

INDEPENDENT AUDITOR'S REPORT**To the Members of Aditya Birla Finance Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Aditya Birla Finance Limited ("the Company"), which 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/loss, 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23.2 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- iv. The Company has provided requisite disclosures in Note 23 (15) to these 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 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 08, 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 Finance Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not hold any securities in physical form. The securities held as stock in trade by the custodian are verified with the confirmation statement received by the management from the custodian at regular intervals.

The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from custodian with book records/books of account.

- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and the provisions of section 186 of the Companies Act 2013 are not applicable to 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 Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues applicable to it. The provision relating to sales tax, value added tax, custom duty and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provisions of sales tax, custom duty and excise duty are currently not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax and service tax dues disputed by the Company, are as follows:



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 Finance Limited ("the Company")

| Name of the statute | Nature of dues | Amount (Rs in lacs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------------------|--------------------|---------------------|------------------------------------|--|
| Income tax Act, 1961 | Income tax demands | 213.94 | AY 2000-01 | Income Tax Appellate Tribunal (ITAT) |
| | | 23.92 | AY 2001-02 | |
| | | 53.98 | AY 2002-03 | |
| | | 14.91 | AY 2003-04 | |
| | | 9.20 | AY 2004-05 | |
| | | 6.39 | AY 2005-06 | |
| | | 4.79 | AY 2007-08 | |
| | | 55.33 | AY 2007-08 | Income Tax Appellate Tribunal (ITAT) has restored back the matter to the file of Assessing Officer |
| | | 90.46 | AY 2008-09 | Income Tax Appellate Tribunal (ITAT) |
| | | 5.17 | AY 2009-10 | |
| | | 4.67 | AY 2010-11 | |
| | | 196.52 | AY 2012-13 | Commissioner of Income Tax (Appeals) |
| | | 50.41 | AY 2012-13 | |
| 47.05 | AY 2013-14 | | | |
| 54.30 | AY 2014-15 | | | |
| Finance Act, 1994 (Service tax) | Service tax demand | 370.51 | FY 2008-09 to 2010-11 | The Customs Excise and Service Tax Appellate Tribunal (CESTAT) |

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

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

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

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

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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 Finance Limited ("the Company")

- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 08, 2017



Annexure 2 to the Independent Auditor's report of even date on the financial statements of Aditya Birla Finance Limited

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

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 Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls 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



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Annexure 2 to the Independent Auditor's report of even date on the financial statements of Aditya Birla Finance Limited

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

(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 **Jayesh Gandhi**

Partner

Membership Number: 037924

Mumbai, May 08, 2017



Aditya Birla Finance Limited

Balance Sheet as at 31 March, 2017

(Currency: Rupees in Lakhs)

| | Notes | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------|-------------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | | | |
| (i) Equity | 1 | 62,740.86 | 55,956.56 |
| (ii) Preference | 1 | 1,000.00 | 18,500.00 |
| (b) Reserves and Surplus | 2 | 435,391.84 | 295,123.83 |
| | | 499,132.70 | 369,580.39 |
| (2) NON-CURRENT LIABILITIES | | | |
| (a) Long-term borrowings | 3a | 1,594,663.52 | 1,310,213.74 |
| (b) Other Long-term liabilities | 5a | 15,965.60 | 15,483.87 |
| (c) Long-term provisions | 6a | 20,440.40 | 16,527.43 |
| | | 1,631,069.52 | 1,342,225.04 |
| (3) CURRENT LIABILITIES | | | |
| (a) Short-term borrowings | 3b | 991,251.54 | 681,832.52 |
| (b) Trade payables | 4 | | |
| - Micro and small enterprises | | - | - |
| - Other than micro and small enterprises | | 10,636.04 | 5,130.88 |
| (c) Other current liabilities | 5b | 402,619.89 | 215,316.37 |
| (d) Short-term provisions | 6b | 7,276.20 | 8,309.68 |
| | | 1,411,783.67 | 910,589.45 |
| Total | | 3,541,985.89 | 2,622,394.88 |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Fixed assets | | | |
| (i) Property, Plant and Equipments | 7 | 1,390.52 | 955.02 |
| (ii) Intangible assets | 7 | 3,608.11 | 396.30 |
| (iii) Intangible assets under development | | 661.42 | 711.99 |
| (b) Non current investments | 8a | 6,587.02 | 2,760.17 |
| (c) Deferred tax assets (Net) | 9 | 7,678.81 | 7,475.06 |
| (d) Loans and advances | 10a | 2,452,570.54 | 1,661,107.11 |
| | | 2,472,496.42 | 1,673,405.65 |
| (2) CURRENT ASSETS | | | |
| (a) Current investments | 8b | 79,420.00 | 46,500.00 |
| (b) Stock of securities | | 58,278.52 | 33,020.01 |
| (c) Trade receivables | 11 | 1,185.82 | 583.69 |
| (d) Cash and bank balances | 12 | 13,571.83 | 112.46 |
| (e) Loans and advances | 10b | 876,562.97 | 835,162.60 |
| (f) Other current assets | 13 | 40,470.33 | 33,610.47 |
| | | 1,069,489.47 | 948,989.23 |
| Total | | 3,541,985.89 | 2,622,394.88 |
| Summary of significant accounting policies | 22 | | |
| The accompanying notes are an integral part of the financial statements. | 23 | | |

As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005



per Jayesh Gandhi
Partner

Membership No: 037924



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



Ajay Srinivasan
(Director)
(DIN - 00121181)



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



Sanjay Miranka
(Chief Financial Officer)



Sekhar Mosur
(Manager)



Ankur Shah
(Company Secretary)

Place: Mumbai
Date: May 08, 2017

Place: Mumbai
Date: May 08, 2017



Aditya Birla Finance Limited


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

(Currency: Rupees in Lakhs)

| Particulars | Notes | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|--|-------|------------------------------|------------------------------|
| I. Revenue from Operations | 14 | 342,469.60 | 246,328.02 |
| II. Other Income | 15 | 196.14 | 2,332.41 |
| III. Total Revenue | | <u>342,665.74</u> | <u>248,660.43</u> |
| IV. Expenses : | | | |
| Finance costs | 16 | 207,706.13 | 154,358.11 |
| Employee benefit expenses | 17 | 24,985.00 | 14,185.91 |
| Other expenses | 18 | 15,421.11 | 8,100.81 |
| Depreciation and amortization expenses | 7 | 1,468.88 | 760.11 |
| Provisions and write - offs (Net) | 19 | 9,891.36 | 8,619.88 |
| V. Total Expenses | | <u>259,472.48</u> | <u>186,024.82</u> |
| VI. PROFIT BEFORE TAX (III - V) | | <u>83,193.26</u> | <u>62,635.61</u> |
| VII. Tax expenses : | | | |
| (a) Current Tax | | 25,069.00 | 23,437.00 |
| (b) Deferred Tax Expenses / (Benefits) - (Net) | | (203.75) | (1,734.99) |
| (c) (Excess)/ Short Provisions of Earlier years | | (197.39) | 73.49 |
| VIII. PROFIT FOR THE YEAR (VI - VII) | | <u>58,525.40</u> | <u>40,860.11</u> |
| IX. Basic and Diluted Earnings per share (Face value Rs. 10) (31 March, 2016: Face value Rs. 10) | 20 | <u>10.13</u> | <u>8.74</u> |
| | | <u>10.13</u> | <u>8.74</u> |
| Summary of significant accounting policies | 22 | | |
| The accompanying notes are an integral part of the financial statements. | 23 | | |

As per our report of even date attached.

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



per Jayesh Gandhi
Partner
Membership No: 037924



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



Ajay Srinivasan
(Director)
(DIN - 00121181)



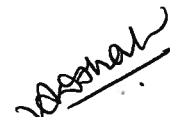
B. N. Puranmalka
(Director)
(DIN - 00007432)



Sanjay Miranka
(Chief Financial Officer)



Sekhar Mosur
(Manager)



Ankur Shah
(Company Secretary)

Place: Mumbai
Date: May 08, 2017

Place: Mumbai
Date: May 08, 2017



Aditya Birla Finance Limited

Cash Flow Statement for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---|--------------------------------------|--------------------------------------|
| A. Cash Flow from operating activities | | |
| Profit before tax | 83,193.26 | 62,635.61 |
| <i>Adjustments for:</i> | | |
| Depreciation / Amortisation | 1,468.88 | 760.11 |
| Provision for leave encashment | 351.92 | 163.93 |
| Provision for gratuity | 395.95 | 108.43 |
| Bad debts and Provision for Non-Performing Assets (Net) | 3,452.05 | 5,205.31 |
| Contingent provision on standard assets | 4,190.65 | 3,272.43 |
| General contingency provision written back | - | (1,980.93) |
| Provision for Premium on Investment written back | - | (336.87) |
| Provision for diminution on Investments (Net) | 207.28 | 697.50 |
| Provision for diminution on account of restructuring written back | - | (192.00) |
| Provision for employee benefits | (457.21) | 1,564.99 |
| Provision for Soft Accounts | 2,023.00 | - |
| (Gain)/Loss on sale of investments | (878.88) | (87.52) |
| Loss/(Gain) on sale of fixed assets | 0.98 | 8.84 |
| Dividend income | (5.56) | (8.41) |
| Interest income on investments | (3,449.17) | (2,068.11) |
| Sundry Balances written back | (55.61) | (130.86) |
| | 7,244.28 | 6,976.84 |
| Operating Profit before Working Capital changes | 90,437.54 | 69,612.45 |
| <i>Adjustments for:</i> | | |
| (Increase)/decrease in Trade Receivables | (602.12) | (549.42) |
| (Increase)/decrease in Loans and Advances | (837,933.93) | (788,253.71) |
| (Increase)/decrease in Stock of Securities | (25,258.51) | 13,736.68 |
| Decrease/(increase) in Other Liabilities and Trade Payable | 36,665.44 | 26,975.42 |
| (Increase)/decrease in Other assets | (6,859.87) | (22,032.66) |
| | (833,988.99) | (770,123.69) |
| Cash used in Operations | (743,551.45) | (700,511.24) |
| Direct Taxes Paid | (26,763.66) | (22,310.13) |
| | (26,763.66) | (22,310.13) |
| Net Cash used in Operating Activities (A) | (770,315.11) | (722,821.37) |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipments | (914.03) | (553.89) |
| Purchase of intangible assets including assets under development | (4,053.63) | (480.79) |
| Purchase of investments | (83,482.32) | (48,488.26) |
| Sale of investments | 47,407.09 | 2,701.30 |
| Dividend received | 5.56 | 8.41 |
| Sale of tangible assets | 15.63 | 23.93 |
| Interest income on investments | 3,449.17 | 2,068.11 |
| | (37,572.53) | (44,721.19) |
| Net Cash used in Investing Activities (B) | (37,572.53) | (44,721.19) |
| C. Cash flow from financing activities | | |
| Dividend on Preference Share and Corporate Dividend Tax | (98.39) | (7.20) |
| Proceeds from borrowings (Net) | 750,418.49 | 681,525.27 |
| Proceeds from issue of Equity Share Capital | 5,632.98 | 5,575.00 |
| Share Premium on proceeds from issue of Equity Share Capital | 65,393.93 | 64,670.00 |
| | 821,347.01 | 751,763.06 |
| Net Cash from Financing Activities (C) | 821,347.01 | 751,763.06 |



Aditya Birla Finance Limited

Cash Flow Statement for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 |
|---|--------------------------------------|--------------------------------------|
| Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C) | 13,459.37 | (15,779.50) |
| Cash and Cash Equivalents at the beginning of the year | 112.46 | 15,891.96 |
| Cash and Cash Equivalents at the end of the year | 13,571.83 | 112.46 |
| Note to Cash Flow Statement | | |
| Components of Cash and Cash Equivalents | | |
| Cash in hand | - | - |
| Balances with Banks in Current Accounts | 13,571.83 | 112.46 |
| | 13,571.83 | 112.46 |

Summary of significant accounting policies

22

As per our report of even date attached.

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

per Jayesh Gandhi
Partner
Membership No: 037924



Place: Mumbai
Date: May 08, 2017



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

Ajay Srinivasan
(Director)
(DIN - 00121181)

Sanjay Miranka
(Chief Financial Officer)

Place: Mumbai
Date: May 08, 2017

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

Sekhar Mosur
(Manager)

Ankur Shah
(Company Secretary)

Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| 1. Share Capital | | |
| Authorised Shares | | |
| 1,270,000,000 (31 March, 2016: 1,270,000,000) equity shares of Rs 10 each | 127,000.00 | 127,000.00 |
| 1,010,000,000 (31 March, 2016: 1,010,000,000) preference shares of Rs 10 each | 101,000.00 | 101,000.00 |
| | <u>228,000.00</u> | <u>228,000.00</u> |
| Issued, Subscribed and Fully Paid up Shares | | |
| Equity Share Capital | | |
| 627,408,577 (31 March, 2016: 559,565,581) equity shares of Rs 10 each, fully paid up | 62,740.86 | 55,956.56 |
| | <u>62,740.86</u> | <u>55,956.56</u> |
| Preference Share Capital | | |
| Nil (31 March, 2016: 75,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up | - | 7,500.00 |
| Nil (31 March, 2016: 100,000,000) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs 10 each, fully paid up | - | 10,000.00 |
| 10,000,000 (31 March, 2016: 10,000,000) 8% Cumulative Redeemable Preference Shares of Rs 10 each, fully paid up* | 1,000.00 | 1,000.00 |
| | <u>1,000.00</u> | <u>18,500.00</u> |

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

| Description | 31 March, 2017 | | 31 March, 2016 | |
|--|--------------------|------------------|--------------------|------------------|
| | Number | Rs in lakhs | Number | Rs in lakhs |
| I) Equity Share | | | | |
| Number of Shares outstanding at the beginning of the year | 559,565,581 | 55,956.56 | 450,359,698 | 45,035.97 |
| Number of Shares issued during the year (Refer note D (i), (ii) and (iii)) | 67,842,996 | 6,784.30 | 109,205,883 | 10,920.59 |
| Number of Shares outstanding at the end of the year | <u>627,408,577</u> | <u>62,740.86</u> | <u>559,565,581</u> | <u>55,956.56</u> |
| II) 0.01% Compulsory Convertible Cumulative Preference Shares | | | | |
| Number of Shares outstanding at the beginning of the year | 175,000,000 | 17,500.00 | 600,000,000 | 60,000.00 |
| Number of Shares issued during the year | - | - | - | - |
| Number of Shares converted during the year (Refer note D (ii)) | (175,000,000) | (17,500.00) | - | - |
| Number of Shares cancelled on account of merger (Refer note D (iii)) | - | - | (425,000,000) | (42,500.00) |
| Number of Shares outstanding at the end of the year | <u>-</u> | <u>-</u> | <u>175,000,000</u> | <u>17,500.00</u> |
| III) 8% Cumulative Redeemable Preference Shares | | | | |
| Number of Shares outstanding at the beginning of the year | 10,000,000 | 1,000.00 | - | - |
| Number of Shares issued on account of merger (Refer note D (iv)) | - | - | 10,000,000 | 1,000.00 |
| Number of Shares outstanding at the end of the year | <u>10,000,000</u> | <u>1,000.00</u> | <u>10,000,000</u> | <u>1,000.00</u> |

B) Term/right attached to equity shares

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

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

C) Term of conversion/redemption of Preference Shares

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

* CRPS 10,000,000 @ 8% of Rs. 10 each fully paid up (31 March, 2016, 10,000,000) are redeemable at face value on or after March 25, 2019 but before March 25, 2029.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

D) Aggregate number of shares issued for consideration other than cash

| | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| (i) Equity shares of Rs 10 each, fully paid up allotted pursuant to the merger scheme for demerger of wealth undertaking of Aditya Birla Money Mart Limited (Refer note 23(1)(i)). | 10,277,778 | - |
| (ii) Equity shares of Rs 10 each, fully paid up allotted on conversion of 175,000,000 0.01% compulsory convertible cumulative preference shares of Rs 10 each, fully paid up. | 11,513,158 | - |
| (iii) Equity shares of Rs 10 each, fully paid up allotted on merger of Madura Garments Lifestyle Retail Company Limited (MGLRCL) (Refer note 23 (11) (ii)). | - | 53,455,883 |
| (iv) 8% Cumulative Redeemable Preference shares of Rs 10 each, fully paid up allotted on merger of MGLRCL (Refer note 23 (11) (ii)). | - | 10,000,000 |

E) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

| Name of Share Holder | 31 March, 2017 | | 31 March, 2016 | |
|--|----------------|-------------|----------------|-------------|
| | Number | Rs in lakhs | Number | Rs in lakhs |
| I) Equity Share | | | | |
| (i) Aditya Birla Financial Services Limited, holding company | 566,135,371 | 56,613.54 | 506,109,697 | 50,610.97 |
| (ii) ABNL Investment Limited, fellow subsidiary company | - | - | 1,392,738 | 139.27 |
| (iii) Aditya Birla Nuvo Limited, ultimate holding company | 61,273,146 | 6,127.32 | 52,063,146 | 5,206.32 |

II) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs.10 each, fully paid up

| | | | | |
|--|---|---|-------------|-----------|
| Aditya Birla Financial Services Limited, holding company | - | - | 175,000,000 | 17,500.00 |
|--|---|---|-------------|-----------|

III) 8 % Cumulative Redeemable Preference Shares of Rs.10 each, fully paid up

| | | | | |
|---|------------|----------|------------|----------|
| Aditya Birla Nuvo Limited, ultimate holding company | 10,000,000 | 1,000.00 | 10,000,000 | 1,000.00 |
|---|------------|----------|------------|----------|

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

| Name of Share Holder | 31 March, 2017 | | 31 March, 2016 | |
|--|----------------|-----------------------------------|----------------|-----------------------------------|
| | Number | % of total paid-up equity capital | Number | % of total paid-up equity capital |
| I) Equity Share | | | | |
| (i) Aditya Birla Financial Services Limited, holding company | 566,135,371 | 90.23% | 506,109,697 | 90.45% |
| (ii) Aditya Birla Nuvo Limited, ultimate holding company | 61,273,146 | 9.77% | 52,063,146 | 9.30% |
| II) 0.01% Compulsory Convertible Cumulative Preference Shares of Rs.10 each, fully paid up | | | | |
| Aditya Birla Financial Services Limited, holding company | - | - | 175,000,000 | 100.00% |
| III) 8% Cumulative Redeemable Preference Shares of Rs.10 each, fully paid up | | | | |
| Aditya Birla Nuvo Limited, ultimate holding company | 10,000,000 | 100.00% | 10,000,000 | 100.00% |

G) Proposed Dividend*

| | 31 March, 2017 |
|--|----------------|
| (i) Proposed dividend on 10,000,000 8% CRPS of Rs.10 each, fully paid up | 80.57 |
| (ii) Dividend Distribution Tax on proposed dividend | 16.40 |
| | <u>96.97</u> |

* Refer significant accounting policies 22 (3) (ii)



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| 2. Reserves and Surplus | | |
| (I) Special Reserve * | | |
| Opening Balance | 22,480.00 | 14,300.00 |
| Addition: Amount transferred from surplus balance in the Statement of Profit and Loss | 11,710.00 | 8,180.00 |
| Closing Balance | <u>34,190.00</u> | <u>22,480.00</u> |
| (II) Share Premium Account | | |
| Opening Balance | 192,371.25 | 85,059.04 |
| Addition on account of shares issued during the year | 81,742.61 | 64,670.00 |
| Addition on account of merger | - | 42,642.21 |
| Closing Balance | <u>274,113.86</u> | <u>192,371.25</u> |
| (III) General Reserve | | |
| General Reserve on account of merger | <u>13,660.95</u> | <u>13,660.95</u> |
| | 13,660.95 | 13,660.95 |
| (IV) Surplus as per statement of Profit and Loss | | |
| Opening Balance | 66,611.63 | 54,088.44 |
| <u>Addition</u> | | |
| Profit for the year | 58,525.40 | 40,860.11 |
| <u>Less: Appropriation</u> | | |
| Transfer to Special Reserve | 11,710.00 | 8,180.00 |
| Dividend on Preference Shares | - | 81.75 |
| Tax on Dividend | - | 16.82 |
| Loss on account of merger | - | 20,062.60 |
| <u>Add: Appropriation</u> | | |
| Dividend on Preference Shares on account of merger | - | 4.25 |
| Closing Balance | <u>113,427.03</u> | <u>66,611.63</u> |
| | <u>435,391.84</u> | <u>295,123.83</u> |

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|----------------------------|----------------------------|
| 3a. Long-Term Borrowings | | |
| Secured | | |
| Redeemable Non Convertible Debentures | 770,390.00 | 513,100.00 |
| Term Loan from Banks | <u>688,474.39</u> | <u>727,463.74</u> |
| | 1,458,864.39 | 1,240,563.74 |
| Unsecured | | |
| Subordinate Debts - Debentures | 133,400.00 | 69,650.00 |
| Compulsory Convertible Debentures | <u>2,399.13</u> | <u>-</u> |
| | 135,799.13 | 69,650.00 |
| | <u>1,594,663.52</u> | <u>1,310,213.74</u> |
| 3b. Short-Term Borrowings | | |
| Secured | | |
| Term Loan / Demand Loan from Banks | 104,500.00 | 22,000.00 |
| Loan repayable on demand from Banks (Cash Credit) | <u>125,255.77</u> | <u>227,059.71</u> |
| | 229,755.77 | 249,059.71 |
| Unsecured | | |
| Term Loan / Demand Loan from Banks | 20,000.00 | 20,000.00 |
| Commercial Papers* | <u>741,495.77</u> | <u>412,772.81</u> |
| | 761,495.77 | 432,772.81 |
| | <u>991,251.54</u> | <u>681,832.52</u> |

* Commercial papers shown net of unamortised discounting charges Rs. 8,504.17 lakhs (31 March, 2016 Rs. 4,727.19 lakhs).



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | 2017 | | 2016 | |
|---|-------------------|---------------------|-------------------|---------------------|
| | Current | Non Current | Current | Non Current |
| I) Secured Long Term Borrowings | | | | |
| "The term loan from banks are secured by way of first pari passu charge on the receivables of the Company." | | | | |
| The repayment terms and rate of interest of term loans are as under- | | | | |
| Repayment Terms : Maturing within 1 year, Rate of Interest 8.15 % to 9.40 % p.a. | 105,000.00 | - | 63,330.31 | - |
| Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.75 % to 9.52 % p.a. | - | 341,724.39 | - | 493,814.54 |
| Repayment Terms : Maturing after 3 years, Rate of Interest 8.15 % to 8.95 % p.a. | - | 346,750.00 | - | 233,649.20 |
| Debentures Secured by way of mortgage of the immovable property and first pari- passu charge on current assets of the Company: | | | | |
| Repayment Terms : Maturing within 1 year, Rate of Interest 8.20 % to 10.07 % p.a. | 200,400.00 | - | 85,520.00 | - |
| Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.60 % to 10.15 % p.a. | - | 528,240.00 | - | 324,050.00 |
| Repayment Terms : Maturing after 3 years, Rate of Interest 7.70 % to 9.15 % p.a. | - | 242,150.00 | - | 189,050.00 |
| | 305,400.00 | 1,458,864.39 | 148,850.31 | 1,240,563.74 |
| II) Unsecured Long term Borrowing | | | | |
| Subordinate Debts - Debentures 8.25 % to 10.60 % p.a. (Redeemable from May, 2019 to March, 2027) | | | | |
| | - | 133,400.00 | - | 69,650.00 |
| 0.10% Compulsory Convertible Debentures (Convertible in March, 2023) | - | 2,399.13 | - | - |
| | - | 135,799.13 | - | 69,650.00 |
| | 305,400.00 | 1,594,663.52 | 148,850.31 | 1,310,213.74 |
| III) Secured Short Term Borrowings | | | | |
| Cash Credit secured by way of first pari-passu charge on receivables of the Company | | | | |
| | 125,255.77 | - | 227,059.71 | - |
| Working Capital Demand Loan secured by way of first pari-passu charge on receivables of the Company - Rate of Interest 7.67% to 9.25 % p.a. | | | | |
| | 104,500.00 | - | 22,000.00 | - |
| IV) Unsecured Short Term Borrowings | | | | |
| Demand Loan from Banks - Rate of Interest 9.25% to 9.50 % p.a. | | | | |
| | 20,000.00 | - | 20,000.00 | - |
| Commercial Papers - Rate of Interest 6.52 % to 7.30 % p.a. | | | | |
| | 741,495.77 | - | 412,772.81 | - |
| | 991,251.55 | - | 681,832.52 | - |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| 4. Trade Payables | | |
| Other than micro and small enterprises | | |
| Trade payables | 6,357.50 | 2,591.00 |
| Trade payables for salaries, bonus and other employee benefits | 4,278.54 | 2,539.88 |
| | <u>10,636.04</u> | <u>5,130.88</u> |
| 5a. Other Long Term Liabilities | | |
| Interest accrued | 15,950.74 | 15,483.87 |
| Income received in advance | 14.86 | - |
| | <u>15,965.60</u> | <u>15,483.87</u> |
| 5b. Other Current Liabilities | | |
| Current maturities of Long Term Borrowings (Refer note 3a (I)) | 105,000.00 | 63,330.31 |
| Current maturities of Redeemable Non Convertible Debentures (Refer note 3a (I)) | 200,400.00 | 85,520.00 |
| Interest accrued on Borrowings | 56,367.81 | 24,486.41 |
| Book Overdraft | 36,527.16 | 39,480.02 |
| Income received in advance | 807.25 | 730.80 |
| Others | | |
| TDS Payable | 199.91 | 232.50 |
| Service Tax Payable | 4.20 | 5.99 |
| Other Statutory dues payable | 104.39 | 89.24 |
| Margin Money from Customers | 226.76 | 190.57 |
| Other Payable | 2,982.41 | 1,250.53 |
| | <u>402,619.89</u> | <u>215,316.37</u> |
| 6a. Long Term Provisions | | |
| Provision for Employee benefits | 1,240.72 | 1,449.49 |
| Other Provisions | | |
| Contingent Provision against Standard Assets | 8,517.02 | 4,934.39 |
| Provision for Doubtful Debts and Advances | 8,659.66 | 10,143.55 |
| Provision for Soft Accounts | 2,023.00 | - |
| | <u>20,440.40</u> | <u>16,527.43</u> |
| 6b. Short Term Provisions | | |
| Provision for Employee benefits | 2,236.51 | 2,484.95 |
| Provision for Leave Benefits | 907.59 | 555.67 |
| Provision for Gratuity (Refer note 23 (5)) | 598.03 | 202.08 |
| Other Provisions | | |
| Contingent Provision against Standard Assets | 3,208.13 | 2,600.11 |
| Proposed Dividend on Preference Shares | - | 81.75 |
| Provision for Corporate Dividend Tax | - | 16.64 |
| Provision for Income Tax (Net of advance tax Rs. 48,180.06 lakhs 31 March, 2016 Rs. 21,068.52 lakhs) | 325.94 | 2,368.48 |
| | <u>7,276.20</u> | <u>8,309.68</u> |



Aditya Birla Finance Limited

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

(Currency: Rupees in Lakhs)

Note 7 Property, Plant & Equipments

| Gross Block | Plant & Equipments | | | | Furniture & Fixtures | Vehicles | Office Equipments | Leasehold Improvements | Total |
|--|--------------------|------------|--------|--------------|----------------------|----------|-------------------|------------------------|-------|
| | Building | Equipments | Plant | Improvements | | | | | |
| As at 1 April, 2015 | 26.27 | 697.12 | 106.19 | 211.09 | 168.17 | 536.93 | 1,745.77 | | |
| Additions | - | 259.96 | 16.26 | 166.76 | 58.55 | 64.04 | 565.57 | | |
| Deletions/Adjustment | - | 0.50 | - | 57.37 | 0.10 | 0.10 | 58.07 | | |
| As at 31 March, 2016 | 26.27 | 956.58 | 122.45 | 320.48 | 226.62 | 600.87 | 2,253.27 | | |
| Acquisition from Merger (Refer note 23 (11) (i)) | - | 266.47 | 133.96 | 3.17 | 117.59 | 155.36 | 676.55 | | |
| Additions | - | 505.05 | 10.58 | 266.80 | 86.22 | 14.97 | 883.62 | | |
| Deletions/Adjustment | - | 109.93 | 53.01 | 14.92 | 79.57 | 131.70 | 389.13 | | |
| As at 31 March, 2017 | 26.27 | 1,618.17 | 213.98 | 575.53 | 350.87 | 639.50 | 3,424.32 | | |
| Accumulated Depreciation | | | | | | | | | |
| As at 1 April, 2015 | 4.43 | 396.60 | 62.43 | 67.18 | 100.67 | 325.93 | 957.24 | | |
| For the year | 0.46 | 137.45 | 26.49 | 46.93 | 39.11 | 115.86 | 366.30 | | |
| Deletions/Adjustment | - | 0.25 | - | 24.86 | 0.08 | 0.10 | 25.29 | | |
| As at 31 March, 2016 | 4.89 | 533.80 | 88.92 | 89.25 | 139.70 | 441.69 | 1,298.25 | | |
| Acquisition from Merger (Refer note 23 (11) (i)) | - | 205.33 | 113.66 | 0.30 | 110.24 | 143.17 | 572.70 | | |
| For the year | 0.46 | 225.31 | 33.35 | 90.27 | 64.66 | 119.54 | 533.59 | | |
| Deletions/Adjustment | - | 107.30 | 51.77 | 8.75 | 77.96 | 124.96 | 370.74 | | |
| As at 31 March, 2017 | 5.35 | 857.15 | 184.16 | 171.07 | 236.64 | 579.44 | 2,033.80 | | |
| Net block as at 31 March, 2017 | 20.92 | 761.03 | 29.82 | 404.46 | 114.22 | 60.07 | 1,390.52 | | |
| Net block as at 31 March, 2016 | 21.38 | 422.78 | 33.53 | 231.23 | 86.92 | 159.18 | 955.02 | | |

Notes :

- 1) Redeemable Non Convertible Debentures are secured by charge on immovable property of the Company.
- 2) Office Equipments include Gross Assets amounting to Rs 2.19 lakhs (31 March, 2016 : Rs 2.19 lakhs) held jointly with Birla Sun Life Insurance Company Limited.

Intangible Assets

| Gross Block | Goodwill | Trade Names and Other Business Rights | | Software | Total |
|--|----------|---------------------------------------|-----------------------|----------|----------|
| | | Business Rights | Trade Names and Other | | |
| As at 1 April, 2015 | - | - | - | 1,449.12 | 1,449.12 |
| Additions | - | - | - | 295.50 | 295.50 |
| Deletions/Adjustment | - | - | - | - | - |
| As at 31 March, 2016 | - | - | - | 1,744.62 | 1,744.62 |
| Acquisition from Merger (Refer note 23 (11) (i)) | - | 367.18 | - | 301.25 | 668.43 |
| Additions | 2,545.52 | - | - | 1,558.68 | 4,104.20 |
| Deletions/Adjustment | - | - | - | 16.80 | 16.80 |
| As at 31 March, 2017 | 2,545.52 | 367.18 | - | 3,587.75 | 6,500.45 |
| Accumulated Depreciation | | | | | |
| As at 1 April, 2015 | - | - | - | 954.51 | 954.51 |
| For the year | - | - | - | 393.81 | 393.81 |
| Deletions/Adjustment | - | - | - | - | - |
| As at 31 March, 2016 | - | - | - | 1,348.32 | 1,348.32 |
| Acquisition from Merger (Refer note 23 (11) (i)) | - | 367.18 | - | 258.22 | 625.40 |
| For the year | 509.10 | - | - | 426.18 | 935.29 |
| Deletions/Adjustment | - | - | - | 16.66 | 16.66 |
| As at 31 March, 2017 | 509.10 | 367.18 | - | 2,016.06 | 2,892.34 |
| Net block as at 31 March, 2017 | 2,036.42 | - | - | 1,571.69 | 3,608.11 |
| Net block as at 31 March, 2016 | - | - | - | 396.30 | 396.30 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | | | As at 31 March, 2017 | | As at 31 March, 2016 |
|--|------------------------|----------------|-------------------------|----------------|-------------------------|
| 8a. Non Current Investments | | | | | |
| Long Term, Fully Paid up | Face value (Rs) | Numbers | Rs in lakhs | Numbers | Rs in lakhs |
| (A) Equity Shares | | | | | |
| Trade Investment | | | | | |
| Quoted | | | | | |
| HDFC Bank Limited | 2 | 1,300 | 0.04 | 1,300 | 0.04 |
| MOIL Limited | 10 | 12,245 | 45.92 | 12,245 | 45.92 |
| Unquoted | | | | | |
| Birla Management Centre Services Limited | 10 | 2,000 | 0.20 | 2,000 | 0.20 |
| (B) Preference Shares | | | | | |
| Non Trade Investment | | | | | |
| Unquoted | | | | | |
| Share Microfin Limited | | | | | |
| 0.001 % Optionally Convertible Cumulative Redeemable Preference Shares | 10 | 9,572,750 | 957.28 | 9,854,834 | 985.48 |
| (C) Others | | | | | |
| Non Trade Investment | | | | | |
| Unquoted | | | | | |
| PMS Investment | | | 500.00 | | 500.00 |
| Investment in Alternate Fund | | | 6,062.32 | | 2,000.00 |
| Total (A+B+C) | | | <u>7,565.76</u> | | <u>3,531.64</u> |
| Less: Provision for diminution on investments | | | (978.74) | | (771.47) |
| | | | <u>6,587.02</u> | | <u>2,760.17</u> |
| i) Aggregate amount of Quoted Investments | | | 45.96 | | 45.96 |
| ii) Aggregate amount of Unquoted Investments | | | 6,541.06 | | 2,714.21 |
| iii) Aggregate market value of Quoted Investments | | | 57.19 | | 40.55 |
| iv) Aggregate market value of PMS Investments | | | 1,253.18 | | 974.63 |
| v) Aggregate provision for diminution in value of investments Rs. 978.74 lakhs (31 March, 2016 : Rs.771.47 lakhs) | | | | | |
| vi) Non Current Investments valued at cost unless otherwise stated. | | | | | |



Aditya Birla Finance Limited

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

(Currency: Rupees in Lakhs)

As at
31 March, 2017

As at
31 March, 2016

8b. Current Investments

| Non Convertible Debentures | Face value (Rs) | Numbers | Rs in lakhs | Numbers | Rs in lakhs |
|--|-----------------|---------|------------------|---------|------------------|
| Unquoted | | | | | |
| Mahindra Worldcity Jaipur Limited | 1,000,000 | - | - | 1,650 | 16,500.00 |
| AU Financiers (India) Limited | 1,000,000 | - | - | 1,000 | 10,000.00 |
| Dalmia Cement Bharat Limited | 1,000,000 | - | - | 1,000 | 10,000.00 |
| KKR Financial Services Private Limited | 10,000,000 | 100 | 10,000.00 | 50 | 5,000.00 |
| Indiabulls Housing Finance Company Limited | 1,000,000 | - | - | 500 | 5,000.00 |
| Vijaya Bank | 1,000,000 | 1,947 | 19,470.00 | - | - |
| OBC Bank | 1,000,000 | 1,070 | 10,700.00 | - | - |
| SD Corp Private Limited | 10,000,000 | 50 | 5,000.00 | - | - |
| Bank of Baroda | 1,000,000 | 1,250 | 12,500.00 | - | - |
| Allahabad Bank | 1,000,000 | 175 | 1,750.00 | - | - |
| ICICI Bank Limited | 1,000,000 | 1,000 | 10,000.00 | - | - |
| Axis Bank Limited | 1,000,000 | 1,000 | 10,000.00 | - | - |
| | | | <u>79,420.00</u> | | <u>46,500.00</u> |
| i) Aggregate amount of Unquoted Investments | | | 79,420.00 | | 46,500.00 |
| ii) Aggregate amount of Quoted Investments | | | - | | - |
| iii) Aggregate market value of Quoted Investments | | | - | | - |
| iv) Aggregate provision for diminution in value of investments Rs. Nil (31 March, 2016 : Rs. Nil) | | | - | | - |
| v) Current Investments are stated at lower of cost and market/fair values. | | | - | | - |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|---|-------------------------|-------------------------|
| 9. Deferred Tax Assets (Net) | | |
| Deferred Tax Assets | | |
| Depreciation | - | 22.64 |
| Provision for Doubtful Debts | 1,752.98 | 3,510.48 |
| Contingent Provisions against Standard Assets | 4,057.84 | 2,607.54 |
| Other Provisions | 1,928.24 | 1,334.40 |
| Deferred Tax Liabilities | | |
| Depreciation | (60.25) | - |
| | <u>7,678.81</u> | <u>7,475.06</u> |
| 10a. Long-Term Loans and Advances | | |
| a. Secured, considered good | | |
| Loans | <u>2,060,317.45</u> | <u>1,509,326.02</u> |
| | 2,060,317.45 | 1,509,326.02 |
| b. Unsecured, considered good | | |
| (i) Loans | 375,134.11 | 135,682.42 |
| (ii) Other Advances | | |
| - Security Deposits | 1,204.26 | 347.68 |
| - Prepaid Expenses | 149.62 | 17.32 |
| - Capital Advances | 46.77 | 16.36 |
| | <u>376,534.76</u> | <u>136,063.78</u> |
| c. Doubtful* | | |
| Loans | <u>15,718.33</u> | <u>15,717.31</u> |
| | 15,718.33 | 15,717.31 |
| | <u>2,452,570.54</u> | <u>1,661,107.11</u> |
| * Represents non-performing assets classified as sub-standard and doubtful in accordance with norms for classification of assets as per RBI Prudential norms for Non-Banking Finance Companies. | | |
| 10b. Short-Term Loans and Advances | | |
| a. Secured, considered good | | |
| Loans | <u>635,834.39</u> | <u>560,354.47</u> |
| | 635,834.39 | 560,354.47 |
| b. Unsecured, considered good | | |
| (i) Loans | 238,125.17 | 272,742.80 |
| (ii) Other Advances | | |
| - Loans and Advances to Related Parties | 243.87 | 28.33 |
| - Security Deposits | 90.52 | 290.01 |
| - Prepaid Expenses | 707.38 | 372.15 |
| - Service Tax Input Credit Receivable | 272.15 | 12.75 |
| - Advance Income Taxes (Net of provision for taxation Rs. 38,947.00 lakhs 31 March, 2016 : Rs 26,520.00 lakhs) | 891.54 | 1,042.03 |
| - Others Advances | 397.95 | 320.06 |
| | <u>240,728.58</u> | <u>274,808.13</u> |
| | <u>876,562.97</u> | <u>835,162.60</u> |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 |
|--|-------------------------|-------------------------|
| 11. Trade Receivables | | |
| Outstanding for a period exceeding six months | | |
| Doubtful | 60.05 | - |
| Less: Provision for Doubtful Debts | <u>(60.05)</u> | <u>-</u> |
| | - | - |
| Other Receivables | | |
| Secured, considered good | 185.17 | 583.69 |
| Unsecured, considered good | 1,000.65 | - |
| Doubtful | 12.81 | - |
| Less: Provision for Doubtful Debts | <u>(12.81)</u> | <u>-</u> |
| | <u>1,185.82</u> | <u>583.69</u> |
| | <u>1,185.82</u> | <u>583.69</u> |
| 12. Cash and Bank Balances | | |
| Cash and Cash Equivalent | | |
| Balances with Banks in Current Accounts | 13,571.83 | 112.46 |
| | <u>13,571.83</u> | <u>112.46</u> |
| 13. Other Current Assets | | |
| Other receivables | 86.59 | 35.21 |
| Interest Accrued but not due/Interest Receivable | 40,383.74 | 33,575.26 |
| | <u>40,470.33</u> | <u>33,610.47</u> |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|------------------------------|------------------------------|
| 14. Revenue From Operations | | |
| <u>Interest Income on</u> | | |
| Loans | 309,602.63 | 229,093.00 |
| Investments | 3,830.87 | 2,148.01 |
| Stock of Securities | 4,708.54 | 3,137.66 |
| | <u>318,142.04</u> | <u>234,378.67</u> |
| <u>Other Financial Income</u> | | |
| Gain on sale of Investments (Net) | 878.88 | 87.53 |
| Gain on Stock of Securities (Net) | 2,088.22 | 1,462.33 |
| Syndication and Other Fee Income | 15,465.09 | 10,391.08 |
| Brokerage and Commission Income | 5,889.81 | - |
| Dividend Income on Investments | 5.56 | 8.41 |
| | <u>24,327.56</u> | <u>11,949.35</u> |
| | <u>342,469.60</u> | <u>246,328.02</u> |
| 15. Other Income | | |
| Provision for diminution on account of restructuring written back | - | 192.00 |
| General Contingency Provision written back | - | 1,980.93 |
| Miscellaneous Income | 196.14 | 159.48 |
| | <u>196.14</u> | <u>2,332.41</u> |
| 16. Finance Costs | | |
| Interest Expenses | 161,324.58 | 124,411.84 |
| Discounting charges on Commercial Paper | 45,540.88 | 29,439.06 |
| Other Borrowing Costs | 840.67 | 507.21 |
| | <u>207,706.13</u> | <u>154,358.11</u> |
| 17. Employee Benefit Expenses | | |
| Salaries, Bonus and Allowances | 22,990.35 | 12,925.50 |
| Contribution to Provident and Other Funds | 1,062.15 | 580.91 |
| Staff Welfare Expenses | 932.50 | 679.50 |
| | <u>24,985.00</u> | <u>14,185.91</u> |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Year ended
31 March, 2017

Year ended
31 March, 2016

18. Other Expenses

| | | |
|--|------------------|-----------------|
| Rent | 1,860.28 | 1,028.97 |
| Travelling and Conveyance | 1,560.97 | 916.93 |
| Water and Electricity | 249.53 | 109.67 |
| Repairs and Maintenance: | | |
| Plant and Machinery | 6.54 | 2.00 |
| Others | 743.28 | 367.32 |
| Insurance | 254.49 | 189.01 |
| Communication Expenses | 277.65 | 162.34 |
| Legal and Professional Charges | 2,323.12 | 1,430.27 |
| Loss on Sale of Fixed Assets (Net) | 0.98 | 8.84 |
| Rates and Taxes | 754.28 | 497.53 |
| Printing and Stationery | 195.56 | 108.62 |
| Contract Service Charges | 217.58 | 140.28 |
| Information Technology Expenses | 475.25 | 250.87 |
| Business / Sales Promotion Expenses | 413.00 | 329.92 |
| Advertisement Expenses | 420.14 | 380.85 |
| Postage Expenses | 67.84 | 44.67 |
| Bank Charges | 97.10 | 144.75 |
| Brokerage and Commission | 2,828.88 | 1,416.66 |
| Corporate Social Responsibility (CSR) Expenses | 859.38 | 314.15 |
| Sub-Brokerage and Fees | 1,165.48 | - |
| Miscellaneous Expenses | 649.78 | 257.16 |
| | 15,421.11 | 8,100.81 |

19. Provisions and Write - offs (Net)

| | | |
|--|-----------------|-----------------|
| Bad debts/Advances Written off | 4,946.42 | 2,523.95 |
| Investments Written off | - | 52.50 |
| Provision for Doubtful Debts and Advances | 3,594.41 | 5,074.50 |
| Provision for Doubtful Debts written back | (5,088.77) | (2,445.64) |
| Provision for Diminution in value of Stock of Securities | 22.08 | 3.71 |
| Provision for Diminution in value of Investments | 207.28 | 750.00 |
| Provision for diminution in Investments written back | (3.71) | (274.70) |
| Provision for Premium on Investments written back | - | (336.87) |
| Contingent Provisions against Standard Assets | 4,190.65 | 3,272.43 |
| Provision for Soft Accounts | 2,023.00 | - |
| | 9,891.36 | 8,619.88 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

| | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| 20. Earnings per Share | | |
| Net Profit after Tax | 58,525.40 | 40,860.11 |
| Less: Dividend on Preference Shares (including Corporate Dividend Tax) | 96.97 | 98.57 |
| Net Profit after Tax available for equity shareholders | 58,428.43 | 40,761.54 |
| Weighted average number of equity shares outstanding (Numbers) | 576,932,519 | 466,205,849 |
| Basic and Diluted Earnings per share (Rs.) | <u>10.13</u> | <u>8.74</u> |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

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

| Sr No. | Particulars | 31 March, 2017 | | 31 March, 2016 | |
|---------------------------|---|---------------------|----------------|---------------------|----------------|
| | | Amount out-standing | Amount overdue | Amount out-standing | Amount overdue |
| Liabilities side : | | | | | |
| 1) | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid: | | | | |
| | (a) Debentures : Secured (including interest accrued but not due of Rs.58,264.64 lakhs, 31 March, 2016 : 34,009.00 lakhs) | 1,029,054.64 | - | 632,629.00 | - |
| | : Unsecured (including interest accrued but not due of Rs.5,991.80 lakhs, 31 March, 2016 : 3,093.36 lakhs) (other than falling within the meaning of public deposits*) | 141,790.93 | - | 72,743.36 | - |
| | (b) Deferred Credits | - | - | - | - |
| | (c) Term Loans (including interest accrued but not due of Rs.8,062.38 lakhs, 31 March, 2016 :2,867.93 lakhs) | 926,036.77 | - | 835,661.98 | - |
| | (d) Inter-corporate loans and borrowing (including interest accrued but not due of Rs. Nil) | - | - | - | - |
| | (e) Commercial Paper | 741,495.77 | - | 412,772.81 | - |
| | (f) Other Loans (Cash Credit) | 125,255.77 | - | 227,059.71 | - |
| | | 2,963,633.88 | - | 2,180,866.86 | - |
| * Please see Note 1 below | | | | | |
| Assets side : | | | | | |
| 2) | Break-up of Loans and Advances including bills receivables (other than those included in (4) below) : | | | | |
| | (a) Secured : | 2,696,151.84 | | 2,069,680.50 | |
| | (b) Unsecured : | 629,221.49 | | 424,170.84 | |
| | (includes those in nature of loans and excludes Advances Recoverable in cash or kind or for value to be received, Advance Payment of Taxes and Other Deposits) | | | | |
| 3) | Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities : | | | | |
| | (i) Lease assets including lease rentals under sundry debtors : | | | | |
| | (a) Financial lease | - | | - | |
| | (b) Operating lease | - | | - | |
| | (ii) Stock on hire including hire charges under sundry debtors: | | | | |
| | (a) Assets on hire | - | | - | |
| | (b) Repossessed Assets | - | | - | |
| | (iii) Other loans counting towards AFC activities | | | | |
| | (a) Loans where assets have been repossessed | - | | - | |
| | (b) Loans other than (a) above | - | | - | |
| | | 3,325,373.33 | | 2,493,851.34 | |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

21A. Continued

| Assets side : | 31 March, 2017 | 31 March, 2016 | | | | |
|---|----------------------------|----------------------------|---------------------|--------------------------|-------------------|---------------------|
| | Amount out-standing | Amount out-standing | | | | |
| 4) Break-up of Investments : | | | | | | |
| 1. Quoted : | | | | | | |
| (i) Shares : (a) Equity | - | - | | | | |
| (b) Preference | - | - | | | | |
| (ii) Debentures and Bonds | - | - | | | | |
| (iii) Units of mutual funds | - | - | | | | |
| (iv) Government Securities | - | - | | | | |
| (v) Others (Commercial Paper) | - | - | | | | |
| 2. Unquoted : | | | | | | |
| (i) Shares : (a) Equity | - | - | | | | |
| (b) Preference | - | - | | | | |
| (ii) Debentures and Bonds | 79,420.00 | 46,500.00 | | | | |
| (iii) Units of mutual funds | - | - | | | | |
| (iv) Government Securities | - | - | | | | |
| (v) Others (Commercial Paper) | - | - | | | | |
| Long Term investments : | | | | | | |
| 1. Quoted : | | | | | | |
| (i) Shares : (a) Equity | 24.49 | 24.49 | | | | |
| (b) Preference | - | - | | | | |
| (ii) Debentures and Bonds | - | - | | | | |
| (iii) Units of mutual funds | - | - | | | | |
| (iv) Government Securities | - | - | | | | |
| (v) Others (Please specify) | - | - | | | | |
| 2. Unquoted : | | | | | | |
| (i) Shares : (a) Equity | 0.20 | 0.20 | | | | |
| (b) Preference | - | 235.48 | | | | |
| (ii) Debentures and Bonds | - | - | | | | |
| (iii) Units of mutual funds | - | - | | | | |
| (iv) Government Securities | - | - | | | | |
| (v) Others (PMS and Alternate Fund) | 6,562.33 | 2,500.00 | | | | |
| 5) Borrower group-wise classification of assets financed as in (2) and (3) above : | | | | | | |
| Please see Note 2 below | | | | | | |
| Category | 31 March, 2017 | | | 31 March, 2016 | | |
| | Net of Provisions | | | Net of Provisions | | |
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| 1) Related Parties** | | | | | | |
| (a) Subsidiaries | - | - | - | - | - | - |
| (b) Companies in the same group | 41,622.56 | 15,000.00 | 56,622.56 | 23,424.81 | 31,678.99 | 55,103.80 |
| (c) Other related parties | - | 243.87 | 243.87 | - | 28.33 | 28.33 |
| 2) Other than related parties | 2,654,529.28 | 613,977.62 | 3,268,506.90 | 2,046,255.69 | 392,463.52 | 2,438,719.21 |
| | 2,696,151.84 | 629,221.49 | 3,325,373.33 | 2,069,680.50 | 424,170.84 | 2,493,851.34 |



Aditya Birla Finance Limited

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

(Currency: Rupees in Lakhs)

21A. Continued

| 6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below | 31 March, 2017 | | 31 March, 2016 | |
|--|--|--------------------------------|--|--------------------------------|
| | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) | Market Value / Break up or fair value or | Book Value (Net of Provisions) |
| Category | | | | |
| 1) Related Parties** | | | | |
| (a) Subsidiaries | - | - | - | - |
| (b) Companies in the same group | - | - | - | - |
| (c) Other related parties | - | - | - | - |
| 2) Other than related parties | 87,015.12 | 86,007.02 | 49,840.85 | 49,260.17 |
| | 87,015.12 | 86,007.02 | 49,840.85 | 49,260.17 |
| Note: Break up value derived from the latest available Balance Sheet of the Company. | | | | |
| ** As per Accounting Standard of ICAI (Please see Note 3) | | | | |
| 7) Other information : | 31 March, 2017 | | 31 March, 2016 | |
| (i) Gross Non-Performing Assets : | | | | |
| (a) Related parties | - | - | - | - |
| (b) Other than related parties | 15,718.33 | | 15,717.31 | |
| (ii) Net Non-Performing Assets : | | | | |
| (a) Related parties | - | - | - | - |
| (b) Other than related parties | 7,069.14 | | 5,573.76 | |
| (iii) Assets acquired in satisfaction of debt : | - | - | - | - |

Notes:

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

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

a) Capital Risk Adequacy Ratio (CRAR)

| Sr. No. | Items | Current Year | Previous Year |
|---------|--|--------------|---------------|
| (i) | CRAR* (%) | 17.33 | 16.15 |
| (ii) | CRAR - Tier I capital (%) | 13.69 | 13.64 |
| (iii) | CRAR - Tier II Capital (%) | 3.64 | 2.51 |
| (iv) | Amount of subordinated debt raised as Tier-II capital (Rs.in Crores) | 1334.00 | 696.50 |
| (v) | Amount raised by issue of Perpetual Debt Instruments | - | - |

- * The management has reduced the tenor of the subdebt of Rs 300 Crores, hence for the purpose of computation of CRAR, the subdebt of Rs 300 crores have been taken at 40% value.

b) Unsecured Advances

(Rs.in Crores)

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|---|--------------|---------------|
| (i) | Unsecured Advances (Inclusive of doubtful advances) | 6,292.21 | 4,241.71 |

c) Exposures

c.i) Exposure to Real Estate Sector

(Rs.in Crores)

| Category | | Current Year | Previous Year |
|---|---|-----------------|-----------------|
| Direct exposure | | | |
| i) | Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; | 1,095.32 | 312.67 |
| ii) | Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based limits; | 6,016.13 | 5,733.54 |
| iii) | Investments in Mortgage Backed Securities (MBS) and other securitised exposures | | |
| | a. Residential | Nil | Nil |
| | b. Commercial Real Estate | Nil | Nil |
| Total Exposure to Real Estate Sector | | 7,111.45 | 6,046.21 |



Aditya Birla Finance Limited

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

21B. Continued

c.ii) Exposure to Capital Market

| | | (Rs.in Crores) | |
|---|--|-----------------|-----------------|
| Particulars | | Current Year | Previous Year |
| i) | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | 397.06 | 334.29 |
| (ii) | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | 98.70 | 30.48 |
| (iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | 4,669.16 | 4,591.31 |
| (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances; | - | - |
| (v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | 183.73 | 267.12 |
| (vi) | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | - | - |
| (vii) | Bridge loans to companies against expected equity flows / issues; | - | - |
| (viii) | All exposures to Venture Capital Funds (both registered and unregistered) | - | - |
| Total Exposure to Capital Market | | 5,348.65 | 5,223.20 |

c.iii) Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

| | | (Rs.in Crores) | | | | | | | |
|------------------------------|-----------------|--------------------------------|---------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------------|--------------|-----------|
| Particulars | upto 30/31 days | Over 1 month and upto 2 months | Over 2 months and upto 3 months | Over 3 months and upto 6 months | Over 6 months and upto 1 year | Over 1 year and upto 3 years | Over 3 years and upto 5 years | Over 5 years | Total |
| | | | | | | | | | |
| Advances** | 3,649.40 | 774.30 | 702.86 | 1,130.89 | 2,625.17 | 8,403.97 | 5,934.15 | 10,014.39 | 33,235.13 |
| Investments | 117.50 | 207.00 | 194.70 | 225.00 | 50.00 | - | - | 65.87 | 860.07 |
| Borrowings* | 4,845.54 | 2,327.63 | 2,160.82 | 160.00 | 3,179.03 | 8,493.14 | 5,963.00 | 1,783.99 | 28,913.15 |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - |

* Net of Unamortized Discounting charges on Commercial Paper amounting to Rs. 85.04 Crores.

** a) Overdue Receivable on account of Corporate Finance Activities have been slotted in respective time bucket category as per instructions contained in Appendix 1 of Guidelines for Assets Liabilities Management (ALM) system in NBFC.
b) Advances includes Loan and Advances in the nature of Loans and excludes Advances Recoverable in cash or kind or for value to be received and Advance Payment of Taxes and Other Deposits.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Notes forming part of Accounts 22

Significant Accounting Policies

1. Corporate information - Brief description about the Company

Aditya Birla Finance Limited ('ABFL' or 'the Company') is a public company domiciled in India incorporated on 28 August, 1991 under the Companies Act, 1956.

The Company is registered with Reserve Bank of India (RBI) as non-deposit taking Non Banking Financial Company (NBFC) with Registration no.N-01.00500 and was certified as ISO 9001:2008(upgraded to ISO 9001:2015) across all its core functional processes in March, 2013 by British Standards Institution (BSI), a leading global independent business services organization.

2. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention and on an accrual basis to comply in all material respects 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 & Amendments Rules, 2016 and the guidelines issued by RBI as applicable to NBFC's. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year except for the changes in accounting policies mentioned below. The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non current.

3. Change in accounting policy

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

Accordingly, the Company has disclosed dividend proposed by Board of Directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss account would have been lower by Rs. 96.97 lakhs and current provision would have been higher by Rs. 96.97 lakhs (including dividend distribution tax of Rs. 16.40 lakhs).

4. Use of Estimates

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

5. Property, Plant and Equipments

Property, Plant and Equipments 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.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

Depreciation on Property, Plant and Equipments

Depreciation on Property, Plant and Equipments is provided on straight line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following useful life to provide depreciation on its property, plant and equipments

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

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

Plant, property and Equipments costing below Rs 5,000 is capitalized and 100% depreciation is charged in the year of acquisition.

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

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

6. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and impairment losses, if any.

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

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

Intangible assets, viz. Trade Names and other business rights, Goodwill and Computer Software are amortised on a straight line basis over a period of ten years, five years and three years respectively.

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

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

7. Impairment of Property, Plant and Equipments and Intangible Assets

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

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

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



Aditya Birla Finance Limited
Notes to the Financial Statements (Continued)
for the year ended 31 March, 2017
(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

8. Investments

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

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

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

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

9. Stock of Securities

Stock of Securities are valued at lower of cost and fair value. Cost includes cost of purchase and other directly attributable cost towards purchase costs.

10. Revenue Recognition

- (i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Interest income is recognised in the Statement of Profit and Loss on accrual basis, except in the case of non-performing assets.
- (iii) Income recognised and remaining unrealised after instalments become overdue for four months or more in case of secured/unsecured loans are reversed and are accounted as income when these are actually realised.
- (iv) Income on discounted instruments is recognised over the tenor of the instrument on a straight line basis.
- (v) Processing Fees and Syndication income is recognised on accrual basis.
- (vi) Commission and Brokerage Fee income is recognised on completion of transaction or service.
- (vii) Dividend income on investments is accounted for when the right to receive the payment is established by the reporting date.
- (viii) Profit and Loss on sale of investment is computed based on weighted average cost.

11. Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences.

Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

12. Retirement and Other Employee Benefits

i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

The Company presents the estimated cost of compensated absences and gratuity as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

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

(iii) Other Long Term Incentive Benefits

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

The cost of providing benefits under these plans are determined on the basis of actuarial valuation or working based on specified parameters at each year end. The Company treats accumulated costs expected to be carried forward beyond 12 months, as long term employee benefits and the balance as short term employee benefits.

13. Borrowing Costs

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

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

14. Cash and Cash Equivalent

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Significant Accounting Policies (Continued)

15. Earnings Per Share

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

16. Provision and Contingencies

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

Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

During the current year, pursuant to RBI Notification no. DNBR CC. No.011/CGM (CDS) dated March 27, 2015, the Company has revised its recognition norms of Non-Performing Assets (NPA) from five months to four months and increased provisions on standard assets from 0.30% to 0.35%. Had the Company continued to use the earlier policy of classification of NPA and provision for standard assets, provisions and write offs for the year ended 31 March, 2017 would have been lower by Rs.1,691.02 lakhs and profit before tax would have been higher by Rs.1,691.02 lakhs (net of tax Rs. 1,105.79 lakhs).

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

Contingent Liabilities are not provided for and disclosed by way of notes.

Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

17. Leases

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

18. Segment Reporting

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

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Notes forming part of Accounts 23

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 6,617.01 lakhs (31 March, 2016 Rs. 576.70 lakhs).

2. Contingent Liabilities not provided for

| Particulars | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| Disputed Income Tax Liability* | 831.04 | 217.60 |
| Disputed Service Tax Liability** | 370.51 | 120.44 |
| Claims against the Company not acknowledged as debts*** | 512.00 | 812.00 |
| Corporate guarantees given by the Company on behalf of the clients | 3,270.77 | 588.15 |
| Letter of comfort given by the Company on behalf of clients | 13,311.23 | 24,472.00 |

* Disputed Income Tax Liability

| Particulars | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Disallowances of Depreciation on Intangibles, Disallowance of Expenses, Disallowance under Section 14A, Disallowance of Dividend under Section 10(33) | 630.72 | 71.58 |
| Interest on Non Performing Assets (NPA) | 151.76 | 97.46 |
| Disallowance of Leave Encashment under Section 43B | 48.56 | 48.56 |

** Show Cause Notice F. No. ST/Audit-III/Gr.i/ABF/SCN/739/2015-16/4587 dated 15 October 2015 was issued to the Company seeking to recover, inter alia, CENVAT Credit of Rs. 120.44 lakhs under Rule 14 of the CENVAT Credit Rules, 2004 (hereinafter referred to as "CCR") along with interest of Rs 129.63 lakhs (as applicable) and imposition of penalties of Rs. 120.44 lakhs under the extant provisions of CCR as also the Finance Act, 1994.

*** The claims against the Company comprise of the following :

Two of the Company clients have filed the Claim Petition as per High Court Order dated 27.10.2009 for an amount of Rs. 512.00 lakhs(31 March, 2016 Rs. 812.00 lakhs) along with damages with interest. The matter is pending before Arbitrator.

3. The Company is in the process of identifying the parties which are covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). As of March 31, 2017, the Company is not aware of any party which gets covered under MSMED Act. The Company does not have any outstanding balance due to any such party as on 31 March, 2017 (31 March, 2016 Rs. Nil).



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

4.Related Party Disclosures

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

(A)Where control exists

- Aditya Birla Financial Services Limited (ABFSL) (Holding Company)
- Aditya Birla Nuvo Limited (Ultimate Holding Company)

(B)Subsidiaries / Fellow Subsidiaries

Fellow Subsidiaries

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

(C)Key management personnel

- Mr. Sekhar Mosur



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

4.Related Party Disclosures (Continued)

III) Disclosure in respect of transactions of the same type with related parties during the year are as under:-

| Particulars | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Brokerage expenses | | |
| Aditya Birla Money Limited | 121.80 | - |
| Aditya Birla Money Mart Limited | - | 27.78 |
| Dividend Paid | | |
| Aditya Birla Financial Services Limited | 1.75 | 1.75 |
| Aditya Birla Nuvo Limited | 80.00 | - |
| Remuneration (Refer note (d) below) | | |
| Key Management Personnel | 324.28 | 115.01 |
| Reimbursement of Administrative expenses | | |
| Aditya Birla Nuvo Limited | 0.29 | 0.72 |
| Aditya Birla Financial Services Limited | 395.88 | 202.99 |
| Aditya Birla Money Limited | 66.40 | 63.10 |
| Aditya Birla Customer Services Private Limited | 2.82 | - |
| Aditya Birla Money Mart Limited | 0.13 | - |
| Aditya Birla Financial Shared Services Limited | 480.54 | 213.25 |
| Birla Sun Life Insurance Company Limited | - | 0.11 |
| Aditya Birla Housing Finance Limited | 140.32 | 75.88 |
| Aditya Birla Health Insurance Company Limited | 16.21 | - |
| Interest expenses | | |
| Birla Sun Life Insurance Company Limited | 1,049.54 | 315.25 |
| Reimbursement of Rent expenses | | |
| Aditya Birla Financial Services Limited | 85.34 | 66.15 |
| Aditya Birla Money Limited | 22.44 | 2.70 |
| Aditya Birla Money Insurance Advisory Limited | 183.84 | - |
| Aditya Birla Customer Services Private Limited | 7.89 | - |
| Birla Sun Life Insurance Company Limited | 241.46 | 231.58 |
| Aditya Birla Money Mart Limited | - | 20.46 |
| Aditya Birla Financial Shared Services Limited | 8.13 | 2.70 |
| Aditya Birla Housing Finance Limited | 147.12 | 110.38 |
| Reimbursement of Legal and Professional expenses | | |
| Aditya Birla Financial Services Limited | 107.93 | 137.54 |
| Aditya Birla Financial Shared Services Limited | 124.23 | 43.36 |
| Aditya Birla Housing Finance Limited | - | 2.25 |
| Reimbursement of Employee cost | | |
| Aditya Birla Financial Services Limited | 2,559.43 | 875.44 |
| Aditya Birla Money Limited | 656.47 | - |
| Aditya Birla Customer Services Private Limited | 11.76 | - |
| Aditya Birla Financial Shared Services Limited | 424.97 | 193.51 |
| Birla Sunlife Asset Management Company Limited | 18.30 | 26.54 |
| Insurance Premium Paid | | |
| Birla Sun Life Insurance Company Limited | 43.78 | 43.68 |
| Commission/Sub-Brokerage | | |
| Aditya Birla Customer Services Private Limited | 312.93 | - |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

4.Related Party Disclosures (Continued)

| Particulars | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Employee cost recovered | | |
| Aditya Birla Customer Services Private Limited | 2.04 | - |
| Aditya Birla Nuvo Limited | - | 1.21 |
| Birla Sun Life Insurance Company Limited | 4.60 | - |
| Birla Sunlife Asset Management Company Limited | 9.49 | - |
| Aditya Birla Financial Shared Services Limited | 8.76 | - |
| Legal and Professional expenses recovered | | |
| Aditya Birla Housing Finance Limited | 3.00 | 6.00 |
| Brokerage Income | | |
| Aditya Birla Money Limited | 418.90 | 37.28 |
| Aditya Birla Commodity & Broking Limited | 3.79 | - |
| Birla Sunlife Asset Management Company Limited | 799.73 | - |
| Aditya Birla Housing Finance Limited | 1.30 | - |
| Advertisement Income | | |
| Aditya Birla Insurance Brokers Limited | 0.75 | - |
| Rent recovered | | |
| Aditya Birla Money Limited | 40.94 | - |
| Aditya Birla Money Insurance Advisory Limited | 25.99 | - |
| Aditya Birla Customer Services Private Limited | 0.18 | - |
| Aditya Birla Insurance Brokers Limited | 1.17 | - |
| Birla Sunlife Asset Management Company Limited. | 65.19 | - |
| Aditya Birla Money Mart Limited | 0.99 | - |
| Aditya Birla Housing Finance Limited | 77.64 | 48.43 |
| Interest Income | | |
| Aditya Birla Housing Finance Limited | - | 4.06 |
| Administrative Income Recovered | | |
| Aditya Birla Insurance Brokers Limited | 3.16 | 3.11 |
| Aditya Birla Housing Finance Limited | 107.61 | 194.18 |
| Aditya Birla Capital Advisors Limited | 0.76 | - |
| Gratuity/Leave Encashment expenses recovery from | | |
| Aditya Birla Money Mart Limited | 32.30 | - |
| Inter Corporate Deposits Placed | | |
| Aditya Birla Nuvo Limited | 83.00 | - |
| Repayment of Inter Corporate Deposits (ICD) | | |
| Aditya Birla Nuvo Limited | 250.94 | - |
| Interest Expenses on Inter Corporate Borrowings | | |
| Aditya Birla Nuvo Limited | 24.98 | - |
| Conversion of Preference Shares | | |
| Aditya Birla Financial Services Limited | 17,500.00 | - |
| Security Deposits Received Back | | |
| Birla Sunlife Asset Management Company Limited. | 29.00 | - |
| Loan given | | |
| Aditya Birla Housing Finance Limited | - | 8360.00 |
| Loan received back | | |
| Aditya Birla Housing Finance Limited | - | 8360.00 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

4.Related Party Disclosures (Continued)

| Particulars | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Sale of assets | | |
| Birla Sun Life Insurance Company Limited | - | 0.62 |
| Aditya Birla Money Limited | 1.30 | - |
| Aditya Birla Money Insurance Advisory Limited | 0.11 | - |
| Aditya Birla Customer Services Private Limited | 5.42 | - |
| Birla Sunlife Asset Management Company Limited. | 3.55 | - |
| Aditya Birla Money Mart Limited | 0.14 | - |
| Purchase of assets | | |
| Aditya Birla Money Insurance Advisory Limited | 0.63 | - |
| Birla Sun Life Insurance Company Limited | 1.13 | - |
| Redemption of Non Convertible Debentures (NCD) | | |
| Birla Sun Life Insurance Company Limited | - | 1000.00 |
| Issue of Non Convertible Debentures | | |
| Birla Sun Life Insurance Company Limited | 12,500.00 | - |
| Issue of Equity Share Capital | | |
| Aditya Birla Nuvo Limited | 921.00 | 2779.84 |
| ABNL Investment Limited | - | 139.27 |
| ABNL IT & ITES Limited | - | 2426.47 |
| Aditya Birla Financial Services Limited | 5,863.30 | 5,575.00 |
| Share Premium on issue of equity share capital | | |
| Aditya Birla Financial Services Limited | 68,664.41 | 64,670.00 |
| Aditya Birla Nuvo Limited | 13,078.20 | - |
| Interest on Debentures | | |
| Aditya Birla Financial Services Limited | 2.40 | - |
| Issue of Preference Share Capital | | |
| Aditya Birla Nuvo Limited | - | 1,000.00 |
| Preference Share Capital Outstanding | | |
| Aditya Birla Nuvo Limited | 1,000.00 | 1,000.00 |
| Aditya Birla Financial Services Limited | - | 17,500.00 |
| Equity Share Capital Outstanding | | |
| Aditya Birla Nuvo Limited | 6,127.31 | 2,779.84 |
| Aditya Birla Financial Services Limited | 56,613.54 | 50,610.97 |
| ABNL Investment Limited | - | 139.27 |
| ABNL IT & ITES Limited | - | 2,426.47 |
| Equity Share Premium Outstanding | | |
| Aditya Birla Nuvo Limited | 13,078.20 | - |
| Aditya Birla Financial Services Limited | 218,393.44 | 149,729.03 |
| Redeemable NCDs (Secured) | | |
| Birla Sun Life Insurance Company Limited | 15,000.00 | 2,500.00 |
| Interest accrued on NCDs | | |
| Birla Sun Life Insurance Company Limited | 999.18 | 192.34 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

4.Related Party Disclosures (Continued)

| Particulars | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| Payable | | |
| Aditya Birla Nuvo Limited | - | 0.45 |
| Aditya Birla Financial Services Limited | 1,912.70 | 139.31 |
| Aditya Birla Customer Services Private Limited | 190.09 | - |
| Birla Sun Life Insurance Company Limited | 22.18 | 25.43 |
| Aditya Birla Money Mart Limited | - | 11.42 |
| Aditya Birla Financial Shared Services Limited | 46.95 | 14.69 |
| Aditya Birla Money Insurance Advisory Services Limited | 20.39 | 0.77 |
| Aditya Birla Housing Finance Limited | 56.01 | - |
| Aditya Birla Health Insurance Company Limited | 10.82 | - |
| Aditya Birla Money Limited | - | 2.14 |
| Debentures | | |
| Aditya Birla Financial Services Limited | 2,399.13 | - |
| Receivable | | |
| Aditya Birla Nuvo Limited | 3.52 | - |
| Aditya Birla Money Limited | 135.71 | - |
| Aditya Birla Commodities & Broking Limited | 3.99 | - |
| Aditya Birla Customer Services Private Limited | 7.66 | - |
| Aditya Birla Insurance Brokers Limited | 0.79 | - |
| Birla Sun Life Assets Management Company Limited | 11.75 | - |
| Aditya Birla Money Mart Limited | 96.69 | - |
| Aditya Birla Financial Shared Services Limited | 15.80 | - |
| Aditya Birla Housing Finance Limited | - | 28.33 |
| Aditya Birla Health Insurance Company Limited | 258.16 | - |
| Aditya Birla Capital Advisors Limited | 0.88 | - |
| Security Deposit Receivable | | |
| Birla Sun Life Insurance Company Limited | 88.30 | 88.30 |

Notes

- The related party relationships have been as identified by the management on the basis of the requirements of the Accounting Standard AS-18 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India (ICAI) and the same have been relied upon by the Auditors.
- The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.
- Expenses towards bonus, gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and accordingly, have not been considered in the above information.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits

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

| Amount recognized in the Balance Sheet in respect of gratuity (funded by the Company) | | |
|--|----------------------|----------------------|
| | As at 31 March, 2017 | As at 31 March, 2016 |
| Present Value of Funded defined benefit obligation at the end of the year | 1,276.48 | 613.57 |
| Fair Value of Plan Assets | 678.45 | 411.49 |
| Net Liability/(Assets) | 598.03 | 202.08 |
| Amount recognized in Salary, Wages and Employee Benefits in the Statement of Profit and Loss in respect of gratuity (funded by the Company): | | |
| Current Service Cost | 165.73 | 121.56 |
| Interest on Defined Benefit Obligation | 60.24 | 43.44 |
| Expected Return on Plan Assets | (35.45) | (29.99) |
| Net Actuarial Loss / (Gains) recognized during the year | 179.62 | 67.07 |
| Net Gratuity Cost | 370.14 | 202.08 |
| Actual Return on Plan assets | 79.65 | 8.58 |
| Reconciliation of present value of the obligation and the fair value of the plan assets: | | |
| Opening Defined Benefit Obligation | 613.57 | 426.54 |
| Current Service Cost | 165.73 | 121.56 |
| Interest Cost | 60.24 | 43.44 |
| Actuarial Losses/(Gains) | 223.82 | 45.65 |
| Liabilities assumed on acquisition (settled on divesture) | 227.89 | - |
| Benefit Paid | (14.77) | (23.62) |
| Closing Defined Benefit Obligation | 1,276.48 | 613.57 |
| Change in Plan Assets | | |
| Opening Fair Value of the Plan Assets | 411.49 | 332.88 |
| Expected Return on Plan Assets | 35.45 | 29.99 |
| Actuarial Losses/(Gains) | 44.20 | (21.41) |
| Contributions by the Employer | 202.08 | 93.65 |
| Assets acquired on acquisition/ (distributed on divesture) | - | - |
| Benefit Paid | (14.77) | (23.62) |
| Closing Fair Value of the Plan Assets | 678.45 | 411.49 |
| Investment details of Plan assets | | |
| 100% of plan assets are invested with Insure Managed Funds. | - | - |

| Experience Adjustment | As at 31 March, 2017 | As at 31 March, 2016 | As at 31 March, 2015 | As at 31 March, 2014 | As at 31 March, 2013 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Defined Benefit Obligation | 1,276.48 | 613.57 | 426.54 | 295.00 | 233.12 |
| Plan Assets | 678.45 | 411.49 | 332.88 | 254.23 | 141.77 |
| Surplus/(Deficit) | (598.03) | (202.08) | (93.66) | (40.77) | (91.35) |
| Experience Adjustment on Plan Liabilities | 129.23 | 29.07 | (26.49) | (0.68) | 27.76 |
| Experience Adjustment on Plan Assets | 44.20 | (21.41) | 28.50 | 1.48 | 7.14 |
| Discount Rate (p.a.) | 7.25% | 7.80% | 8.00% | 8.90% | 7.90% |
| Expected Rate of return on Assets (p.a.) | 7.25% | 7.80% | 8.50% | 8.50% | 8.50% |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

5. Gratuity and Other Post Employment Benefits (Continued)

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

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

Investment in Plan Asset with Birla Sun Life Insurance Company Limited is Rs. 678.45 lakhs (31 March, 2016 Rs. 411.49 lakhs).

Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is Rs. 100.00 lakhs (31 March, 2016 Rs. 100.00 lakhs).

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

Defined Benefit Plan

| Particulars | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| Contribution to Company owned Provident Fund | 75.26 | 72.26 |

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

Defined Contribution Plans

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

| Sr. No. | Particulars | 31 March, 2017 | 31 March, 2016 |
|---------|---|----------------|----------------|
| i) | Contribution to Government Employees Provident Fund | 444.49 | 243.02 |
| ii) | Contribution to Government Employees Pension Fund | 109.49 | 54.59 |
| iii) | Contribution to Superannuation Fund | 4.02 | 0.74 |
| iv) | Contribution to Employees State Insurance Corporation | 0.94 | 0.04 |
| v) | Contribution to Maharashtra Labour Welfare Fund | 0.10 | 0.01 |
| vi) | Contribution to National Pension Scheme | 1.60 | - |

Other Long Term Incentive Benefits

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

| Particulars | 31 March, 2017 |
|----------------|---|
| Discount rate | 6.57% per annum |
| Mortality rate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Attrition rate | 10.00% |

6. Details of Auditors Remuneration

| Particulars | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| As Auditors | | |
| For Statutory Audit (including Limited Review and Internal Control Financial Reporting (ICFR)) | 53.00 | 43.00 |
| For Tax Audit | 6.00 | 4.00 |
| In Other Capacity | | |
| For Other Services (including Certificates and IND - AS) | 28.23 | 7.50 |
| For Reimbursement of Expenses | 4.04 | 1.81 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

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

8. Segment Reporting

The Company is primarily engaged in financing activities. It operates in 3 segments namely financing activities, trading, other activities and wealth business and single geographical segment. The Company earned some treasury income, these income have been classified as "Trading Activities" as per requirements of AS- 17 on Segment Reporting.

| Particulars | 31 March, 2017 | | | | 31 March, 2016 | | |
|---|----------------------------------|--------------------|-----------------|---------------------|----------------------------------|--------------------|---------------------|
| | Financing and Related Activities | Trading activities | Wealth Business | Total | Financing and Related Activities | Trading activities | Total |
| Segment Revenue | 329,979.17 | 6,796.76 | 5,889.81 | 342,665.74 | 244,060.44 | 4,599.99 | 248,660.43 |
| Segment Results (Profit before tax and after interest on financing segment) | 82,106.76 | 6,770.97 | (1,604.35) | 87,273.38 | 61,239.19 | 4,574.68 | 65,813.87 |
| Less: Interest on trading activities | - | 4,080.12 | - | 4,080.12 | - | 3,178.26 | 3,178.26 |
| Net profit before tax | 82,106.76 | 2,690.85 | (1,604.35) | 83,193.26 | 61,239.19 | 1,396.42 | 62,635.61 |
| Less: Income taxes | - | - | - | 24,667.86 | - | - | 21,775.50 |
| Net profit after tax | - | - | - | 58,525.40 | - | - | 40,860.11 |
| Other Information | | | | | | | |
| Segment Assets | 3,469,746.20 | 58,278.52 | 5,390.81 | 3,533,415.53 | 2,580,857.78 | 33,020.01 | 2,613,877.79 |
| Unallocated Corporate Assets | - | - | - | 8,570.36 | - | - | 8,517.09 |
| Total Assets | 3,469,746.20 | 58,278.52 | 5,390.81 | 3,541,985.89 | 2,580,857.78 | 33,020.01 | 2,622,394.88 |
| Segment Liabilities | 2,987,202.93 | 49,682.87 | 5,967.39 | 3,042,853.19 | 2,224,652.15 | 28,162.34 | 2,252,814.49 |
| Total Liabilities | 2,987,202.93 | 49,682.87 | 5,967.39 | 3,042,853.19 | 2,224,652.15 | 28,162.34 | 2,252,814.49 |
| Capital expenditure | 2,161.82 | - | 2,805.84 | 4,967.66 | 1,034.68 | - | 1,034.68 |
| Depreciation | 847.28 | - | 621.60 | 1,468.88 | 760.11 | - | 760.11 |
| Other non-cash expenses | 9,578.44 | - | - | 9,578.44 | 10,456.22 | - | 10,456.22 |

9. Expenditure in Foreign Currency:

| Particulars | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Business / Sales Promotion / Staff Training and Seminar | 55.24 | 50.72 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

10. CSR Expenses

| CSR Expenses | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Gross Amount Required to be spent during the year | 859.25 | 540.00 |
| Amount Spent during the year | | |
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 859.38 | 314.15 |

11. Merger

(i) Pursuant to the approval of the Honourable High Court of Gujarat vide its order O/42988/2016 dated November 24, 2016 to the Scheme of Arrangement under the provisions of Sections 391 to 394 read with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956 (including corresponding provisions of the Companies Act, 2013 as may be applicable) in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(19AA) thereof, the wealth management undertaking of Aditya Birla Money Mart Limited ('ABMML'), has been vested in Aditya Birla Finance Limited ('the Company') with effect from the appointed date viz., April 1, 2016 in accordance with the Scheme so sanctioned. The Scheme was made effective by the Company upon filing with the Registrar of Companies ("ROC") on December 31, 2016 and has been made effective and accordingly effect of the same has been given in the financial statements from the appointed date. Both ABMML and the Company are wholly owned subsidiaries of Aditya Birla Nuvo Limited.

In accordance with the said scheme all the assets and liabilities of the wealth management undertaking of ABMML vested in the Company pursuant to the Scheme and in accordance with Accounting Standard - 10 "Fixed Assets" notified under Companies (Accounting Standards) amendment Rules 2016, are recorded at their respective book values appearing in the books of ABMML as at April 01, 2016.

In terms of the Scheme, the consideration paid to the shareholders of ABMML is:

- (a) 3 (Three) equity shares of the face value of Rs 10/- (Rupees Ten only) each fully paid up of the Company for every 8 (Eight) equity shares of the face value of Rs 10/- (Rupees Ten only) each fully paid up of ABMML to the equity shareholders of ABMML; and
- (b) 1 (One) equity share of the face value of Rs 10/- (Rupees Ten only) each fully paid up of the Company for every 36 (Thirty Six) preference shares of the face value of Rs 10/- (Rupees Ten only) each fully paid up of ABMML to the preference shareholders of ABMML. Accordingly the Company has issued and allotted 10,277,778 equity shares of Rs 10 each, fully paid up of the Company to the shareholders of ABMML.

Based on the terms of the Scheme, the Company has acquired net liabilities of Rs 1,517.74 lakhs of the wealth management undertaking from ABMML and the consideration of Rs 1027.78 lakhs has been settled by way of issue of fully paid up equity shares of the Company to the shareholders of ABMML. As a result of this, goodwill of Rs. 2,545.52 lakhs has been recognised in the financial statements and the said goodwill will be amortised over a period of 5 years from the appointed date. The brought forward losses pertaining to the wealth management undertaking has been set off against the taxable income of the Company during the current year in accordance with the provisions of Income Tax Act, 1961.

(ii) During previous year ended 31 March, 2016 Madura Garments Lifestyle Retail Company Limited (MGLRCL), a fellow subsidiary of the Company, was amalgamated with the Company in terms of the Scheme of Amalgamation (the Scheme) under Sections 391 to 394 of the Companies Act, 1956 including corresponding provisions of the Companies Act, 2013, as approved by the Hon'ble High Court of Gujarat vide its order O/Comp/392/2015 dated December 21, 2015 with an appointed date of July 01, 2015. The Scheme was made effective by the Company upon filing of Form INC - 28 with the Registrar of Companies, Gujarat on January 25, 2016.

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

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

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

- (a) 9 (Nine) equity shares of the face value of Rs.10/- (Rupees Ten only) each fully paid-up of the Company for every 32 (Thirty Two) equity shares of the face value of Rs.10/- (Rupees Ten only) each fully paid-up of MGLRCL to the equity shareholders of MGLRCL; and
- (b) 1 (One) 8% Cumulative Redeemable Preference Shares of the face value of Rs.10/- (Rupees Ten only) each fully paid-up of the Company for every 1 (One) 8% Cumulative Redeemable Preference Shares of the face value of Rs.10/- (Rupees Ten only) each fully paid-up of MGLRCL to the preference shareholder of MGLRCL.

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

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

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

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

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

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

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

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

| Particulars/Year | Opening Stock | Purchases | Sales | Closing Stock |
|--|---------------|----------------|----------------|---------------|
| Units of Mutual Funds 2016-2017 (Nos.) | Nil | 116,452,707.94 | 116,452,707.94 | Nil |
| Units of Mutual Funds 2015-2016 (Nos.) | Nil | 294,497,071.77 | 294,497,071.77 | Nil |
| Stock of Securities 2016-2017 (Rs. in lakhs) | 33,020.01 | 1,119,946.25 | 1,094,687.74 | 58,278.52 |
| Stock of Securities 2015-2016 (Rs. in lakhs) | 46,756.69 | 691,233.35 | 705,977.21 | 33,020.01 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

13. Information in respect of restructured assets in accordance with review of guidelines on restructuring of advances by NBFC (RBI/2013-14/459) DNBS. CO. PD. No. 367/03.10.01/2013-14 The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring:-

| Sr. no. | Type of Restructuring | Under CDR Mechanism | | | | Under SME Debt Restructuring Mechanism | | | | Total |
|---------|--|---------------------|--------------|----------|--------|--|--------------|----------|------|----------|
| | | Standard | Sub-Standard | Doubtful | Loss | Standard | Sub-Standard | Doubtful | Loss | |
| 1 | Restructured Accounts at April 1, 2016 | | | | | | | | | |
| | No. of borrowers | 1 | 1 | - | 1 | - | - | - | - | 3 |
| | Amount outstanding | 2,733.71 | 2,922.07 | - | 200.00 | - | - | - | - | 5,855.77 |
| | Provision thereon | 750.00 | 2,488.50 | - | 200.00 | - | - | - | - | 3,438.50 |
| 2 | Fresh restructuring during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - |
| 3 | Upgradations to restructured standard category during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - |
| 4 | Restructured standard advances at April 1, 2016, which cease to attract higher provisioning and/or additional risk weight at March 31, 2017 and hence need not be shown as restructured standard advances at April 1, 2017 | | | | | | | | | |
| | No. of borrowers | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Amount outstanding | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Provision thereon | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 5 | Dowgradations of restructured accounts during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | (1) | 1 | - | - | - | - | - | - | - |
| | Amount outstanding | (2,733.71) | 2,733.71 | - | - | - | - | - | - | - |
| | Provision thereon | (750.00) | 750.00 | - | - | - | - | - | - | - |
| 6 | Write-offs of restructured accounts during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | - | - | - | 1 | - | - | - | - | 1 |
| | Amount outstanding | - | - | - | 200.00 | - | - | - | - | 200.00 |
| 7 | Restructured Accounts at March 31, 2017 | | | | | | | | | |
| | No. of borrowers | - | 2 | - | - | - | - | - | - | 2 |
| | Amount outstanding | - | 5,488.84 | - | - | - | - | - | - | 5,488.84 |
| | Provision thereon | - | 5,489.09 | - | - | - | - | - | - | 5,489.09 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Information in respect of restructured assets (Continued)

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

| Sr. no. | Type of Restructuring | Others | | | | Total | | | | |
|---------|--|-----------|--------------|-----------|------|------------|--------------|----------|--------|-----------|
| | | Standard | Sub-Standard | Doubtful | Loss | Standard | Sub-Standard | Doubtful | Loss | Total |
| 1 | Restructured Accounts at April 1, 2016 | | | | | | | | | |
| | No. of borrowers | - | - | 1 | - | 1 | 1 | 1 | 1 | 4 |
| | Amount outstanding | - | - | 4,083.08 | - | 4,083.08 | 4,083.08 | 4,083.08 | 200.00 | 9,938.85 |
| | Provision thereon | - | - | 4,083.33 | - | 4,083.33 | 4,083.33 | 4,083.33 | 200.00 | 7,521.84 |
| 2 | Fresh restructuring during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | 2 | - | - | - | 2 | - | - | - | 2 |
| | Amount outstanding | 15,253.34 | - | - | - | 15,253.34 | - | - | - | 15,253.34 |
| | Provision thereon | 1,223.00 | - | - | - | 1,223.00 | - | - | - | 1,223.00 |
| 3 | Upgradations to restructured standard category during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - |
| 4 | Restructured standard advances at April 1, 2016, which cease to attract higher provisioning and/or additional risk weight at March 31, 2017 and hence need not be shown as restructured standard advances at April 1, 2017 | | | | | | | | | |
| | No. of borrowers | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | Amount outstanding | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | Provision thereon | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| 5 | Downgradations of restructured accounts during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | (1) | - |
| | Amount outstanding | - | - | - | - | (2,733.71) | 2,733.71 | - | - | - |
| | Provision thereon | - | - | - | - | (750.0) | 750.0 | - | - | - |
| 6 | Write-offs of restructured accounts during the year ended March 31, 2017 | | | | | | | | | |
| | No. of borrowers | - | - | 1 | - | - | - | 1 | 1 | 2 |
| | Amount outstanding | - | - | 3,050.00 | - | - | - | 3,050.00 | 200.00 | 3,250.00 |
| 7 | Restructured Accounts at March 31, 2017 | | | | | | | | | |
| | No. of borrowers | 2 | - | 1 | - | 3 | 2 | 1 | - | 5 |
| | Amount outstanding | 15,253.34 | - | 16,242.74 | - | 15,253.34 | 5,488.84 | 989.40 | - | 21,731.58 |
| | Provision thereon | 1,223.00 | - | 989.65 | - | 1,223.00 | 5,489.09 | 989.65 | - | 7,701.74 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

13. Information in respect of restructured assets in accordance with review of guidelines on restructuring of advances by NBFC (RBI/2013-14/459) DNBS. CO. PD. No. 367/03.10.01/2013-14 The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring:-

| Sr. no. | Asset Classification Details | Under CDR Mechanism | | | | Under SME Debt Restructuring Mechanism | | | | | | |
|---------|--|---------------------|--------------|----------|--------|--|--------------|----------|----------|-----|-----|-----|
| | | Standard | Sub-Standard | Doubtful | Loss | Standard | Sub-Standard | Doubtful | Loss | | | |
| 1 | Restructured Accounts at April 1, 2015 | | | | | | | | | | | |
| | No. of borrowers | 1 | 1 | - | 2 | - | - | - | - | - | - | - |
| | Amount outstanding | 2,780.17 | 2,922.07 | - | 407.08 | - | - | - | - | - | - | - |
| | Provision thereon | - | 1,913.50 | - | 354.58 | - | - | - | - | - | - | - |
| 2 | Fresh restructuring during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Upgradations to restructured standard category during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Restructured standard advances at April 1, 2015, which cease to attract higher provisioning and/or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at April 1, 2016 | | | | | | | | | | | |
| | No. of borrowers | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | Amount outstanding | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | Provision thereon | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| 5 | Downgradations of restructured accounts during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Write-offs of restructured accounts during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | 1 | - | - | - | 1 | - | - | - |
| | Amount outstanding | - | - | - | 207.08 | - | - | - | 207.08 | - | - | - |
| 7 | Restructured Accounts at March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | 1 | 1 | - | 1 | - | - | - | 3 | - | - | - |
| | Amount outstanding | 2,733.71 | 2,922.07 | - | 200.00 | - | - | - | 5,855.77 | - | - | - |
| | Provision thereon | 750.00 | 2,488.50 | - | 200.00 | - | - | - | 3,438.50 | - | - | - |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

Information in respect of restructured assets (Continued)

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

| Sr. no. | Type of Restructuring | Others | | | | | Total | | | | |
|---|-----------------------|----------|--------------|----------|------|----------|----------|--------------|----------|--------|-----------|
| | | Standard | Sub-Standard | Doubtful | Loss | Total | Standard | Sub-Standard | Doubtful | Loss | Total |
| 1 Restructured Accounts at April 1, 2015 | | | | | | | | | | | |
| | No. of borrowers | - | - | 1 | - | 1 | 1 | 1 | 1 | 2 | 5 |
| | Amount outstanding | - | - | 4,383.19 | - | 4,383.19 | 2,780.17 | 2,922.07 | 4,383.19 | 407.08 | 10,492.50 |
| | Provision thereon | - | - | 1,513.33 | - | 1,513.33 | - | 1,913.50 | 1,513.33 | 354.58 | 3,781.42 |
| 2 Fresh restructuring during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| 3 Upgradations to restructured standard category during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| 4 Restructured standard advances at April 1, 2015, which cease to attract higher provisioning and/or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at April 1, 2016 | | | | | | | | | | | |
| | No. of borrowers | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | Amount outstanding | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | Provision thereon | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| 5 Downgradations of restructured accounts during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| 6 Write-offs of restructured accounts during the year ended March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| 7 Restructured Accounts at March 31, 2016 | | | | | | | | | | | |
| | No. of borrowers | - | - | 1 | - | 1 | 1 | 1 | 1 | 1 | 4 |
| | Amount outstanding | - | - | 4,083.08 | - | 4,083.08 | 2,733.71 | 2,922.07 | 4,083.08 | 200.00 | 9,938.84 |
| | Provision thereon | - | - | 4,083.33 | - | 4,083.33 | 750.00 | 2,488.50 | 4,083.33 | 200.00 | 7,521.83 |

The outstanding amount and number of borrowers as at 31 March, 2017 and 31 March, 2016 is after considering recoveries during the year.



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

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

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

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

14.2 Penalties levied if any during the year:

Nil

14.3 Investments

(Rs.in Crores)

| Particulars | | 31 March, 2017 | 31 March, 2016 |
|-------------|--|----------------|----------------|
| (1) | Value of Investments | | |
| | (i) Gross Value of Investments | | |
| | (a) In India | 869.86 | 500.31 |
| | (b) Outside India, | - | - |
| | (ii) Provisions for Depreciation | | |
| | (a) In India | 9.79 | 7.71 |
| | (b) Outside India, | - | - |
| | (iii) Net Value of Investments | | |
| | (a) In India | 860.07 | 492.60 |
| | (b) Outside India, | - | - |
| (2) | Movement of provisions held towards depreciation on investments. | | |
| | (i) Opening balance | 7.71 | 0.74 |
| | (ii) Add : Provisions made during the year | 2.08 | 7.50 |
| | (iii) Less : Write-off / write-back of excess provisions during the year | - | 0.53 |
| | (iv) Closing balance | 9.79 | 7.71 |



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

14.4 Provisions and Contingencies

(Rs.in Crores)

| Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of P&L | 31 March, 2017 | 31 March, 2016 |
|---|----------------|----------------|
| Provision for depreciation on Investment | 2.08 | 7.50 |
| Provision towards Non Performing Assets | 35.94 | 50.75 |
| Provision made towards Income tax (Net of Deferred Tax) | 246.68 | 217.75 |
| Other Provision and Contingencies (with details) | | |
| - Investments Written off | - | 0.52 |
| - Bad debts/Advances Written off | 49.46 | 25.24 |
| - Provision for Doubtful Debts and advances written back | (50.89) | (24.46) |
| - Provision for diminution in Current Investment written back | (0.04) | (2.22) |
| - Change in Carrying Value of Current Investment | 0.22 | 0.04 |
| - Provision for diminution in Long Term Investment written back | - | (0.52) |
| - Provision for Premium on Investment written back | - | (3.37) |
| Provision for Standard Assets | 41.91 | 32.72 |
| Provision for Soft Accounts | 20.23 | - |

14.5 Concentration of Advances

(Rs.in Crores)

| Particulars | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| Total Advances to twenty largest borrowers | 5,285.07 | 4,440.22 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 15.89% | 17.80% |

14.6 Concentration of Exposures

(Rs.in Crores)

| Particulars | 31 March, 2017 | 31 March, 2016 |
|--|----------------|----------------|
| Total Exposure to twenty largest borrowers / customers* | 5,285.07 | 4,440.22 |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers | 15.89% | 17.80% |

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



Aditya Birla Finance Limited

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

14.7 Concentration of NPAs

| Particulars | (Rs.in Crores) | |
|---|----------------|----------------|
| | 31 March, 2017 | 31 March, 2016 |
| Total Exposure to top four NPA accounts | 82.22 | 106.95 |

14.8 Sector-wise NPAs

| Sr No. | Sector | 31 March, 2017 | 31 March, 2016 |
|--------|---------------------------------|---|---|
| | | Percentage of NPAs to Total Advances in that sector | Percentage of NPAs to Total Advances in that sector |
| 1 | Agriculture & allied activities | 99.61% | 98.94% |
| 2 | MSME | 0.00% | 0.01% |
| 3 | Corporate borrowers | 0.41% | 0.60% |
| 4 | Services | 0.01% | 0.01% |
| 5 | Unsecured working capital loans | 0.00% | 0.00% |
| 6 | Auto loans | 0.00% | 0.00% |
| 7 | Other personal loans | 1.10% | 1.31% |

14.9 Movement of NPAs

| Particulars | (Rs.in Crores) | |
|--|----------------|----------------|
| | 31 March, 2017 | 31 March, 2016 |
| (i) Net NPAs to Net Advances (%) | 0.21 | 0.22 |
| (ii) Movement of NPAs (Gross) | | |
| (a) Opening balance | 157.17 | 152.99 |
| (b) Additions during the year | 57.91 | 45.22 |
| (c) Reductions during the year | (57.90) | (41.04) |
| (d) Closing balance | 157.18 | 157.17 |
| (iii) Movement of Net NPAs | | |
| (a) Opening balance | 55.73 | 77.84 |
| (b) Additions during the year | 28.18 | (5.53) |
| (c) Reductions during the year | (13.22) | (16.58) |
| (d) Closing balance | 70.69 | 55.73 |
| (iv) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| (a) Opening balance | 101.44 | 75.15 |
| (b) Provisions made during the year | 29.72 | 50.75 |
| (c) Write-off / write-back of excess provisions | (44.67) | (24.46) |
| (d) Closing balance* | 86.49 | 101.44 |

* Provision for Doubtful Debts in Notes 6a includes provision for other advances also.



Aditya Birla Finance Limited

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

14.10 Credit Rating

| Instrument | Credit Rating Agency | 31 March, 2017 | 31 March, 2016 |
|-------------------------------------|---|---|---|
| Commercial Paper | ICRA Limited | A1+ | A1+ |
| Non Convertible Debentures (NCD) | CARE Limited ICRA Limited India Ratings & Research Private Limited | CARE AA+ [ICRA] AA+ Stable IND AA+ Stable | CARE AA+ [ICRA] AA+ Stable IND AA+ Stable |
| Sub Debt | CARE Limited ICRA Limited India Ratings & Research Private Limited | CARE AA+ [ICRA] AA+ Stable IND AA+ Stable | CARE AA+ [ICRA] AA+ Stable IND AA+ Stable |
| Long Term Bank Loans | ICRA Limited | [ICRA] AA+ Stable | [ICRA] AA+ Stable |
| Short Term Bank Loans | ICRA Limited | [ICRA] A1+ | [ICRA] A1+ |

14.11 Customer Complaints

| Sr. No. | Particulars | 31 March, 2017 | 31 March, 2016 |
|---------|--|----------------|----------------|
| (a) | No. of complaints pending at the beginning of the year | 3 | - |
| (b) | No. of complaints received during the year | 45 | 31 |
| (c) | No. of complaints redressed during the year | 48 | 28 |
| (d) | No. of complaints pending at the end of the year | - | 3 |

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



Aditya Birla Finance Limited

Notes to the Financial Statements (Continued)

for the year ended 31 March, 2017

(Currency: Rupees in Lakhs)

15. Details of Specified Bank Notes (SBN) held and transacted during the period 8 November, 2016 to 30 December, 2016

| | SBNs | Other denomination notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hand as on 8 November, 2016 | - | - | - |
| (+) Permitted receipts (Refer note below) | - | - | - |
| (-) Permitted payments | - | - | - |
| (-) Amount deposited in Banks | - | - | - |
| Closing cash in hand as on 30 December, 2016 | - | - | - |

Note:

During the notified period the customers of the Company have directly deposited cash amounting to Rs.69.40 lakhs in the bank account of the Company held with scheduled banks. Company has not transacted in the SBNs and accordingly the Company did not have any cash balance as on 08.11.2016 and 30.12.2016.

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

17. Pursuant to merger of wealth management undertaking of Aditya Birla Money Mart Limited (ABMML) (Refer note 11 (i)), the figures of current year are not comparable to those of the previous year.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005

per Jayesh Gandhi
Partner
Membership No: 037924

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

Ajay Srinivasan
(Director)
(DIN - 00121181)

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

Sanjay Miranka
(Chief Financial Officer)

Sekhar Mosur
(Manager)

Ankur Shah
(Company Secretary)

Place: Mumbai
Date: 08 May, 2017

Place: Mumbai
Date: 08 May, 2017

