

**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 Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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**

Management is responsible for 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

**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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and



# S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

(c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

*S.V. Ghatalia & Associates LLP*

For S.V. Ghatalia & Associates LLP

Chartered Accountants

Firm's Registration Number: 103162W



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per Amit Kabra

Partner

Membership Number: 094533

Place of Signature: Mumbai

Date: April 17, 2013





## Annexure referred to in paragraph 4 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) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted verification of stock of securities with the statement of accounts of the mutual fund schemes and holding statements provided by the depository participants at reasonable intervals during the year.
- (b) The stock of securities is held in dematerialized form thus physical verification is not applicable. The procedures followed by the management for periodic verification of stock of securities with the statement of accounts/holding statements are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of stock of securities and no material discrepancies were noticed on verification with the statement of accounts/ holding statements.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.



Auditors' Report  
Aditya Birla Finance Limited

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including including provident fund, employees' state insurance, income-tax, service tax, wealth-tax, cess and other material statutory dues as applicable. The provisions relating to investor education and protection fund, sales-tax, customs duty and excise duty are not applicable to the Company.  
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (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, wealth-tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund, sales-tax, customs duty and excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	933,383	A.Y. 2003-04	Bombay High Court
Income Tax Act, 1961	Income-tax	397,401	A.Y. 2004-05	Bombay High Court

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.





Auditors' Report  
Aditya Birla Finance Limited

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has issued 13,365 secured debentures of Rs. 1,000,000 each, during the period covered by our audit report. The Company has created security or charge in respect of debentures issued. The Company also has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

*S.V. Ghatalia & Associates UP*

For S.V. GHATALIA & ASSOCIATES LLP  
ICAI Firm registration number: 103162W  
Chartered Accountants

*Amit Kabra*

per Amit Kabra  
Partner  
Membership No.: 094533



Place: Mumbai  
Date: April 17, 2013

ADITYA BIRLA FINANCE LIMITED

Balance Sheet as at March 31, 2013

EQUITY AND LIABILITIES	Notes	As at	As at
		31st March, 2013 Rs.	31st March, 2012 Rs.
<b>(1) SHAREHOLDERS' FUNDS</b>			
Share Capital			
Equity	1	1,46,28,98,420	1,05,96,48,420
Preference	1	6,00,00,00,000	3,75,00,00,000
Reserves and Surplus	2	3,32,31,68,097	1,47,38,55,750
<b>(2) NON-CURRENT LIABILITIES</b>			
Long term borrowings	3 a	32,24,38,09,143	6,11,84,36,286
Other Long term liabilities	5 a	41,73,10,832	5,27,18,780
Long term provisions	6 a	36,08,35,769	8,21,59,479
<b>(3) CURRENT LIABILITIES</b>			
Short term borrowings	3 b	31,51,24,80,657	23,89,93,70,729
Trade payables	4	21,45,19,345	10,56,89,717
Other Current liabilities	5 b	6,25,79,31,312	79,78,16,500
Short term provisions	6 b	20,52,60,014	13,35,71,232
<b>Total</b>		<b>81,99,82,13,589</b>	<b>37,47,32,66,893</b>
<b>ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible assets	7 a	3,85,69,586	3,04,93,783
Intangible assets	7 b	4,00,55,529	16,40,196
Intangible assets under development		3,74,26,132	3,07,95,287
<b>NON CURRENT INVESTMENTS</b>	8 a	4,28,36,76,069	1,18,63,38,684
<b>DEFERRED TAX ASSETS (Net)</b>	9	17,89,25,968	7,18,76,838
<b>LONG TERM LOANS AND ADVANCES</b>	10 a	30,80,73,76,231	5,79,48,37,095
<b>OTHER NON CURRENT ASSETS</b>	13 b	-	4,81,20,339
<b>(2) CURRENT ASSETS</b>			
Current Investments	8 b	1,70,53,65,600	92,44,95,750
Stock of Securities		5,69,02,02,960	1,60,81,39,203
Trade Receivables	11	5,19,04,097	80,63,545
Cash and Bank balances	12	7,88,880	17,92,40,898
Short term Loans and Advances	10 b	38,24,10,43,060	27,40,36,18,934
Other Current Assets	13 a	92,28,79,477	18,56,06,341
<b>Total</b>		<b>81,99,82,13,589</b>	<b>37,47,32,66,893</b>

Other Notes to Accounts

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Notes referred to above form an integral part of the Financial Statements.

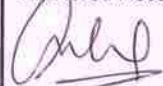
S.V. Ghatalia & Associates LLP

As per our report of even date

For S.V. Ghatalia & Associates LLP

ICAI Firm Registration No. : 103162W

Chartered Accountants



per Amit Kabra  
Partner

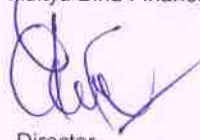
Membership No. : 094533



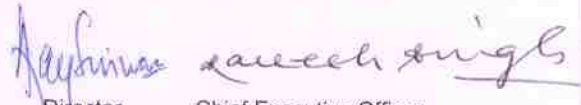
Place: Mumbai

Date: April 17, 2013

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

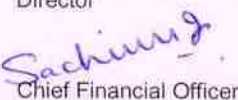


Director



Director

Chief Executive Officer



Chief Financial Officer



Manager



Place: Mumbai

Date: April 17, 2013



ADITYA BIRLA FINANCE LIMITED

Profit and Loss Account for the period April 01, 2012 to March 31, 2013

INCOME	Notes	Year Ended	Year Ended
		31st March, 2013	31st March, 2012
		Rs.	Rs.
Revenue from Operations	14	7,15,07,65,339	3,50,16,68,276
Other Income	15	4,93,19,003	37,18,973
<b>Total</b>		<b>7,20,00,84,342</b>	<b>3,50,53,87,249</b>
<b>EXPENSES</b>			
Finance Cost	16	4,39,16,76,071	2,00,99,83,857
Employee Benefit Expenses	17	60,05,81,841	29,26,20,119
Other Expenses	18	38,52,73,257	20,16,74,673
Depreciation and Amortisation Expenses		2,52,43,940	2,36,88,334
Bad debts and Provision for Non-Performing Assets( Net)	19	21,50,23,794	10,15,78,718
General Provision on Standard Assets		11,08,13,000	3,96,33,000
<b>Total</b>		<b>5,72,86,11,903</b>	<b>2,66,91,78,701</b>
<b>PROFIT BEFORE TAX</b>		<b>1,47,14,72,439</b>	<b>83,62,08,548</b>
Tax Expenses			
Current Tax		57,70,00,000	32,40,00,000
Deferred Tax Expenses/(Benefits) -(Net)		(10,70,49,130)	(4,87,55,398)
Income Tax relating to earlier years		(15,13,230)	(13,35,760)
<b>PROFIT FOR THE YEAR</b>		<b>1,00,30,34,799</b>	<b>56,22,99,706</b>
Basic and Diluted Earnings per share (Face Value Rs.10)	20	9.40	5.30

Other Notes to Accounts

Notes referred to above form an integral part of the Financial Statements.

*S.V. Ghatalia & Associates UP*

As per our report of even date

For S.V. Ghatalia & Associates LLP  
ICAI Firm Registration No. : 103162W  
Chartered Accountants

*Amit Kabra*

per Amit Kabra  
Partner  
Membership No. : 094533



Place: Mumbai  
Date: April 17, 2013

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

*Sachin*

Director  
Chief Financial Officer

Place: Mumbai  
Date: April 17, 2013

*Harsh*

Director

*Raveesh Singh*

Chief Executive Officer

*M. K. Singh*  
Manager



Cash Flow Statement for the year ended March 31, 2013

	Current Year		Previous Year	
	Rs.	Rs.	Rs.	Rs.
<b>A) Cash Flow from Operating Activities :</b>				
Net Profit before Tax		1,47,14,72,439		83,62,08,548
Adjustments for :				
Depreciation/ Amortisation	2,52,43,940		2,36,88,334	
Retirement Benefits	1,42,70,574		(9,28,300)	
Bad debts and Provision for Non-Performing Assets( Net)	16,67,54,734		10,15,82,066	
General Provision on Standard Assets	11,08,13,000		3,96,33,000	
Provision for diminution in Investments	3,36,87,360		-	
Loss/(Gain) on Sale of Investments	(81,35,000)		(5,41,937)	
Loss/(Gain) on Sale of Fixed Assets	1,93,614		(3,87,087)	
Dividend Income	(8,95,294)		(4,61,398)	
		34,19,32,928		16,25,84,678
Operating Profit before Working Capital changes		1,81,34,05,367		99,87,93,226
Adjustments for :				
(Increase)/decrease in Trade Receivables	(4,38,40,552)		(75,76,111)	
(Increase)/decrease in Loans and Advances	(36,51,51,34,454)		(16,46,07,31,993)	
(Increase)/decrease in Stock of Securities	(4,08,20,63,757)		3,78,39,031	
(Increase)/decrease in Other Liabilities and Trade Payable	66,37,60,008		79,06,34,387	
		(39,97,72,78,755)		(15,63,98,34,686)
Cash Generated from Operations		(38,16,38,73,388)		(14,64,10,41,460)
Direct Taxes Paid	(54,11,38,280)		(31,34,70,781)	
<b>Net Cash from/(used in) Operating Activities</b>		(54,11,38,280)		(31,34,70,781)
		(38,70,50,11,668)		(14,95,45,12,241)
<b>B) Cash Flow from Investing Activities :</b>				
Purchase of Tangible and Intangible Assets	(7,22,15,311)		(2,24,91,440)	
Intangible assets under development and Capital Work in Progress	(66,30,845)		(2,99,32,637)	
Purchase of Securities	(6,14,40,74,771)		(1,55,42,95,750)	
Sale of Securities	2,24,03,15,176		1,29,21,52,545	
Dividend Received	8,95,294		4,61,398	
Sale of Tangible Assets	2,86,618		19,43,090	
<b>Net Cash from/(used in) Investing Activities</b>		(3,98,14,23,839)		(31,21,62,794)
<b>C) Cash Flow from Financing Activities :</b>				
Dividend on Preference Share and Corporate Dividend Tax	(3,50,785)		(1,53,110)	
Proceeds from Borrowings	1,79,83,75,71,557		1,24,16,52,08,573	
Repayment of Borrowings	(1,40,82,93,12,283)		(1,09,52,62,74,653)	
Share Premium	84,68,25,000		-	
Equity Share Capital	40,32,50,000		-	
Preference Share Capital	2,25,00,00,000		75,00,00,000	
<b>Net Cash from/(used in) Financing Activities</b>		42,50,79,83,489		15,38,87,80,810
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		(17,84,52,018)		12,21,05,775
Cash and Cash Equivalents ( Opening Balances )		17,92,40,898		5,71,35,123
Cash and Cash Equivalents ( Closing Balances )		7,88,880		17,92,40,898
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		(17,84,52,018)		12,21,05,775

## Notes to Cash Flow Statement

## 1) Cash and Cash Equivalents include

Cash in hand

Balances with Banks in Current Accounts

7,88,880

17,92,40,898

7,88,88017,92,40,898

## 2) Previous year figures have been regrouped and rearranged where ever necessary.

As per our report of even date  
For: S.V. Ghatalia & Associates LLP  
ICAI Firm Registration No. : 103162W  
Chartered Accountants

per Amit Kabra  
Partner  
Membership No. : 094533

Place: Mumbai  
Date: April 17, 2013



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

Sachin Singh  
Chief Financial Officer  
Place: Mumbai  
Date: April 17, 2013

Director  
Manager

Chief Executive Officer





	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>Note 1 SHARE CAPITAL</b>		
<b>AUTHORISED SHARES</b>		
1000,000,000 (500,000,000) Equity Shares of Rs. 10 each	10,00,00,00,000	5,00,00,00,000
1000,000,000 (500,000,000) Preference Shares of Rs. 10 each	10,00,00,00,000	5,00,00,00,000
	<b>20,00,00,00,000</b>	<b>10,00,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
<b>Equity Share Capital</b>		
146,289,842 (105,964,842) Equity Shares of Rs. 10 each, fully paid up	1,46,28,98,420	1,05,96,48,420
	<b>1,46,28,98,420</b>	<b>1,05,96,48,420</b>
<b>Preference Share Capital</b>		
75,000,000 (75,000,000) 0.01% (0.01%) Compulsory Convertible Cumulative Preference Shares of Rs. 10 each, fully paid up *	75,00,00,000	75,00,00,000
300,000,000 (300,000,000) 0.01% (0.01%) Compulsory Convertible Cumulative Preference Share of Rs.10 each, fully paid up **	3,00,00,00,000	3,00,00,00,000
225,000,000 (Nil) 0.01% Compulsory Convertible Cumulative Preference Share of Rs.10 each, fully paid up ***	2,25,00,00,000	-
(Figures in the brackets are of the previous year)		
<b>Total</b>	<b>6,00,00,00,000</b>	<b>3,75,00,00,000</b>

## 1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

## i) Equity Share

S No	Description	31st March, 2013		31st March, 2012	
		Number	Rs.	Number	Rs.
1	Number of Shares outstanding at the beginning of the year	10,59,64,842	1,05,96,48,420	10,59,64,842	1,05,96,48,420
2	Number of Shares issued during the year	4,03,25,000	40,32,50,000	-	-
3	Number of Shares outstanding at the end of the year	14,62,89,842	1,46,28,98,420	10,59,64,842	1,05,96,48,420

## ii) Preference Share

S No	Description	31st March, 2013		31st March, 2012	
		Number	Rs.	Number	Rs.
1	<b>Number of Shares outstanding at the beginning of the year :</b> 0.01% (0.01%) Compulsory Convertible Cumulative Preference Shares of Rs. 10 each, fully paid up	37,50,00,000	3,75,00,00,000	30,00,00,000	3,00,00,00,000
2	<b>Share capital issued during the year:</b> 0.01% (0.01%) Compulsory Convertible Cumulative Preference Shares of Rs.10. each, fully paid up	22,50,00,000	2,25,00,00,000	-	-
3	<b>Call money received during the year:</b> Call money of Rs.2.50 per share received towards 0.01% (0.01%) Compulsory Convertible Cumulative Preference Shares partly paid up	-	-	7,50,00,000	75,00,00,000
4	<b>Number of Shares outstanding at the end of the year</b>	<b>60,00,00,000</b>	<b>6,00,00,00,000</b>	<b>37,50,00,000</b>	<b>3,75,00,00,000</b>

## 2 Shares held by holding/ultimate holding company and/or their subsidiaries/associate .

## i) Equity Share Capital

	Name of Share Holder	31st March, 2013		31st March, 2012	
		Number	Rs.	Number	Rs.
1	Aditya Birla Financial Services Private Limited, holding company	14,62,89,841	1,46,28,98,410	10,59,64,841	1,05,96,48,410
2	ABNL Investment Limited, fellow subsidiary company	1	10	1	10



ii) Preference Share Capital					
	Name of Share Holder	31st March, 2013		31st March, 2012	
		Number	Rs.	Number	Rs.
1	Madura Garments Lifestyle Retails Company Limited, fellow subsidiary company 0.01% (0.01%) Compulsory Convertible Cumulative Preference Shares of Rs.10 each,	42,50,00,000	4,25,00,00,000	30,00,00,000	3,00,00,00,000
2	Aditya Birla Financial Services Private Limited, holding company Cumulative Preference Shares of Rs. 10 each, fully paid up	17,50,00,000	1,75,00,00,000	7,50,00,000	75,00,00,000
3	Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.				
i) Equity Share Capital					
	Name of Share Holder	31st March, 2013		31st March, 2012	
		Number	% of total paid-up equity share capital	Number	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited	14,62,89,841	100.00%	10,59,64,841	100.00%
ii) Preference Share Capital					
	Name of Share Holder	31st March, 2013		31st March, 2012	
		Number	% of total paid-up preference share capital	Number	% of total paid-up preference share capital
1	Madura Garments Lifestyle Retails Company Limited 0.01% Compulsory Convertible Cumulative Preference Shares of Rs.10 each, fully paid up	42,50,00,000	70.83%	30,00,00,000	80.00%
2	Aditya Birla Financial Services Private Limited 0.01% Compulsory Convertible Cumulative Preference Shares of Rs. 10 each, fully paid up	17,50,00,000	29.17%	7,50,00,000	20.00%

Notes:

Term/right attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed 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.

Term of conversion/redemption of Preference Shares:

Preference shares carry cumulative dividend @0.01 % p.a. 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 CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

\* Compulsory Convertible Cumulative Preference Shares (CCPS) 75,000,000 0.01% of Rs 10 each fully paid up (31st March, 2012: 75,000,000 )are convertible at any time after three months from the date of allotment i.e. 30 th November 2007 for Rs. 500,000,000 CCPS and 31st December 2007 for Rs. 250,000,000 CCPS within 10 years from date of allotment, at a price to be decided by the Board of Directors of the Company. In the event these CCPS are not converted into fully paid up equity shares prior to date of maturity, then these CCPS shall be converted into appropriate numbers of fully paid up equity shares at twice the fair value of equity shares as on the date of conversion, as per the terms of issue of CCPS.

\*\*Compulsory Convertible Cumulative Preference Shares (CCPS) 300,000,000 0.01% of Rs 10 each fully paid up (31st March, 2012: fully paid up 300,000,000) are convertible at any time after expiry of sixty months from the date of allotment i.e 30th August, 2010 and at a price mutually agreed between issuer and the subscriber. In the event these CCPS are not converted into fully paid up equity shares prior to date of maturity, then these CCPS shall be converted into appropriate numbers of fully paid up equity shares at 2/3<sup>rd</sup> of the fair value on the date of conversion value of equity shares as on the date of conversion, as per the terms of issue of CCPS. If at the time of conversion, the CCPS are held by mutual fund, the conversion price shall be computed by an independent valuer to be jointly appointed by the issuer.

\*\*\*Compulsory Convertible Cumulative Preference Shares (CCPS) 100,000,000 each and 25,000,000 @ 0.01% of Rs 10 each fully paid up (31st March, 2012: Nil) are convertible on or before 5 years from the date of allotment i.e 20th July, 2012 , 28th December,2012 and 26th March ,2013 at the fair value on the date of conversion or such other ration as may be mutually agreed between issuer and the subscriber.





		As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
	<b>Note 2</b>		
	<b>RESERVES AND SURPLUS</b>		
1)	<b>Other Reserves</b>		
	<b>Special Reserve *</b>		
	Opening Balance	35,50,00,000	24,20,00,000
	Addition: Amount transferred from surplus balance in the Statement of Profit and Loss Account	20,10,00,000	11,30,00,000
	Closing Balance	<b>55,60,00,000</b>	<b>35,50,00,000</b>
2)	<b>Share Premium Account</b>		
	Share Premium Account	84,68,25,000	-
		<b>84,68,25,000</b>	-
3)	<b>Surplus as per Profit and Loss Account</b>		
	Opening Balance	1,11,88,55,750	66,99,06,829
	Addition		
	Profit for the year	1,00,30,34,799	56,22,99,706
	Less: Appropriation		
	Transfer to Special Reserve	20,10,00,000	11,30,00,000
	Dividend on Preference Shares	4,71,027	3,00,822
	Tax on Dividend	76,425	49,963
	Closing Balance	<b>1,92,03,43,097</b>	<b>1,11,88,55,750</b>
	<b>Total</b>	<b>3,32,31,68,097</b>	<b>1,47,38,55,750</b>

\* 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 the RBI.



	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>Note 3 a</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Redeemable Non Convertible Debentures *	13,01,67,50,430	1,47,40,00,000
Term Loan from Banks	15,59,00,38,165	4,31,89,15,738
	<b>28,60,67,88,595</b>	<b>5,79,29,15,738</b>
<b>Unsecured</b>		
Sub ordinate Debts- Debentures	3,55,00,00,000	30,00,00,000
Deposit from Clients	8,70,20,548	2,55,20,548
	<b>3,63,70,20,548</b>	<b>32,55,20,548</b>
<b>Total</b>	<b>32,24,38,09,143</b>	<b>6,11,84,36,286</b>
<b>Note 3 b</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Loan repayable on demand from Banks	6,65,98,36,248	2,15,89,13,453
	<b>6,65,98,36,248</b>	<b>2,15,89,13,453</b>
<b>Unsecured</b>		
Commercial Papers **	24,12,50,13,408	20,68,36,47,264
Inter Corporate Borrowings	25,00,00,000	50,00,00,000
Deposit from Clients	27,22,86,986	8,50,00,002
Loan from Others	1,25,43,066	65,05,150
Loan from Related Parties	19,28,00,949	46,53,04,860
	<b>24,85,26,44,409</b>	<b>21,74,04,57,276</b>
<b>Total</b>	<b>31,51,24,80,657</b>	<b>23,89,93,70,729</b>

\* Redeemable Non Convertible Debentures shown net of unamortised discounting charges Rs. 9,215,129 /- (31st March, 2012 Rs. Nil ).

\*\* Commercial paper shown net of unamortised discounting charges Rs. 354,986,592 /- (31st March, 2012 Rs. 541,352,736/- ).





## Notes to financial statements for the year ended 31 March, 2013

	As at 31st March, 2013 (Rs.)		As at 31st March, 2012 (Rs.)	
	Current	Non Current	Current	Non Current
<b>1) Secured Long Term Borrowings</b>				
Term loan from Banks are secured by way of first pari-passu charge on the receivables of the Company. Eligible receivables for the purpose of security are receivables other than receivables arising out of capital market exposures, unsecured exposures, investments in CP's/NCD's and/or other speculative exposures of the Company. Repayment Terms : Bullet payment at the end of Sixty Three months (Maturity : 21st June, 2017 to 30th June, 2017), Rate of Interest @ 10.85% p.a.	-	99,97,47,939	-	99,97,77,055
Term loan from Banks are secured by way of first pari-passu charge on the receivables of the Company. Eligible receivables for the purpose of security are receivables other than receivables arising out of capital market exposures and/or other speculative exposures of the Company. Repayment Terms : Bullet payment at the end of Thirty to Thirty six months ( Rate of Interest @ 10.35% to 10.60% p.a )	-	11,03,96,48,187	-	-
Term loan from Banks are secured by way of first pari-passu charge on the receivables of the Company. Eligible receivables for the purpose of security are receivables other than receivables arising out of capital market exposures, unsecured exposures, investments in CP's/NCD's and/or other speculative exposures of the Company. Repayment Terms : Bullet repayment at the end of twelve months, Rate of Interest @ 10.75% to 10.85% p.a.	2,99,90,76,489	-	8,00,00,000	3,31,91,38,683
Term Loan secured by way of first pari-passu charge by way of Hypothecation of Receivables of the Company through the security Trustee. Repayment Terms : Five half yearly instalments from the date of disbursement (maturity 30th May, 2013 to 30th June 2015), Rate of Interest @ 10.60% p.a.	80,00,00,000	1,20,00,00,000	-	-
Term loan secured by way of first pari-passu charge on future receivables and book debts of the Company under the facility. Security will be created through execution of deed of accession with security Trustee. Repayment Terms : Repayment in three equal yearly installment (maturity 12th December, 2013 to 12th December, 2015), Rate of Interest @ 10.50% floating p.a.	66,67,00,000	1,35,06,42,039	-	-
Term Loan secured by way of first pari-passu charge on Loan receivables of the Company through Security Trustee. Repayment Terms : Two equal annual instalments each after a moratorium period of 2 years from the date of first disbursement (maturity 24th March, 2016 to 24th March, 2017), Rate of Interest @ 10.50% (floating) p.a.	-	1,00,00,00,000	-	-
Debentures Secured by way of mortgage of the immovable property and first pari-passu charge on current assets of the Company: 9.50% to 10.00 % p.a. ( Redeemable with interest on from 27th Nov, 2017 to 29th Nov, 2019) 9.75% to 10.75 % p.a. ( Redeemable with interest on from 04th April 2014 to 24th Dec, 2015) 9.81% to 10.00 % p.a. ( Redeemable with interest on from 06th June 2013 to 14th Aug, 2013)	-	2,09,00,00,000 10,92,67,50,430 80,40,00,000	-	- 67,00,00,000 80,40,00,000
	5,26,97,76,489	28,60,67,88,595	8,00,00,000	5,79,29,15,738
<b>2) Unsecured Long term Borrowing</b>				
10.20 % to 10.60 % p.a. ( Redeemable after 10 years : 15th Feb 2022 to 7th Oct, 2022 )	-	3,55,00,00,000	-	30,00,00,000
	-	3,55,00,00,000	-	30,00,00,000
<b>3) Deposit from Clients:</b>				
Repayment Terms : 60 months from date of disbursement (Rate of Interest 9.50% p.a.)	-	6,20,20,548	-	2,55,20,548
Repayment Terms : 36 months from date of disbursement (Rate of Interest 9% to 9.50% p.a.)	-	2,50,00,000	-	-
	-	8,70,20,548	-	2,55,20,548
	5,26,97,76,489	32,24,38,09,143	8,00,00,000	6,11,84,36,286
<b>4) Secured Short Term Borrowings :</b>				
Cash Credit secured by way of first pari-passu charge on Receivables and Current Assets of the Company (excluding receivables on account of loans against Shares/Debentures and other assets linked to Shares/Debentures).	6,65,98,36,248	-	2,15,89,13,453	-
	6,65,98,36,248	-	2,15,89,13,453	-



	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>Note 4</b>		
<b>TRADE PAYABLES</b>		
Trade payables	7,39,03,392	5,30,21,065
Trade payables for salaries, bonus and other employees benefits	14,06,15,953	5,26,68,652
<b>Total</b>	<b>21,45,19,345</b>	<b>10,56,89,717</b>
<b>Note 5 a</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Interest accrued but not due on Loans	35,88,13,949	2,32,65,562
Trade payables for salaries, bonus and other employees benefits	5,83,62,000	2,50,00,000
Liability for Rent Straight Lining	1,34,883	44,53,218
<b>Total</b>	<b>41,73,10,832</b>	<b>5,27,18,780</b>
<b>Note 5 b</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Book Overdraft	45,64,600	58,96,41,357
Interest accrued but not due on Loans	65,04,37,825	41,31,370
Income received in advance	5,73,13,797	7,93,67,036
Statutory Dues	1,59,65,157	1,14,70,337
Margin Money from Customers	2,25,79,258	2,80,45,797
Other Payable - Deposits	2,44,164	3,30,778
Other Payable - Miscellaneous	23,70,50,022	48,29,825
Current maturities of Term Loan	4,46,57,76,489	8,00,00,000
Current maturities of Redeemable Non Convertible Debentures	80,40,00,000	-
<b>Total</b>	<b>6,25,79,31,312</b>	<b>79,78,16,500</b>
<b>Note 6 a</b>		
<b>LONG TERM PROVISIONS</b>		
Contingent Provisions against Standard Assets	8,58,93,000	1,72,77,000
Provision for Doubtful Debts and Advances (Including additional contingency provision) (Refer note no 10)	27,49,42,769	6,48,82,479
<b>Total</b>	<b>36,08,35,769</b>	<b>8,21,59,479</b>
<b>Note 6 b</b>		
<b>SHORT TERM PROVISIONS</b>		
Proposed Dividend on Preference Shares	4,71,027	3,00,822
Provision for Corporate Dividend Tax	76,425	49,963
Provision for Income Tax (Net of advance tax Rs. 518,669,903/-, 31 March, 2012 Rs Nil)	5,83,30,097	-
Provision for Doubtful Debts and Advances	-	4,33,05,556
Contingent Provisions against Standard Assets	11,49,92,000	7,27,95,000
Retirement Benefits -Leave Encashment	2,22,55,933	1,12,31,194
Retirement Benefits -Gratuity	91,34,532	58,88,697
<b>Total</b>	<b>20,52,60,014</b>	<b>13,35,71,232</b>





7a

Intangible Assets

Note 7b  
Intangible Assets

Rs.

Rs.

Block	Plant & Equipment		Furniture & Fixtures	Vehicles	Office Equipment		Leasehold Improvements		TOTAL
	Building	Equipment			Equipment	Improvements			
As at 1 April 2011	26,26,975	1,98,18,298	94,60,208	55,06,821	91,57,722	2,06,92,574			6,72,62,599
Additions	-	1,18,39,639	6,03,606	51,18,224	5,43,880	6,69,532			1,87,74,881
Deletions/Adjustment	-	17,78,597	7,88,912	10,48,079	12,68,108	2,79,780			51,63,476
As at 31 March 2012	26,26,975	2,98,79,340	92,74,902	95,76,966	84,33,494	2,10,82,326			8,08,74,004
Additions	-	86,63,005	7,65,898	38,45,674	26,09,032	60,85,316			2,19,68,925
Deletions/Adjustment	-	68,718	28,10,429	28,59,763	11,63,308	-			69,02,218
As at 31 March 2013	26,26,975	3,84,73,627	72,30,371	1,05,62,877	98,79,218	2,71,67,642			9,59,40,708
Accumulated Depreciation									
As at 1 April 2011	10,945	1,02,83,750	51,89,942	24,42,631	60,28,520	1,36,17,794			3,75,73,580
For the year	1,31,349	54,60,710	9,55,939	14,35,873	15,67,133	68,63,111			1,64,14,114
Deletions/Adjustment	-	15,66,682	6,98,633	1,57,212	10,91,686	93,260			36,07,473
As at 31 March 2012	1,42,294	1,41,77,778	54,47,248	37,21,292	65,03,967	2,03,87,645			5,03,80,221
For the year	1,31,349	72,92,941	10,47,236	19,57,933	17,61,390	12,22,037			1,34,12,887
Deletions/Adjustment	-	54,401	27,82,393	24,46,190	11,39,001	-			64,21,985
As at 31 March 2013	2,73,643	2,14,16,318	37,12,091	32,33,035	71,26,356	2,16,09,682			5,73,71,122
Net book amount as at 31 March 2012	24,84,681	1,57,01,562	38,27,654	58,55,674	19,29,527	6,94,681			3,04,93,783
Net book amount as at 31 March 2013	23,53,333	1,70,57,309	35,18,280	73,29,842	27,52,862	55,57,960			3,85,69,586

Gross Block	Software		TOTAL
	As at 1 April 2011	As at 31 March 2013	
As at 1 April 2011	1,47,05,341	1,84,21,900	1,47,05,341
Additions	37,16,559	5,02,46,386	37,16,559
Deletions/Adjustment	-	-	-
As at 31 March 2012	1,84,21,900	1,84,21,900	1,84,21,900
Additions	5,02,46,386	5,02,46,386	5,02,46,386
Deletions/Adjustment	-	-	-
As at 31 March 2013	6,86,68,286	6,86,68,286	6,86,68,286
Accumulated Amortization			
As at 1 April 2011	95,07,484	95,07,484	95,07,484
For the year	72,74,220	72,74,220	72,74,220
Deletions/Adjustment	-	-	-
As at 31 March 2012	1,67,81,704	1,67,81,704	1,67,81,704
For the year	1,18,31,053	1,18,31,053	1,18,31,053
Deletions/Adjustment	-	-	-
As at 31 March 2013	2,86,12,757	2,86,12,757	2,86,12,757
Net book amount as at 31 March 2012	16,40,196	16,40,196	16,40,196
Net book amount as at 31 March 2013	4,00,55,528	4,00,55,528	4,00,55,528

deemable Non Convertible Debenture is secured by Charge on Immovable property of the Company.

ice Equipments includes Gross assets amounting to Rs 219,205/- (Previous year : Rs 219,205/-) held jointly  
ne Birla Sun Life Insurance Company Limited.



## Note B a

## NON CURRENT INVESTMENTS

Long Term, Fully Paid up	Face Value (Rs.)	As at 31st March, 2013		As at 31st March, 2012	
		Numbers	(Rs.)	Numbers	(Rs.)
<b>(A) Equity Shares</b>					
<b>Trade Investment</b>					
<b>Unquoted</b>					
<b>Investment in Subsidiary</b>					
Aditya Birla Securities Private Limited	10	30,000	3,60,000	30,000	3,60,000
<b>Non Trade Investment</b>					
<b>Quoted</b>					
HDFC Bank Limited	2	1,300	4,000	1,300	4,000
MOIL	10	12,245	45,91,875	12,245	45,91,875
<b>Unquoted</b>					
<b>Others</b>					
Birla Management Centre Services Limited	10	7,000	70,000	7,000	70,000
Birla Sun Life Trustee Company Private Limited	10	20	860	20	860
<b>Non Trade Investment</b>					
<b>(B) Preference Shares</b>					
<b>Unquoted</b>					
Share Microfin Limited 0.001 % Optionally Convertible Cumulative Redeemable Preference Shares	10	1,29,80,000	12,98,00,000	1,29,80,000	12,98,00,000
<b>Non Trade Investment</b>					
<b>(C) Debentures</b>					
<b>Quoted</b>					
JSW Techno Projects Management Limited Non Convertible Debentures carrying fixed coupon rate of 8% (4% payable annually).	-	-	-	50	50,15,11,949
Shree Renuka Sugars Limited Non Convertible Debentures carrying floating coupon rate of 12.08% (payable semi annually).	10,00,000	500	50,00,00,000	500	50,00,00,000
Peninsula Land Ltd Secured Redeemable Non Convertible Debentures carrying fixed coupon rate of 13.31% (payable Semi annually).	10,00,000	400	40,00,00,000	-	-
RKN Retail Private Limited Non Convertible Debentures carrying fixed coupon rate of 7.00% (payable annually).	1,00,00,000	50	50,04,87,172	-	-
<b>Unquoted</b>					
Mandava Holdings Pvt Ltd Non Convertible Debentures carrying coupon rate of 5.64% (payable quarterly).	5,00,00,000	12	66,96,67,298	-	-
Coffee Day Resort Private Limited Non Convertible Debentures carrying fixed coupon rate of 14% (payable quarterly).	10,00,000	500	60,00,00,000	-	-
Floreat Investment Ltd Non Convertible Debentures carrying fixed coupon rate of 11.1% (payable annually).	10,00,000	500	50,00,00,000	-	-
Indiabulls Housing Finance Limited Non Convertible Debentures carrying fixed coupon rate of 10.10% (payable annually).	1,00,000	2,500	25,00,00,000	-	-
Lily Reality Private Limited Non Convertible Debentures carrying fixed coupon rate of 19.00% (payable quarterly).	1,00,000	2,300	23,92,78,201	-	-
<b>Non Trade Investment</b>					
<b>(D) Others :</b>					
<b>Unquoted</b>					
PMS Investment			5,00,00,000		5,00,00,000
Jindal ITF Limited Pass Through Certificate carrying fixed coupon rate of 15.25% (payable annually).	10,00,000	400	43,94,16,663	-	-
<b>Total</b>			<b>4,28,36,76,069</b>		<b>1,18,63,38,684</b>
Aggregate amount of Quoted Investments			1,40,50,83,047		1,00,61,07,824
Aggregate amount of Unquoted Investments			2,87,85,93,022		18,02,30,860
Aggregate market value of Quoted Investments			1,40,40,30,150		1,00,52,57,223
Aggregate amount of diminution in value of investments Rs. Nil (31st March, 2012 Rs. Nil)			-		-

Non Current Investment valued at cost unless stated otherwise.

Quoted Debentures Market value has been taken at cost since these are not frequently traded.

## NOTE B b

## CURRENT INVESTMENTS

<b>Commercial Papers</b>					
<b>Unquoted</b>					
Karvy Financial Services Private Limited	5,00,000	500	24,19,20,500	500	24,14,27,750
ABG Shipyard Limited	5,00,000	-	-	500	23,30,68,000
<b>Debentures</b>					
<b>Quoted</b>					
Tril Infopark Ltd Non Convertible Debentures carrying fixed coupon rate of 12.25% (payable quarterly).	10,00,000	960	99,56,20,511	-	-
JSW Techno Projects Management Limited Non Convertible Debentures carrying fixed coupon rate of 8% (4% payable annually).	1,00,00,000	50	50,15,11,949	-	-
RHC Holding Private Limited Non Convertible Debentures carrying fixed coupon rate of 10.315% (payable on maturity).	10,00,000	-	-	450	45,00,00,000
Less: Provision for Diminution on Investments			(3,36,87,380)		-
<b>Total</b>			<b>1,70,53,65,600</b>		<b>92,44,95,750</b>
Aggregate amount of Unquoted Investments			24,19,20,500		47,44,95,750
Aggregate amount of Quoted Investments			1,46,34,45,100		45,00,00,000
Aggregate market value of Quoted Investments			1,46,34,45,100		45,00,00,000
Aggregate amount of diminution in value of Investments Rs. 33,687,360/- (31st March, 2012 Rs. Nil)			-		-

Current Investment are stated at lower of cost and market/fair values.





	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>Note 9</b>		
<b>DEFERRED TAX ASSETS (Net)</b>		
Deferred Tax Assets at the year end comprise timing differences on account of:		
Depreciation	7,39,609	53,51,055
Provision for Doubtful Debts and Advances (Including additional contingency)	9,34,53,047	3,51,13,437
Contingent Provisions against Standard Assets	6,82,80,812	2,92,23,860
Rent Straightlining	45,847	21,88,486
Provision for diminution in Investment	1,64,06,653	-
<b>Total</b>	<b>17,89,25,968</b>	<b>7,18,76,838</b>
<b>Note 10 a</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
<b>Secured</b> (Considered good unless otherwise stated)		
Project Finance	11,90,66,38,674	4,01,66,74,926
Term Loan	3,65,24,48,215	2,37,93,950
Mortgage Finance	13,15,45,00,690	63,65,74,150
Collateral Finance	-	59,98,52,500
<b>Unsecured</b> (Considered good unless otherwise stated)		
Security Deposits	2,51,69,531	2,35,39,061
Corporate Finance (Bills Discounted/Purchased/Invoice Factoring)	7,15,03,922	13,42,18,774
Loan to Micro Finance	20,37,41,197	25,32,94,226
Advance payment of Taxes (Net of provisions for taxation Nil, 31 March, 2012 Rs 324,850,000/-)	-	1,27,75,664
Prepaid Expenses	23,02,097	30,88,196
Project Finance	1,70,00,00,000	-
<b>Doubtful</b>		
Collateral Finance	8,53,22,754	8,53,22,754
Corporate Finance (Bills Discounted/Purchased/Invoice Factoring)	57,49,151	57,02,894
<b>Total</b>	<b>30,80,73,76,231</b>	<b>5,79,48,37,095</b>
<b>Note 10 b</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
<b>Secured</b> (Considered good unless otherwise stated)		
Collateral Finance	20,74,36,64,403	15,00,45,07,802
Loan against Commodity	15,00,000	-
Term Loan	3,06,70,50,909	67,52,10,920
Mortgage Finance	92,21,01,760	3,41,61,400
Project Finance	3,71,37,88,730	2,66,03,43,052
<b>Unsecured</b> (Considered good unless otherwise stated)		
Corporate Finance (Bills Discounted/Purchased/Invoice Factoring)	6,12,30,84,372	5,95,68,57,758
Loan against IPO	-	4,68,11,000
Loan to Micro Finance	6,02,40,021	7,42,67,355
Inter Corporate Deposits	1,16,03,00,000	1,48,87,93,418
Mortgage Finance	-	40,23,288
Term Loan	1,24,14,99,355	1,02,46,19,364
Project Finance	1,10,00,00,000	-
Loans and Advance to Related Parties	1,08,752	39,46,81,097
Others Advances	1,24,18,556	22,04,183
Security Deposits	48,000	10,24,950
Loan to Employees	9,46,147	12,25,768
Prepaid Expenses	2,72,11,961	45,64,756
Advance payment of Taxes (Net of provisions for taxation Rs. 530,000,000/-, 31 March, 2012 Rs 345,000,000/-)	6,70,80,094	3,03,22,823
<b>Total</b>	<b>38,24,10,43,060</b>	<b>27,40,36,18,934</b>



ADITYA BIRLA FINANCE LIMITED

Notes to financial statements for the year ended 31 March , 2013

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>Note 11</b>		
<b>TRADE RECEIVABLE</b> (Unsecured, considered good unless otherwise stated)		
Dues for a period exceeding six months	-	-
Less: Provision for Doubtful Debts	-	-
Other Debts	5,19,04,097	80,63,545
<b>Total</b>	<b>5,19,04,097</b>	<b>80,63,545</b>
<b>Note 12</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalent</b>		
Balances with Banks in Current Accounts	7,88,880	17,92,40,898
<b>Total</b>	<b>7,88,880</b>	<b>17,92,40,898</b>
<b>Note 13 a</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued but not due	92,28,79,477	18,56,06,341
<b>Total</b>	<b>92,28,79,477</b>	<b>18,56,06,341</b>
<b>Note 13 b</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Interest Accrued but not due	-	4,81,20,339
<b>Total</b>	<b>-</b>	<b>4,81,20,339</b>

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	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
<b>Note 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>INTEREST</b>		
<b>Capital Market Activity</b>		
Interest on Loan against Securities	2,25,72,22,559	1,70,06,57,746
Interest on Long Term Investment	51,63,86,345	20,63,66,124
Interest on Loan against IPO Funding	1,02,72,694	1,68,64,057
	<b>2,78,38,81,598</b>	<b>1,92,38,87,927</b>
<b>Corporate Finance</b>		
Bills Discounting/Invoice Factoring Charges	74,44,24,752	54,23,31,487
Interest income on Micro Finance	3,06,16,984	6,78,76,021
	<b>77,50,41,736</b>	<b>61,02,07,508</b>
<b>Project/Term Finance</b>		
Interest on Term Loan	52,39,56,536	11,32,72,930
Interest on Project Finance	1,36,43,10,480	34,39,37,365
Interest on Mortgage Finance	74,39,53,972	8,18,16,161
	<b>2,63,22,20,988</b>	<b>45,80,28,456</b>
<b>Inter Corporate Deposits</b>		
Interest on Inter Corporate Deposits	13,26,82,983	15,27,55,329
	<b>13,26,82,983</b>	<b>15,27,55,329</b>
<b>Others</b>		
Discount Charges on Commercial Paper	2,90,18,708	5,07,30,587
	<b>2,90,18,708</b>	<b>5,07,30,587</b>
	<b>6,35,28,46,013</b>	<b>3,19,56,09,807</b>
<b>OTHER FINANCIAL SERVICES</b>		
<b>Treasury Operations</b>		
<b>Income from Long Term Investments</b>		
Dividend	8,95,294	83,883
<b>Income from Short Term Investments</b>		
Dividend	-	3,77,515
<b>Income from Current Investments</b>		
Gain on sale of Investments (Net)	81,35,000	5,41,937
<b>Securities Trading Income</b>		
	34,10,51,558	16,73,14,853
	<b>35,00,81,852</b>	<b>16,83,18,188</b>
<b>Syndication and Other Fee Income</b>		
Corporate Finance	8,64,26,954	4,70,16,255
Capital Market	3,22,68,238	2,32,20,440
Project Finance	20,25,22,689	5,25,00,000
Treasury	1,68,000	1,10,00,000
Mortgages Finance	12,64,51,593	40,03,586
	<b>44,78,37,474</b>	<b>13,77,40,281</b>
	<b>79,79,19,326</b>	<b>30,60,58,469</b>
<b>Total</b>	<b>7,15,07,65,339</b>	<b>3,50,16,68,276</b>



<b>Note 15</b>		
<b>OTHER INCOME</b>		
Other Interest	26,92,344	2,78,607
Refund of Insurance Premium	-	28,39,122
Excess Provision no longer required	1,34,01,623	-
Cenvat Credit of earlier years (Refer note no: 11)	3,05,44,453	-
Gain on Sale of Fixed Assets (Net)	-	3,87,087
Miscellaneous Income [includes excess provision and sundry balances written back (Net)]	26,80,583	2,14,157
<b>Total</b>	<b>4,93,19,003</b>	<b>37,18,973</b>

	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
<b>Note 16</b>		
<b>FINANCE COST</b>		
Interest Expenses	2,18,23,68,854	16,68,83,521
Discounting charges on Commercial Paper	2,19,76,70,154	1,83,48,76,880
Others Borrowing Costs	1,16,37,063	82,23,456
<b>Total</b>	<b>4,39,16,76,071</b>	<b>2,00,99,83,857</b>
<b>Note 17</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Bonus and Allowances	56,08,02,331	26,60,73,957
Contribution to Provident and Other Funds	2,53,27,105	1,37,14,462
Staff Welfare Expenses	1,44,52,405	1,28,11,364
ESOP Expenses	-	20,336
<b>Total</b>	<b>60,05,81,841</b>	<b>29,26,20,119</b>
<b>Note 18</b>		
<b>OTHER EXPENSES</b>		
Rent	5,15,27,693	4,54,32,266
Travelling and Conveyance	3,20,59,695	1,40,85,363
Water and Electricity	48,57,542	38,27,816
Repairs and Maintenance:		
Plant and Machinery	1,36,470	1,64,939
Others	1,72,21,178	1,06,58,391
Insurance	51,08,753	30,67,764
Communication Expenses	90,84,147	67,33,105
Legal and Professional Charges	13,74,56,761	4,63,05,776
Loss on Sale of Fixed Assets (Net)	1,93,614	-
Rates and Taxes	2,26,95,008	1,78,05,356
Printing and Stationery	36,22,608	26,82,825
Outsourcing Expenses	2,06,89,017	97,15,899
Information Technology Expenses	1,00,74,118	42,96,187
Business / Sales Promotion Expenses	24,93,400	27,81,644
Advertisement Expenses	25,89,230	32,06,423
Postage Expenses	15,85,872	14,12,201
Bank Charges	49,73,556	41,27,406
Brokerage and Commission	4,55,74,071	62,02,960
Miscellaneous Expenses	1,33,30,524	1,91,68,352
<b>Total</b>	<b>38,52,73,257</b>	<b>20,16,74,673</b>
<b>Note 19</b>		
<b>BAD DEBTS AND PROVISION FOR NON-PERFORMING ASSETS(NET)</b>		
Provision for Doubtful Debts and Advances	20,83,10,290	10,24,85,141
Provision for Doubtful Debts written back	(4,15,55,556)	(9,06,423)
Provision for diminution in Current Investment	4,82,69,060	-
<b>Total</b>	<b>21,50,23,794</b>	<b>10,15,78,718</b>





# ADITYA BIRLA FINANCE LIMITED

Notes to financial statements for the year ended 31 March , 2013

## Note 20

### Earnings per Share

Particulars	Current Year	Previous Year
Net Profit after Tax (Rs.)	1,00,30,34,799	56,22,99,706
Less: Dividend on Preference Share (including Corporate Dividend Tax)	5,47,452	3,50,785
Net Profit after Tax available for equity shareholders (Rs.)	<b>1,00,24,87,347</b>	<b>56,19,48,921</b>
Weighted average number of equity shares outstanding (Numbers)	10,66,27,719	10,59,64,842
<b>Basic and Diluted EPS (Rs.)</b>	<b>9.40</b>	<b>5.30</b>

Note: 0.01% Compulsory Convertible Cumulative Preference Shares of the Company shall be converted over a period of time, its effect on diluted EPS has not been worked out.



**ADITYA BIRLA FINANCE LIMITED**

**Schedule: 21 A**

Disclosure in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

**Particulars**

**(Rs.)**

**Liabilities side :**

1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
(a) Debentures : Secured (including interest accrued but not due of Rs.834,817,794/- )	14,65,55,68,224	-
Unsecured (including interest accrued but not due of Rs.172,999,315/- ) (other than falling within the meaning of public deposits*)	3,72,29,99,315	-
(b) Deferred Credits	-	-
(c) Term Loans	20,05,58,14,654	-
(d) Inter-corporate loans and borrowings (including interest accrued but not due of Rs. 1,434,665/- )	81,60,86,214	-
(e) Commercial Paper	24,12,50,13,408	-
(f) Other Loans (Working Capital) & Others	6,65,98,36,248	-
<b>Total</b>	<b>70,03,53,18,063</b>	<b>-</b>
* Please see Note 1 below		

**Assets side :**

**Amount Outstanding**

2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a) Secured	57,16,16,93,381
(b) Unsecured (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)	11,75,24,95,672
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	-





4. Break-up of Investments :		
Current 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	1,46,34,45,100	
(iii) Units of mutual funds	-	
(iv) Government Securities	-	
(v) Others (Commercial Paper )	24,19,20,500	
Long Term investments :		
1. Quoted :		
(I) Shares : (a) Equity	45,95,875	
(b) Preference	-	
(ii) Debentures and Bonds	1,40,04,87,172	
(iii) Units of mutual funds	-	
(iv) Government Securities	-	
(v) Others (Please specify)	-	
2. Unquoted :		
(I) Shares : (a) Equity	4,30,860	
(b) Preference	12,98,00,000	
(ii) Debentures and Bonds	2,25,89,45,499	
(iii) Units of mutual funds	-	
(iv) Government Securities	-	
(v) Others ( PMS and PTC)	48,94,16,663	

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

Please see Note 2 below

Category	Net of Provisions (Rs.)		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	1,08,752	1,08,752
(c) Other related parties	-	-	-
2. Other than related parties	57,16,16,93,381	11,75,23,86,920	68,91,40,80,300
<b>Total</b>	<b>57,16,16,93,381</b>	<b>11,75,24,95,672</b>	<b>68,91,41,89,052</b>



**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

Category	(Rs.)	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**		
(a) Subsidiaries	3,00,000	3,60,000
(b) Companies in the same group	3,045	-
(c) Other related parties	-	-
2 Other than related parties	19,91,95,275	18,44,66,735
<b>Total</b>	<b>19,94,98,320</b>	<b>18,48,26,735</b>
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**

Particulars	(Rs.)	
(i) Gross Non-Performing Assets		
(a) Related parties		-
(b) Other than related parties		85,03,57,138
(ii) Net Non-Performing Assets		
(a) Related parties		-
(b) Other than related parties		57,54,14,368
(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, 2007.
- 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.





## CRAR

Items	Current Year	Previous Year
(i) CRAR (%)	17.51	17.73
(ii) CRAR - Tier I capital (%)	12.92	16.68
(iii) CRAR - Tier II Capital (%)	4.59	1.05

## Exposures

## Exposure to Real Estate Sector

		(Rs.in crores)	
	Category	Current year	Previous year
(a)	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; (Individual housing loans up to Rs. 15 lakhs may be shown separately).	NIL	NIL
	(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 (NFB) limits;	1407.66	67.48
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a. Residential b. Commercial Real Estate	NIL NIL	NIL NIL
	(ii) Indirect Exposure Fund base and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	NIL	NIL

## Asset Liability Management

## Maturity pattern of certain items of Assets and Liabilities

	(Rs.in crore)								
	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	84.56	79.54	122.30	48.53	1,072.98	1,403.00	155.58	-	2,966.50
Market borrowings *	307.31	1,496.90	286.97	165.73	52.40	1,058.50	41.21	527.08	3,936.11
<b>Assets</b>									
Advances **	1,299.42	501.51	376.51	547.65	1,108.99	1,441.53	540.74	1,174.98	6,991.33
Investments	2.03	-	74.34	60.00	83.48	245.60	94.96	38.48	598.90
Stock of Securities	569.02	-	-	-	-	-	-	-	569.02

\* Net of Unamortized Discounting charges on Commercial Paper and Non convertible Debentures amounting to Rs. 36.42 Cr.

\*\* 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.



**1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the guidelines issued by Reserve Bank of India (RBI) as applicable to Non Banking Finance Company (NBFC). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

**2. 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.

**3. TANGIBLE FIXED ASSETS**

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

Depreciation on Tangible fixed assets is provided on Straight Line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV of the Companies Act, 1956 whichever is higher. The Company has used the following useful life to provide depreciation on its fixed assets. Tangible fixed assets costing below Rs. 5000 should be capitalized and 100% depreciation should be charged in the year of acquisition.

	<b>Estimated useful life</b>
Building	20 Years
Office Computers and Electronic Equipments	4 Years
Vehicles	5 years
Furniture, Fixtures and Other Office Equipments	7 years
Leasehold Land/Improvements	Over the primary period of the lease

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.

**4. INTANGIBLE ASSETS**

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

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

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





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

Computer Software	3 years
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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.

## 5. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

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

## 6. 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 the 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.

## 7. INVENTORIES

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



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## 8. REVENUE RECOGNITION

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

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

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

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

Fees and commission income is recognised when due.

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

Sales are recorded net of trade discounts, rebates and securities transaction tax.

## 9. TAXATION

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

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

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

## 10. RETIREMENT 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 on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

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





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

#### 11. 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.

#### 12. CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months.

#### 13. 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.

#### 14. 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, 2007.

Provision on standard assets is made @ 0.25% as per the notification DNBS.PD.CC.No.207/03.02.002/ 2010-11 issued by Reserve Bank of India.

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

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

#### 15. 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.

#### 16. 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 items which are not allocated to any





## NOTES FORMING PARTS OF ACCOUNTS 22

- 1) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 4,383,727(31<sup>st</sup> March, 2012 Rs. 20,749,863 ).
- 2) Contingent Liabilities not provided for as on 31<sup>st</sup> March, 2013:-
  - (a) Disputed Income tax Liability Rs. 17,510,154 (31<sup>st</sup> March, 2012 Rs. 8,927,545).\*
  - (b) Claims against the Company not acknowledged as debts Rs. 81,200,000 (31<sup>st</sup> March, 2012 Rs. 81,200,000)\*\*
  - (c) Liabilities for pro-rata refund on insurance claim to the Insurance Company arising as a result of any part of outstanding debt not recognized in the final judgement, is not ascertainable as the legal matter for recovery of such amounts is still under process.

\*Disputed Income Tax liability includes Disallowance u/s 14A read with rule 8D for financial year 2009-10 Rs. 4,123,838, financial year 2007-08 Rs. 6,073,820 and for financial year 2006-07 Rs.1,083,581. The matter is pending before Income tax Appellate Tribunal.

The claims against the Company comprise of:-

\*\* Two of our clients have filed the Claim Petition as per High Court Order dated 27.10.2009 for an amount of Rs. 51,200,000 along with damages with interest. The matter is pending before Arbitrator.

We had filed an appeal on 30.06.2011 before The Securities and Appellate Tribunal (SAT) against the communication of SEBI dated 28.03.2011 restraining certain entities to access the securities market and further prohibited them from buying, selling or dealing in securities in any manner. The appeal has been allowed by SAT in our favour. We have undertaken that in the event it is called upon by the Tribunal or Board to bring back money of Rs. 30,000,000 which we have realized by the sale of shares, we shall do so forthwith.

- 3) The Company is in the process of identifying the parties which are covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMD Act). As of March 31, 2013, the Company is not aware of any party which gets covered under MSMD Act. Thereby, the Company does not have any outstanding balance due as on March 31, 2013 (March 31, 2012: NIL).

#### 4) Related party disclosures

##### (i) List of related parties

- a) Where control exists : -Aditya Birla Financial Services Private Limited (ABFSPL) (Holding Company)  
-Aditya Birla Nuvo Limited (Ultimate Holding Company)
- b) Subsidiaries/ Fellow Subsidiaries :
  - Aditya Birla Customer Services Private Limited (ABCSPL)-
  - Aditya Birla Trustee Company Private Limited (ABTCPL)
  - Aditya Birla Financial Shared Services Limited (ABFSSL)
  - Aditya Birla Money Limited (ABML)
  - Aditya Birla Commodities Broking Limited (ABCBL)
  - Aditya Birla Insurance Brokers Limited (ABIBL)
  - Aditya Birla Securities Private Limited (ABSPL)
  - Aditya Birla Money Mart Limited (ABMML)
  - Aditya Birla Money Insurance Advisory Services Limited (ABMIASL)
  - Birla Sun Life Insurance Company Limited (BSLICL)
  - ABNL Investment Limited (ABNLIL)
  - Madura Garments Lifestyle Retail Company Limited (MGLRCL)
  - Aditya Birla Minacs Worldwide Limited (ABMWL)
  - Birla Sun Life Asset Management Company Limited (BSAMCL) (w.e.f 10<sup>th</sup> October 2012)
  - Birla Sun Life Trustee Company Private Limited (BSTPL) (w.e.f 10<sup>th</sup> October 2012)
  - Aditya Birla Housing Finance Limited (ABHFL)(earlier known as LIL Investment Limited)
- c) Key management personnel : Mr. K. G. Ajmera till 4<sup>th</sup> January ,2013  
Mr. Sekhar Mosur from 5<sup>th</sup> January, 2013





## (ii) Transactions with Related parties:

(Rs.)

Particulars	Referred in (i) (a) above	Referred in (i) (b) above	Referred in (i) (c) above	Total
Remuneration	- (-)	- (-)	10,837,830 (6,514,357)	10,837,830 (6,514,357)
Rent/Brokerage Other Expenses	(-) (20,336)	2,774,169 (-)	- (-)	2,774,169 (20,336)
Interest Expenses	14,598,905 (11,317,124)	17,627,032 (12,149,164)	- (-)	32,225,937 (23,466,288)
Administrative Expenses	- (42,811)	15,632,054 (8,203,027)	- (-)	15,632,054 (8,245,838)
Dividend	75,000 (-)	225,822 (-)	- (-)	(300,822) (-)
Interest Income	866,438 (-)	15,500,710 (21,686,499)	- (-)	16,367,148 (21,686,499)
Administrative Income	- (-)	129,370 (2,810,101)	- (-)	129,370 (2,810,101)
Others/ Brokerage	- (-)	14,647 (121,070)	- (-)	14,647 (121,070)
Loan granted (including ICDs)	250,000,000 (-)	194,600,000 (570,316,235)	- (-)	444,600,000 (570,316,235)
Loan granted received back (including ICDs)	250,000,000 (-)	589,200,000 (350,000,000)	- (-)	839,200,000 (350,000,000)
Loan obtained (including ICBs)	9,200,000,000 (7,060,000,000)	421,766,199 (423,781,607)	- (-)	9,621,766,199 (7,483,781,607)
Loans repaid (including ICBs)	9,570,000,000 (6,690,000,000)	424,270,110 (412,155,172)	- (-)	9,994,270,110 (7,102,155,172)
Preference Share Capital	1,000,000,000 (-)	1,250,000,000 (750,000,000)	- (-)	2,250,000,000 (750,000,000)
Equity Share Capital	403,250,000 (-)	- (-)	- (-)	403,250,000 (-)
Equity Share Premium	846,825,000 (-)	- (-)	- (-)	846,825,000 (-)
Purchase of Share/others	4,265,025 (-)	953,479,352 (-)	- (-)	957,744,377 (-)
Sale of Share	22,447,500 (-)	- (-)	- (-)	22,447,500 (-)
Purchase of Fixed Assets	- (-)	5,935,188 (3,475,164)	- (-)	5,935,188 (3,475,164)
Sale of Fixed Assets	- (-)	- (1,224,775)	- (4,000)	- (1,228,775)
Preference Share capital outstanding	1,750,000,000 (750,000,000)	4,250,000,000 (3,000,000,000)	- (-)	6,000,000,000 (3,750,000,000)
Loan taken	-- (370,000,000)	192,800,947 (95,304,858)	- (-)	192,800,947 (465,304,858)
Amount Payable	- (-)	13,581,291 (1,898,091)	- (-)	13,581,291 (1,898,091)
Loan Granted	- (-)	- (394,600,000)	- (-)	- (394,600,000)
Amount Receivable	- (-)	108,751 (771,508)	- (-)	108,751 (771,508)



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

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>Rent /other expenses</b>		
Aditya Birla Nuvo Limited	-	20,336
Aditya Birla Money Mart Limited	2,774,169	-
<b>Dividend expenses</b>		
Aditya Birla Financial Services Private Limited	75,000	-
Madura Garments Lifestyle Retails Company Limited	225,822	-
<b>Remuneration</b>		
Mr. K.G. Ajmera	9,330,045	6,514,357
Mr. Sekhar Mosur	1,507,785	-
<b>Administrative Expenses</b>		
Aditya Birla Money Mart Limited	-	99,270
Aditya Birla Minacs Worldwide Limited	1,856,552	2,562,442
Aditya Birla Insurance Brokers Limited	651,956	-
Aditya Birla Financial Shared Services Limited	5,433,414	4,730,754
Birla Sun Life Insurance Company Limited	5,791,979	685,393
Aditya Birla Money Limited	446,223	125,168
Aditya Birla Nuvo Limited	-	42,811
Birla Sun Life Asset Managment Company Limited	1,451,930	-
<b>Interest expenses</b>		
Aditya Birla Nuvo Limited	14,598,905	11,317,124
ABNL Investment Limited	-	920,548
Aditya Birla Insurance Brokers Limited	13,491,489	4,172,502
Birla Sun Life Insurance Company Limited	4,135,543	6,864,333
Aditya Birla Money Limited	-	191,781
<b>Interest income</b>		
Aditya Birla Money Limited	1,687,671	5,572,054
Aditya Birla Customer Services Private Limited	13,813,039	16,114,445
Aditya Birla Nuvo Limited	866,438	-
<b>Brokerage and Other Income</b>		
Aditya Birla Money Limited	14,647	121,070
<b>Administrative Income</b>		
Aditya Birla Insurance Brokers Limited	-	2,565,143
Aditya Birla Customer Services Private Limited	-	14,862
Birla Sun Life Insurance Company Limited	129,370	230,096
<b>Loan granted (including ICDs)</b>		
Aditya Birla Money Limited	-	450,000,000
Aditya Birla Customer Services Private Limited	194,600,000	120,250,000
Aditya Birla Nuvo Limited	250,000,000	-
<b>Loan granted received back(including ICDs)</b>		
Aditya Birla Money Limited	200,000,000	350,000,000
Aditya Birla Nuvo Limited	250,000,000	-
Aditya Birla Customer Services Private Limited	389,200,000	-
<b>Loan obtained (including ICBs)</b>		
Aditya Birla Nuvo Limited	9,200,000,000	7,060,000,000
Aditya Birla Insurance Brokers Limited	421,766,199	227,917,150
Birla Sun Life Insurance Company Limited	-	95,864,457
Aditya Birla Money Limited	-	100,000,000
<b>Loan repaid (including ICBs)</b>		
Aditya Birla Nuvo Limited	9,570,000,000	6,690,000,000
Aditya Birla Insurance Brokers Limited	324,270,110	132,155,172
Birla Sun Life Insurance Company Limited	100,000,000	100,000,000
Aditya Birla Money Limited	-	100,000,000
ABNL Investment Limited	-	80,000,000



Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>Preference Share Capital</b>		
Madura Garments Lifestyle Retails Company Limited	1,250,000,000	750,000,000
Aditya Birla Financial Services Private Limited	1,000,000,000	-
<b>Equity Share Capital</b>		
Aditya Birla Financial Services Private Limited	403,250,000	-
<b>Share Premium</b>		
Aditya Birla Financial Services Private Limited	846,825,000	-
<b>Purchases of Share/others</b>		
Aditya Birla Nuvo Limited	4,265,025	-
Madura Garments Lifestyle Retails Company Limited	953,479,352	-
<b>Sale of Share</b>		
Aditya Birla Financial Services Private Limited	22,447,500	-
<b>Purchases of Fixed Assets</b>		
Aditya Birla Minacs Worldwide Limited	2,802,541	3,075,164
Aditya Birla Money Limited	-	400,000
Birla Sun Life Insurance Company Limited	3,132,647	-
<b>Sale of Fixed Assets</b>		
Aditya Birla Money Mart Limited	-	1,224,775
<b>Payable</b>		
Aditya Birla Nuvo Limited	-	370,000,000
Aditya Birla Insurance Brokers Limited	192,800,947	95,304,858
Aditya Birla Money Insurance Advisory Services Limited	77,207	77,207
Aditya Birla Minacs Worldwide Limited	1,220,820	250,343
Birla Sun Life Insurance Company Limited	7,935,211	96,355,295
Aditya Birla Money Mart Limited	1,220,783	20,981
Aditya Birla Financial Shared Services Limited	1,398,337	1,058,722
Birla Sun Life Assets Management Company Limited	1,306,737	-
Aditya Birla Money Limited	422,196	-
<b>Receivable</b>		
Aditya Birla Customer Services Private Limited	6,382	194,614,862
Aditya Birla Money Limited	-	200,690,411
Aditya Birla Securities Private Limited	102,369	66,235
<b>Preference Share Capital Outstanding</b>		
Madura Garments Lifestyle Retails Company Limited	4,250,000,000	3,000,000,000
Aditya Birla Financial Services Private Limited	1,750,000,000	750,000,000

**Notes:-**

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

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5)

**Retirement Benefits:**

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

<b>Amount recognized in the Balance Sheet in respect of gratuity (funded by the Company)</b>		<b>As at 31<sup>st</sup> March, 2013 (Rs.)</b>	<b>As at 31<sup>st</sup> March, 2012 (Rs.)</b>			
Present Value of Funded defined benefit obligation at the end of the year		23,311,483	15,527,295			
Fair Value of Plan Assets		14,176,950	9,638,598			
Net Liability/(Assets)		<b>9,134,533</b>	<b>5,888,697</b>			
<b>Amount recognized in Salary, Wages and Employees Benefits in the Statement of Profit and Loss Account in respect of gratuity (funded by the Company):</b>						
Current Service Cost		4,730,859	2,722,860			
Interest on Defined Benefit Obligation		1,591,436	1,388,536			
Expected Return on Plan Assets		(856,469)	(962,751)			
Net Actuarial Gains/(Loss) recognized during the year		3,668,707	1,558,724			
Net Gratuity Cost		9,134,533	4,707,369			
Actual Return on Plan assets		1,570,496	403,968			
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>						
		<b>As at 31<sup>st</sup> March, 2013 (Rs.)</b>	<b>As at 31<sup>st</sup> March, 2012 (Rs.)</b>			
Opening Defined Benefit Obligation		15,527,295	14,597,840			
Current Service Cost		4,730,859	2,722,860			
Interest Cost		1,591,436	1,388,536			
Actuarial Losses/(Gain)		4,382,734	999,941			
Liabilities assumed on acquisition/ (settled on divesture)		246,155	(4,048,424)			
Benefit Paid		(3,166,996)	(133,458)			
Closing Defined Benefit Obligation		<b>23,311,483</b>	<b>15,527,295</b>			
<b>Change in Plan Assets</b>						
Opening Fair Value of the Plan Assets		9,638,598	11,512,664			
Expected Return on Plan Assets		856,469	962,751			
Actuarial Gains/(Losses)		714,027	(558,783)			
Contributions by the Employer		5,888,697	1,903,848			
Assets acquired on acquisition/ (distributed on divesture)		246,155	(4,048,424)			
Benefit Paid		(3,166,996)	(133,458)			
Closing Fair Value of the Plan Assets		<b>14,176,950</b>	<b>9,638,598</b>			
<b>Investment details of Plan assets</b>						
100% of plan assets are invested with Insure Managed Funds		-	-			
		<b>As at 31<sup>st</sup> March, 2013 (Rs.)</b>	<b>As at 31<sup>st</sup> March, 2012 (Rs.)</b>	<b>As at 31<sup>st</sup> March, 2011 (Rs.)</b>	<b>As at 31<sup>st</sup> March, 2010 (Rs.)</b>	<b>As at 31<sup>st</sup> March, 2009 (Rs.)</b>
<b>Experience Adjustment</b>						
Defined Benefit Obligation		23,311,483	15,527,295	14,597,840	8,742,429	7,120,310
Plan Assets		14,176,950	9,638,598	11,512,664	8,804,566	8,065,626
Surplus/(Deficit)		(9,134,533)	(5,888,697)	(3,085,176)	62,137	945,316
Experience Adjustment on Plan Liabilities		2,776,462	1,590,052	251,520	(216,809)	407,018
Experience Adjustment on Plan Assets		714,027	(558,783)	1,104,276	60,747	102,457
<b>Principal Actuarial Assumptions at the Balance Sheet Date:-</b>						
Discount Rate (p.a.)		7.90%	8.40%	8.10%	8.15%	7.75%
Expected Rate of return on						





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.14,176,950 (31<sup>st</sup> March, 2012 Rs. 9,638,598).

Estimated amount of contribution expected to be paid to the gratuity fund during the annual period after the Balance Sheet date is Rs.4,500,000 (31<sup>st</sup> March 2012 Rs.6,000,000).

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

**Defined Benefit Plan**

	(Rs.)	
	Current Year	Previous Year
Contribution to Company owned Provident Fund	6,699,698	3,451,262

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 Ultimate Holding Company's set up Provident Fund does not have existing deficit of interest shortfall. 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:-

	(Rs.)	
	Current Year	Previous Year
i) Contribution to Govt. Employees Provident Fund	7,593,528	4,105,283
ii) Contribution to Govt. Employees Pension Fund	1,174,262	758,734
iii) Contribution to Superannuation Fund	709,211	657,016
iv) Contribution to ESIC Fund	14,602	33,358
v) Contribution to MLW Fund	1,272	1,440

- 6) The Company had entered into an operating lease agreements for use of premises which is non cancellable for a period of three years.

The future minimum lease payments for the leases at the Balance Sheet date are as follows:

Future minimum lease payments payables for the period	As at 31 <sup>st</sup> March,2013 (Rs.)	As at 31 <sup>st</sup> March,2012 (Rs.)
1) Not later than one year	-	-
2) Later than one year and not later than five years	-	-
3) Later than five years	-	-

The amount of lease payments recognized in the Statement of Profit and Loss Account for the year is Rs.49,240,933 (31<sup>st</sup> March,2012 Rs. 43,458,088)

- 7) Details of Auditors Remuneration:-

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees (including Limited Review Fees)	2,200,000	1,269,457
Tax Audit Fees	225,000	200,000
Certification work	200,000	-
Out of Pocket Expenses	184,760	40,410

- 8) Aditya Birla Management Corporation Private Limited (ABMCL), a Company limited by guarantee, 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.



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

Particulars	Current Year (Rs.)			Previous Year (Rs.)		
	Financing Activities	Unallocated reconciling items	Total	Financing Activities	Unallocated reconciling items	Total
Segment Revenue	6,850,002,490	350,081,852	7,200,084,342	3,337,069,061	168,318,188	3,505,387,249
Segment Results (Profit before tax and after interest on Financing segment)	1,376,100,691	349,081,852	1,725,182,543	784,327,612	167,318,188	951,645,800
Less: Interest on unallocated reconciling items	NA	253,710,104	253,710,104	NA	115,437,252	115,437,252
Net profit before tax	1,376,100,691	95,371,748	1,471,472,439	784,327,612	51,880,936	836,208,548
Less: Income taxes	NA	NA	468,437,640	NA	NA	273,908,842
Net profit after tax	NA	NA	1,003,034,799	NA	NA	562,299,706
<b>Other Information</b>						
Segment Assets	76,062,004,567	5,690,202,960	81,752,207,527	35,750,152,354	1,608,139,203	37,358,291,557
Unallocated Corporate Assets			246,006,062			114,975,326
<b>Total Assets</b>	76,062,004,57	5,69,02,02,960	81,998,213,589	35,750,152,354	1,608,139,203	37,473,266,883
Segment Liabilities	66,470,311,272	4,74,18,35,800	71,212,147,072	29,849,646,721	1,340,116,003	31,189,762,724
Unallocated Corporate Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	66,470,311,272	4,74,18,35,800	71,212,147,072	29,849,646,721	1,340,116,003	31,189,762,724
Capital expenditure	7,88,46,156	-	7,88,46,156	52,424,077	-	52,424,077
Depreciation	2,52,43,940	-	2,52,43,940	23,688,334	-	23,688,334
Other non-cash expenses	337,317,700	1,00,000	337,417,700	148,341,427	90,000	148,431,427



10) During the current year, management has re-formulated a provisioning policy which covers the RBI mandated specific provision on Standard Assets and NPAs along with additional specific provision on NPAs based on management estimates and additional contingency provision based on risk category assessment. These additional provisions would be over and above the provisioning on standard assets as required by Reserve Bank of India vide its notification DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated January 17, 2011. Based on this policy, an additional specific provision of Rs. 64,682,600 and an additional contingency provision of Rs. 52,548,477 has been made in the current year's financial statements.

11) Other Income includes cenvat credit of Rs. 30,544,453 pertaining to period April 2008 to March 2012.

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

Particulars/Year	Rs.			
	Opening	Purchase	Sales	Closing
Units of Mutual Funds 2012-2013	Nil	74,688,000,000	74,717,638,645	Nil
2011-12	Nil	22,299,623,340	22,307,991,444	Nil
Stock of Bonds/Govt. Securities-2012-2013	1,608,139,203	33,511,835,085	29,642,622,324	5,690,202,960
2011-2012	1,645,978,234	18,214,981,277	20,019,906,260	1,608,139,203

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

As per our report of even date

*S.V. Ghatalia & Associates LLP*  
 For S.V. Ghatalia & Associates LLP  
 ICAI Firm Registration No. 103162W  
 Chartered Accountants

*Amit Kabra*  
 per Amit Kabra  
 Partner  
 Membership No.094533



Mumbai  
 Dated: April 17, 2013

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

*[Signature]* Director  
*[Signature]* Director  
*[Signature]* Chief Executive Officer

*[Signature]* Chief Financial Officer  
*[Signature]* Manager

Mumbai  
 Dated: April 17, 2013

