redemption of preference share	(1,471.11)	-
Net Cash (Used in)/From financing Activities	9,859.53	9,183.76
Net increase in Cash and Cash Equivalents	178.49	(151.33)
Opening Cash and Cash Equivalents	55.30	206.63
Add : Cash and cash equivalents of a Subsidiary on acquisition thereof	499.11	-
Closing Cash and Cash Equivalents	732.90	55.30

Significant Accounting Policies

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

As per our attached report of even date

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

Per Shrawan Jalan
Partner
Membership No.102102
Mumbai, June 26, 2017

For and on behalf of Board of Directors

Shriram Jagetiya
Director
DIN-01638250
Mumbai, June 26, 2017

Pinky Mehta
Director
DIN-00020429

Sailesh Daga
Company Secretary

Notes forming part of Consolidated Financial Statements

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES:

I. BASIS OF PREPARATION

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

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

II. CHANGE IN ACCOUNTING POLICY

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

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

III. USE OF ESTIMATES

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

IV. PRINCIPLES OF CONSOLIDATION

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard (AS) – 21, "Consolidated Financial Statements". The Consolidated Financial Statements are prepared by applying uniform accounting policies in use at the Group.

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

Minority Interest in the net assets of Subsidiaries consists of:

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

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

List of companies included in Consolidation are mentioned in Annexure A

V. TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

B) Leasehold Assets:

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

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

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

VI. INTANGIBLE ASSETS AND AMORTISATION

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

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

Intangible assets under development

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

VII. IMPAIRMENT OF ASSETS

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

VIII. BORROWING COST

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

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

IX. TRANSLATION OF FOREIGN CURRENCY ITEMS

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

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

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

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

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

X. INVESTMENT

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

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

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

Investments of Life Insurance Business

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

• Debt Securities –

- Investments of Shareholders' fund and non-linked fund of Policyholders: All debt securities, including government securities, are considered as 'held to maturity' and stated at amortised cost.
- Policyholders' linked funds: All debt securities, including government securities, are valued using CRISIL Bond Value/CRISIL Gilt Prices, as applicable.

• Equity Shares –

Listed equity shares are valued and stated at fair value, using the last quoted closing prices on the National Stock Exchange (NSE), at the Balance Sheet date. If the equity shares are not traded on the NSE, then closing prices of the Bombay Stock Exchange (BSE) is considered. Equity shares acquired through primary markets, and awaiting listing are valued at their issue price. Unlisted equity shares are valued as per the valuation policy duly approved by its Investment Committee.

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

XI. STOCK OF SECURITIES OF NBFC BUSINESS

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

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

XII. REVENUE RECOGNITION

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

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

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

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

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

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

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

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

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

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

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

Income from **Financial Services** includes brokerage and fees on mutual fund units, bonds, fixed deposits, IPOs private equity and other alternative products, and services which is recognised when due, on completion of transaction. Management fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. Advisory and portfolio management fees are accounted on an accrual basis as per contractual terms with clients. Income on discounted instruments is recognised over the tenure of the instrument on a straight-line basis. Stock and Commodity Brokerage Income is recognised on the trade date of the transaction upon confirmation of the transactions by the exchanges. Trusteeship fee is recognised on an accrual basis, in accordance with the terms of the Trust Deed.

XIII. BENEFITS PAID (INCLUDING CLAIMS)

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

XIV. SCHEME EXPENSES (ASSET MANAGEMENT BUSINESS)

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

XV. DISTRIBUTION COST (PRIVATE EQUITY FUND)

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

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

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

XVII. RETIREMENT AND OTHER EMPLOYEE BENEFITS

a) Defined Contribution Plan:

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

b) Defined Benefit Plan

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

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if

any, shall be made good by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size maintained by the Trust set up by the Group is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

c) Long term Incentive Plan

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

XVIII. EMPLOYEE STOCK OPTIONS

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

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

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

XIX. TAXATION

Tax expense comprises of current and deferred tax.

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

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

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

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

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

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

XX. OPERATING LEASES

i. As a Lessee:

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

ii. As a Lessor:

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

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

XXI. FINANCE LEASE

As a Lessee:

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

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

XXII. CASH AND CASH EQUIVALENT

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

XXIII. SEGMENT REPORTING

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

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

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

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

XXIV. CASH FLOW STATEMENT

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

XXV. EARNINGS PER SHARE

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

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

XXVI. CONTINGENT LIABILITIES AND PROVISIONS

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

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

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

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

In case of Housing Finance Companies, Overdue loans are written off/provided for, as per management estimates, subject to the minimum provision required as per Housing Finance Companies (NHB) Directions, 2010 as amended. Provision on Standard assets is made as per Housing Finance Companies (NHB) Directions, 2010.

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

Particulars	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2017	Proportion of Ownership Interest as on March 31, 2016
SUBSIDIARIES			
Aditya Birla Capital Advisors Private Limited (ABCAPL)	India	100.00%	100.00%
Aditya Birla My Universe Ltd. (ABMUL) (Formerly known as Aditya Birla Customer Services Private Limited)	India	93.70%	93.70%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	100.00%	100.00%
ABCAP Trustee Company Private Limited (w.e.f. 25 th March, 2016)	India	100.00%	100.00%
Aditya Birla Money Limited (ABML)	India	75.00%	75.00%
Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)	India	75.00%	75.00%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	100.00%	100.00%

Particulars	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2017	Proportion of Ownership Interest as on March 31, 2016
Aditya Birla Finance Limited (ABFL)	India	90.23%	90.45%
Aditya Birla Housing Finance Limited	India	100.00%	100.00%
Aditya Birla Health Insurance Co. Limited (w.e.f 28th March, 2016)	India	51.00%	100.00%
Aditya Birla Wellness Private Limited (w.e.f. 23 rd June, 2016)	India	51.00%	Nil
Birla Sun Life Insurance Company Limited (w.e.f. 23 rd March, 2017)	India	51.00%	Nil
Aditya Birla Insurance Brokers Limited (ABIBL)	India	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML)	India	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)	India	100.00%	100.00%
Birla Sun Life Asset Management Company Limited (BSAMC)	India	51.00%	51.00%
Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of BSAMC)	Mauritius	51.00%	51.00%
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of BSAMC)	Dubai	51.00%	51.00%
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of BSAMC)	Singapore	51.00%	51.00%
India Advantage Fund Limited* (Subsidiary of BSAMC)	Mauritius	51.00%	51.00%
International Opportunities Fund SPC (IOF)** (Subsidiary of BSAMC)	Cayman islands	51.00%	51.00%
Birla Sun Life Trustee Company Private Limited (BSTPL)	India	50.85%	50.85%
Global Clean Energy Fund SPC (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd., Singapore (w.e.f 1 st April, 2016)***	Singapore	51.00%	Nil
Birla Sun Life Pension Management Limited (100% Subsidiary of Birla Sun Life Insurance Company Limited (w.e.f. 10 th March, 2017)	India	51.00%	Nil
Aditya Birla ARC Limited (w.e.f. 10 th March, 2017)	India	100.00%	Nil

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

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

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

	Number of shares	As at March 31, 2017	₹ in crore As at March 31, 2016
NOTE: 2A			
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each	2,20,00,00,000 (1,00,00,00,000)	2,200.00	1,000.00
Preference Shares of ₹ 10/- each	1,80,00,00,000 (3,00,00,30,000)	1,800.00	3,000.00
		4,000.00	4,000.00
Issued, Subscribed & Paid-up			
Equity Share Capital			
Equity Shares of ₹10/- each fully paid up	1,23,22,40,000 (79,60,10,000)	1,232.24	796.01
Preference Share Capital			
0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up	- (33,65,00,000)	-	336.50
6% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up	- (1,27,11,10,000)	-	1,271.11
6% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up	- (20,00,00,000)	-	130.00
		1,232.24	2,533.62

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

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

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

(2) Term/Right Attached to Equity Shares

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

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

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

i) Equity Shares

Sr. No.	Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
		No. of Shares Held	% of total paid-up equity share capital	No. of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited (with nominees)	1,23,22,40,000	100%	79,57,10,000	99.96%

ii) Preference Shares

Sr. No.	Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
		No. of Shares Held	% of total paid-up preference share capital	No. of Shares held	% of total paid-up preference share capital
1	Aditya Birla Nuvo Limited	-	-	1,80,76,10,000	100%

NOTE: 2B

PREFERENCE SHARE ISSUED BY SUBSIDIARY COMPANIES

	As at March 31, 2017	₹ in crore As at March 31, 2016
0.001% Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary Company	4.70	4.70
8% Cumulative redeemable preference shares of ₹ 10/- each, fully paid up of the Subsidiary Company	10.00	10.00
	14.70	14.70

NOTE: 3

RESERVES AND SURPLUS

1) Capital Reserve on consolidation

Opening Balance as per last audited Financial Statements	64.72	102.79
Deduction: Adjustment on stake change of Aditya Birla Finance Limited	16.31	38.07
	48.41	64.72

2) Securities Premium Account

Opening Balance as per last audited Financial Statements	766.30	392.26
Addition:		
Premium on conversion of preference shares to equity shares	302.85	126.00
Premium on allotment of fresh equity shares	2,475.48	225.00
Premium on issue of compulsory convertible preference shares of the subsidiary company	-	23.04
	3,544.63	766.30

3) Other Reserves

i) General Reserve

Opening Balance as per last audited Financial Statements	6.99	4.86
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	-	2.13
	6.99	6.99

ii) Special Reserve(a)

Opening Balance as per last audited Financial Statements	209.47	127.67
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	117.10	81.80
	326.57	209.47

	As at March 31, 2017	₹ in crore As at March 31, 2016
iii) Capital Fund(b)	0.01	0.01
iv) Foreign Currency Translation Reserve		
Opening Balance as per last audited Financial Statements	2.09	1.67
Addition:		
Addition During the Year	-	0.42
Deduction:		
Deduction during the year	0.44	-
	1.65	2.09
v) Credit/(Debit) Fair Value Change Account		
Opening Balance as per last audited Financial Statement	-	-
Addition/ (Deduction) during the year	0.03	-
Total	0.03	-
Total Other Reserves	335.25	218.56
4) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	871.60	426.36
Addition:		
Profit of the Year	529.82	380.53
Merger of MGLRCL with ABFL	-	151.23
Stake change in Subsidiaries	155.84	-
Less: Appropriations		
Transfer to General Reserve	-	2.13
Transfer to Special Reserve	117.10	81.80
Dividend on Preference shares issued by subsidiary Company	-	0.80
Corporate Tax on Proposed Dividend of Subsidiaries	-	1.79
Corporate tax on Interim Dividend on Preference Shares	5.19	-
	1,434.96	871.60
	5,363.25	1,921.18

(a) Special Reserve

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

(b) Capital Fund

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

NOTE: 4A

LONG-TERM BORROWINGS

SECURED

	As at March 31, 2017	₹ in crore As at March 31, 2016
Debentures	8,174.90	5,156.00
Rupee Term Loans from Banks	8,609.74	8,489.64
Finance Lease Liabilities	8.86	3.80
	16,793.50	13,649.44

	As at March 31, 2017	₹ in crore As at March 31, 2016
UNSECURED		
Debentures	1,399.00	696.50
Rupee Term Loans from Others	1.00	0.65
	1,400.00	697.15
Total	18,193.50	14,346.59

NOTE: 4B**SHORT-TERM BORROWINGS****SECURED**

Term Loan	1,272.54	-
Loan Repayable on Demand from Banks	1,667.56	2,662.72
	2,940.10	2,662.72

UNSECURED

Loan Repayable on Demand from:

Banks	200.00	209.25
Others	7.23	-
Other Loans and Advances		
Commercial Papers*	8,538.50	4,295.82
Loans from Related Parties	-	6.74
	8,745.73	4,511.81
Total	11,685.83	7,174.53

*Commercial Papers are shown net of unamortised discounting charges.

NOTE: 5A**OTHER LONG-TERM LIABILITIES**

Trade Payables	-	45.06
Interest Accrued but Not Due on Borrowings	163.89	154.84
Other Payables		
Advance from Customers	2.37	0.17
Income Received in Advance	0.15	-
Others	0.02	2.61
Liability for Rent Straight Lining	11.12	-
	177.55	202.68

NOTE: 5B**OTHER CURRENT LIABILITIES**

Current Maturities of Long-term Borrowings	1,050.81	1,490.07
Current Maturities of Finance Lease Obligations	3.70	1.31
Current maturities of Redeemable Non Convertible Debentures	2,004.00	-
Interest Accrued but Not Due on Borrowings	573.52	250.52
Income Received in Advance	8.24	7.47
Other Payables		
Advance from Customers	181.45	108.37

	As at March 31, 2017	₹ in crore As at March 31, 2016
Bank Overdraft	527.52	648.40
Payables for Capital Expenditure	8.67	3.68
Statutory Dues	38.15	20.62
Deposits	8.26	11.70
Due to Life Insurance Policyholders	174.74	-
Unallocated premium	54.73	-
Others	170.80	52.07
	4,804.59	2,594.21

NOTE: 6A

LONG-TERM PROVISIONS

Provisions for:

Employee Benefits	68.93	17.96
Others		
Contingent Provision on Standard Asset of Financing Activities	105.76	58.94
Provision for Doubtful Loans and Advances of Financing Activities	89.03	101.94
Other Long-term Provisions#	2.04	0.18
Provision for Soft accounts	20.23	-

Total	285.98	179.02
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NOTE: 6B

SHORT-TERM PROVISIONS

Provisions for:

Employee Benefits	175.67	56.37
Others		
Taxation (Net of Advance Tax)	5.90	26.70
Preference shares	-	0.80
Provision for Corporate Tax on Dividend		
Equity shares	-	1.62
Preference shares	-	0.17
Contingent Provision on Standard Asset of Financing Activities	33.26	26.58
Reserve for unexpired risk	37.74	-

252.57	112.24
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Additional Disclosure as per Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

A. Warranty

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

NOTE: 7A
TANGIBLE ASSETS

	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant & Equipments	Furniture & Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block								
As at 1st April, 2015	0.15	0.26	24.94	16.98	14.10	71.32	6.14	133.89
Additions	-	2.62	4.37	4.20	1.27	14.68	2.98	30.12
Deletions	-	-	0.68	0.08	1.02	6.68	1.23	9.69
Foreign Exchange Translation Difference	-	-	(0.90)	-	0.04	0.05	-	(0.81)
As at 31st March, 2016	0.15	2.88	27.73	21.10	14.39	79.37	7.89	153.51
Additions	-	-	7.45	6.43	2.83	29.89	10.84	57.45
Deletions	-	-	3.78	1.41	4.95	19.41	2.06	31.61
Foreign Exchange Translation Difference	-	-	(0.03)	-	(0.02)	(0.03)	-	(0.08)
Stake Change/Merger/Divestment/Demerger/ Acquisition	-	-	36.33	2.66	15.20	106.17	2.65	163.02
As at 31st March, 2017	0.15	2.88	67.70	28.78	27.45	196.00	19.32	342.29
Accumulated Depreciation								
As at 1st April, 2015	-	0.04	19.88	13.41	10.43	58.58	2.64	104.99
For the year	-	0.03	3.19	1.70	1.86	8.48	1.37	16.63
Deletions	-	-	0.62	0.08	0.96	6.63	0.81	9.10
Foreign Exchange Translation Difference	-	-	(0.92)	-	0.03	0.04	-	(0.85)
As at 31st March, 2016	-	0.07	21.53	15.04	11.36	60.47	3.20	111.67
For the year	-	0.05	4.60	2.95	2.24	13.95	2.62	26.42
Deletions	-	-	3.59	1.39	4.56	18.53	1.24	29.30
Foreign Exchange Translation Difference	-	-	(0.02)	-	(0.01)	(0.03)	-	(0.06)
Stake Change/Merger/Divestment/Demerger/ Acquisition	-	-	29.97	2.05	11.92	82.05	0.62	126.62
As at 31st March, 2017	-	0.12	52.49	18.65	20.95	137.91	5.20	235.35
Net Block as at 31st March, 2017	0.15	2.75	15.21	10.13	6.50	58.09	14.12	106.96
Net Block as at 31st March, 2016	0.15	2.81	6.20	6.06	3.03	18.90	4.70	41.84

A) Gross Block of Tangible Assets includes:

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

NOTE: 7B
INTANGIBLE ASSETS

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

₹ in crore

As at
March 31, 2017

As at
March 31, 2016

NOTE: 8A
INVESTMENTS OF LIFE INSURANCE BUSINESS: NON-CURRENT

(i) Shareholders' Investments

Quoted

Investments in

Government or Trust Securities

687.91

-

Equity Instrument

15.00

-

Debentures/Bonds

796.76

-

Unquoted

Investments in

Equity Instruments

1.25

-

Others

39.90

-

Less: Provision for diminution on investments

-

-

Sub-Total - (i)

1,540.82

-

(ii) Policyholders' Investments

Quoted

Investments in

Equity Instruments

622.75

-

Preference Shares

0.26

-

Government or Trust Securities

4,042.47

-

Debentures and Bonds

2,672.38

-

Mutual Funds

0.98

-

Other

-

-

	As at March 31, 2017	₹ in crore As at March 31, 2016
Unquoted		
Investments in		
Others (Fixed Deposits)	61.10	-
Venture Capital Funds	7.75	-
Social Capital Fund	53.47	-
Sub-Total - (ii)	7,461.16	-
Total - (i) + (ii)	9,001.98	-
Aggregate Market Value of Quoted Investments	9,400.00	-
Aggregate Book Value of Quoted Investments	8,838.51	-
Aggregate Book Value of Unquoted Investments	163.47	-

NOTE: 8B**INVESTMENTS OF LIFE INSURANCE BUSINESS: CURRENT****(i) Shareholders' Investments****Quoted**

Investments in

Government or Trust Securities

1.00

-

Debentures/Bonds

24.40

-

Mutual Funds

4.00

-

Unquoted

Investments in

Other

0.82

-

Fixed Deposits

32.15

-

Sub-Total - (i)**62.37**

-

(ii) Policyholders' Investments**Quoted**

Investments in

Government or Trust Securities

19.95

-

Debentures/Bonds

47.59

-

Mutual Funds

265.52

-

Unquoted

Investments in

Others

53.16

-

Fixed Deposits

12.92

-

Collateralised Borrowing and Lending Obligation

15.92

-

Sub-Total - (ii)**415.06**

-

Total - (i) + (ii)**477.43**

-

Aggregate Market Value of Quoted Investments

363.05

-

Aggregate Book Value of Quoted Investments

362.46

-

Aggregate Book Value of Unquoted Investments

114.98

-

NOTE: 9A**INVESTMENTS OF HEALTH INSURANCE BUSINESS: NON-CURRENT****(i) Shareholders' Investments****Quoted**

Investments in

Government or Trust Securities

84.70

-

Debentures/Bonds

102.43

-

Sub-Total - (i)**187.13**

-

	As at March 31, 2017	₹ in crore As at March 31, 2016
(ii) Policyholders' Investments		
Quoted	-	-
Unquoted	-	-
Sub-Total - (ii)	-	-
Total - (i) + (ii)	187.13	-
Aggregate Market Value of Quoted Investments	187.13	-
Aggregate Book Value of Quoted Investments	187.13	-

NOTE: 9B

INVESTMENTS OF HEALTH INSURANCE BUSINESS: CURRENT

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

NOTE: 10A

OTHER INVESTMENTS : NON-CURRENT

	Face Value	Number of shares	As at March 31, 2017	Number of shares	As at March 31, 2016
Investment in					
Equity Instruments					
Subsidiaries (Refer Annexure A to Note : 1-IV) (Unquoted)					
Class A in India Advantage Fund Limited, Mauritius	\$ 10.00	90	₹	90	₹
Class B in India Advantage Fund Limited, Mauritius	\$ 10.00	40	₹	40	₹
International Opportunities Fund	\$ 0.01	1	₹	1	₹
			₹		₹
Others					
Birla Management Centre Services Limited	10.00	2,000	₹	2,000	₹
MF Utilities India Private Limited	1.00	5,00,000	₹	5,00,000	0.05
MOIL Limited	10.00	12,245	0.46	12,245	0.46
Less: Provision for diminution					(0.21)
Apollo Sindhoori Hotels Limited.	10.00	-	-	3,005	0.01
Less: Provision for diminution					(0.01)
			0.46		0.30

	Face Value	Number of shares	As at March 31, 2017	Number of shares	As at March 31, 2016
Preference Shares (Unquoted)					
0.001 % Optionally Convertible Cumulative Redeemable Preference Shares in Share Microfin Limited	10.00	95,72,750	9.57	98,54,834	9.85
Less: Provision for diminution			-		(7.50)
			9.57		2.35
Debentures and Bonds					
NHAI Bonds	1,000	11,126	1.11	11,126	1.11
Less: Provision for diminution			-		-
			1.11		1.11
Mutual Funds*			205.20		180.02
			205.20		180.02
Others					
Unquoted					
Aditya Birla Private Equity - Fund I			75.57		132.27
Aditya Birla Private Equity - Sunrise Fund			16.24		26.93
Class B Units of Aditya Birla Real Estate Fund			-		0.05
PMS Investment			5.00		3.60
Investment in Alternate Fund			60.62		20.00
Mutual Funds			27.12		-
Equity Instrument			0.09		-
Less: Provision for diminution			(9.79)		-
			174.85		182.85
TOTAL NON-CURRENT INVESTMENT			391.19		366.63
Aggregate Market Value of Quoted Investments			228.85		169.44
Aggregate Book Value of Quoted Investments			206.77		155.74
Aggregate Book Value of Unquoted Investments			184.42		210.89
Aggregate amount of Provision for diminution			9.79		7.73
*Includes Earmarked towards capital fund			0.04		0.04

	Face Value	Number of shares	As at March 31, 2017	Number of shares	As at March 31, 2016
NOTE: 10B					
OTHER INVESTMENTS : CURRENT					
Debentures and Commercial Papers					
Mahindra Worldcity Jaipur Limited	10,00,000	-	-	1,650	165.00
AU Financiers (India) Limited	10,00,000	-	-	1,000	100.00
Dalmia Cement Bharat Limited	10,00,000	-	-	1,000	100.00
KKR Financial Services Private Limited	1,00,00,000	100	100	50	50.00
Indiabulls Housing Finance Company	10,00,000	-	-	500	50.00
Karvy Financial Services Private Limited (Commercial papers)	5,00,000	-	-	-	-
Vijaya Bank			194.70		-
OBC Bank			107.00		-
SD Corp Private Limited			50.00		-
Bank of Baroda			125.00		-
Allahabad Bank			17.50		-
ICICI Bank Limited			100.00		-
Axis Bank Limited			100.00		-
			794.20		465.00
Mutual Funds			752.22		531.56
TOTAL CURRENT INVESTMENT			1,546.42		996.56
Aggregate Market Value of Quoted Investments			37.89		50.28
Aggregate Book Value of Quoted Investments			30.00		41.34
Aggregate Book Value of Unquoted Investments			1,516.42		955.22

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

NOTE: 12**DEFERRED TAX LIABILITIES**

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

Depreciation

	As at March 31, 2017	₹ in crore As at March 31, 2016
	0.60	-
	0.60	-

DEFERRED TAX ASSETS

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

Depreciation

Expenditure/Provisions Allowable on Payment Basis

Provision for Doubtful Debt and Advances

Contingent provision against standard assets

Others

	5.80	5.49
	-	16.78
	20.22	76.68
	40.58	-
	40.80	0.33
	107.40	99.28

Net Deferred Tax Liabilities /(Assets)

	(106.80)	(99.28)
--	-----------------	----------------

Deferred Tax presented in Balance Sheet

Deferred Tax Assets (Net)

	106.80	99.28
--	--------	-------

Net Deferred Tax Liabilities / (Assets)

	(106.80)	(99.28)
--	-----------------	----------------

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

NOTE: 13A**LONG-TERM LOANS AND ADVANCES**

Capital Advance

Unsecured, Considered Good

Security Deposits

Unsecured, Considered Good

Unsecured, Considered Doubtful

Less: Provision for Doubtful

Other Loans and Advances

Loans and Advances of Financing Activities

Secured, Considered Good

Secured, Considered Doubtful

Unsecured, Considered Good

Unsecured, Considered Doubtful

Loans against Insurance Policy (Secured, Considered Good)

Loans & Advances to Related Parties(Unsecured)

VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government

Unsecured, Considered Good

Advance Tax (Net of Provision)

MAT Credit Entitlement

Prepaid Expenses

Advance for Expenses, Materials, Employees and Others

	As at March 31, 2017	₹ in crore As at March 31, 2016
	8.40	1.58
	87.11	18.51
	0.19	0.09
	(0.19)	(0.09)
	4.09	-
	24,519.08	16,961.63
	13.94	-
	3,751.34	1,358.78
	157.18	160.47
	52.26	-
	-	0.88
	17.34	22.81
	32.83	14.80
	0.72	0.36
	63.12	58.51
	28.38	4.31
	28,735.79	18,602.64

NOTE: 13B**SHORT-TERM LOANS AND ADVANCES**

Security Deposits

Unsecured, Considered Good

Unsecured, Considered Doubtful

Less: Provision for Doubtful

Other Loans and Advances

	13.54	8.28
	0.09	0.05
	(0.09)	(0.05)
	3.36	-

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

* Refer note no 34-III

NOTE: 14A

OTHER NON-CURRENT ASSETS

Other Bank Balances*		
Bank Deposits with more than twelve months maturity	1.08	1.08
Interest Accrued on Loans and Advances and Investments	34.61	0.02
Others	6.56	-
	42.25	1.10
*Lien Marked in favour of IRDA	1.08	1.08

NOTE: 14B

OTHER CURRENT ASSETS

Unbilled Revenue	-	0.82
Interest Accrued on Loans and Advances, Investments and Fixed Deposits	683.93	348.47
Receivable from related parties	10.85	-
Others	11.79	36.91
	706.57	386.20

NOTE: 15

STOCK OF SECURITIES OF NBFC BUSINESS

Details of opening Stock, Purchases, Sales and Closing Stock in respect of Trading in securities of NBFC business are as follows:

Units of Mutual Funds (Nos.)		
Purchase	11,64,52,707.94	24,94,97,071.77
Sales	11,64,52,707.94	24,94,97,071.77
Closing	-	-
Stock of Securities (₹ crore)		
Opening	330.20	467.57
Purchase	11,199.46	6,912.33
Sales	10,946.88	7,059.77
Closing	582.78	330.20

	As at March 31, 2017	₹ in crore As at March 31, 2016
NOTE: 16		
TRADE RECEIVABLES		
Due for period exceeding six months from the due date of payment		
Secured, Considered Good	3.84	8.27
Unsecured, Considered Good	0.38	1.30
Unsecured, Considered Doubtful	7.94	6.66
Less: Provision for doubtful	(7.94)	(6.66)
Others		
Secured, Considered Good	143.44	123.57
Unsecured, Considered Good	221.70	45.42
Unsecured, Considered Doubtful	1.21	1.78
Less: Provision for doubtful	(1.21)	(1.78)
	369.36	178.56
NOTE: 17		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	449.05	53.44
Deposit Accounts (with original maturity period of three months or less)	177.78	1.84
Cash on Hand	102.54	0.02
Cheques/Drafts on Hand	3.53	-
(A)	732.90	55.30
Other Bank Balances		
Deposit Accounts (with original maturity period of more than three months)#	71.88	59.45
(B)	71.88	59.45
(A) + (B)	804.78	114.75
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	1.08	1.08
	803.70	113.67
# Includes deposits placed under lien towards bank guarantees for margins with exchange/banks.	70.65	58.37

		₹ in crore
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
NOTE: 18		
REVENUE FROM OPERATIONS		
A. SALE OF SERVICES		
Interest income	3,183.85	2,380.28
Management and Advisory Fees	988.88	766.25
Life Insurance Premium	763.45	-
Health Insurance Premium	50.89	-
Other Financial Services	621.00	451.42
(A)	5,608.07	3,597.95
B. OTHER OPERATING INCOME		
Investment Income on Life Insurance Policyholders' Fund	23.23	-
Commission Income	142.26	-
Miscellaneous Other Operating Income	32.13	-
(B)	197.62	-
(A) + (B)	5,805.69	3,597.95
NOTE: 19		
OTHER INCOME		
Interest Income on Investments		
Current	3.38	20.75
Long-term	-	0.09
Interest Income - Others	12.77	10.55
Dividends Income on Investments		
Current	1.36	2.56
Long-term	-	0.09
Net Gain on Sale of Investments		
Net Gain on Sale of Current Investments	56.92	12.91
Long-term	-	0.02
Other Non-Operating Income		
Profit on Sale of Fixed Assets (Net)	0.06	0.10
General Contingency Provision written back	-	19.81
Others	5.69	4.30
	80.18	71.18
NOTE: 20		
EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	659.09	458.48
Contribution to Provident and Other Funds	32.69	23.39
Staff Welfare Expenses	25.43	19.37
	717.21	501.24
NOTE: 21A		
FINANCE COST RELATING TO LENDING ACTIVITY OF SUBSIDIARIES		
Interest Expenses	2,278.81	1,597.57
Other Borrowing Costs	9.46	2.32
	2,288.27	1,599.89
NOTE: 21B		
OTHER FINANCE COST		
Interest Expenses	10.82	8.78
Other Borrowing Costs	0.01	0.03
	10.83	8.81

₹ in crore

NOTE: 22**DEPRECIATION AND AMORTISATION EXPENSES**

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Depreciation of Tangible Assets	26.42	16.63
Amortisation of Intangible Assets	16.75	16.22
	43.17	32.85

NOTE: 23A**CHANGE IN VALUATION OF LIABILITY IN RESPECT OF INSURANCE POLICIES IN FORCE**

Change in Valuation of Liability in respect of Insurance Policies	648.76	-
Release from funds from future appropriations	(1.26)	-
Change in Premium Discontinuance Fund	(98.48)	-
Investment (Income) /Loss on insurance policyholders' fund related to Linked business	(272.16)	-
	276.86	-

NOTE: 23B**OTHER EXPENSES**

Rent	59.91	46.51
Repairs and Maintenance of:		
Buildings	0.54	0.62
Plant and Machinery	0.16	0.02
Others	30.95	22.87
Insurance	8.32	7.85
Rates and Taxes	19.90	17.58
Communication Expenses	20.07	16.30
Advertisement and Sales Promotion Expenses	178.91	108.35
Legal and Profession Expenses	63.70	45.75
Bad Debts and Provision for Bad and Doubtful Debts and Advances including Contingency Provision for Standard Assets of NBFC	117.54	93.92
Printing and Stationery	7.00	5.65
Travelling and Conveyance	39.04	26.31
Reserve for unexpired risk	37.74	-
Bank Charges	2.32	2.94
Electricity Charges	9.49	7.24
Foreign Exchange Loss (Net)	0.32	0.32
Information Technology Expenses	30.14	25.81
Miscellaneous Expenses	97.01	39.30
	723.06	467.34

Note: 24**Earnings Per Share (EPS)****The Following Reflects the Profit and Share Data Used in the Basic and Diluted EPS Computation****Basic**

Earnings Per Share (EPS) is Calculated as Under:

Net Profit / (Loss) as per the Statement of Profit and Loss	530.00	380.53
Less: Preference Dividend and Tax Thereon	0.97	0.97

Net Profit for EPS

	529.03	379.56
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Weighted Average Number of Equity Shares for Calculation of Basic EPS

	83,29,81,799	75,81,82,603
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Basic EPS (₹)

	6.35	5.01
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Weighted average number of Equity Shares Outstanding

	83,29,81,799	75,81,82,603
--	--------------	--------------

Add: Dilutive impact of Preference shares

	-	11,68,34,972
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Weighted average number of Equity Shares for calculation of Diluted EPS

	83,29,81,799	87,50,17,575
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(Face Value of ₹ 10/- each)

	6.35	4.34
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Diluted EPS (₹)

NOTE: 25

CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Claims against the Group not acknowledged as debts

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

As at
March 31, 2017 As at
March 31, 2016

NOTE: 26

CAPITAL AND OTHER COMMITMENTS

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

NOTE: 27

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

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. Assets taken on Lease:		
i) Operating Lease Payment recognised in the Statement of Profit and Loss		
Minimum Lease Rent	63.21	39.13
	63.21	39.13
ii) The Group has taken certain Office Premises, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment, on noncancellable/cancellable operating lease.		

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

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

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

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

Figures in brackets represent corresponding amount of Previous Year.

NOTE: 28

RETIREMENT BENEFITS

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

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

General Description of the Plan

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

	As at 31st March, 2017	As at 31st March, 2016
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the year	74.25	31.87
Fair Value of Plan Assets	66.38	23.90
Net Liability/(Asset)	7.87	7.97
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of		
Current Service Cost	9.59	5.32
Interest on Defined Benefit Obligations	4.52	2.04
Expected Return on Plan Assets	(3.70)	(1.70)
Net Actuarial (Gain)/Loss recognised during the year	8.15	3.37
Past Service Cost	(0.08)	-
Net Gratuity Cost	18.48	9.02
Actual Return on Plan Assets:		
Expected Return on Plan Assets	4.29	1.70
Actuarial Gain/(Loss) on Plan Assets	2.38	(0.31)
Actual Return on Plan Assets	6.67	1.39
Reconciliation of Present Value of the Obligations and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligations	31.86	21.79

	As at 31st March, 2017	As at 31st March, 2016
Current Service Cost	9.59	5.32
Interest Cost	4.52	2.04
Actuarial (Gain)/Loss	9.42	3.05
Liability on Stake Change/Divestment/Amalgamation of Subsidiaries/ Joint Ventures	27.42	0.40
Liabilities Assumed in respect of employees transferred from Group Companies	1.35	-
Past Service Costs	(0.08)	-
Benefits Paid	(9.83)	(0.73)
Closing Defined Benefit Obligations	74.25	31.87
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	23.90	19.08
Expected Return on the Plan Assets	4.29	1.70
Actuarial Gain/(Loss)	2.38	(0.31)
Asset on Stake Change/Divestment/Amalgamation of Subsidiaries/ Joint Ventures	27.42	-
Contributions by the Employer	19.66	4.16
Asset acquired on acquisition / (distributed on divestiture)	(1.44)	-
Benefits Paid	(9.83)	(0.73)
Closing Fair Value of the Plan Assets	66.38	23.90
Investment Details of the Plan Assets		
Government of India Securities	46.00%	9.34%
Corporate Bonds	0.00%	0.18%
Special Deposit Scheme	1.00%	0.94%
Insurer Managed Fund	46.00%	79.04%
Others	7.00%	10.50%
Total	100.00%	100.00%

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

Experience Adjustment	31st March, 2017	31st March, 2016	31st March, 2015
Defined Benefit Obligations	74.25	31.86	21.79
Plan Assets	66.38	23.90	19.08
Surplus/(Deficit)	(7.87)	(7.96)	(2.71)
Experience Adjustment on Plan Liabilities	6.10	5.40	0.61
Experience Adjustment on Plan Assets	1.86	(0.31)	0.88

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

₹ in crore

	As at 31st March, 2017	As at 31st March, 2016
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	6.50 – 7.95%	7.35% - 8.10%
Estimated Rate of Return on the Plan Assets	6.50 – 7.95%	7.60% - 9.00%

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

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

	As at 31st March, 2017	As at 31st March, 2016
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the unfunded Defined Benefit Obligation at the end of the year	4.17	2.40
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of		
Current Service Cost	0.89	0.51
Interest on Defined Benefit Obligations	0.18	0.07
Net Actuarial (Gain)/Loss recognised during the year	0.55	0.09
Past services cost	0.06	-
Net Gratuity Cost	1.68	0.67
Reconciliation of Present Value of the Obligation:		
Opening Defined Benefit Obligation	2.40	0.99
Past Service Cost	0.06	
Current Service Cost	0.89	0.51
Interest Cost	0.18	0.07
Actuarial (Gain)/Loss	0.55	0.09
Liability in respect of Employees transferred from funded plan	-	(0.34)
Benefits Paid	0.09	1.08
Closing Defined Benefit Obligation	4.17	2.40

Experience Adjustment	31st March, 2017	31st March, 2016	31st March, 2015
Defined Benefit Obligation	4.17	2.40	0.99
Experience adjustment on Plan Liabilities	-	-	0.19
Principal Actuarial Assumptions at the balance sheet date			
Discount rate	6.70 – 7.70%	7.60% - 8.10%	

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

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

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

- d) Defined Contribution Plans –

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

NOTE : 29

Disclosure under Employee Stock Options Scheme of Subsidiary Company

(A) Aditya Birla Money Limited

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

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

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

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

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

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

Options granted on December 02, 2014	₹ 25,09,341
Options outstanding as on April 01, 2016	₹ 19,79,120
No. of options granted during the year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (₹ per share)	₹ 34.25/-
Market price as on the date of the grant	₹ 34.25/- (previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the year	₹ 4,50,859 (due to resignation of employees)
Options exercised during the year	Nil
Options outstanding as on March 31, 2017	₹ 14,45,845

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

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

None of the employees have exercised the vested options.

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

Fair Valuation:

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

The key assumptions are as under:

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

(B) Aditya Birla Customer Services Limited

The Company has formulated -Employee Stock Option Scheme – 2015 (ABCSL ESOP Scheme – 2015) with the approval of the shareholders at the Annual General Meeting dated July 07, 2015. The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the Intrinsic Value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the Fair Value of the Company and further, the vesting of options is due only in the upcoming years.

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

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

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

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

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

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

The key assumptions are as under:

Variables	Grant date 04.09.2015 vest 03.09.2020
Fair market value	₹ 89
Volatility	0%
Risk free rate	7.83%
Exercise price	₹ 89
Expected Life	6 years
Dividend yield	0%
Option fair value	₹ 20.74
Vesting schedule	100%
Weighted average fair value	₹ 20.74

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

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

NOTE: 30

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

1 List of Related Parties

Holding Company

Aditya Birla Nuvo Limited (ABNL)

Fellow Subsidiary

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

ABNL Investment Limited (AIL)

Aditya Birla Idea Payment Bank Limited (ABIPBL)

Key Management Personnel

Mr. Ajay Srinivasan

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

₹ in crore

Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries Personnel	Key Management	Grand Total
Revenue From Operation				
BSLI	-	2.93	-	-
	-	(3.53)	-	(3.53)
TOTAL	-	2.93	-	-
	-	(3.53)	-	(3.53)
Interest Paid				
ABNL	0.80	-	-	0.80
	(2.44)	-	-	(2.44)
TOTAL	0.80	-	-	0.80
	(2.44)	-	-	(2.44)
Payment For Reimbursement of Revenue / Capital expenditure				
ABNL	0.05	-	-	0.05
	(0.13)	-	-	(0.13)
BSLI	-	3.80	-	-
	-	(3.08)	-	(3.08)
ABIPBL	-	1.24	-	1.24
	-	-	-	-
TOTAL	0.05	5.04	-	1.29
	(0.13)	(3.08)	-	(3.21)

Transaction / Nature of Relationship	Holding Company	Fellow Subsidiaries Personnel	Key Management	Grand Total
Receipts against Reimbursement of Expenses				
ABNL	- (0.01)	- -	- -	- (0.01)
BSLI	- -	45.46 (39.14)	- -	45.46 (39.14)
TOTAL	- (0.01)	45.46 (39.14)	- -	45.46 (39.15)
Purchase of Fixed Assets				
BSLI	- -	0.10 (0.10)	- -	- (0.10)
TOTAL	- -	0.10 (0.10)	- -	- (0.10)
Interest Expenses on NCD				
BSLI	- -	11.04 (3.15)	- -	- (3.15)
TOTAL	- -	11.04 (3.15)	- -	- (3.15)
Interest Expenses on ICD				
ABNL	4.22 -	- -	- -	4.22 -
TOTAL	4.22 -	- -	- -	4.22 -
Insurance premium				
ABNL	3.97 -	- -	- -	3.97 -
TOTAL	3.97 -	- -	- -	3.97 -
Loans / Deposits taken (including Inter-Corporate Deposits)				
ABNL	63.76 (53.67)	- -	- -	63.76 (53.67)
TOTAL	63.76 (53.67)	- -	- -	63.76 (53.67)
Advance Taken for Expense				
BSLI	- -	9.73 (10.06)	- -	- (10.06)
TOTAL	- -	9.73 (10.06)	- -	- (10.06)
Managerial Remuneration Paid*				
Mr. Ajay Srinivasan	- -	- -	24.35 (12.79)	24.35 (12.79)
TOTAL	- -	- -	24.35 (12.79)	24.35 (12.79)
Loans taken Repaid (including Inter-Corporate Deposits)				
ABNL	63.27 (102.70)	- -	- -	63.27 (102.70)
TOTAL	63.27 (102.70)	- -	- -	63.27 (102.70)
Deposits taken during the year				
ABNL	- (0.04)	- -	- -	- (0.04)
TOTAL	- (0.04)	- -	- -	- (0.04)
Deposits taken - Repaid during the year				
ABNL	- (0.04)	- -	- -	- (0.04)
TOTAL	- (0.04)	- -	- -	- (0.04)

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

- Figures in brackets represent corresponding amount of Previous Year.
- No amount, in respect of the related parties have been written off/back, is provided for during the year.
- Related parties relationships have been identified by the management and relied upon by the auditors.
- * - Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

NOTE: 31**SEGMENT DISCLOSURES**

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

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

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

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

Information about Primary Business Segments

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

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

Information about Primary Business Segments

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

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

Information about Secondary Business Segments

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

NOTE: 32**ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 FOR CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

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

Notes:

* Net Assets = Total Assets - Total liabilities

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

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

NOTE: 33

Cash transaction in specified bank notes (SBNs)

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

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	42,500	10,908	53,408
(+) Permitted receipts	95,56,500	108,298	96,64,798
(-) Permitted payments	(1,500)	(96,523)	(98,023)
(-) Amount deposited in Banks	(95,97,500)	-	(95,97,500)
Closing cash in hand as on 30.12.2016	-	22,683	22,683

Note:

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

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

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

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

34. OTHER SIGNIFICANT NOTES

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

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

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

Pending the final outcome of the arbitration proceedings, ABML has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of

accounts of ABML as at March 31, 2017 aggregating ₹ 18.73 Crore (previous year: ₹ 18.66 Crore) and disclosed the same in Short Term Loans & Advances in Note No 13B of the Balance Sheet, as these amounts would be paid directly to ABML by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

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

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

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

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

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

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

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

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

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

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

v. Scheme of Arrangement between Subsidiary Companies:

- During the year, the Hon'ble High Court of Gujarat, Ahmedabad approved the Scheme of Arrangement vide order O/COMP/445/2016 dated 24th November, 2016, and the certified true copies of the scheme and order were received on December 21, 2016., whereby the Wealth Management Undertaking of Aditya Birla Money Mart Limited (ABMM), a subsidiary of the Company was demerged and transferred to Aditya Birla Finance Limited (ABFL), also a subsidiary of the Company, with the Appointed Date of 1st April, 2016. The Scheme of Arrangement was made effective on 31st December, 2016.
- In consideration of the demerger, the Company has received 1,02,77,778 equity shares of ₹ 10 each of ABFL as per the share entitlement ratio determined based on an independent valuation report at 3 equity shares of ₹ 10 each in ABFL for every 8 equity shares of ₹ 10 each held in ABMM and 1 equity share of ₹ 10 each in ABFL for every 36 0.01%-Redeemable Non-Convertible Preference Shares of ₹ 10 each held in ABMM.
- As per the Scheme of Arrangement, the general purpose borrowings in ABMM have been transferred to the Company in proportion to the value of assets transferred to ABFL. Accordingly, ABFL has issued Compulsory Convertible Debentures (CCD) of value of ₹ 23.99 crore to the Company in lieu of such amount of CCD of ABMM which were transferred to ABFL. Hence the current holding pattern of CCD's by the Company is as under:

- a) ABFL - ₹ 23.99 crore
- b) AMML - ₹ 26.01 crore

- The carrying value of the investments in ABMM (net of impairment) is considered to be at fair value of asset given up for equity shares received from ABFL.

Vi. Conversion of Preference Shares:

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

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

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

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

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

As per our attached report of even date

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

For and on behalf of Board of Directors

Per Shrawan Jalan
 Partner
 Membership No.102102

Shriram Jagetiya
 Director
 DIN-01638250

Pinky Mehta
 Director
 DIN-00020429

Sailesh Daga
 Company Secretary

Mumbai, June 26, 2017

June 26, 2017



ADITYA BIRLA CAPITAL LIMITED & ITS SUBSIDIARIES*

ADITYA BIRLA CAPITAL LIMITED

(Formerly known as Aditya Birla Financial Services Limited)

: Core Investment Company

- Birla Sun Life Insurance Company Limited : Life Insurance
 - ❖ Birla Sun Life Pension Management Limited : Management of Pension Fund under NPS Scheme
- Aditya Birla Capital Advisors Private Limited : Private Equity Investment, Advisory & Management Services
- Aditya Birla MyUniverse Limited : Financial & IT enabled services
(Formerly known as Aditya Birla Customer Services Limited)
- Aditya Birla Finance Limited : NBFC/ Fund Based Lending
- Aditya Birla Financial Shared Services Limited : Financial & IT enabled services
- Aditya Birla Housing Finance Limited : Housing Finance
- Aditya Birla Insurance Brokers Limited : Composite Non-life Insurance Advisory & Broking
- Aditya Birla Money Limited : Equity Broking
 - ❖ Aditya Birla Commodities Broking Limited : Commodities Broking
- Aditya Birla Trustee Company Private Limited : Trustee of Private Equity Fund
- Aditya Birla Money Mart Limited : Publication of Research Magazine
 - ❖ Aditya Birla Money Insurance Advisory Services Limited : Life Insurance Advisory- Corporate Agent
- Birla Sun Life Asset Management Company Limited
 - ❖ Birla Sun Life AMC (Mauritius) Limited
 - ❖ Aditya Birla Sun Life AMC Limited, Dubai
 - ❖ Aditya Birla Sun Life AMC Pte. Limited, Singapore : Asset Management
 - International Opportunities Fund – SPC
 - Global Clean Energy Fund – SPC
 - New Horizon Fund - SPC, Cayman Islands
 - ❖ India Advantage Fund Limited
- Birla Sun Life Trustee Company Private Limited : Trustee of Birla Sun Life Mutual Fund
- Aditya Birla Health Insurance Co. Limited : Health Insurance
- Aditya Birla Wellness Private Limited: : Providing and servicing incentivized wellness and related programs
- ABCAP Trustee Company Private Limited : Account Aggregator (Proposed)
- Aditya Birla ARC Limited : Asset Reconstruction (Proposed)

*As on 26th June 2017

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**ADITYA BIRLA
CAPITAL**