

## INDEPENDENT AUDITORS' REPORT

To the Members of Aditya Birla Financial Shared Services Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Shared Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;



# HARIBHAKTI & CO.

Chartered Accountants

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;  
and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No. 103523W



  
Nimant Sakhardande

Partner

Membership No. 034828

Mumbai: May 02, 2014

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Aditya Birla Financial Shared Services Limited on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) The clause (ii), Para 4 is not reported upon as it is not applicable to the company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that Company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) 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 meaning of Sections 58A and 58AA of the Act and the rules framed there under.



# HARIBHAKTI & CO.

Chartered Accountants

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) Undisputed statutory dues including provident fund, income-tax, service tax, cess, profession tax have not been regularly deposited with the appropriate authorities and there has been a slight delay in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess, profession tax, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, service tax, and cess which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us the Company has not taken any loan from financial institution, bank and company has not issued any debenture.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

The Company has not obtained any term loans.



# HARIBHAKTI & CO.

Chartered Accountants

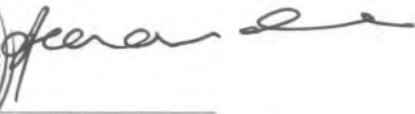
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) 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 on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W



  
Vinant Sakhardande

Partner

Membership No. 034828

Mumbai: May 02, 2014

Aditya Birla Financial Shared Services Limited

Balance sheet as at 31st March 2014

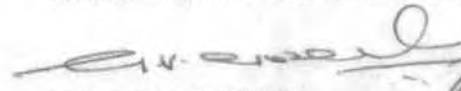
EQUITY & LIABILITIES	Note No	(in Rupees)	
		As at 31-Mar-14	As at 31-Mar-13
<b>Shareholders' funds</b>			
Share Capital	2	5,00,000	5,00,000
Reserves and Surplus	3	8,02,986	1,22,947
		<u>13,02,986</u>	<u>6,22,947</u>
<b>Non-current liabilities</b>			
Long-Term Borrowings	4	3,63,97,208	5,75,25,598
Other Long Term Liabilities	5	1,82,000	-
Long-Term Provisions	6	17,44,666	12,35,445
		<u>3,83,23,874</u>	<u>5,87,61,043</u>
<b>Current liabilities</b>			
Trade payables	7	1,49,48,483	1,30,81,299
Other Current Liabilities	8	3,50,55,289	3,33,31,626
Short-Term Provisions	9	1,56,90,736	1,09,78,742
		<u>6,56,94,508</u>	<u>5,73,91,667</u>
<b>TOTAL</b>		<u>10,53,21,368</u>	<u>11,67,75,657</u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	10A	1,58,18,789	2,59,63,945
Intangible assets	10B	2,27,00,692	3,83,96,541
Intangible assets under development		6,50,000	-
		<u>3,91,69,481</u>	<u>6,43,60,486</u>
Long-Term Loans and Advances	11	3,06,77,254	2,78,74,792
		<u>3,06,77,254</u>	<u>2,78,74,792</u>
<b>Current Assets</b>			
Cash & Cash Equivalents	12	26,50,793	16,67,126
Short-Term Loans and Advances	13	1,28,12,203	1,48,21,187
Other Current Assets	14	2,00,11,637	80,52,066
		<u>3,54,74,633</u>	<u>2,45,40,379</u>
<b>TOTAL</b>		<u>10,53,21,368</u>	<u>11,67,75,657</u>

Significant Accounting Policies


The Accompanying notes form an integral part of the Financial Statement

As per our Report attached

For and on behalf of Board of Directors



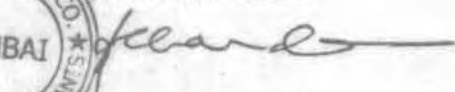
G. V. GOPALAKRISHNAN  
Director

  
PANKAJ RAZDAN  
Director

For HARIBHAKTI & CO.

Chartered Accountants  
Registration no. 103523W



  
ANANT SAKHARDANDE  
Partner

Membership No. 034828  
Mumbai, May 02, 2014



Aditya Birla Financial Shared Services Limited

Statement of Profit and Loss for the year ended 31st March 2014

(in Rupees)

		Year Ended 31-Mar-14	Year Ended 31-Mar-13
<b>Income</b>			
Other Income	15	9,84,137	-
<b>Total Revenue</b>		<b>9,84,137</b>	<b>-</b>
<b>Expenses</b>			
Employee Benefits Expenses	16	-	-
Finance Cost	17	-	-
Depreciation And Amortisation Expenses	18	-	-
Other Expenses	19	-	-
<b>Total Expenses</b>		<b>-</b>	<b>-</b>
<b>Net Profit before tax</b>		<b>9,84,137</b>	<b>-</b>
<b>Tax expenses</b>			
Current tax		3,04,098	-
Deferred tax		-	-
<b>Net Profit after Tax</b>		<b>6,80,039</b>	<b>-</b>

Basic Earnings per Share - Rs.

Diluted Earnings per Share - Rs.

(Face Value of Rs 10/- each)

20 13.60

Significant Accounting Policies

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The Accompanying notes form an integral part of the Financial Statement

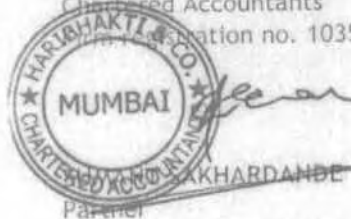
As per our Report attached

For and on behalf of Board of Directors

For HARIBHAKTI & CO.

Chartered Accountants

Registration no. 103523W



AKHARDANDE  
Partner

Membershp No. 034828

Mumbai, May 02, 2014

G. V. GOPALAKRISHNAN  
Director

PANKAJ RAZDAN  
Director



Aditya Birla Financial Shared Services Limited

Cash Flow Statement for the year ended 31st March 2014

(in Rupees)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
<b><u>Cash flow from operating activities</u></b>		
Net Profit as per Profit & Loss Account before taxes	6,80,039	-
<i>Adjustment for Non Cash Items</i>		
Add: Depreciation	3,04,40,408	2,98,12,173
<b>Operating Profit before working capital changes</b>	<b>3,11,20,447</b>	<b>2,98,12,173</b>
(Increase) / Decrease in Short-Term Loans and Advances	20,08,984	(1,90,02,224)
(Increase) / Decrease in Other Current Assets	(1,19,59,572)	38,33,390
(Increase) / Decrease in Long-Term Loans and Advances	(28,02,462)	47,41,351
Increase / (Decrease) in Other Long Term Liabilities	1,82,000	-
Increase / (Decrease) in Long-Term Provisions	5,09,221	5,46,991
Increase / (Decrease) in Trade payables	14,67,184	(72,95,328)
Increase / (Decrease) in Other Current Liabilities	2,59,699	17,84,497
Increase / (Decrease) in Short-Term Provisions	47,11,994	46,39,930
<b>Net cash flow from operating activities before Taxes</b>	<b>2,54,97,495</b>	<b>1,90,60,780</b>
Less : Taxes Paid	-	-
<b>Net cash flow from operating activities (A)</b>	<b>2,54,97,495</b>	<b>1,90,60,780</b>
<b><u>Cash flow from investing activities</u></b>		
Purchase of Tangible Assets	(19,96,924)	(88,49,425)
Purchase of Intangible Assets	(28,52,479)	(2,31,24,431)
Sale of fixed assets	-	-
<b>Net cash from Investing activities (B)</b>	<b>(48,49,403)</b>	<b>(3,19,73,856)</b>
<b><u>Cash flow from financing activities</u></b>		
Proceed from Long Term Borrowing	61,53,154	3,29,42,102
Repayment of Long Term Borrowing	(2,58,17,579)	(2,44,04,457)
Proceed / (Repayment) of Short Term Borrowing (net)	-	-
<b>Net cash inflow from financing activities (C)</b>	<b>(1,96,64,425)</b>	<b>85,37,645</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>9,83,667</b>	<b>(43,75,431)</b>
Cash and cash equivalents at beginning of the year	16,67,126	60,42,557
<b>Cash and cash equivalents at end of the year</b>	<b>26,50,793</b>	<b>16,67,126</b>

For Haribhakti & Co.  
Chartered Accountants  
Registration No : 103523W



Membership No. 034828  
Mumbai, May 02, 2014

*Sumant Sakhardande*

For and on behalf of the Board

*G.V. Gopalakrishnan*

G.V. Gopalakrishnan  
Director



*Pankaj Razdan*  
PANKAJ RAZDAN  
Director



## 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 MARCH 31, 2014

### NOTE 1

#### A. COMPANY OVERVIEW:

Aditya Birla Financial Shared Services Limited ('the Company') was incorporated on 19<sup>th</sup> June 2008. It is a subsidiary of Aditya Birla Financial Services Private 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 specialisation 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 and member companies.

#### B. Significant Accounting Policies:

##### 1.1 Basis of Preparation

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

##### 1.2 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of 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 Cash Equivalents

Cash and cash equivalents represent cash and balance with scheduled banks in current account.

##### 1.4 Tangible & Intangible Assets

Fixed assets are stated at cost less accumulated depreciation / amortization as adjusted for impairment, if any. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit / functioning capability from / of such assets.

All expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and Loss during the year in which they are incurred. Depreciation is charged over the estimated useful life of the fixed asset on a straight-line basis.

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



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### 1.5 Depreciation / Amortization

Depreciation on fixed assets is charged for the complete month, if acquired in the first half of the month. Depreciation on Fixed Assets is provided on straight-line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except for certain assets, where based on the Management's estimate of the useful lives of the assets, higher depreciation has been provided at the following rates:

Asset Type	Management's estimate of useful life (In years)
i) Intangible Assets (Softwares)	3 years
ii) Office Computers & Servers	4 years
iii) Furniture & Fixtures	5 years
iv) Vehicles	5 years
v) Office Equipments	5 years

Fixed assets having an original cost of less than Rs. 5,000 individually are depreciated fully in the year of purchase.

Depreciation on assets sold during the year is recognized on a pro-rata basis to the statement of Profit and Loss till the date of sale

### 1.6 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 profit and loss account.

### 1.7 Employee Benefits

#### A) Provident Fund

The Company contributes to a recognized Provident fund scheme, which is a defined contribution scheme. The Contributions are accounted for on an accrual basis and charged to Profit & Loss Account

#### B) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation using Projected Unit Credit Method made at the end of each financial year. Actuarial gains/losses are immediately taken to Profit & Loss Account

#### C) Leave Encashment

Compensated absences are entitled to be carried forward for future encashment or availment, at the option of the employee during the tenure of the employment, subject to the rules framed by the company in this regard. Accumulated compensated absences entitlements outstanding at the close of the year are accounted on the basis of an independent actuarial valuation. Accumulated entitlements at the time of separation are entitled to be encashed.

### 1.8 Finance Leases

Assets acquired under finance leases are capitalised 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.



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### 1.9 Operating lease

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

### 1.10 Income-Tax

The accounting treatment for income-tax in respect of the Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The provision made for income-tax in the accounts comprises both, the current tax and deferred tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognized in the statement of Profit & Loss and the cumulative effect thereof is reflected in the Balance Sheet.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

### 1.11 Impairment of Assets

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

### 1.12 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 not provided for in the accounts and are disclosed by way of notes. A contingent asset is neither recognised nor disclosed.

### 1.13 Earnings per Share

Basic earning per share is 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 earning 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.



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Notes Forming Part Of Financial Statements For The Year Ended 31<sup>st</sup> March, 2014 :

1) Employee Benefits

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	As at 31st March 2014	As at 31st March 2013
Employer's Contribution to Government Employee Provident Fund	19,37,997	13,86,487
Employer's Contribution to Government Employee Pension Fund	2,66,965	2,34,794

*Defined Benefit Plan*

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 unfunded 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 2014.

a) Change in present Value of Obligation

	As at 31st March 2014	As at 31st March 2013
	Gratuity ( Unfunded)	Gratuity ( Unfunded)
Present Value of Obligation as at 1st April 2014	12,52,324	9,82,410
Liability in respect of transfer employees	68,100	
Interest Cost	1,08,935	20,262
Current Service Cost	6,98,590	1,39,123
Benefits Paid	(50,650)	
Actuarial (Gain)/ loss on Obligation	(3,09,950)	1,10,529
Present Value of Obligation as at 1st April 2014	17,67,349	12,52,324
Present value of obligation, as at 31 March 2014	17,67,349	12,52,324
Fair value of plan assets as at 31st March 2014	NIL	NIL
Assets / (Liabilities) recognized in the Balance Sheet	17,67,349	12,52,324

b) Expenses recognized during the year

	Current Year Rs. Gratuity ( Unfunded)	Previous Year Rs. Gratuity ( Unfunded)
Current Service Cost	6,98,590	1,39,123
Interest Cost	1,08,935	20,262
Expected return on plan assets	NIL	NIL
Net Actuarial (gain)/loss to be recognised	(3,09,950)	1,10,529
Net Cost	4,97,575	2,69,914



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c) Assumptions used in Accounting for the Gratuity Plan

	Indian Assures Lives (2006-08)	LIC (1994-96)
Mortality rate		
Discount rate (p.a.)	9.00%	8.25%
Salary escalation rate (p.a)	8.50%	7.50%
Expected rate of return on plan assets (p.a)	8.50%	8.50%

d) Experience Adjustments :

Present Value of Defined Benefit Obligation	17,67,349	12,52,324
Fair Value of Plan Assets	NIL	NIL
(Surplus)/Deficit	17,67,349	12,52,324
Experience adjustment on Plan Liability(Gain)/ Loss for the year ending 31.3.2014	-3,56,700	-34,567
Experience adjustment on Plan Assets (Gain)/ Loss for the year ending 31.3.2014	NIL	NIL

2. Related Party Disclosures under Accounting Standard 18:

During the year ended 31st March 2014, the Company has had transactions with related parties as defined in Accounting Standard 18 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 has had transactions, nature of the relationship, transactions with them and balances at year-end, are detailed in Annexure 1. :

3. 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.

4. Segment Information

The Company has single reporting segment i.e. to provide for common pool of facilities and resources identified to Aditya Birla Group Companies. As such, there are no separate reportable segments as per Accounting Standards 17 on 'Segment Reporting' Issued by the Institute of Chartered Accountants of India.

5. Contingent Liabilities And Commitments:

There are no contingent liabilities as at March 31, 2014. (Previous year :Rs : Nil)

Value of estimated contracts remaining to be executed on capital account not provided for is Rs. 11,18,750/- (Previous year: Rs. 16,58,215).

6. Assets acquired under finance leases

Fixed assets stated below as at 31st March 2014 have been acquired on finance lease.

Particulars	Cost	Accumulated Depreciation	Net Book Value
<b>Current Year (Rs)</b>			
Computer & Servers	17,12,500	2,63,917	14,48,583
Software	24,90,939	5,62,519	19,28,420
<b>Previous Year (Rs)</b>			
Computer & Servers	35,83,042	4,45,482	31,37,560
Software	2,78,36,188	48,65,701	2,29,70,487



✓

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	As at 31st March 2014	As at 31st March 2013
Lease payments made	3,39,74,239	3,40,48,692
Interest paid	81,90,379	96,08,849
Present Value of lease payments	2,57,83,860	2,44,39,843

Particulars	Not Later than One Year	Later Than One year but not later than five years	Later Than five years
Minimum Lease payment outstanding	3,64,71,996	4,16,06,232	-
Future Interest Outstanding	72,47,591	53,69,350	-
Present Value of lease payments	2,92,24,405	3,62,36,882	-

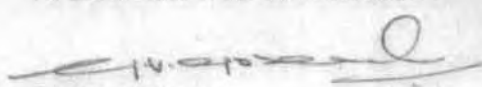
7. Operating leases

Particulars	As at 31st March 2014	As at 31st March 2013
A) Operating Lease payment recognised into Profit and Loss Account:	49,69,960	52,35,082
The Company has taken certain leasehold Improvements, Furniture & Fixtures and Office equipments on Non-cancellable operating lease.		
B) The future minimum lease rental payments in respect of non-cancellable operating lease are as follows:		
i) Not later than one year	38,10,289	45,45,688
ii) Later than one year and not later than five years	4,01,023	42,11,312
iii) Later than five years		

8. The Company has not paid Loan installment and interest thereon for the month ended 31st March, 2014 on due date in respect of 15 loans amounting to Rs. 24,38,629 (installment) and Rs. 9,38,233 (Interest). This was paid on 28th April 2014

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

For and on behalf of the Board of Directors



G.V. Gopalakrishnan  
Director



Pankaj Razdan  
Director

Place : Mumbai  
Date : May 02, 2014



Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statement for the Year ended 31st March 2014

(in Rupees)

NOTE: 2  
SHARE CAPITAL

	As at 31-Mar-2014	As at 31-Mar-2013
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Authorised:

50,000 Equity Shares (P Y 50,000 Equity Shares) of Rs. 10 each	5,00,000	5,00,000
Total	5,00,000	5,00,000

Issued, Subscribed & Paid up:

EQUITY SHARE CAPITAL

50,000 Equity Shares (P Y 50,000 Equity Shares) of Rs. 10 each	5,00,000	5,00,000
	5,00,000	5,00,000

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

S No	Description	As at 31-Mar-14		As at 31-Mar-13	
		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
2	Issued / Buyback	-	-	-	-
3	No of Shares outstanding at the end of the Year	50,000	5,00,000	50,000	5,00,000

2 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.

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

i) Equity Shares

Name of Share Holder	As at 31-Mar-14		As at 31-Mar-13	
	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 Private Limited	50,000	100.00%	50,000	100.00%

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

i) Equity Shares

Name of Share Holder	As at 31-Mar-14		As at 31-Mar-13	
	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 Private Limited	50,000	100.00%	50,000	100.00%



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Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statement for the Year ended 31st March 2014

(in Rupees)

As at 31-Mar-2014      As at 31-Mar-2013

NOTE: 3

RESERVES & SURPLUS

Surplus as per statement of Profit & Loss Account

Opening Balance	1,22,947	1,22,947
(+) Net Profit for the current year	6,80,039	
	8,02,986	1,22,947

NOTE 4

LONG-TERM BORROWINGS

SECURED LOANS

Long term Maturities of Finance Lease Obligation      77,38,499      1,37,16,783  
 Taken from Hewlett Packard Financial Sales India Pvt. Ltd. Against IT hardware and equipment of the Company situated at Mumbai.

Repayment Terms : Between 1 - 20 Quarterly Instalments Amounting to Rs 60,44,424/- from 1st April 2014 till 1st November 2018 with interest ranging from 12.61 to 15.64 percent per annum

77,38,499	1,37,16,783
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UNSECURED LOANS

Loan taken from company other than from Bank      2,86,58,709      4,38,08,814  
 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 Amounting to Rs 17,06,206/- from 1st April 2014 till 1st November 2018 with interest ranging from 9.75 to 13.06 percent per annum

2,86,58,709	4,38,08,814
3,63,97,208	5,75,25,598

Note : 5

Other Long Term Liabilities

Deposit from Related Party (Refer to Annexure I )	1,82,000	-
	1,82,000	-



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## Notes forming part of the Financial Statement for the Year ended 31st March 2014

	As at 31-Mar-2014	(in Rupees) As at 31-Mar-2013
NOTE 6		
<u>LONG-TERM PROVISIONS</u>		
Provisions for Employee Benefits		
Gratuity (Non Funded)	17,44,666	12,35,445
	<u>17,44,666</u>	<u>12,35,445</u>

NOTE 7  
TRADE PAYABLES

Trade Payables	1,49,48,483	1,30,81,299
	<u>1,49,48,483</u>	<u>1,30,81,299</u>

## Disclosure under Sec. 22 of MSMED Act, 2006

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, 2014. 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."

NOTE 8  
OTHER CURRENT LIABILITIES

Current Maturities of Finance Lease Obligations	83,03,855	97,01,196
Current Maturities of Loan from Other Company	2,07,61,005	1,78,99,700
Interest accrued but not due on borrowings	8,51,861	14,07,635
Interest accrued and due on borrowings	9,38,233	-
<u>Other Payables:</u>		
Withholding Taxes Payable	11,04,393	16,21,081
Service Tax Payable	22,41,119	20,82,850
Other Statutory Dues	3,88,798	3,05,248
Others	4,66,026	3,13,916
	<u>3,50,55,289</u>	<u>3,33,31,626</u>

NOTE 9  
SHORT-TERM PROVISIONS

<u>Provisions for Employee Benefits</u>		
Leave Encashment	27,62,877	20,87,379
Gratuity (Non Funded)	22,683	16,879
Bonus	1,29,05,175	88,74,484
	<u>1,56,90,735</u>	<u>1,09,78,742</u>



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Aditya Birla Financial Shared Services Limited  
Notes forming part of the Financial Statement for the Year ended 31st March 2014

NOTE 10A  
TANGIBLE ASSETS

	Computer & Servers	Furniture & Fixtures	Office Equipment	TOTAL
<b>Gross Block</b>				
As at 1 April 2012	4,30,39,213	2,61,981	47,840	4,33,49,034
Additions	88,49,425	-	-	88,49,425
Deletions/Adjustment	-	-	-	-
As at 31 March 2013	5,18,88,638	2,61,981	47,840	5,21,98,459
Additions	19,96,924	-	-	19,96,924
Deletions/Adjustment	-	-	-	-
As at 31 March 2014	5,38,85,562	2,61,981	47,840	5,41,95,383
<b>Accumulated Depreciation</b>				
As at 1 April 2012	1,44,17,290	96,052	25,648	1,45,38,990
For the year	1,16,35,836	52,392	7,296	1,16,95,524
Impairment	-	-	-	-
Deletions/Adjustment	-	-	-	-
As at 31 March 2013	2,60,53,126	1,48,444	32,944	2,62,34,514
For the year	1,20,82,392	52,392	7,296	1,21,42,080
Impairment	-	-	-	-
Deletions/Adjustment	-	-	-	-
As at 31 March 2014	3,81,35,518	2,00,836	40,240	3,83,76,594
Net book amount as at 31 March 2013	2,86,21,923	1,65,929	22,192	2,88,10,044
Net book amount as at 31 March 2014	1,57,50,045	61,145	7,600	1,58,18,789

NOTE 10B  
INTANGIBLE ASSETS

	Specialised Software	TOTAL
<b>As at 1 April 2012</b>		
As at 1 April 2012	6,19,02,033	6,19,02,033
Additions	2,78,95,794	2,78,95,794
Deletions/Adjustment	-	-
As at 31 March 2013	8,97,97,827	8,97,97,827
Additions	26,02,479	26,02,479
Deletions/Adjustment	-	-
As at March 2014	9,24,00,306	9,24,00,306
<b>As at 1 April 2012</b>		
As at 1 April 2012	3,32,84,637	3,32,84,637
For the year	1,81,16,649	1,81,16,649
Impairment	-	-
Deletions/Adjustment	-	-
As at 31 March 2013	5,14,01,286	5,14,01,286
For the year	1,82,98,328	1,82,98,328
Impairment	-	-
Deletions/Adjustment	-	-
As at 31 March 2014	6,96,99,614	6,96,99,614
Net book amount as at 31 March 2013	3,83,96,541	3,83,96,541
Net book amount as at 31 March 2014	2,27,00,692	2,27,00,692



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Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statement for the Year ended 31st March 2014

(in Rupees)

	As at 31-Mar-2014	As at 31-Mar-2013
<b>NOTE 11</b>		
<b><u>LONG-TERM LOANS &amp; ADVANCES</u></b>		
(unsecured considered Good)		
Prepaid Expenses	3,36,322	2,08,967
Rent Deposit given to Employee	1,50,000	-
Security Deposits	17,08,399	17,08,399
Advance tax / TDS (net of provision of Tax Rs.456,938/- P.Y. Rs. 1,52,840/-)	2,84,82,533	2,59,57,426
	<u>3,06,77,254</u>	<u>2,78,74,792</u>

**NOTE 12**

**CASH & CASH EQUIVALENTS**

Cash in hand	-	-
Balances with Bank in Current Account	26,50,793	16,67,126
	<u>26,50,793</u>	<u>16,67,126</u>

**NOTE 13**

**SHORT-TERM LOANS & ADVANCES**

(Unsecured, Considered Good )		
Balance with Statutory/Government Tax Authorities	3,92,080	33,40,272
Prepaid expenses	1,22,91,238	1,14,80,915
Advance to Employees	1,00,000	-
Loan to Employee	28,886	-
	<u>1,28,12,204</u>	<u>1,48,21,187</u>

**NOTE 14**

**OTHER CURRENT ASSET**

(Unsecured, Considered Good )		
Reimbursement of expenses receivable from Related Parties (Refer to Annexure I )	2,00,11,638	80,52,066
	<u>2,00,11,638</u>	<u>80,52,066</u>



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Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statement for the Year ended 31st March 2014

	(in Rupees)	
	Year Ended	Year Ended
	31-Mar-2014	31-Mar-2013
<b>NOTE 15</b>		
<b><u>OTHER INCOME</u></b>		
Interest on Income Tax Refund	9,84,137	-
	<u>9,84,137</u>	<u>-</u>
<b>NOTE 16</b>		
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
Salaries, Wages and Bonus	6,27,73,809	4,68,29,625
Contribution to Provident & Other Funds	36,65,048	28,33,420
Staff Welfare Expenses	25,48,242	14,10,177
	<u>6,89,87,099</u>	<u>5,10,73,222</u>
Less : Recovery as Professional Services Cost	<u>(6,89,87,099)</u>	<u>(5,10,73,222)</u>
	<u>-</u>	<u>-</u>
<b>NOTE 17</b>		
<b><u>FINANCE COST</u></b>		
Interest on Finance Lease Obligation	87,17,797	97,18,706
Less : Recovery as Professional Services Cost	<u>(87,17,797)</u>	<u>(97,18,706)</u>
	<u>-</u>	<u>-</u>
<b>NOTE 18</b>		
<b><u>DEPRECIATION AND AMORTISATION EXPENSES</u></b>		
Depreciation on Tangible Assets	1,21,42,080	1,16,95,524
Depreciation on Intangible Assets	1,82,98,328	1,81,16,649
	<u>3,04,40,408</u>	<u>2,98,12,173</u>
Less : Recovery as Professional Services Cost	<u>(3,04,40,408)</u>	<u>(2,98,12,173)</u>
	<u>-</u>	<u>-</u>



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Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statement for the Year ended 31st March 2014

(in Rupees)

	Year Ended 31-Mar-2014	Year Ended 31-Mar-2013
NOTE 19		
<u>OTHER EXPENSES</u>		
Rent	53,87,647	55,25,028
Repairs & Maintenance - Others	9,91,725	10,60,045
Insurance	8,05,844	4,95,432
Legal & Profession Fees	2,14,18,155	2,37,20,531
Auditors Remuneration		
Audit fees	1,20,000	75,000
Tax Audit fees	60,000	40,000
Other fees	1,34,164	60,000
Software & Support Expenses	2,97,05,345	3,08,09,881
Electricity charges	5,38,682	5,08,818
Printing & Stationery	7,83,404	3,05,476
Travelling & Conveyance	30,03,377	21,06,585
Communication Expenses	12,28,149	15,31,151
Security Expenses	3,40,695	2,51,442
Service Charges	2,10,218	1,50,268
Membership Expenses	1,89,818	2,06,726
Miscellaneous Expenses	2,85,522	2,34,419
	<u>6,52,02,745</u>	<u>6,70,80,801</u>
Less : Recovery as Professional Services Cost	<u>(6,52,02,745)</u>	<u>(6,70,80,801)</u>
	-	-



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Aditya Birla Financial Shared Services Limited

Notes forming part of the Financial Statement for the Year ended 31st March 2014

(in Rupees)

NOTE 20 <u>EARNING PER SHARE</u>	As at 31-Mar-2014	As at 31-Mar-2013
Earnings per Share (EPS) is calculated as under:		
Net Profit as per Profit and Loss account	6,80,039	-
Net Profit for EPS	6,80,039	-
Weighted average number of Equity Shares for calculation of Basic EPS	50,000	50,000
- Basic EPS (Rs)	13.60	-
Diluted EPS		
- Diluted EPS (Rs)	13.60	-
Nominal Value of Shares (Rs.)	10.00	10.00



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ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Disclosures in Terms of Accounting Standard 18 on Related Party Disclosure for the Year ended 31st March 2014

(A) Enterprises where control exists  
Holding Company

1) Aditya Birla Financial Services Pvt. Ltd

Annexure : 1

Disclosures in respect of transactions with related parties and outstanding balances as at the year end : 31st March 2014

Sr. No.	Name of the related party with whom the transaction has been made	Description of Relationship with the party	Nature of Transaction	Year Ended	Year Ended	Year Ended	Year Ended
				31st March 2014	31st March 2013	Amount Outstanding as recoverable / (payable) 31st Mar 14	Amount Outstanding as recoverable / (payable) 31st Mar 13
1	Aditya Birla Minacs Worldwide Ltd	Fellow Subsidiary	Reimbursement of expenses payable	-	1,06,297	-	-
2	Aditya Birla Money Mart Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable. (net of service tax Rs. 9,73,939/-) b) Reimbursement of expenses payable	78,79,763	66,21,670	39,32,411	46,51,619
3	Aditya Birla Capital Advisors Private Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable (net of service tax Rs. 37,401/-)	3,02,494	1,35,888	1,09,056	(1,261)
4	Aditya Birla Money Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable (net of service tax Rs. 12,48,891/-)	1,01,04,298	1,00,98,688	33,05,753	14,78,342
5	Aditya Birla Insurance Brokers Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable (net of service tax Rs. 2,79,857/-)	22,64,219	16,82,598	7,56,243	5,23,763
6	Aditya Birla Finance Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable (net of service tax Rs. 18,74,972/-)	1,51,69,676	54,33,415	20,22,029	13,98,731
7	Birla Sun Life Insurance Company Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable. (net of service tax Rs. 126,56,292/-) b) Reimbursement of expenses Payable	10,23,97,187	11,93,81,328	77,17,029	(3,01,164)
8	Aditya Birla Customer Services pvt. Ltd	Fellow Subsidiary	a) Reimbursement of expenses receivable. (net of service tax Rs. 1,57,794/-)	12,76,646	17,85,358	3,59,163	(4,61,842)
9	Birla Sun Life Asset Management Company Limited (W.e.f. 10th Oct 2012)	Fellow Subsidiary	a) Reimbursement of expenses receivable. (net of service tax Rs. 40,33,473/-)	3,26,33,273	1,81,17,214	14,68,569	17,71,619
10	Aditya Birla Financial Services Pvt. Ltd.	Holding co.	a) Reimbursement of expenses receivable. (net of service tax Rs. 1,71,517/-) Deposit	13,87,684 (1,82,000)	- -	3,41,385 (1,82,000)	- -

For and on behalf of the Board

G. V. GOPALAKRISHNAN  
Director  
May 02, 2014

PANKAJ RAZDAN  
Director



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