

**INDEPENDENT AUDITOR'S REPORT****To the Members of Aditya Birla Financial Shared Services Limited****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Aditya Birla Financial Shared Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

**Management's Responsibility for the Ind AS Financial Statements**

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

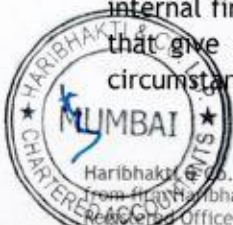
**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used





and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, its profit (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 28 (a) on Contingent Liabilities to the Ind AS financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management (Refer Note No. 32 to the financial statements).

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W /W100048



Sumant Sakhardande

Partner

Membership No.034828

Mumbai: April 27, 2017



**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Aditya Birla Financial Shared Services Limited on the financial statements for the year ended March 31, 2017]

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not have immovable properties; hence clause is not applicable to the Company.
- (ii) The Company does not hold any inventory. Accordingly, the provision stated in paragraph 3 (ii) of the Order is not applicable.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) (a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of investments, the Company has complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the services of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii)
- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, service tax, value added tax, cess and any other material statutory dues applicable to it.

AND

(a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	395,314	A.Y.2013-14	CIT (Appeals)	-
Income Tax Act, 1961	Income Tax	37,31,208	A.Y.2014-15	CIT (Appeals)	-

- (viii) According to the information and explanations given to us, the Company has not taken any loan from financial institutions and banks and the Company has not issued any debentures.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) In the absence of payment of remuneration to the managerial personnel, the provision stated in paragraph 3(xi) of the order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.



- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



  
Sumant Sakhardande

Partner

Membership No.034828

Mumbai: April 27, 2017



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Aditya Birla Financial Shared Services Limited on the financial statements for the year ended March 31, 2017]

**Para 1 - Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Aditya Birla Financial Shared Services Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Para 2 - Management's Responsibility for Internal Financial Controls**

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

**Para 3 - Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

**Para 4 - Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures





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

## Para 5 - Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Para 6- Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No.034828

Mumbai: April 27, 2017



## ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (NOTES) FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

#### A. COMPANY OVERVIEW:

Aditya Birla Financial Shared Services Limited ('the Company') was incorporated on 19<sup>th</sup> June 2008 under the provisions of the Companies Act, 1956. The registered office of the Company is located at India Bulls Centre, Tower 1, 18<sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013. It is a 100% subsidiary of Aditya Birla Financial Services Limited. The object of this Company is to provide a common pool of facilities and resources like providing technology, application and business process services to its group companies, with a view to optimize the benefits of specialization and minimize the cost for each member Company. The member companies have participated in the common pool of facilities and shared the expenses incurred by the Company

#### B. Significant Accounting Policies:

##### 1. (A) Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the Companies (Indian Accounting Standards) Rules, 2015 notified on 16th February, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. As per notification Listed Companies with net worth of Rs. 500 Crore or more are required to prepare IND AS financials from April 1, 2016. Holding, Subsidiary and associate companies of aforesaid companies are required to prepare IND AS financials from April 1, 2016. As the Holding Company i.e Aditya Birla Financial Services Ltd is a Subsidiary of Aditya Birla Nuvo Limited (ABNL), which is a Listed Company having net worth more than of Rs. 500 Crore, the Company has prepared its financials under IND AS for consolidation at ABNL level.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all the periods upto and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first financial statements the Company has prepared in accordance with Ind AS. The Financial Statements have been prepared on a historical cost basis, except certain financial assets and liabilities have been measured at fair value.

##### (B) Functional and presentation currency

These financial Statements are presented in Indian Rupees (INR), which is also the Company's Functional currency. All the amounts have been rounded-off to the nearest rupees unless otherwise indicated.





Accounting Policies and Notes to Financial Statements given here under are exhaustive and are in line with INDAS, however few of them are not applicable to the Company.

## 1.2 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

## 1.3 Cash and Bank Balances

Cash and Bank Balances represent cash and balance with scheduled bank in current account.

## 1.4 Property, Plant and Equipment & Depreciation

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

The Company has elected to regard those values of property as deemed cost at the date of the revaluation since they were broadly comparable to fair value. The Company has also determined that revaluation as at March 31, 2014 does not differ materially from fair valuation as at April 1, 2015. The Company regards the fair value as deemed cost at the transition date, viz., April 1, 2015.

All tangible assets are stated at cost net off accumulated depreciation and Impairment losses, if any. In case of Capital work in progress it is stated at cost.

Depreciation on tangible fixed assets is provided on straight line basis using the rates arrived at based on the useful estimated lives by the management.

The Company has used the following useful life to provide depreciation on its fixed assets.

Asset Type	Management's estimate of useful life (In years)	Useful Life as Prescribed by Schedule II of the Co. Act, 2013
i) Office Computers & Servers	4 years	6 years
a. Servers*	4 years	3 years
b. Others*		
ii) Furniture & Fixtures*	5 years	10 years
iii) Office Equipment's	5 years	5 years
iv) Vehicle	5 years	8 years





The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

### 1.5 Intangible assets and amortization

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

The Company has used the following useful life to provide depreciation on its fixed assets.

Asset Type	Management's estimate of useful life (In years)	Useful Life as Prescribed by Schedule II of the Co. Act, 2013
i) Intangible Assets (Software)	3 years	Not specified

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

### 1.6 Current versus non-current classification

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

### 1.7 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the





primary obligor in all the revenue arrangements as it has pricing latitude. The Service tax is not received by the Company on its own account. Rather, it is tax collected on the services rendered by the Company on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized

Dividends: Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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

## 1.9 Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the rates existing as at the balance sheet date. The resulting exchange gain or loss for revenue transactions is reflected in the Statement of Profit and Loss.

## 1.10 Retirement and other employee benefits

### A) Defined contribution plan

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

### B) Defined benefit plan

The Company operates two defined benefit plans for its employees, viz., and gratuity and leave encashment. The Company has no obligation, other than the contribution payable to the provident fund. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in





the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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

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

The company has long term incentive plan for different cadre of employee. The current year provision is based on the basis of an actuarial valuation.

### 1.11 Finance Leases

The determination of whether an arrangement is (or contains) a lease is based on the Substance of the arrangement at the inception of the lease. The arrangement is or contains lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys; a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The Company has capitalized the leased item at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return.

Assets acquired under finance leases are capitalized at the fair value of the leased asset at the inception of the lease and are depreciated on a straight-line basis over the useful life in accordance with the Company's depreciation policy.





## 1.12 Operating lease

Lease where the lessor effectively retains substantially all the risks and benefits and ownership power the lease term are classified as Operating leases. Operating lease rentals are recognized as an expense on straight line basis over the lease period.

## 1.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 1.14 Income-Tax

Tax expense comprises of current and deferred tax

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

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the inter period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

## 1.15 Impairment of Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables and credit risk exposure:





The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

#### a. Financial Assets

Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

#### b. Non Financial Assets

Intangible assets and equipment's

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated Amortization or depreciation) had no impairment loss been recognized for the asset in prior years.





## 1.16 Financial Liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables loans and borrowings including bank overdrafts, and any other financial instruments.  
Subsequent measurement

#### i) Financial liabilities at fair value through profit or loss:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### iii) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

## 1.17 Financial Assets

### Initial recognition and measurement:

All financial assets are recognized initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or





convention in the market place (regular way trades) are recognized on the trade date i.e. the date that the Company commits to purchase or sell the asset.

For purpose of subsequent measurement financial assets are classified in four categories

i) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However the Company recognizes interest income impairment losses & reversals in the P&L. On derecognition of the asset cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii) Debt instruments equity instruments at fair value through profit or loss (FVTPL)  
FVTPL is a residual category for debt instruments. Any debt instrument which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.





iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to P&L. even on sale of investment. However the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### 1.18 Off setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### 1.19 Contingent liabilities and commitments and assets

##### Provision for Contingencies

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

Contingent liabilities are disclosed by way of notes.

Contingent assets are possible assets that arise from a past event and whose existence is confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity

Where inflow of economic benefits is probable, the Company shall disclose a brief description of the nature of the contingent assets at the balance sheet date and, where practicable, an estimate of their financial estimate. Where any of the information required above is not disclosed because it is not practicable to do so, the fact shall be disclosed. In extremely rare circumstances, when disclosure of any or all the above information is considered to be seriously prejudicial to the position of the entity in a dispute with other parties on the subject matter of the contingent asset, the Company need not disclose the information but will disclose the general nature of the dispute, together with the fact that and reason why, the information has not been disclosed.





## 1.20 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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



Cash Flow Statement for the year ended 31st March 2017

(in Rupees)

Particulars	31 March 2017	31 March 2016
<b><u>Cash flow from operating activities</u></b>		
Net Profit as per Profit & Loss account before taxes	31,45,250	7,41,180
<i>Adjustment for:</i>		
Add: Depreciation	501,56,978	327,63,184
Add: Interest paid	125,30,483	83,53,945
Less: Dividend received	(3,52,111)	(1,46,740)
<b>Operating Profit before working capital changes</b>	<b>654,80,600</b>	<b>417,11,569</b>
(Increase) / decrease in short-term loans and advances	(41,46,368)	(11,71,534)
(Increase) / decrease in other current assets	(348,51,795)	39,48,247
(Increase) / decrease in long-term loans and advances	(33,26,186)	99,522
Increase / (decrease) in other long term liabilities	2,62,713	1,94,144
Increase / (decrease) in long-term provisions	32,35,065	68,32,970
Increase / (decrease) in trade payables	270,33,742	126,24,138
Increase / (decrease) in other current liabilities	169,20,194	105,17,918
Increase / (decrease) in short-term provisions	344,90,993	45,71,542
<b>Net cash flow from operating activities before taxes</b>	<b>1050,98,957</b>	<b>793,28,516</b>
Less : Taxes paid	(178,33,169)	(80,20,456)
<b>Net cash flow from operating activities (A)</b>	<b>872,65,788</b>	<b>713,08,060</b>
<b><u>Cash flow from investing activities</u></b>		
Purchase of tangible assets	(1378,44,549)	(530,54,726)
Purchase of Intangible assets	(113,06,419)	(398,58,458)
Dividend received	3,52,111	1,46,740
Purchase of Mutual Fund	(1406,52,110)	(507,00,000)
Redemption of Mutual Fund	1408,33,300	508,00,000
Dividend re-investment of Mutual Fund	(3,52,111)	(1,46,740)
<b>Net cash from Investing activities (B)</b>	<b>(1489,69,778)</b>	<b>(928,13,184)</b>
<b><u>Cash flow from financing activities</u></b>		
Proceed of long term borrowing (net)	1146,83,491	595,14,166
(Repayment) of long term borrowing (net)	(442,86,126)	(292,57,639)
Interest paid	(125,30,483)	(83,53,945)
<b>Net cash inflow from financing activities (C)</b>	<b>578,66,883</b>	<b>219,02,582</b>
<b>Net increase / (decrease) in cash and bank balances (A+B+C)</b>	<b>(38,37,108)</b>	<b>3,97,458</b>
Cash and Bank Balances at beginning of the year	51,73,852	47,76,394
<b>Cash and bank balances at end of the year (Refer Note 13)</b>	<b>13,36,745</b>	<b>51,73,852</b>
(Represents balance with bank in current account)		

As per our Report attached of even date

For Haribhakti &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration No : 103523W/W100048

MUMBAI

Sumant Sakhardande

Partner

Membership No. 034828

27 APR 2017

For and on behalf of Board of Directors

Aditya Birla Financial Shared Services Limited



A. Dhananjaya

Director

DIN: 01744569

Ajay Kakar

Director

DIN: 02130368

27 APR 2017



Aditya Birla Financial Shared Services Ltd  
Financial Statements  
Balance Sheet as at 31st March, 2017

		As at 31 March 2017	As at 31 March 2016	In Rs. As at 01 April 2015
	Note	Ind AS	Ind AS	Ind AS
<b>I ASSETS</b>				
(1) Non-current assets				
(a) Property, plant and equipment	2A	1448,45,195	540,74,885	163,11,727
(b) Intangible assets	2B	260,62,223	329,57,171	108,83,954
(c) Intangible assets under development		152,46,204	3,13,625	-
(d) Financial assets				
(i) Loans	4A	36,52,085	13,01,515	15,41,011
(f) Advance tax		547,84,735	369,51,566	303,69,592
(g) Other non-current-assets	6	12,97,705	6,53,622	4,92,540
		<b>2458,88,147</b>	<b>1262,52,384</b>	<b>595,98,824</b>
(2) Current assets				
(a) Financial assets				
(i) Investments	3	-	1,81,190	1,34,450
(ii) Cash and cash equivalents	8	13,36,745	51,73,853	47,76,393
(iii) Loans	4B	-	5,827	20,000
(iv) Others	5	446,00,970	97,49,175	136,97,421
(c) Other current assets	7	171,81,846	126,98,117	115,40,826
		<b>631,19,561</b>	<b>278,08,162</b>	<b>301,69,090</b>
<b>Total assets</b>		<b>3090,07,708</b>	<b>1540,60,546</b>	<b>897,67,914</b>
<b>II EQUITY AND LIABILITIES</b>				
(1) Equity				
(a) Equity share capital	9	5,00,000	5,00,000	5,00,000
(b) Other equity				
(i) Retained earnings	9A	34,08,555	7,95,538	15,00,147
<b>Total equity</b>		<b>39,08,555</b>	<b>12,95,538</b>	<b>20,00,147</b>
(2) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	10A	986,06,561	445,14,442	235,49,899
(ii) Other financial liabilities	11A	-	1,82,000	1,82,000
(b) Provisions	12A	91,27,853	58,92,788	63,51,035
(c) Deferred tax liabilities (net)		-	-	-
(d) Other non current liabilities	13A	6,87,393	2,42,680	48,536
		<b>1084,21,807</b>	<b>508,31,910</b>	<b>301,31,470</b>
(3) Current liabilities				
(a) Financial liabilities				
(ii) Trade and other payables	14	548,10,703	277,76,961	151,52,823
(iii) Other financial liabilities	11B	468,64,381	296,76,853	200,38,970
(b) Provisions	12B	649,51,960	304,60,967	185,98,208
(c) Other current liabilities	13B	300,50,302	140,18,317	38,46,295
		<b>1966,77,346</b>	<b>1019,33,098</b>	<b>576,36,297</b>
<b>Total liabilities</b>		<b>3050,99,153</b>	<b>1527,65,008</b>	<b>877,67,767</b>
<b>Total equity and liabilities</b>		<b>3090,07,708</b>	<b>1540,60,546</b>	<b>897,67,914</b>
Contingent liabilities & commitments	28			
Significant accounting policies	1			

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

As per our attached Report of even date

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No : 103523W/W100048  
MUMBAI

Sumant Sakhardande  
Partner  
Membership No. 034828  
Mumbai, April 27, 2017

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



A. Dhananjaya  
Director  
DIN: 01744569

Ajay Kakar  
Director  
DIN: 02130368

Aditya Birla Financial Shared Services Ltd  
Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March, 2017

	Note	In Rs.	
		Year Ended	Year Ended
		31 March 2017	31 March 2016
		Ind AS	Ind AS
Other Income	15	31,45,250	7,50,366
<b>Total Income</b>		<b>31,45,250</b>	<b>7,50,366</b>
<b>Expenditure</b>			
(a) Employee benefits expenses (Refer Note 2)	16	-	(36,25,498)
(b) Finance cost	17	-	-
(b) Depreciation and amortisation expense	18	-	-
(c) Other Expenses	19	-	16,493
<b>Total Expenses</b>		<b>-</b>	<b>(36,09,005)</b>
<b>Profit Before exceptional Item and tax</b>		<b>31,45,250</b>	<b>43,59,371</b>
Exceptional Item		-	-
<b>Profit before tax</b>		<b>31,45,250</b>	<b>43,59,371</b>
<b>Tax expenses</b>			
Current Tax		5,32,233	1,41,232
Write back of excess provision for tax related to earlier		-	12,97,250
Deferred tax (Net of MAT credit, if any)		-	-
<b>Profit for the year</b>		<b>26,13,017</b>	<b>29,20,889</b>
<b>Other comprehensive Income statement</b>			
A (i) Items that will be reclassified to profit or loss	20	-	(36,25,498)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	(36,25,498)
<b>Other comprehensive Income for the Year</b>		<b>-</b>	<b>(36,25,498)</b>
<b>Total comprehensive Income for the Year</b>		<b>26,13,017</b>	<b>(7,04,609)</b>
<b>Earnings per share (Face value of Rs.10 each)</b>			
- basic	21	52.26	58.42
- diluted		52.26	58.42

Significant Accounting Policies Refer Note : 1

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

As per our attached Report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No : 103523W/W100048



Sumant Sakhardande

Partner

Membership No. 034828

Mumbai, April 27, 2017

For and on behalf of Board of Directors

Aditya Birla Financial Shared Services Limited

*A. Dhananjaya*

A. Dhananjaya  
Director

DIN: 01744569

*Ajay Kakar*

Ajay Kakar  
Director

DIN: 02130368





## Statement of Changes in Equity for the year ended 31st March, 2017

## (A) EQUITY SHARE CAPITAL

For the year ended 31 March 2017

In Rs.

Balance as at 01-04-2016	Changes in equity share capital during the year	Balance as at 31-03-2017
5,00,000	-	5,00,000

For the year ended 31 March 2016

In Rs.

Balance as at 01-04-2015	Changes in equity share capital during the year	Balance as at 31-03-2016
5,00,000	-	5,00,000

## (B) OTHER EQUITY

For the year ended 31 March 2017

Particulars	Reserve and Surplus	
	Retained Earnings	Total Equity
Balance as of April 1, 2016	7,95,538	7,95,538
Profit for the year	26,13,017	26,13,017
Other Comprehensive Income/(loss) for the year:-	-	-
Total Comprehensive Income	-	-
Balance as at 31st March, 2016	34,08,554	34,08,554
Other Comprehensive Income/(loss) for the year:-		
- Remeasurement gains/(loss) on defined benefit plans	-	-
- Net Movement in cash flow hedges	-	-
- Fair value gain/(loss) on FVOCI financial assets	-	-
Balance as at 31st March, 2017	34,08,554	34,08,554

For the year ended 31 March 2016

Particulars	Retained Earnings	Total Equity
Balance as at 1st April, 2015	15,00,147	15,00,147
Profit for the year	29,20,889	29,20,889
Other Comprehensive Income/(loss) for the year:-	(36,25,498)	(36,25,498)
Balance as at 31st March, 2016	7,95,538	7,95,538

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

As per our attached Report of even date

For Haribhakti &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande  
Partner

Membership No. 034828

Mumbai, April 27, 2017

For and on behalf of Board of Directors

Aditya Birla Financial Shared Services Limited

A. Dhananjaya  
Director  
DIN: 01744569

Ajay Kakar  
Director  
DIN: 02130368



NOTE 2A

TANGIBLE ASSETS

Gross Block	Computer & Servers	Furniture & Fixtures	Office Equipment	Vehicles	TOTAL
As at 1 April 2015	163,01,048	8,753	1,927	-	163,11,727
Additions	488,81,839	34,14,467	18,323	4,26,472	527,41,101
Deletions/Adjustment	-	-	-	-	-
As at 31 March 2016	651,82,886	34,23,220	20,250	4,26,472	690,52,828
Additions	1149,53,253	6,88,680	1,61,310	80,74,368	1238,77,611
Deletions/Adjustment	-	-	-	(12,79,266)	(12,79,266)
As at 31 March 2017	1801,36,139	41,11,900	1,81,560	72,21,574	1916,51,173
Accumulated Depreciation					
For the year	148,51,045	85,771	5,587	35,540	149,77,943
Deletions/Adjustment	-	-	-	-	-
As at 31 March 2016	148,51,045	85,771	5,587	35,540	149,77,943
For the year	301,23,304	7,53,977	22,480	9,92,063	318,91,823
Deletions/Adjustment	-	-	-	(63,788)	(63,788)
As at 31 March 2017	449,74,349	8,39,748	28,067	9,63,815	468,05,978
Net book amount as at 31 March 2017	1351,61,790	32,72,152	1,53,493	62,57,759	1448,45,195
Net book amount as at 31 March 2016	503,31,841	33,37,449	14,663	3,90,932	540,74,885

Note : Refer Note No 29 for details of Assets Capitalized under Finance Lease.



NOTE 2B

INTANGIBLE ASSETS

	Specialised Software	TOTAL
As at 1 April 2015	108,83,954	108,83,954
Additions	398,58,458	398,58,458
Deletions/Adjustment	-	-
As at 31 March 2016	507,42,412	507,42,412
Additions	113,06,419	113,06,419
Deletions/Adjustment	-	-
As at 31 March 2017	620,48,831	620,48,831
For the year	177,85,242	177,85,242
Deletions/Adjustment	-	-
As at 31 March 2016	177,85,242	177,85,242
For the year	182,01,367	182,01,367
Deletions/Adjustment	-	-
As at 31 March 2017	359,86,608	359,86,608
Net book amount as at 31 March 2017	260,62,223	260,62,223
Net book amount as at 31 March 2016	329,57,171	329,57,171



Aditya Birla Financial Shared Services Ltd  
Notes forming part of Financial Statements

FINANCIAL INVESTMENTS

	As at 31 March 2017 <u>Ind AS</u>	As at 31 March 2016 <u>Ind AS</u>	In Rs. As at 01 April 2015 <u>Ind AS</u>
<b>NOTE: 3</b>			
<b>Current</b>			
<b>- Unquoted</b>			
- Classified at FVTPL			
- Mutual fund	-	1,81,190	1,34,450
	<u>-</u>	<u>1,81,190</u>	<u>1,34,450</u>

LOANS AND ADVANCES

NOTE: 4A

Long term loans and advances

Loan against Collateral Security

Security deposits - held at Amortise  
cost

Unsecured, considered Good

36,52,085	13,01,515	15,41,011
<u>36,52,085</u>	<u>13,01,515</u>	<u>15,41,011</u>

NOTE: 4B

Short term loans and advances

Loans and Advances to Employees

Considered good - held at Amortise cost

-	5,827	20,000
<u>-</u>	<u>5,827</u>	<u>20,000</u>





Aditya Birla Financial Shared Services Ltd

Notes forming part of Financial Statements

OTHER FINANCIAL ASSETS

	As at 31 March 2017 Ind AS	As at 31 March 2016 Ind AS	In Rs. As at 01 April 2015 Ind AS
<b>OTHER FINANCIAL ASSETS</b>			
<b>NOTE: 5</b>			
<b>Current</b>			
Reimbursement of expenses receivables from related parties. (Refer Annexure 1)	446,00,970	97,49,175	136,97,421
	<u>446,00,970</u>	<u>97,49,175</u>	<u>136,97,421</u>

- For ageing analysis of other financial assets, refer to Note 25.

OTHER NON FINANCIAL ASSETS

NOTE: 6

Other non current assets

Deferred rent expenses	10,51,574	3,43,977	4,39,273
Prepaid expense	2,46,131	3,09,645	53,267
	<u>12,97,705</u>	<u>6,53,622</u>	<u>4,92,540</u>

NOTE: 7

Other current assets

VAT, other taxes recoverable, statutory deposits and dues from Government	23,41,968	15,66,668	2,62,545
Prepaid expenses	113,87,448	109,90,456	111,08,872
Advance for expenses	29,79,904	-	-
Deferred rent expense	4,72,526	1,40,993	1,69,408
	<u>171,81,845</u>	<u>126,98,117</u>	<u>115,40,826</u>

NOTE: 8

CASH AND CASH EQUIVALENTS

Balances with banks

Current accounts	13,36,745	51,73,853	47,76,393
	<u>13,36,745</u>	<u>51,73,853</u>	<u>47,76,393</u>

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2017.



	(in Rupees)		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
<b>NOTE: 9</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised:</b>			
50,000 Equity Shares (p.y. 50,000 Equity Shares) of Rs. 10 each	5,00,000	5,00,000	5,00,000
Total	5,00,000	5,00,000	5,00,000
<b>Issued, Subscribed &amp; Paid up:</b>			
<b>EQUITY SHARE CAPITAL</b>			
50,000 Equity Shares (p.y. 50,000 Equity Shares) of Rs. 10 each	5,00,000	5,00,000	5,00,000
Total	5,00,000	5,00,000	5,00,000

## 1 Term/right attached to equity shares:

The company has only one class of equity Shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed 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 receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

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

S No	Description	As at 31-March-17		As at 31-March-16		As at 01-April-15	
		Equity Shares	Rupees	Equity Shares	Rupees	Equity Shares	Rupees
1	No of Shares outstanding at the beginning of the Year	50,000	5,00,000	50,000	5,00,000	50,000	5,00,000
2	Issued / Buyback	-	-	-	-	-	-
3	No of Shares outstanding at the end of the Year	50,000	5,00,000	50,000	5,00,000	50,000	5,00,000

## 3 All the Equity Share Capital are held by its Holding company i.e. Aditya Birla Financial Services Limited.

Name of Share Holder	As at 31-March-17		As at 31-March-16		As at 01-April-15	
	No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited)	50,000	100%	50,000.00	100%	50,000	100%

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

Name of Share Holder	As at 31-March-17		As at 31-Mar-16		As at 01-April-15	
	No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
Aditya Birla Financial Services Limited (Formerly known as Aditya Birla Financial Services Private Limited)	50,000	100%	50,000	100%	50,000	100%

## 5 There are no Equity Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bonus shares or bought back during the preceding last five years.





# Aditya Birla Financial Shared Services Ltd

## Notes forming part of Financial Statements

	As at 31 March 2017	As at 31 March 2016	In Rs. As at 01 April 2015
	Ind AS	Ind AS	Ind AS
<b>NOTE: 9A</b>			
<b>RETAINED EARNINGS</b>			
<b>Surplus in Profit and loss accounts</b>			
Opening Balance	7,95,538	15,00,147	15,00,147
Surplus in Profit and loss accounts	26,13,017	29,20,889	
Other Comprehensive income	-	(36,25,498)	
	<b>34,08,555</b>	<b>7,95,538</b>	<b>15,00,147</b>



Aditya Birla Financial Shared Services Ltd

Notes forming part of Financial Statements

NOTE: 10A

BORROWINGS

LONG-TERM BORROWINGS

Secured

Finance lease liability (Refer Note 25)

Taken from Hewlett Packard Financial Sales India Pvt. Ltd. against IT hardware and equipment of the Company.

Repayment Terms : Between 1 - 20 Quarterly Instalments from 1st April 2017 till 1st January 2021 with interest ranging from 10.92% to 15.64% per annum

Unsecured

Rupee term loans from

Others

Taken from Hewlett Packard Financial Sales India Pvt. Ltd . a comfort letter of Aditya Birla Nuvo Limited dated July 18, 2009 is issued to the lender

Repayment Terms : Between 1 - 20 Quarterly Instalments from 1st April 2017 till 1st June 2020 with interest ranging from 11.03% to 13.33% per annum

Total Long-term Borrowings

Total borrowings

	As at 31 March 2017 Ind AS	As at 31 March 2016 Ind AS	In Rs. As at 01 April 2015 Ind AS
Secured			
Finance lease liability (Refer Note 25)	885,72,473	380,44,888	85,88,941
<b>Total Secured</b>	<b>885,72,473</b>	<b>380,44,888</b>	<b>85,88,941</b>
Unsecured			
Rupee term loans from Others	100,34,088	64,69,554	149,60,958
<b>Total Unsecured</b>	<b>100,34,088</b>	<b>64,69,554</b>	<b>149,60,958</b>
<b>Total Long-term Borrowings</b>	<b>986,06,561</b>	<b>445,14,442</b>	<b>235,49,899</b>
<b>Total borrowings</b>	<b>986,06,561</b>	<b>445,14,442</b>	<b>235,49,899</b>

- For explanations on the Company's liquidity risk management processes, refer to Note 25.





**Aditya Birla Financial Shared Services Ltd**  
**Notes forming part of Financial Statements**

As at 31 March 2017 Ind AS	As at 31 March 2016 Ind AS	In Rs. As at 01 April 2015 Ind AS
548,10,703	277,76,961	151,52,823
<b>548,10,703</b>	<b>277,76,961</b>	<b>151,52,823</b>

**NOTE: 14**

**TRADE PAYABLES - TOTAL OUTSTANDING DUES OF**

- Micro enterprises and small enterprises
- Creditors other than micro enterprises and small enterprises

548,10,703	277,76,961	151,52,823
<b>548,10,703</b>	<b>277,76,961</b>	<b>151,52,823</b>

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017, and no interest payment made during the year to any Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

**OTHER FINANCIAL LIABILITIES**

As at 31 March 2017 Ind AS	As at 31 March 2016 Ind AS	In Rs. As at 01 April 2015 Ind AS
-	1,82,000	1,82,000
-	<b>1,82,000</b>	<b>1,82,000</b>

**NOTE: 11A**

**Non-Current:**

Deposits

-	1,82,000	1,82,000
-	<b>1,82,000</b>	<b>1,82,000</b>

**NOTE: 11B**

**Current:**

Current maturity of LT borrowings

Current maturity of finance lease liability

Interest accrued but not due

80,72,950	156,85,774	136,97,749
369,65,131	130,52,988	57,49,027
18,26,300	9,38,091	5,92,194
<b>468,64,381</b>	<b>296,76,853</b>	<b>200,38,970</b>

- For explanations on the Company's liquidity risk management processes, refer to Note 25.



Aditya Birla Financial Shared Services Ltd

Notes forming part of Financial Statements

PROVISIONS

	As at 31 March 2017 Ind AS	As at 31 March 2016 Ind AS	In Rs. As at 01 April 2015 Ind AS
<b>NOTE: 12A</b>			
<b><u>Long Term Provisions</u></b>			
<b>Provision for employee benefit</b>			
Provision for leave encashment	91,27,853	58,92,788	31,99,412
Provision for gratuity	-	-	31,51,623
	<b>91,27,853</b>	<b>58,92,788</b>	<b>63,51,035</b>

**NOTE: 12B**

**Short Term Provisions**

**Provision for employee benefit**

Provision for bonus	319,31,249	209,99,994	171,88,072
Provision for long term incentive plan	93,84,117	-	-
Provision for deferred compensation	11,60,068	4,14,636	4,14,636
Provision for leave encashment	26,21,662	17,55,120	9,95,500
Provision for gratuity	198,54,864	72,91,217	-
	<b>649,51,960</b>	<b>304,60,967</b>	<b>185,98,208</b>

**OTHER NON-FINANCIAL LIABILITIES**

**NOTE: 13A**

**Non- Current:**

Liability for rent straight lining	6,87,393	2,42,680	48,536
	<b>6,87,393</b>	<b>2,42,680</b>	<b>48,536</b>

**NOTE: 13B**

**Current:**

Statutory dues	80,78,683	38,78,505	36,00,832
Income received in advance	219,71,619	101,39,812	2,45,463
	<b>300,50,302</b>	<b>140,18,317</b>	<b>38,46,295</b>





	Year Ended 31 March 2017	In Rs. Year Ended 31 March 2016
	Ind AS	Ind AS
<b>NOTE 14</b>		
<b><u>OTHER INCOME</u></b>		
Dividend Income	3,52,111	1,46,740
Interest on Income tax refund	27,93,139	5,94,440
	<u>31,45,250</u>	<u>7,41,180</u>
<b>NOTE 15</b>		
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
Salaries, wages and bonus	1617,17,248	1112,21,626
Contribution to provident & other funds	125,28,231	101,58,425
Staff welfare expenses	33,11,579	28,15,000
	<u>1775,57,058</u>	<u>1241,95,051</u>
less : Recovery as professional services cost	(1775,57,058)	(1241,95,051)
	<u>-</u>	<u>-</u>
<b>NOTE 16</b>		
<b><u>FINANCE COST</u></b>		
Interest on finance lease obligation	125,30,483	83,53,945
Less : Recovery as professional services cost	(125,30,483)	(83,53,945)
	<u>-</u>	<u>-</u>
<b>NOTE 17</b>		
<b><u>DEPRECIATION AND AMORTISATION EXPENSES</u></b>		
Depreciation on tangible assets	318,91,823	149,77,943
Depreciation on intangible assets	182,01,367	177,85,242
	<u>500,93,190</u>	<u>327,63,184</u>
Less : Recovery as professional services cost	(500,93,190)	(327,63,184)
	<u>-</u>	<u>-</u>



Notes Forming Part Of Financial Statements For The Year Ended 31<sup>st</sup> March, 2017 :

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101

22. Employee Benefits

Employee Benefit Plans and Employee Contribution Plans

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

The Company has classified the various benefits provided to employees as under:

*Defined Contribution Plans*

Contributions to defined contribution plans recognized as expense for the year are as under:

Particulars	(In Rs.)	
	As at 31-03-2017	As at 31-03-2016
Employer's Contribution to Government Employee Provident Fund	52,00,805	35,72,111
Employer's Contribution to Government Employee Pension Fund	10,07,620	8,47,749

*Defined Benefit Plan*

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actual basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in balance sheet through other comprehensive income. Thus, employee benefits expense is reduced by Rs. 139,83,875/- and is recognised in other comprehensive income during the year ended 31st March, 2017 and same has been recovered from related parties.

Gratuity is payable to all eligible employees on superannuation, death or on separation / termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and unfunded status of paid leave encashment and the amounts recognized in the Company's financial statements as at 31 March 2017.

	As at 31 March 2017	As at 31 March 2016
<b>i Amounts recognised in the Balance Sheet in respect of Gratuity</b>		
Present Value of the funded Defined Benefit Obligations at the end of the year	332,14,051	127,38,821
Fair Value of Plan Assets	133,59,187	54,47,604
<b>Net (Asset) / Liability</b>	<b>198,54,864</b>	<b>72,91,217</b>
<b>Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity</b>		
Current Service cost	57,58,782	6,73,264
Interest on net defined benefit liability / (assets)	5,61,025	1,34,562
Past Service Cost	-	-
<b>Net Gratuity Cost</b>	<b>63,19,807</b>	<b>8,07,826</b>
<b>Amount recognised in Other Comprehensive Income (OCI) for the year</b>		
Actual return on plan assets excluding interest income	(2,01,198)	1,24,923
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	15,53,196	1,88,866
Actuarial changes arising from changes in experience assumptions	126,31,877	(30,09,433)
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>139,83,875</b>	<b>(26,95,644)</b>





ii Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:

<b>Change in net liability/ assets</b>		
Opening net defined benefit liability/ (assets)	72,91,217	71,23,901
Expense charged to profit and loss account	63,19,807	8,07,826
Amount recognised outside profit and loss account - OCI	139,83,875	(26,95,644)
Employer Contributions	(77,40,035)	20,55,134
Closing net defined benefit liability / (asset)	<b>198,54,864</b>	<b>72,91,217</b>
<b>Change in Present</b>		
Opening Defined Benefit Obligations	127,38,821	125,93,121
Current Service Cost	57,58,782	6,73,264
Interest Cost	9,80,193	2,37,869
Actuarial changes arising from changes in financial assumptions	15,53,196	1,88,866
Actuarial changes arising from changes in experience assumptions	126,31,877	(30,09,433)
Benefits Paid	(4,48,818)	20,55,134
Closing Defined Benefit Obligations	<b>332,14,051</b>	<b>127,38,821</b>
<b>Change in Fair Value of the Plan Assets:</b>		
Opening Fair Value of the Plan Assets	54,47,604	54,69,220
Interest Income on plan assets	4,19,168	1,03,307
Actual return on plan assets less interest on plan assets	2,01,198	(1,24,923)
Contributions by the Employer	77,40,035	(20,55,134)
Benefits Paid	(4,48,818)	20,55,134
Closing Fair Value of the Plan Assets	<b>133,59,187</b>	<b>54,47,604</b>

iii Funding Arrangement and Policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is Rs. 26,034,080 (Previous Year Rs. 9,902,472).

**Maturity Profile of defined benefit obligation**

	As at 31 March 2017	As at 31 March 2016
Within the next 12 months (next annual reporting period)	2,41,192	1,24,787
Between 2 and 5 years	10,50,246	6,07,452
Between 6 and 9 years	60,40,282	13,81,849
10 years and Above	1171,98,603	459,59,251

The weighted average duration to the payment of these cash flows is 17 years (Previous Year 16 Years)

iv Quantitative sensitivity analysis for significant assumption is as below :

Increase / decrease on present value of defined benefits obligation at the end of the year

	As at 31 March 2017	As at 31 March 2016
i) 50 bps increase in discount rate	306,77,051	-7.60%
ii) 50 bps decrease in discount rate	360,02,856	8.40%
i) 50 bps increase in rate of salary increase	359,24,717	8.20%
ii) 50 bps decrease in rate of salary increase	307,20,237	-7.50%
i) 50 % increase in employee turnover rate	323,10,255	-2.70%
ii) 50 % decrease in employee turnover rate	342,27,796	3.10%



### Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Disaggregation of Plan Assets	Period Ended 31st March 2017		
	Quoted Value	Non Quoted Value	Total
Government debt instruments	-	15,90,521	15,90,521
Other debt instruments	-	54,985	54,985
	-	2,89,600	2,89,600
Insurer Managed Funds	-	79,79,406	79,79,406
Others	-	34,44,683	34,44,683
<b>Grand Total</b>	-	<b>133,59,195</b>	<b>133,59,195</b>

Disaggregation of Plan Assets	Period Ended 31st March 2016		
	Quoted Value	Non Quoted Value	Total
Government debt instruments	-	11,42,849	11,42,849
Other debt instruments	-	21,829	21,829
Special Deposit Scheme	-	1,14,973	1,14,973
Insurer Managed Funds	-	30,16,878	30,16,878
Others	-	11,51,075	11,51,075
<b>Grand Total</b>	-	<b>54,47,604</b>	<b>54,47,604</b>

There are no amount included in the Fair value of Plan Assets for:

- Company's own
- Property occupied by or other assets used by the Company

vi	Principal Actuarial Assumptions at the Balance Sheet Date	As at	As at
		31 March 2017	31 March 2016
	Discount Rate	7.40%	7.70%
	Salary escalation		
	Salary escalation - Staff	10.00%	10.00%
	Mortality rate during employment	100.00%	100.00%
	Rate of Employee Turnover		
	Age - Up to 30 Years	11.90%	11.90%
	Age 31 to 44 Years	2.40%	2.40%
	Age 44 and above	0.00%	0.00%

Disability :- Leaving service due to disability is included in the provision made for all causes of leaving service (as above)

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

### 23. Related Party Transactions

During the year ended 31st March 2017, the Company had transactions with related parties as defined in IND-AS 9 on "Related Party Disclosures". Related Parties have been identified by the management on the basis of the information available with the Company. Details of these parties with whom the Company had transactions, nature of the relationship, transactions with them and balances at year-end, are detailed as under.

Particulars	Country	Nature of Relationship
Aditya Birla Finance Ltd - Wealth Division *	India	Fellow Subsidiary
Aditya Birla Capital Advisors Private Limited	India	Fellow Subsidiary
Aditya Birla Money Limited	India	Fellow Subsidiary
Aditya Birla Insurance Brokers Limited	India	Fellow Subsidiary
Aditya Birla Finance Limited	India	Fellow Subsidiary
Birla Sun Life Insurance Company Limited	India	Fellow Subsidiary
Aditya Birla Customer Services Limited	India	Fellow Subsidiary
Birla Sun Life Asset Management Company Limited	India	JV/Associate of Parent Company
Aditya Birla Housing Finance Company Limited	India	Fellow Subsidiary
Aditya Birla Health Insurance Company Limited	India	Fellow Subsidiary
Aditya Birla Financial Services Limited	India	Holding Co.
Aditya Birla Nuvo Ltd	India	Ultimate Holding Company
Idea Cellular Ltd	India	Associate of ultimate Holding Company





## 24. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

### Exemptions and exceptions availed

These financial statements, for the year ended 31st March, 2017, are the first, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended 31st March 2016, the company prepared its financial statement in accordance with the accounting standards notified under section 133 of the companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014, (Indian GAAP).

Accordingly, the company has prepared its Financial Statements to comply with Ind AS for the year ending 31st March 2017, together with comparative Financial Statements as at and for the year ended 31st March 2016, as described in the Summary of significant accounting policies. In preparing these financial statements, the company's Opening Balance Sheet was prepared as at 1st April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP Financial Statements, including the Balance Sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March, 2016.

### Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- i.) The Company has elected to apply previous GAAP carrying amount of its equipment's as deemed cost as on the date of transition to Ind AS, after making necessary adjustments, i.e. capitalisation of equipment in accordance with Ind AS.
- ii) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS, this assessment should be carried out at the inception of the contract or arrangement. However, the company has done the assessment of lease in contracts based on conditions prevailing as at the transition.

### Exceptions:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

#### a) Estimates

The estimates at 1st April, 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

The estimates used by the company to present these amounts in accordance with the Ind AS reflect conditions as at the transition date and as of 31st March 2016.

#### b) Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial Liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### c) Classification and measurement of financial assets

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.



Reconciliation of equity as at 31 March 2016 (date of transition to Ind AS)

Note	Indian GAAP*	Adjustments	Ind AS
	In Rs.	In Rs.	In Rs.
<b>I ASSETS</b>			
(1) Non-current			
(a) Property, Plant and Equipment	540,74,885		540,74,885
(c) Intangible assets	329,57,171		329,57,171
(d) Intangible assets under development	3,13,625		3,13,625
(e) Financial Assets			
Investments			
(i) Loans and advances	18,12,999	-5,11,484	13,01,515
(iii) Others	-	-	-
(g) Advance tax	369,51,566		369,51,566
(h) Other non-current-assets	3,09,645	3,43,977	6,53,622
	<b>1264,19,891</b>	<b>-1,67,507</b>	<b>1262,52,384</b>
(2) Current assets			
(a) Inventories			-
(b) Financial Assets			
(i) Investments	1,81,190		1,81,190
(ii) Cash and cash equivalents	51,73,853		51,73,853
(iii) Loans and Advances	5,827		5,827
(iv) Others	97,49,175		97,49,175
(c) Other current assets (Non Financials)	125,57,124	1,40,993	126,98,117
	<b>276,67,169</b>	<b>1,40,993</b>	<b>278,08,162</b>
<b>Total assets</b>	<b>1540,87,060</b>	<b>-26,514</b>	<b>1540,60,545</b>
<b>II EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity Share capital	5,00,000	-	5,00,000
(b) Other Equity			
(i) Retained Earnings	8,22,053	-26,514	7,95,537
<b>Total equity</b>	<b>13,22,053</b>	<b>-26,514</b>	<b>12,95,537</b>
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	445,14,442		445,14,442
(ii) Other Financial Liabilities	1,82,000		1,82,000
(b) Provisions	58,92,788		58,92,788
(c) Deferred tax liabilities (net)	-		-
(d) Other non current liabilities	2,42,680		2,42,680
	<b>508,31,910</b>	<b>-</b>	<b>508,31,910</b>
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-		-
(ii) Trade and Other Payables	277,76,961		277,76,961
(iii) Other Financial Liabilities	296,76,853		296,76,853
(b) Other Current Liabilities			
(a) Provisions	304,60,967		304,60,967
(b) Deferred tax liabilities (net)	-		-
(c) Other non current liabilities	140,18,317		140,18,317
	<b>1019,33,098</b>	<b>-</b>	<b>1019,33,098</b>
<b>Total liabilities</b>	<b>1527,65,008</b>	<b>-</b>	<b>1527,65,008</b>
<b>Total Equity and Liabilities</b>	<b>1540,87,061</b>	<b>-26,514</b>	<b>1540,60,545</b>

\* IGAP figures have been reclassified to confirmed to IND AS presentation requirement for the purpose of this note





## Reconciliation of equity as at 31 March 2015 (date of transition to Ind AS)

	Indian GAAP	Adjustments	Ind AS
	In Rs.	In Rs.	In Rs.
<b>I ASSETS</b>			
(1) Non-current			
(a) Property, Plant and Equipment	163,11,727		163,11,727
(c) Intangible assets	108,83,954		108,83,954
(d) Intangible assets under development	-		-
(e) Financial Assets	-		-
Investments	-		-
(ii) Loans and advances	21,55,812	-6,14,801	15,41,011
(iii) Others	-	-	-
(g) Advance tax	303,69,592		303,69,592
(h) Other non-current-assets	66,355	4,26,185	4,92,540
	<b>597,87,440</b>	<b>-1,88,616</b>	<b>595,98,824</b>
(2) Current assets			
(a) Inventories	-		-
(b) Financial Assets			
(i) Investments	1,34,450		1,34,450
(ii) Cash and cash equivalents	47,76,393		47,76,393
(iii) Loans and Advances	20,000		20,000
(iii) Others	136,97,421		136,97,421
(c) Other current assets	113,71,417	1,69,408	115,40,825
	<b>299,99,681</b>	<b>1,69,408</b>	<b>301,69,089</b>
<b>Total assets</b>	<b>897,87,123</b>	<b>-19,208</b>	<b>897,67,914</b>
<b>II EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity Share capital	5,00,000	-	5,00,000
(b) Other Equity			
(i) Retained Earnings	15,19,355	-19,208	15,00,147
<b>Total equity</b>	<b>20,19,355</b>	<b>-19,208</b>	<b>20,00,147</b>
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	235,49,899		235,49,899
(ii) Other Financial Liabilities	1,82,000		1,82,000
(b) Provisions	63,51,035		63,51,035
(c) Deferred tax liabilities (net)	-		-
(d) Other non current liabilities	48,536		48,536
	<b>301,31,470</b>	<b>-</b>	<b>301,31,470</b>
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-		-
(ii) Trade and Other Payables	151,52,823		151,52,823
(iii) Other Financial Liabilities	200,38,970		200,38,970
(b) Other Current Liabilities			
(a) Provisions	185,98,208		185,98,208
(b) Current tax liabilities (Net)	-		-
(c) Other non current liabilities	38,46,295		38,46,295
	<b>576,36,297</b>	<b>-</b>	<b>576,36,297</b>
<b>Total liabilities</b>	<b>877,67,767</b>	<b>-</b>	<b>877,67,767</b>
<b>Total Equity and Liabilities</b>	<b>897,87,122</b>	<b>-19,208</b>	<b>897,67,914</b>



(In Rs.)

Particulars	As at	As at
	31 March 2016	31 March 2015
Total equity as per I GAAP	13,22,053	20,19,355
Adjustments		
Fair valuation of security deposits net off deferred rent expenses	-26,514	-19,208
<b>Total equity as per IND AS</b>	<b>12,95,539</b>	<b>20,00,147</b>

(In Rs.)

Particulars	As at	As at
	31 March 2016	31 March 2015
Total profit as per I GAAP	-6,97,302	7,16,369
Adjustments		
Fair valuation of security deposits net off deferred rent expenses	-7,307	-19,208
Actuarial gain/(Loss)	36,25,498	-
<b>Total profit as per IND AS</b>	<b>29,20,889</b>	<b>6,97,161</b>

Under I GAAP interest free security deposit are recorded at the transaction value under INDAS all financial assets are required to be recognized at fair value accordingly the company has fair valued security deposits under INDAS, difference between fair value and transaction value has been recognised as deferred rent, consequent to this the amount of security deposits decreased by Rs. 511,484/- as at 31st March 2016 (614,801/- at 01st April 2015). The deferred rent increase by 484,970/- as at 31st March 2016 ( Rs.595,594/-01st April 2015). Total impact on equity is Rs 26,514/- Profit for the year and total equity as at 31st March 2016 decrease by 7307/- due to amortisation of deferred rent which is partially offset by notional interest income.

Under IND AS remeasurement i.e. Actuarial gain or losses and return on plan assets excluding amount included in the net interest expense on defined benefit liabilities are recognised in other comprehensive income instead of profit or Loss. Under I GAAP this were forming part of profit and loss. The profit for the year ended 31st March 2016 increase by 36,25,498/- no impact on equity.

There are no material recocilation items between cash flow prepared under I GAAP and those prepared under IND AS

#### CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement are met through equity and operating cash flows. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The Company has primarily investment in fixed rate borrowings. Hence the company is not significantly exposed to interest rate risk.

#### FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

##### PRINCIPLES FOR ESTIMATING FAIR VALUE

- The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

- The carrying value of trade receivable, trade payable, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

##### Trade and other receivables

Interest-free receivables are discounted if it has a material impact on fair value. The carrying amount has been reduced for impaired receivables and reflects a reasonable approximation of fair value due to limited credit risk and short time to maturity.

##### Cash and short-term deposits

Fair value is assumed to be equal to the carrying amount.

##### Long-term interest-bearing debt and other long-term liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows. Since there are no active market with quoted prices, Group have used valuation techniques to estimate the fair value. It is evaluated by the group based on parameters such as interest rates, creditworthiness of the company etc.

##### Trade payables and other short-term debt

Interest-free short-term payables are discounted if it has material impact on fair value. Fair value is assumed to be equal to the carrying amount due to limited credit risk and short time to maturity.





### Foreign exchange contracts and interest rate swaps

- The fair value of foreign exchange contracts and interest rate swaps is based on their listed market price.
- The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

### FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method at 31 March 2010. The different levels have been defined as follows:

**Level 1:** category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

**Level 2:** category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

**Level 3:** category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

As at 31 March 2017

Particulars	Carrying amount As at 31.03.2017	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>				
Security Deposit - Non Current	52,02,699	-	-	36,52,085
	52,02,699	-	-	36,52,085
<b>Financial assets at fair value through profit or loss</b>				
Investments in Mutual Funds	-	-	-	-
	-	-	-	-
<b>Total</b>	52,02,699	-	-	36,52,085
<b>Total Financial Assets</b>	52,02,699			
<b>Financial liabilities at amortised cost</b>				
Fixed rate borrowings	1035,95,092			923,05,682
Finance lease obligations, if any	400,49,659			402,77,698
<b>Total</b>	1436,44,751	-	-	1325,83,380

As at 31st March 2016

Particulars	Carrying amount As at 31.03.2016	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>				
Security Deposit - Non Current	18,12,999	-	-	13,01,515
	18,12,999	-	-	13,01,515
<b>Financial assets at fair value through profit or loss</b>				
Investments in Mutual Funds	1,81,190	-	1,81,190	-
	1,81,190	-	1,81,190	-
<b>Total</b>	19,94,189	-	1,81,190	13,01,515
<b>Total Financial Assets</b>	19,94,189			
<b>Financial liabilities at amortised cost</b>				
Fixed rate borrowings	192,35,028			192,29,778
Finance lease obligations, if any	540,18,175			541,45,058
<b>Total</b>	732,53,203	-	-	733,74,836



As at 1 April 2015

Particulars	Carrying amount As at 1.04.2015	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>				
Security Deposit - Non Current	21,55,812	-	-	15,41,011
	21,55,812	-	-	15,41,011
<b>Financial assets at fair value through profit or loss</b>				
Investments in Mutual Funds	1,34,450	-	1,34,450	-
<b>Total</b>	<b>22,90,262</b>	<b>-</b>	<b>1,34,450</b>	<b>15,41,011</b>
<b>Total Financial Assets</b>	<b>22,90,262</b>	<b>-</b>	<b>1,34,450</b>	<b>15,41,011</b>
<b>Financial liabilities at amortised cost</b>				
Fixed rate borrowings	286,58,707			286,24,745
Finance lease obligations, if any	143,36,137			143,98,359
<b>Total</b>	<b>429,94,844</b>	<b>-</b>	<b>-</b>	<b>430,23,104</b>

The fair value of unquoted investment have been calculated using Nav.

The fair value of fixed rate borrowings and finance lease obligations have been calculated using Discounted Cash flow method

The management has assessed that cash & cash equivalent, short term loans & advances and other receivable from related parties, short term deposit received, trade payable approximate their carrying amount largely due to short term maturities of these instruments

During the reporting period 31st March 2017 & 31st March 2016, there were no transfer between level I & level II fair value measurement.

## 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial risk management is an integral part of how to plan and execute its business strategies. The company's financial risk management policy is set by the Managing Board of Risk management committee.

### Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Majority of receivables are from related parties hence company has nominal credit risk as on balance sheet date.

Exposure to credit risk	(In Rs.)	
	As at	As at
	31 March 2017	31 March 2016
Other non-current investments	-	-
Long term loans and advances	36,52,085	13,01,515
Other long term financial assets	12,97,705	6,53,622
Cash and bank balances	13,36,745	51,73,853
Short-term loans and advances	-	5,827

### Trade Receivable

As at 31 March 2017	Neither past due nor impaired	Past due but not impaired					Total
		(In Rs.)					
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Financial assets receivable from related parties	446,00,970	-	-	-	-	-	446,00,970
	446,00,970	0	0	0	0	0	446,00,970

No significant changes in estimation techniques or assumptions were made during the reporting period.

### Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.





### Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March 2017	Less Than 3 Months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	(In Rs.) Total
Borrowings	135,00,193	333,64,234	466,04,779	374,78,137	145,23,600	-	1454,70,943
Trade & Other Payables	548,10,703	-	-	-	-	-	548,10,703
	683,10,896	333,64,234	466,04,779	374,78,137	145,23,600	-	2002,81,646

As at 31 March 2016	Less Than 3 Months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Borrowings	86,93,324	207,40,904	197,25,842	186,95,346	63,35,986	-	741,91,402
Trade & Other Payables	277,76,961	-	-	-	-	-	277,76,961
	364,70,285	207,40,904	197,25,842	186,95,346	63,35,986	-	1019,68,363

As at 31 March 2015	Less Than 3 Months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Borrowings	58,99,218	141,37,860	154,81,192	50,79,930	29,88,838	-	435,87,038
Trade & Other Payables	151,52,823	-	-	-	-	-	151,52,823
	210,52,041	141,37,860	154,81,192	50,79,930	29,88,838	-	587,39,861

### 26. Deferred Tax (Net)

Deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. During the year there is no deferred tax in the books.

### 27. Segment Information

Ind AS 108 introduces a 'management approach' to identifying and measuring the financial performance of an entity's operating segments. Segment information provided in financial statements is based on the information used internally by management. The Company's operations is to provide common pool of facilities to its group companies. The member companies participate in common pool of facilities and share the expenses incurred by the Companies. Accordingly there is no revenue which is accounted in statement of profit or loss account of the Company related to its operation. Hence there is no segment wise internal reporting which is used by the Management for taking key decision.

### 28. Contingent Liabilities And Commitments:

#### (a) Contingent Liabilities:

Contingent Liability related to income tax matters (A.Y. 2013-14) Rs. 395,314/- lacs as on March 31, 2017 (Rs. Nil March 31, 2016). This is related to disallowance of late contribution of employee provident fund. The Company has preferred appeal against the order passed by the income tax department. The appeal has been filed with CIT (Appeals).

Contingent Liability related to income tax matters (A.Y. 2014-15) net off payment (Rs. 658,502/-)Rs. 37,31,208/- as on March 31, 2017 (Rs. Nil March 31, 2016). This is related to depreciation claimed by the Company on assets purchased from HPFS on lease. The Company has claimed depreciation on such assets which was disallowed by the Income tax department. The Company has preferred appeal against the order passed by the income tax department. The appeal has been filed with CIT (Appeals).

#### (b) Capital Commitment:

Value of estimated contracts remaining to be executed on capital account not provided for is Rs. 39,75,532 /- (Previous year: Rs. 651,815/-).

### 29. Assets acquired under finance leases

Fixed assets stated below as at 31st March 2017 have been acquired on finance lease.

Particulars	Cost	Accumulated	Net Book Value
<b>Current Year (Rs)</b>			
Computer & Servers	147,75,579	31,33,580	116,41,999
<b>Previous Year (Rs)</b>			
Computer & Servers	482,30,856	67,82,636	414,29,897



The lease rentals charged during the current year and the maximum obligations on finance leases payable at the balance sheet date, as per the rentals stated in the agreements are as follows:

Particulars	(In Rs.)	
	31 March 2017	31 March 2016
Lease payments made	257,05,122	178,69,376
Interest paid	66,05,659	44,04,392
Present Value of lease payments	190,99,463	134,64,984

Particulars	(In Rs.)		
	Not Later than One Year	Later Than One year but not later than five years	Later Than five years
Minimum Lease payment outstanding	255,47,719	340,65,601	-
Future Interest Outstanding	54,76,298	33,51,068	-
Present Value of lease payments	200,71,421	307,14,533	-

### 30. Operating leases

Particulars	(In Rs.)	
	31 March 2017	31 March 2016
A) Operating Lease payment recognised into Statement of Profit and Loss:	57,38,207	49,77,461
The Company has taken leasehold premises		
B) The future minimum lease rental payments in respect of non-cancellable operating lease are as follows:		
i) Not later than one year	71,09,181	32,35,752
ii) Later than one year and not later than five years	191,73,789	98,69,046
iii) Later than five years		-

### 31 Income Tax Disclosure

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

	(In Rs.)	
	31 March 2017	31 March 2016
<b>Current income tax:</b>		
Current income tax charge	5,32,233	1,41,232
Adjustments in respect of current income tax of previous year	-	12,97,250
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences		-
Income tax expense reported in the statement of profit or loss	5,32,233	14,38,482
<b>OCI section - Deferred tax related to items recognised in OCI during in the year:</b>		
	31 March 2017	31 March 2016
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Unrelised	-	-
Income tax expense charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

	(In Rs.)	
	31 March 2017	31 March 2016
Accounting Profit before tax from continuing operations	-	-
Profit/(Loss) before tax from Other Income	31,45,250	7,41,179
Enacted tax rates in India- MAT	31,45,250	7,41,179
	19.06%	19.06%
Accounting profit before income tax		
At India's statutory income tax rate of 19.055% (31 Mar 2016: 19.055%)	5,99,327	1,41,232
Less: Income not taxable	(67,095)	-
Add: Write Back of previous year tax		12,97,250
Income tax expense as per effective tax rate	5,32,233	14,38,482





### 32. Cash transaction in specified bank notes

1. The company did not hold or transact in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. The SBN shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016.

Particulars	(In Rupees)		
	SBNs	denomination	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

### 33 Amendments to Ind AS7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 April 2017. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No : 103523W/W100048



Sumant Sakhardande  
Partner

Membership No. 034828

Place : Mumbai

Date : 27th April, 2017



For and on behalf of the Board of Directors

Aditya Birla Financial Shared Services Limited

A. Dhananjaya

Director

DIN: 02130368

Place : Mumbai

Date : 27th April, 2017

Ajay Kakar

Director

Director

DIN: 02130368

**ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED**

Disclosures in Terms of Ind As 24 on Related Party Disclosure for the year ended 31st March 2017

(A) Enterprises where control exists

Holding Company : Aditya Birla Financial Services Ltd (Formerly known as Aditya Birla Financial Services Pvt. Ltd)

Ultimate holding company : Aditya Birla Nuvo Ltd

Annexure : 1

Disclosures in respect of transactions with related parties and outstanding balances as on 31st March 2017

Sr. No.	RPT Confirmation	Description of Relationship with the party	Year Ended		
			31 March 2017	31 March 2016	31 March 2015
	<b>Brief description - Company wise and item wise</b>				
1	<b>Aditya Birla Finance Ltd - Wealth Division *</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.27,02,042/-) b) Reimbursement of Salary (Rs.40,63,569/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs. 6,81,348/-) d) Reimbursement of other Expenses (Rs.53,40,881/-) e) Prepaid expenses for AMC, License etc. (Rs. 79,27,850/-) f) Prepaid balance of AMC, License etc (Cr.Rs.2,48,278/-) g) Gratuity - Other Comprehensive Income (Rs.3,69,303/-) <b>Outstanding</b>	Fellow Subsidiary	207,15,689	169,56,791	80,96,302
2	<b>Aditya Birla Capital Advisors Private Limited</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.4,43,628/-) b) Reimbursement of Salary (Rs.13,03,871/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.222,291/-) d) Reimbursement of other Expenses (Rs.7,82,274/-) e) Prepaid expenses for AMC, License etc. (Rs.6,49,126/-) f) Prepaid balance of AMC, License etc (Cr.Rs.41,733/-) g) Gratuity - Other Comprehensive Income (Rs.11,45,52/-) <b>Outstanding</b>	Fellow Subsidiary	34,01,190	23,91,873	5,62,366
3	<b>Aditya Birla Money Limited</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.35,53,363/-) b) Reimbursement of Salary (Rs.87,07,471/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.14,47,707/-) d) Reimbursement of other Expenses (Rs.72,93,774/-) e) Prepaid expenses for AMC, License etc. (Rs.62,40,117/-) f) Prepaid balance of AMC, License etc (Cr.Rs.2,31,827/-) g) Gratuity - Other Comprehensive Income (Rs.7,69,027/-) <b>Outstanding</b>	Fellow Subsidiary	272,42,431	216,89,287	117,28,302
4	<b>Aditya Birla Insurance Brokers Limited</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.31,15,248/-) b) Reimbursement of Salary (Rs.77,23,267/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.12,63,346/-) d) Reimbursement of other Expenses (Rs.71,88,515/-) e) Prepaid expenses for AMC, License etc. (Rs.45,93,151/-) f) Prepaid balance of AMC, License etc (Cr.Rs.2,74,872/-) g) Gratuity - Other Comprehensive Income (Rs.6,88,982/-) <b>Outstanding</b>	Fellow Subsidiary	238,83,527	112,92,428	53,09,405
5	<b>Aditya Birla Finance Limited</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.10,835,336/-) b) Reimbursement of Salary (Rs.30,213,314/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.50,26,914/-) d) Reimbursement of other Expenses (Rs.23,963,871/-) e) Prepaid expenses for AMC, License etc. (Rs.12,155,936/-) f) Prepaid balance of AMC, License etc (Cr.Rs.13,31,709/-) g) Gratuity - Other Comprehensive Income (Rs.26,73,821/-) <b>Outstanding</b>	Fellow Subsidiary	821,95,371	452,81,727	225,60,964
			22,75,530	14,68,619	21,25,381





**ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED**

Disclosures in Terms of Ind As 24 on Related Party Disclosure for the year ended 31st March 2017

(A) Enterprises where control exists

Holding Company : Aditya Birla Financial Services Ltd (Formerly known as Aditya Birla Financial Services Pvt. Ltd)

Ultimate holding company : Aditya Birla Nuvo Ltd

Annexure : 1

Disclosures in respect of transactions with related parties and outstanding balances as on 31st March 2017

Sr. No.	RPT Confirmation	Description of Relationship with the party	Year Ended		
			31 March 2017	31 March 2016	31 March 2015
6	<b>Birla Sun Life Insurance Company Limited</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.32,944,615) b) Reimbursement of Salary (Rs.57,389,131/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.92,97,123/-) d) Reimbursement of other Expenses (Rs.96,100,482/-) e) Prepaid expenses for AMC, License etc. (Rs.61,916,878/-) f) Prepaid balance of AMC, License etc (Cr.Rs.69,07,968/-) g) Gratuity and LE Liability transferred (Rs.51,91,275/-) h) Gratuity - Other Comprehensive Income (Rs.4,911,009/-) i) Transfer of Assets (Rs.59,469/-) <b>Outstanding</b>	Fellow Subsidiary	2576,48,229	1841,14,559	979,68,539
7	<b>Aditya Birla Customer Services Limited</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.20,88,402/-) b) Reimbursement of Salary (Rs.52,74,651/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.8,56,244/-) d) Reimbursement of other Expenses (Rs.18,95,150/-) e) Prepaid expenses for AMC, License etc. (Rs. 58,96,579/-) f) Prepaid balance of AMC, License etc (Cr.Rs.12,580/-) g) Gratuity - Other Comprehensive Income (Rs.4,31,910/-) i) Capitalisation W. I. P.- (Rs.13,069,876/-) <b>Outstanding</b>	Fellow Subsidiary	160,11,027	96,07,378	10,59,977
8	<b>Birla Sun Life Asset Management Company Limited</b> <b>Transaction</b> a) Reimbursement of expenses receivable. (service tax Rs.16,543,523/-) b) Reimbursement of Salary (Rs.39,867,758/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.65,77,155/-) d) Reimbursement of other Expenses (Rs.37,962,169/-) e) Prepaid expenses for AMC, License etc. (Rs.25,586,545/-) f) Prepaid balance of AMC, License etc (Cr.Rs.22,95,944/-) g) Gratuity - Other Comprehensive Income (Rs.3,444,119/-) <b>Outstanding</b>	Fellow Subsidiary	1265,37,150	850,22,351	452,90,551
9	<b>Aditya Birla Housing Finance Company Limited</b> <b>Transaction (w.e.f. 01.04.2016)</b> a) Reimbursement of expenses receivable. (service tax Rs.1,565,260/-) b) Reimbursement of Salary (Rs.7,168,063/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs.11,61,494/-) d) Reimbursement of other Expenses (Rs.1,927,811/-) e) Prepaid expenses for AMC, License etc. (Rs.1,77,658/-) f) Prepaid balance of AMC, License etc (Cr.Rs.33,098/-) g) Gratuity - Other Comprehensive Income (Rs.579,592/-) <b>Outstanding</b>	Fellow Subsidiary	120,00,286	-	-
10	<b>Aditya Birla Health Insurance Company Limited</b> <b>Transaction (w.e.f. 01.04.2016)</b> a) Reimbursement of expenses receivable. (service tax Rs. 3,62,911/-) b) Reimbursement of Salary (Rs. 2,283,531/-) c) Reimbursement of contribution to PF & other fund - Inclusive of OCI (Rs. 22,520 cr balance/-) d) Reimbursement of other Expenses (Rs.245,388/-) e) Gratuity - Other Comprehensive Income (Rs.1,559/- ) f) Reimbursement of exp to health (Rs. 100,047) g) Paid for Insurance premium (Rs. 48,53,996) <b>Outstanding</b>	Fellow Subsidiary	77,36,355	7,19,331	-
			20,13,838	-	-
			35,00,916	(7,19,331)	-



ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Disclosures in Terms of Ind As 24 on Related Party Disclosure for the year ended 31st March 2017

(A) Enterprises where control exists

Holding Company : Aditya Birla Financial Services Ltd (Formerly known as Aditya Birla Financial Services Pvt. Ltd)

Ultimate holding company : Aditya Birla Nuvo Ltd

Annexure : 1

Disclosures in respect of transactions with related parties and outstanding balances as on 31st March 2017

Sr. No.	RPT Confirmation	Description of Relationship with the party	Year Ended		
			31 March 2017	31 March 2016	31 March 2015
11	Aditya Birla Financial Services Limited Transaction a) Reimbursement of expenses receivable. (service tax Rs.1,04,890/-) b) Reimbursement of other Expenses (Rs.6,98,986/- ) c) Capital Expenses (Rs.4,40,212/- ) d) Capital W.I.P. (Rs.27,36,466/- ) e) Recovery of Expenses (Rs.2,39,959/- ) Outstanding Deposit Deposit Refund Paid (Rs. 1,82,000/-)	Holding company	38,75,664	111,72,841	27,22,440
12	Aditya Birla Nuvo Ltd Transaction a) Gratuity Benefit Obligation and Leave Encashment Benefit (Rs.65,475/-) Outstanding	Ultimate Holding company	-	(15,11,422)	2,57,134
13	Idear Cellular Ltd a) Reimbursement of expenses receivable. (Nil) Outstanding	Associate of ultimate Holding Company	562593 18078	(1,82,000)	(1,82,000)
					6,400

Note:

\*Wealth Management Business - Division of Aditya Birla Money Mart Limited(ABMML) has been merged with Aditya Birla Finance Limited(ABFL) with effect from 01st April 2016 and appointed date being 1st April, 2016.

