

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Aditya Birla Money Limited

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Aditya Birla Money Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

Independent Auditor's Report  
Aditya Birla Money Limited

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#### Emphasis of Matter

We draw attention to note no. 21 of the Notes to the Financial Statements relating to the recoverability of assets in the nature of trade receivables, advances, and other assets etc. aggregating to Rs. 145,730,179 grouped under advances recoverable in cash or kind, which is subject matter of claim and more fully described therein. Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no. 33(ii) of the Notes to the Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

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**per Shrawan Jalan**  
Partner  
Membership Number: 102102  
Place of Signature: Chennai  
Date: May 4, 2015

Independent Auditor's Report  
Aditya Birla Money Limited**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All 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. No material discrepancies were noticed on such verification.
- (ii)(a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to customs duty and excise duty are not applicable to the Company.

As more fully discussed in Note 22 to the financial statements, stamp duties collected by the Company in respect of States wherein the manner of payment has not been notified from July 2011 onwards and remaining unpaid as of March 31, 2015 is Rs. 5,171,148. As the manner of payment of the same has not been notified, we are not in a position to comment if any portion of the stamp duties collected has become due and outstanding for more than six months as at the balance sheet date.

Independent Auditor's Report  
Aditya Birla Money Limited

- (vii)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, provident fund, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount related	Forum where the dispute is pending
Finance Act, 1994	Service Tax	7,283,390	April 2004 - June 2008	Commissioner of Service Tax
		376,714	October 2004 - March 2009	
		1,116,339 *	December 2008 - November 2009	
		21,821	November 2009 - March 2010	
		26,996	April 2010 - September 2010	
Karnataka Stamp Act, 1957	Stamp Duty	9,060,000	2003 - 2008	Chief Revenue Controlling Authority, Karnataka
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	14,036,578 *	April 2009 - May 2011	Regional Provident Fund Commissioner, Chennai
Income Tax Act, 1961	Income Tax	8,773,360	April 2010 - March 2011	Commissioner of Income Tax (Appeals), Chennai
		386,680	April 2011 - March 2012	

\* Includes payment of Rs.4,625,484 under protest.

- (vii)(d) According to the information and explanations given to us, there are slight delay in the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Company has not incurred cash loss during the year. In the immediately preceding financial year, the Company had incurred cash loss.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.

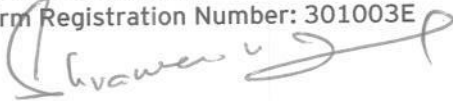


Independent Auditor's Report  
Aditya Birla Money Limited

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

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E



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per **Shrawan Jalan**  
Partner  
Membership Number: 102102  
Place of Signature: Chennai  
Date: May 4, 2015

**Aditya Birla Money Limited**  
**Balance Sheet as at March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' Funds</b>			
Share Capital	3	155,400,000	155,400,000
Reserves and Surplus	4	204,285,294	217,641,051
	Sub-Total (A)	<u>359,685,294</u>	<u>373,041,051</u>
<b>(B) Non-Current Liabilities</b>			
Other Long-term Liabilities	5A	5,460,437	4,099,621
	Sub-Total (B)	<u>5,460,437</u>	<u>4,099,621</u>
<b>(C) Current Liabilities</b>			
Short-term Borrowings	6	690,631,345	98,723,881
Trade Payables	7	103,643,576	57,615,961
Other Current Liabilities	5B	940,425,833	1,416,992,511
Short-term Provisions	8	24,722,297	11,530,541
	Sub-Total (C)	<u>1,759,423,051</u>	<u>1,584,862,911</u>
	<b>TOTAL (A)+(B)+(C)</b>	<u><b>2,124,568,782</b></u>	<u><b>1,962,003,591</b></u>
<b>ASSETS</b>			
<b>(D) Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9A	46,578,940	163,446,691
Intangible Assets	9B	28,770,654	41,652,791
Intangible Assets under Development		784,500	-
		<u>76,134,094</u>	<u>205,099,481</u>
Non-Current Investments	10A	52,565,750	50,066,001
Long-term Loans and Advances	11A	51,250,792	49,759,901
	Sub-Total (D)	<u>179,950,636</u>	<u>304,925,391</u>
<b>(E) Current Assets</b>			
Trade Receivables	12	914,083,718	883,774,301
Cash and Bank Balances	13	793,710,729	403,175,421
Short-term Loans and Advances	11B	200,013,658	339,049,361
Other Current Assets	14	36,810,041	31,079,101
	Sub-Total (E)	<u>1,944,618,146</u>	<u>1,657,078,201</u>
	<b>TOTAL (D)+(E)</b>	<u><b>2,124,568,782</b></u>	<u><b>1,962,003,591</b></u>

Summary of Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E



per Shrawan Jalan  
Partner

Membership No.: 102102

Date: May 4, 2015

Place: Chennai



**Sudhakar Ramasubramanian**

Managing Director

DIN : 02584713

**Srinivas Subudhi**

Chief Finance Officer

PAN : ATIPS9641N

Director  
DIN : 00294134

**Vikash Kumar Agarwal**  
Company Secretary  
PAN : ACXPA6332J

**Aditya Birla Money Limited****Statement of Profit and Loss for the Year Ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

Revenue	Note No.	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Operations	15	1,120,059,974	650,870,391
Other Income	16	67,100,665	48,205,810
<b>Total Revenue</b>		<b>1,187,160,639</b>	<b>699,076,201</b>
<b>Expenses</b>			
Employee Benefits Expenses	17	457,397,482	316,501,359
Finance Cost	18	19,936,345	23,930,697
Depreciation and Amortisation Expenses	19	57,247,547	61,169,746
Business Partners Payout		318,157,444	173,983,322
Other Expenses	20	266,562,707	205,532,928
<b>Total Expenses</b>		<b>1,119,301,525</b>	<b>781,118,052</b>
<b>Profit/(Loss) Before Tax</b>		<b>67,859,114</b>	<b>(82,041,851)</b>
Tax Expenses			
- Write Back of Excess Provision for Tax/ Income			
Tax Refund Related to Earlier Years (Net)		(2,912,943)	-
<b>Profit/(Loss) for the Year</b>		<b>70,772,057</b>	<b>(82,041,851)</b>
Earnings / (Loss) per share (Basic and Diluted) (Face Value of Re. 1/- each)	27	1.28	(1.48)

Summary of Significant Accounting Policies 2  
The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Shrawan Jalan  
Partner  
Membership No.: 102102  
Date: May 4, 2015  
Place: Chennai



*Sudhakar Ramasubramanian*  
**Sudhakar Ramasubramanian**  
Managing Director  
DIN : 02584713

*Srinivas Subudhi*  
**Srinivas Subudhi**  
Chief Finance Officer  
PAN : ATIPS9641N

*Vikash Kumar Agarwal*  
Director  
DIN : 00894134

*Vikash Kumar Agarwal*  
**Vikash Kumar Agarwal**  
Company Secretary  
PAN : ACXPA6332J



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

*(All amounts are in Indian Rupees, unless otherwise stated)*

## 1. Nature of operations

Aditya Birla Money Limited ('ABML' or 'the Company') was incorporated on July 04, 1995 in Chennai, Tamil Nadu. ABML is a broking and distribution player, offering Equity and Derivative trading through NSE and BSE and Currency Derivative on MCX-SX. It is registered as a Depository Participant with both NSDL and CDSL in terms of the Securities and Exchange Board of India (Depository Participants) Regulations, 1996 and also provides Portfolio Management Services.

## 2. Statement of Significant Accounting Policies

### a) Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

### b) Change In Accounting Policy

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

#### Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

Fixed assets individually costing Rs.5,000 or less are fully depreciated in the year of purchase.

Based on transitional provision given in Schedule II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to Rs 841.28 Lakhs has been charged to opening balance of retained earnings. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been lesser by Rs108.34 lakhs.

## c) Use of Estimates

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

## d) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the 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.

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

### Assets where useful life is same as Schedule II:

Asset	Useful Life as Prescribed by Schedule II of the Co. Act,2013
Computers (end user computers, Laptops)	3
V-Sat	6
Office Equipment(AC, Ups, Generator & Invertors)	5
Vehicles	6





# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

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

Asset	Useful Life as Prescribed by Schedule II of the Co. Act, 2013	Estimated Useful Life
Batteries (included under office Equipment's)	5 Years	4 Years
Furniture & Fixtures*	10 Years	7 years

\*In case of Furniture & Fixtures fitted with premises, Depreciation calculated based on lease period taking into account the secondary lease period or 7 years whichever is less.

## Leasehold Assets

Leasehold Improvements	Period of Lease ranging from 4 to 5 years
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Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding and in the case of capitalisation of Greenfield/ Brownfield project, depreciation is charged from the date the project is ready to commence commercial production to the Statement of Profit and Loss.

## e) Intangible assets

Intangible assets are recorded at the consideration paid for acquisition. The computer software costs are capitalized and recognized as intangible assets in terms of Accounting Standard 26 - Intangible Assets based on materiality, accounting prudence and significant economic benefit expected there from to flow over a period longer than one year. Capitalized costs include direct costs of implementation and expenses directly attributable to the development of the software. All other expenses on existing intangible assets, including day-to-day maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Computer software cost capitalized is amortized over the estimated useful life of 6 years on a straight line basis.



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# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## f) Impairment

- i) 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 impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

## g) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

## h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## i) Revenues

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

Brokerage Income and transaction charges are recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.

Income from depository services and interest and finance charges are recognized on the basis of agreements entered into with clients and when the right to receive the income is established.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

*(All amounts are in Indian Rupees, unless otherwise stated)*

Other interest incomes are recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest. The same is included under the head 'other income' in the statement of profit and loss.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

## **j) Employee Benefits**

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.
- iv. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

## **k) Employee stock compensation cost**

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (*Share Based Employee Benefits*) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

*(All amounts are in Indian Rupees, unless otherwise stated)*

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## l) Income Tax

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

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

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

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

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

## m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

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



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

*(All amounts are in Indian Rupees, unless otherwise stated)*

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## n) Contingent Liability and Provisions

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

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

## o) Segment Reporting

The Company is principally engaged in the business of Broking and related activities. The operations are entirely in India. There is only one business segment and one geographical segment and hence segment information is not required to be disclosed as per explanation to para 38 of AS 17.

## p) Cash and Cash Equivalents

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

## q) Sharing of costs

The Company shares certain costs / service charges with other companies in the Group. These costs have been allocated on a reasonable and consistent basis between the Companies as mutually agreed to.





**Aditya Birla Money Limited**

**Notes to the Financial statements for the Year Ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 3**

**SHARE CAPITAL**

**Authorised:**

150,000,000 (Previous year : 150,000,000) Equity Shares of Re.1/-each  
 1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non Convertible Non  
 Cumulative Preference Shares of Rs.100/- each

	As at March 31, 2015	As at March 31, 2014
	150,000,000	150,000,000
	100,000,000	100,000,000
	<u>250,000,000</u>	<u>250,000,000</u>

**Issued, Subscribed and paid-up**

**EQUITY SHARE CAPITAL**

55,400,000 (Previous Year : 55,400,000) Equity Shares of Re.1/-each Fully paid

	55,400,000	55,400,000
	<u>55,400,000</u>	<u>55,400,000</u>

**PREFERENCE SHARE CAPITAL**

1,000,000 (Previous Year 1,000,000) 8% Redeemable Non convertible Non  
 cumulative Preference Shares of Rs.100/- each fully paid

	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

**1A Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period**

Sl. No	Description	As at March 31, 2015		As at March 31, 2014	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the year	55,400,000	55,400,000	55,400,000	55,400,000
2	Issued during the year	-	-	-	-
3	Outstanding at the end of the year	55,400,000	55,400,000	55,400,000	55,400,000

**1B Reconciliation of the number of Preference shares outstanding at the beginning and at the end of the period**

Sl. No	Description	As at March 31, 2015		As at March 31, 2014	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the year	1,000,000	100,000,000	800,000	80,000,000
2	Issued during the year	-	-	200,000	20,000,000
3	Outstanding at the end of the year	1,000,000	100,000,000	1,000,000	100,000,000

**2 Term/right attached to equity shares**

The Company has only one class of equity shares having a par value of Re.1/- 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 Term/right attached to Preference Shares**

Preference share carry non cumulative dividend of 8% per annum. The company declares and pays dividends in Indian rupees.

In the year ended 31st March, 2011, the Company had allotted 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each, fully paid up at a premium of Rs.150/- per share to Aditya Birla Financial Services Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs.320/- per share.

In the year ended 31st March, 2014, the Company had allotted 200,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each, fully paid up at a premium of Rs.400/- per share to Aditya Birla Financial Services Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs.725/- per share.



During the year, the rights attached to the 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each were varied to the extent and manner given below with the written consent of the preference shareholders dated 30th March 2015:

1. The period of redemption extended by 39 months from March 2016 to June 2019 and
2. The redemption price of Redeemable Non Convertible Non Cumulative Preference Shares shall be varied from Rs.320/- (Face value Rs.100/- and Premium of Rs.220/- per share) to Rs.411/- (Face value Rs.100/- and Premium of Rs.311/- per share)
3. Same as what is mentioned hereinabove. all other terms and conditions of the said preference shares remain the same.

**4 Shares held by Holding Company**

41,550,000 (Previous Year : 41,550,000) equity shares of Re.1/- each fully paid and 1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non Convertible Non Cumulative preference shares Rs.100/-each fully paid are held by Aditya Birla Financial Services Limited, the Holding Company.

**5 Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under:-**

**i) Equity Share Capital**

Sl. No.	Name of Share Holder	As at March 31, 2015		As at March 31, 2014	
		Number of Shares held	% of total paid-up equity share capital	Number of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Limited	41,550,000	75.00	41,550,000	75.00
2	PCR Investments Limited	-	-	3,385,320	6.11
3	Sucharitha P. Reddy	5,517,460	9.96	-	-

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**ii) Preference Share Capital**

Sl. No.	Name of Share Holder	As at March 31, 2015		As at March 31, 2014	
		Number of Shares held	% of total paid-up preference share capital	Number of Shares held	% of total paid-up preference share capital
1	Aditya Birla Financial Services Limited	1,000,000	100	1,000,000	100



**Aditya Birla Money Limited**

**Notes to the Financial statements for the Year Ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>NOTE: 4</b>		
<b>RESERVES AND SURPLUS</b>		
<b>1) Capital Reserves</b>	11,538,863	11,538,863
<b>2) Securities Premium Account</b>		
Balance as per last audited Financial Statement	200,000,000	120,000,000
Addition:		
Security premium on preference share issued during the year	-	80,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<b>3) General Reserve</b>		
Balance as per last audited Financial Statement	261,376,777	261,376,777
<b>4) Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last audited Financial Statement	(255,274,581)	(173,232,730)
Addition:		
Profit/(Loss) of the year	70,772,057	(82,041,851)
Depreciation one time written off as per Sch. II	(84,127,822)	-
	<u>(268,630,346)</u>	<u>(255,274,581)</u>
<b>Total</b>	<u><u>204,285,294</u></u>	<u><u>217,641,059</u></u>
<b>NOTE: 5A</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
Rent Equalization Liability	5,460,437	4,099,624
	<u>5,460,437</u>	<u>4,099,624</u>
<b>NOTE: 5B</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Income Received in advance	24,315	288,294
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	51,731	670,077
Unpaid Matured Deposits and Interest Accrued thereon	-	185,182
Other Payables		
Payable to customers	873,953,305	1,357,047,337
Book Overdraft	4,620,984	6,155,953
Statutory Dues	19,438,473	13,096,910
Deposits	40,198,984	38,795,944
Rent Equalization Liability	2,138,041	752,814
	<u>940,425,833</u>	<u>1,416,992,511</u>
<b>NOTE: 6</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>UNSECURED</b>		
Commercial Papers*^	690,631,345	98,723,887
	<u>690,631,345</u>	<u>98,723,887</u>
<b>* Maximum balance outstanding during the year</b>	690,631,345	494,832,259

^ Repayable in 30 to 90 days from the date of draw down. The interest on this loan ranges from 8.75% to 10.70%.



**Aditya Birla Money Limited****Notes to the Financial statements for the Year Ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
<b>NOTE: 7</b>		
<b>TRADE PAYABLES</b>		
Salaries, wages, bonus and other employee benefits payable	58,071,487	24,086,863
Trade Payables (Others)	45,572,089	33,529,106
	<u>103,643,576</u>	<u>57,615,969</u>

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, 2015. 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****SHORT-TERM PROVISIONS**

Provisions for Employee Benefits:

Leave Encashment	15,825,649	6,817,601
Gratuity (Funded) (Refer Note no. 29)	8,896,648	-
Others (Deferred Compensation)	-	1,800,000
Taxation (Net of Advance Tax : Nil (Previous Year Rs.45,587,057/-))	-	2,912,943
	<u>24,722,297</u>	<u>11,530,544</u>



Aditya Birla Money Limited  
Notes to the Financial statements for year ended 31st March, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

Note 9A - Tangible Assets

Note 9B - Intangible Asset

	Freehold Land *	V SAT Equipments	Furniture & Fixtures	Office Equipment	Computers	Vehicles	TOTAL	Computer Software
<b>Gross Block</b>								
As at 1st April 2013	1,500,000	95,445,027	89,013,883	73,782,036	213,508,460	2,245,810	475,495,216	203,170,452
Additions	-	-	1,012,346	769,308	416,668	-	2,198,322	4,746,170
Deletions	-	-	21,005,166	5,489,742	2,346,413	1,030,413	29,871,734	-
As at 31st March 2014	1,500,000	95,445,027	69,021,063	69,061,602	211,578,715	1,215,397	447,821,805	207,916,622
<b>Cost</b>								
As at 1st April 2014	1,500,000	95,445,027	69,021,063	69,061,602	211,578,715	1,215,397	447,821,804	207,916,622
Additions	-	-	515,177	3,700,359	3,219,939	2,195,613	9,631,088	2,099,460
Deletions	-	864,345	1,206,548	3,641,167	4,700,160	-	10,412,220	-
As at 31st March 2015	1,500,000	94,580,682	68,329,692	69,120,794	210,098,494	3,411,010	447,040,672	210,016,082
<b>Accumulated Depreciation</b>								
As at 1st April 2013	-	42,410,891	42,845,086	28,956,167	148,176,606	648,644	263,037,394	144,926,494
For the year	-	4,158,959	6,523,914	5,073,531	23,952,386	123,620	39,832,410	21,337,336
Deletions	-	-	12,377,702	3,534,884	2,243,005	339,103	18,494,694	-
As at 31st March 2014	-	46,569,850	36,991,297	30,494,814	169,885,987	433,161	284,375,110	166,263,830
Depreciation	-	-	36,991,297	30,494,814	169,885,987	433,161	284,375,109	166,263,830
As at 1st April 2014	-	46,569,850	9,255,498	13,339,860	10,810,837	405,593	42,265,949	14,981,598
For the year	-	8,454,162	1,196,329	3,546,309	4,700,161	-	10,307,148	-
Deletions	-	864,349	7,460,467	20,744,141	16,061,800	-	84,127,822	-
Adjustment	-	39,861,415	-	-	-	-	-	-
As at 31st March 2015	-	94,021,078	52,510,932	61,032,505	192,058,463	838,754	400,461,732	181,245,428
<b>Net block as at 31st March 2014</b>	1,500,000	48,875,177	32,029,766	38,566,788	41,692,728	782,236	163,446,694	41,652,792
<b>Net block as at 31st March 2015</b>	1,500,000	559,604	15,818,760	8,088,289	18,040,031	2,572,256	46,578,940	28,770,654

\* The company is in the process of getting the lands registered in its name which is currently under dispute but management expects a favourable outcome in this matter





**Aditya Birla Money Limited**

**Notes to the Financial statements for the Year Ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>NOTE: 10A</b>		
<b>Non Trade Investments (Unquoted, valued at cost less provision)</b>		
Investments in Equity Shares		
6,575 (Previous year: 6,600) Equity Share of Rs.10/-each fully paid in Apollo Sindoori Hotels Limited.		
	183,824	184,523
Less: Provision for diminution in value of investment	(118,074)	(118,523)
<b>In Subsidiary Company (Unquoted, at cost)</b>		
5,250,000 (Previous year : 5,000,000) equity shares of Rs.10/- each fully paid in subsidiary -Aditya Birla Commodities Broking Limited		
	52,500,000	50,000,000
	<b>52,565,750</b>	<b>50,066,000</b>
<b>Note :</b>		
1. Aggregate amount of unquoted investments	52,565,750	50,066,000
2. Aggregate amount of diminution in value of investment	118,074	118,523
<b>NOTE: 11A</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits	28,683,190	29,477,569
Margins with Exchange	7,700,000	7,700,000
Other Loans and Advances		
Advance Tax Net of Provision : Nil (Previous Year : Nil)	14,811,003	12,243,710
Prepaid Expenses	56,599	338,628
	<b>51,250,792</b>	<b>49,759,907</b>
<b>NOTE: 11B</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 21)		
Considered Good	93,568,210	103,178,263
Considered Doubtful	61,566,545	50,139,735
	155,134,755	153,317,998
Less: Provision for Doubtful	(61,566,545)	(50,139,735)
	93,568,210	103,178,263
Security Deposits	5,308,399	735,290
Gratuity Receivable (Refer Note no.29)	-	4,971,397
Margins with Exchange	56,748,002	191,178,001
Loans & Advances to Related Parties #	2,964,384	2,278,724
Balances with Government Authorities	3,599,544	5,994,157
Advances to Suppliers	23,221,119	17,452,642
Prepaid Expenses	11,865,345	11,275,360
Advances to Employees	2,738,656	1,985,535
Considered Doubtful	101,033	-
Less: Provision for Doubtful	(101,033)	-
	<b>200,013,658</b>	<b>339,049,369</b>

# Also, refer note 30



## Aditya Birla Money Limited

### Notes to the Financial statements for the Year Ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>NOTE: 12</b>		
<b>TRADE RECEIVABLES ^</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Secured, Considered Good	62,750,359	53,559,551
Unsecured, Considered Doubtful	25,240,357	19,091,234
Less: Provision for doubtful	(25,240,357)	(19,091,234)
Others		
Secured, Considered Good	784,377,835	770,651,289
Unsecured, Considered Good	66,955,524	59,563,462
Unsecured, Considered Doubtful	770,633	1,802,698
Less: Provision for doubtful	(770,633)	(1,802,698)
	<b>914,083,718</b>	<b>883,774,302</b>

^Trade receivables include pass through amounts representing dues from clients towards transactions not fully settled as at the reporting date.

### NOTE: 13

#### CASH AND BANK BALANCES

##### Cash and Cash Equivalents

##### Balances with Banks

Current Accounts	118,177,703	91,013,124
Unpaid Dividend	51,731	670,077
Unclaimed Matured Deposits	-	185,182
Cash on Hand	964	16,607
(A)	<b>118,230,398</b>	<b>91,884,990</b>

##### Other Bank Balances

Deposit Accounts (with original maturity more than three months) \*

	675,480,331	311,290,435
(B)	<b>675,480,331</b>	<b>311,290,435</b>
(A) + (B)	<b>793,710,729</b>	<b>403,175,425</b>

\* Fixed deposits have been placed under lien towards bank guarantees Rs.242,306,172 (Previous year: Rs.114,954,435), as margins with exchange Rs.430,333,474 (Previous year : Rs.196,336,000) and as General a/c Rs.2,840,685 (Previous year : Nil).

### NOTE: 14

#### OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

Accrued Income (from operations)	5,424,275	8,327,146
Interest Accrued on Fixed Deposits	31,385,766	15,074,452
Insurance Claim Receivables *		
Considered Good	-	7,677,507
Considered Doubtful	2,991,592	1,232,419
	2,991,592	8,909,926
Less: Provision for Doubtful	(2,991,592)	(1,232,419)
	-	7,677,507
	<b>36,810,041</b>	<b>31,079,105</b>

\* Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection



**Aditya Birla Money Limited****Notes to the Financial statements for the Year Ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>NOTE: 15</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>A. Income from services</b>		
Brokerage income	945,351,396	531,220,790
Income from transaction charges	2,096,666	803,082
Account opening charges	2,619,520	2,381,340
Income from depository services	43,359,339	39,978,425
	<u>993,426,921</u>	<u>574,383,637</u>
<b>B. Other operating income</b>		
V-sat rent/ other charges	1,190,810	1,650,715
Interest and finance charges	125,442,243	74,836,039
	<u>126,633,053</u>	<u>76,486,754</u>
	<u>1,120,059,974</u>	<u>650,870,391</u>
<b>NOTE: 16</b>		
<b>OTHER INCOME</b>		
<b>i. Interest Income</b>		
Interest on bank deposits	52,769,131	28,083,884
Other interest income	18,429	2,624,411
<b>Dividends Income on Investments</b>		
Long-term	19,800	19,800
Net Gain on Sale of Investments	12,106,216	9,539,639
Profit on Sale of Fixed Assets (Net)	967,731	-
Provision for Doubtful Debts written back	-	3,784,683
Miscellaneous Income	1,219,358	4,153,393
	<u>67,100,665</u>	<u>48,205,810</u>
<b>NOTE: 17</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	423,119,138	295,170,294
Contribution to Provident and Other Funds (Refer Note 29)	25,788,516	14,362,867
Staff Welfare Expenses	8,489,828	6,968,198
	<u>457,397,482</u>	<u>316,501,359</u>
<b>NOTE: 18</b>		
<b>FINANCE COST</b>		
Interest Expenses	19,846,741	23,917,483
Other Borrowing Costs	89,604	13,214
	<u>19,936,345</u>	<u>23,930,697</u>
<b>NOTE: 19</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of Tangible Assets	42,265,949	39,832,410
Amortisation of Intangible Assets	14,981,598	21,337,336
	<u>57,247,547</u>	<u>61,169,746</u>



**Aditya Birla Money Limited****Notes to the Financial statements for the Year Ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Year Ended March 31, 2015</u>	<u>Year Ended March 31, 2014</u>
<b>NOTE: 20</b>		
<b>OTHER EXPENSES</b>		
Rent (Refer Note 28)	51,151,210	39,872,657
Repairs and Maintenance of:		
Buildings	1,196,634	1,162,675
Others	19,917,076	21,693,330
Insurance	14,969,565	9,952,267
Rates and Taxes	12,190,723	6,245,943
Bandwidth Charges	21,342,103	13,580,351
Advertisement	2,649,994	1,758,465
Legal and Profession Expenses	17,660,198	14,627,855
Provision for Doubtful Debts	5,117,058	-
Provision for Doubtful Deposits and Advances	13,287,016	6,263,000
Printing and Stationery	5,785,452	5,107,733
Travelling and Conveyance	18,262,361	16,064,698
Communication Expenses	14,853,219	14,931,215
Loss on Sale/Discard of Fixed Assets (Net)	-	7,574,460
Freight, Collateral and Clearing Charges	9,888,565	2,810,435
Auditors' Remuneration*	2,499,330	1,771,236
Directors' Fees	430,000	400,000
Postage Expenses	3,611,001	2,719,442
Electricity Charges	11,461,436	9,626,150
Information technology and Software Expenses	34,168,976	24,923,305
Miscellaneous Expenses	6,120,790	4,447,711
	<u><b>266,562,707</b></u>	<u><b>205,532,928</b></u>

\* Auditors' Remuneration includes payments to auditors as under:

As auditor:		
Audit fee	1,000,000	800,000
Limited Reviews	750,000	800,000
Tax audit fee	250,000	100,000
Certification fees	23,156	14,329
Reimbursement of expenses	476,174	56,907
	<u><b>2,499,330</b></u>	<u><b>1,771,236</b></u>



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

*(All amounts are in Indian Rupees, unless otherwise stated)*

## 21) Assets forming part of claims made by the Ultimate Parent Company

Pursuant to a Share Purchase agreement ('SPA') between Aditya Birla Nuvo Limited ('ABNL' or 'the Purchaser'), ultimate holding company and Mr. Prataph C Reddy and others ("Erstwhile Promoters") dated August 28, 2008, ABNL had agreed to acquire 31 million equity shares in Aditya Birla Money Limited ("the Company"). The transaction was completed on March 6, 2009.

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

Subsequent to the completion of the above transaction, the Purchaser noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of Rs 163,882,296 as Losses incurred on account of breach of representation / warranties in the SPA. Further, ABNL vide its letter dated March 5, 2011 made a separate claim of Rs. 5,169,379 for amounts becoming due and payable on accounts of various cases initiated by the customers of the Company. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011 with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2015 aggregating Rs. 145,730,179 (previous year: Rs 145,779,681) and disclosed the same in Short Term Loans & Advances under Note 11B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

Both parties completed filing of documents. On 04 July 2012, a hearing was held and M/s. Delloitte Haskins & Sells were asked to act as auditors by the Arbitrators with a mandate to submit a report on whether from an accounting perspective, including the accounting treatment that has been given to the items set out in the Statement of Claim, the amounts as claimed are correct as per accounting practice.

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

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





# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

*(All amounts are in Indian Rupees, unless otherwise stated)*

During the current year, Arbitral Tribunal has passed an award, allowing claim of Rs.99,190,697/-, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of Rs. 55,546,790/- (being 56% of Rs.99,190,697/-, as ABNL has purchased only 56% of shares), along with interest @ 14% from the date of award. This award was received by ABNL on 27<sup>th</sup> May 2014.

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

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

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

## 22) Stamp duty

Hitherto, the Company had been collecting and remitting stamp duties with respect to states wherein the manner of payment of the same has been prescribed by the respective state governments. From July 2011, the Company had started collecting stamp duty on contract notes for all states, including the states wherein the manner of payment has not yet been notified. The Company is evaluating various options of remitting the same, including remitting those amounts in the State of Tamil Nadu, as all the contract notes are executed at Tamil Nadu. Pending, the final determination of the manner of remittance, amount of Rs. 5,171,148/- (Previous year: Rs. 2,085,659/-) collected till March 31, 2015 has been disclosed under Statutory Dues under Other Current Liabilities.

## 23) Capital and other commitment

- a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is 784,500/- (Previous year - NIL).
- b) For commitments relating to lease arrangements, please refer note 28.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## 24) Contingent Liabilities

Particulars	March 31, 2015	March 31, 2014
<b>Disputed tax and other statutory liabilities not provided for:</b>		
(a) Income tax & Interest on Tax - for various assessment years in respect of which Company has gone on appeal. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	45,545,425	45,545,425
(b) Service tax - for various assessment years in respect of which Company has gone on appeal. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	7,957,873	7,957,873
(c) Provident fund - for the period from March 2009 to May 2011 for non-inclusion of certain components like allowances etc. while computing and remitting the employer and employees' contribution to provident fund. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	14,036,578	14,036,578
(d) Karnataka Stamp duty for the period from 2003-2008. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities	9,060,000	9,060,000

### Contingent liability not provided for on account of:

(a) Disputed claim of SEBI towards turnover fees contested by the Company at Ho'nble Supreme Court. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.	27,656,667	27,656,667
(b) Claims against the Company not acknowledged as debts*	83,122,581	38,865,918

\* Represents claims made on the Company by various customers alleging unauthorized trades, loss of profits etc. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## 25) Managerial Remuneration

During an earlier year the Company had made an application to the Central Government under Section 309 (5B) of the Companies Act, 1956 for seeking waiver of excess managerial remuneration amounting to Rs.3,094,634 (Previous year: Rs.3,094,634) (excluding statutory contribution to provident fund, gratuity and leave encashment which are exempted under Schedule VI) paid to Mr. P.B. Subramaniyan, the erstwhile whole time director ('Erstwhile Director') of the Company for the period from April 1, 2008 to March 6, 2009.

During the previous year, the Company has received an order from the Central Government (CG) whereby the CG has rejected excess remuneration of Rs 1,626,614/- (Previous year: Rs.1,626,614/-) and directed the Company to collect the same from the Erstwhile Director.

The Company has commenced the process of recovery from the Erstwhile Director. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet. The Company is evaluating various alternative options including seeking a condonation / compounding if these amounts are not recoverable from the Erstwhile Director.

## 26) Loans and advances include:

Amounts receivable from Subsidiary	Balance as at March 31, 2015	Balance as at March 31, 2014	Maximum amount outstanding at any time during the year ended March 31, 2015	Maximum amount outstanding at any time during the year ended March 31, 2014
Aditya Birla Commodities Broking Limited (Repayable on Demand)	416,680	(328,451)	1,109,600	37,159,549

## 27) Earnings per share

Particulars		March 31, 2015	March 31, 2014
Net profit/ (loss) as per Statement of profit and loss	A	70,772,057	(82,041,851)
Weighted average number of equity shares			
- Basic and diluted	B	55,400,000	55,400,000
Earnings / (Loss) per share			
- Basic and diluted	A/B	1.28	(1.48)
Nominal value of equity share (in Rs.)		Re 1/-	Re 1/-



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## 28) Lease disclosures

### Operating leases for premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2015 amounts to Rs. 46,787,739 (Previous Year Rs. 35,078,962).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2014 amounts to Rs. 199,862,731/- (Previous Year Rs. 198,687,177). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2015	March 31, 2014
Within one year	42,634,389	36,311,842
Later than one year and not later than five years	115,644,852	126,613,148
Later than five years	41,583,490	35,762,187

The company has entered into lease / license agreements in respect of immovable properties with different parties. Some of the agreements contain escalation clause related to lease rentals / license fees from 5% to 15% p.a.

### Operating leases for computers:

The company has entered into commercial leases on computer desktops. These leases have an average life of three years with renewal option included in the contracts.

Lease rentals in respect of computers taken on operating lease during the year ended March 31, 2015 amounts to Rs. 4,103,985 (Previous Year Rs. 4,559,985).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2015 amounts to Rs. 2,051,991. Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2015	March 31, 2014
Within one year	2,051,991	2,112,280
Later than one year and not later than five years	-	-
Later than five years	-	-

## 29) Employment Benefit disclosures

The amounts charged to the Statement of profit and loss during the year for Provident fund contribution aggregates to Rs. 16,147,817 (Previous year - Rs. 12,530,378) and employees' state insurance contribution aggregates to Rs. 1,038,349 (Previous year - Rs. 1,249,568).

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Aditya Birla NUVO Employee Gratuity Fund.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

## Amounts recognized in the Balance sheet in respect of gratuity

Particulars	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	29,188,092	12,763,006
Fair value of plan assets	20,291,443	17,734,403
<b>Liability/(Asset) recognized in the balance sheet</b>	<b>8,896,648</b>	<b>(4,971,397)</b>

## Amounts recognized in the Statement of profit and loss in respect of gratuity

Particulars	March 31, 2015	March 31, 2014
Current service cost	4,175,843	2,699,416
Interest cost on benefit obligation	1,569,730	1,028,931
Expected return on plan assets	(1,547,158)	(1,214,160)
Net actuarial (gain) / loss recognized in the year	3,920,591	(1,931,266)
Past service costs – vested benefits		-
<b>Net gratuity cost</b>	<b>8,119,006</b>	<b>582,921</b>

## Actual return on plan assets:

Particulars	March 31, 2015	March 31, 2014
Expected return on plan assets	1,547,158	1,214,160
Actuarial gains / (losses) on plan assets	1,009,882	(387,351)
<b>Actual return on plan assets</b>	<b>2,557,040</b>	<b>826,809</b>

## Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	March 31, 2015	March 31, 2014
Opening defined benefit obligation	12,763,006	12,471,889
Interest cost	1,569,730	1,028,931
Acquisition Adjustment	6,282,164	-
Current service cost	4,175,843	2,699,416
Actuarial (gains)/ losses on obligation	4,930,473	(2,318,617)
Benefits paid	(533,124)	(1,118,613)
<b>Closing defined benefit obligation</b>	<b>29,188,092</b>	<b>12,763,006</b>

## Change in fair value of plan assets

Particulars	March 31, 2015	March 31, 2014
Opening fair value of plan assets	17,734,403	16,907,594
Expected return	1,547,158	1,214,160
Actuarial gains/(losses) on plan assets	1,009,882	(387,351)
Contributions by employer	533,124	1,118,613
Benefits paid	(533,124)	(1,118,613)
<b>Closing fair value of plan assets</b>	<b>20,291,443</b>	<b>17,734,403</b>



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## Details of plan assets

The plan assets represent Company's proportionate share in the Aditya Birla Nuvo Gratuity Fund managed by the ultimate parent company for the employees of the Company. The details of plan assets are as under:

Particulars	March 31, 2015	March 31, 2014
Government of India securities	27%	21%
Corporate Bonds	1%	1%
Insurer managed funds	51%	58%
Deposit Scheme	2%	3%
Others	19%	17%
	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

## Experience adjustments

Particulars	March 31, 2015	March 31, 2014	March 31, 2013
Experience adjustments (loss) / gain	(274,235)	(387,351)	641,862

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Experience adjustments (loss) / gain	2,584,420	3,041,066	(2,081,274)

The Company does not expect to contribute additional amount to the fund in the next year.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	March 31, 2015	March 31, 2014
Discount rate	8.00%	8.25%
Expected rate of return on assets	8.50%	8.25%

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





# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## 30) Related Party Transactions

### List of related parties

Ultimate holding Company	Aditya Birla Nuvo Limited
Holding Company	Aditya Birla Financial Services Limited
Subsidiary Company	Aditya Birla Commodities Broking Limited

Related parties under AS 18 with whom transactions have taken place during the year	
Fellow subsidiary	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services P Limited

Additional related parties as per CA 2013 with whom transactions have taken place during the year	
Key Management Personnel	Mr. Sudhakar Ramasubramanian, Managing Director
	Mr. Srinivas Subudhi, Chief Financial Officer (w.e.f 15-5-2014)
	Mr. Vikash Agarwal, Company Secretary (w.e.f 28-1-2015)

Sr. No.	Particulars	Closing Balance as on March 31, 2015	Transactions 2014 - 2015	Closing Balance as on March 31, 2014	Transactions 2013 - 2014
<b>I.</b>	<b>Aditya Birla Nuvo Ltd</b>				
1	Reimbursement of Cost - Other Expenses	-	11,236	-	-
2	Outstanding Balances				
	- Payables	-	-	-	-
<b>II.</b>	<b>Aditya Birla Financial Services Ltd</b>				
1	Reimbursement of Cost - Manpower Cost	-	4,844,088	-	-
2	Contribution to Fund	-	129,350	-	-
3	Reimbursement of Cost - Electricity, Rent, Staff welfare and other expenses	-	1,387,698	-	-
4	Issue of Preference Share	-	-	-	20,000,000
5	Security premium on preference share issued during the year	-	-	-	80,000,000





# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

6	Outstanding Balances				
	- Payables	(1,968,933)	-	-	-
<b>III. Aditya Birla Finance Ltd</b>					
1	Recovery of Cost - Manpower, Rent expenses	-	588,571	-	101,125
2	Sale of Assets	-	-	-	738,930
3	Outstanding Balances				
	- Receivables	400,870	-	18,202	-
<b>IV. Aditya Birla Money Mart Ltd</b>					
1	Expenses - Commission, - Management Fees	-	103,568,045	-	54,237,208
2	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	-	46,385,949	-	14,947,934
3	Reimbursement of Cost - Rent, Electricity, Staff welfare and other expenses	-	-	-	3,475,299
4	Other Transaction- Gratuity/Leave Encashment liability	-	8,161,581	-	-
5	Inter corporate loan given	-	-	-	10,000,000
6	Inter corporate loan receipt	-	-	-	10,000,000
7	Interest on Inter corporate loan receivable	-	-	-	374,932
8	Outstanding Balances	-	-	-	-
	- Receivables	1,747,007	-	2,092,555	-
<b>V. Aditya Birla Financial Shared Services Ltd</b>					
1	Reimbursement of Cost - Manpower, Electricity, Staff welfare and other expenses		12,823,927		11,353,190
2	Contribution to Fund		353,994		-
3	Outstanding Balances				
	- Payables	(1,338,403)	-	(3,305,760)	-



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

<b>VI.</b>	<b>Birla Sun-life Insurance Co Ltd</b>				
1	Income	-	13,154,258	-	10,891,642
2	Outstanding Balances				
	- Receivables	198,633	-	-	-
<b>VII.</b>	<b>Aditya Birla Insurance Brokers Ltd</b>				
1	Recovery of Cost - Rent expenses	-	813,714	-	488,766
2	Outstanding Balances				
	- Receivables	133,484	-	92,124	-
<b>VIII.</b>	<b>Aditya Birla Customer Services P Ltd</b>				
1	Recovery of Cost - IT Support, Manpower expenses	-	3,397,132	-	842,700
2	Reimbursement of Cost - Rent expenses	-	1,075,791	-	-
3	Outstanding Balances				
	- Receivables	67,710	-	75,843	-
<b>IX.</b>	<b>Aditya Birla Commodities Broking Ltd</b>				
1	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	-	17,296,257	-	36,127,561
2	Other Transaction- Gratuity/Leave Encashment liability	-	1,636,872	-	-
3	Capital investment	2,500,000	2,500,000	-	-
4	Inter corporate loan taken	-	-	-	37,500,000
5	Inter corporate loan repaid	-	-	-	37,500,000
6	Inter corporate loan given	-	1,400,000	-	681,087,570
7	Inter corporate loan receipt	-	1,400,000	-	697,087,570
8	Interest on Inter corporate loan payable	-	-	-	33,781
9	Interest on Inter corporate loan receivable	-	247	-	1,653,922
10	Interest receivable on running account	-	4,253	-	791,137
11	Interest payable on running account	-	72,939	-	14,854
12	Rental advances transfer to ABCBL	-	4,367,920	-	1,029,050
13	Outstanding Balances				
	- Payables	-	-	(328,451)	-
	- Receivables	416,680	-	-	-



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

<b>X.</b>	<b>Mr. P. SUDHIR RAO</b>				
1	Directors Sitting Fee	-	235,000	-	200,000
2	Reimbursement of expenses		67,383	-	76,413
<b>XI.</b>	<b>Mr. G. VIJAYARAGHAVAN</b>				
1	Directors Sitting Fee		195,000	-	200,000
2	Reimbursement of expenses				
<b>XII.</b>	<b>Mr. K. SUDHAKAR RAMASUBRAMANIAN</b>				
1	Brokerage Income	-	90,072	-	60,391
2	Outstanding Balances				
	- Payable	(411,014)	-	(3,528,245)	-
<b>XIII.</b>	<b>Mr. AJAY SRINIVASAN</b>				
1	Brokerage Income	-	7,000	-	-
2	Outstanding Balances				
	- Payable	(727)		-	

## 31) Foreign currency transactions

The Company did not enter into any foreign currency transactions in the current year and previous year.

## 32) Stock options granted under ABML - Employee Stock Option Scheme - 2014

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

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the market price of the Company and further, the vesting of options is due only in the upcoming years.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

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

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

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

Options outstanding as on April 01, 2014	Nil
No. of options granted during the year	25,09,341
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant Date	02.12.2014
Grant/Exercise price (Rs. per share)	34.25/-
Market price as on the date of the grant	34.25/- (previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the year	60,440 (due to resignation of employees)
Options exercised during the year	Nil
Options outstanding as on March 31, 2015	2,448,901

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

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

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



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## Fair Valuation:

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

## The key assumptions are as under:

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

Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

	For the year ended March 31, 2015
Net profit (As reported)	70,772,057
Less: Impact of Incremental cost under Fair value approach	8,152,100
Net Profit (Proforma)	62,619,956
Basic earnings per share (as reported) (in Rs.)	1.28
Basic earnings per share (Proforma) (in Rs.)	1.13
Diluted earnings per share (as reported) (in Rs.)	1.28
Diluted earnings per share (Proforma) (in Rs.)	1.13

- 33) i) The Company has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. As at the balance sheet date, there were no long term contracts (including derivative contracts)

ii) The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax and other statutory authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. Refer note 24 for details on contingent liabilities. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of Rs 12,314,612 as at 31 March 2015.

## 34) Disclosure required under Sec 186(4) of the Companies Act 2013

Name of the loanee	Rate of Interest	Loan Amount	Secured/unsecured	31 March 2015	31 March 2014
				Rs	Rs
ABCBL	9.0%	14,00,000	Unsecured	0	0
				0	0

The loans have been utilized by ABCBL for meeting their working capital requirements & which was subsequently repaid.



# Aditya Birla Money Limited

Notes to the financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, unless otherwise stated)

## 35) Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S. R. BATLIBOI & CO LLP.

Chartered Accountants  
ICAI Firm Registration Number: 301003E



per **Shrawan Jalan**  
Partner  
Membership No.: 102102  
Date: May 04, 2015  
Place: Chennai



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



**Sudhakar Ramasubramanian**  
Managing Director  
DIN: 02584713



Director  
DIN: 00294134



**Srinivas Subudhi**  
Chief Finance Officer  
PAN : ATIPS9641N



**Vikashh Agarwal**  
Company Secretary  
PAN : ACXPA6332J



**Aditya Birla Money Limited**  
**Cash Flow Statement For The Year ended 31st March 2015**  
*(All amounts are in Indian rupees, unless otherwise stated)*

Particulars	March 31,2015 Rs	March 31,2014 Rs
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>67,859,114</b>	<b>(82,041,851)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	57,247,547	61,169,746
Loss/ (profit) on sale of fixed assets	(967,731)	7,574,460
Provision for doubtful debts made/(written back)	5,117,058	(3,784,683)
Provision for doubtful deposits and advances	13,287,016	6,263,000
Net (gain)/ loss on sale of current investments	(12,106,216)	(9,539,639)
Interest expense	19,846,741	23,917,483
Interest (income)	(52,787,560)	(30,708,295)
Dividend (income)	(19,800)	(19,800)
<b>Operating profit before working capital changes</b>	<b>97,476,169</b>	<b>(27,169,579)</b>
Movements in working capital :		
Increase/ (decrease) in trade payables	46,027,607	(3,113,390)
Increase / (decrease) in short-term provisions	16,104,696	329,243
Increase/ (decrease) in other current liabilities	(476,566,678)	768,667,379
Increase/ (decrease) in other long-term liabilities	1,360,813	(1,205,703)
Decrease / (increase) in trade receivables	(35,426,474)	(373,713,920)
Decrease / (increase) in long-term loans and advances	(1,490,885)	8,953,163
Decrease / (increase) in short-term loans and advances	125,748,695	(157,306,631)
Decrease / (increase) in other current assets	10,580,378	(3,861,929)
<b>Cash generated from / (used in) operations</b>	<b>(216,185,679)</b>	<b>211,578,633</b>
<b>Direct taxes paid (net of refunds)</b>	-	-
<b>Cash flow before exceptional items</b>	<b>(216,185,679)</b>	<b>211,578,633</b>
Exceptional item	-	-
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(216,185,679)</b>	<b>211,578,633</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(12,515,048)	(4,799,492)
Proceeds from sale of fixed assets	1,072,801	3,149,896
Proceeds of non-current investments	6,062	-
Intercompany Deposit given to Subsidiary Company	(1,400,000)	(681,087,570)
Intercompany Deposit repaid by Subsidiary Company	1,400,000	697,087,570
Purchase of Mutual Fund	(3,362,500,000)	(25,999,950,000)
Proceeds from Sale of Mutual Fund	3,374,600,404	26,009,489,639
Investment in subsidiaries	(2,500,000)	(30,000,000)
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(641,995,804)	(906,569,227)
Maturity of bank deposits (having original maturity of more than three months) and lien deposits	277,805,908	1,045,767,811
Interest received	36,476,246	38,679,169
Dividends received	19,800	19,800
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(329,529,631)</b>	<b>171,787,596</b>
<b>Cash flows from financing activities</b>		
Proceeds from Short-term borrowings	956,637,112	474,000,000
Repayment of Short-term borrowings	(956,637,112)	(491,500,000)
Intercompany Loan Given to Subsidiary Company	1,400,000	37,500,000
Intercompany Loan received from Subsidiary Company	(1,400,000)	(37,500,000)
Proceeds from Issue of Commercial Paper	1,391,907,458	750,000,000
Repayment of Commercial Paper	(800,000,000)	(1,150,000,000)
Proceeds from Issue of Preference share capital	-	100,000,000
Interest paid	(19,846,741)	(16,419,451)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>572,060,717</b>	<b>(333,919,451)</b>





**Aditya Birla Money Limited**  
**Cash Flow Statement For The Year ended 31st March 2015**  
*(All amounts are in Indian rupees, unless otherwise stated)*

Particulars	March 31,2015	March 31,2014
	Rs	Rs
<b>Net increase/(decrease) in cash and cash equivalents (A +B +C)</b>	<b>26,345,408</b>	<b>49,446,778</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>91,884,990</b>	<b>42,438,213</b>
<b>Cash and cash equivalents at the year ended</b>	<b>118,230,398</b>	<b>91,884,990</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	964	16,607
With banks		
- Current Accounts	118,177,703	91,013,124
- unpaid dividend accounts*	51,731	670,077
- unpaid matured deposits*	-	185,182
<b>Total cash and cash equivalents (Note 13)</b>	<b>118,230,398</b>	<b>91,884,990</b>

\* The Company can utilise these balances only towards settlement of the respective unpaid dividend and unpaid matured deposit .

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Shrawan Jalan  
Partner  
Membership No.: 102102  
Date: May 4, 2015  
Place: Chennai



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

*Sudhakar*  
**Sudhakar Ramasubramanian**  
Managing Director  
DIN : 02584713

*Director*  
Director  
DIN : 00894134

*Srinivas*  
**Srinivas Subudhi**  
Chief Finance Officer  
PAN : ATIPS9641N

*Vikash*  
**Vikash Kumer Agarwa**  
Company Secretary  
PAN : ACXPA6332J



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

We have audited the accompanying consolidated financial statements of Aditya Birla Money Limited (hereinafter referred to as "the Holding Company") and its subsidiary Aditya Birla Commodities Broking Limited (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements are free from material misstatement.

PB

**Independent Auditor's Report on the Consolidated Financial Statements  
Aditya Birla Money Limited**

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to note no. 21 of the Notes to the Consolidated Financial Statements, relating to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs. 148,960,079 grouped under advances recoverable in cash or kind which is subject matter of claim and more fully described therein. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in our reports of the Holding Company and the Subsidiary Company, incorporated in India, we give in the Annexure 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.

Independent Auditor's Report on the Consolidated Financial Statements  
Aditya Birla Money Limited

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- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and the Subsidiary Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the Subsidiary Company respectively, none of the directors of the Holding Company and Subsidiary Company, incorporated in India, is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no. 31(c) of the Notes to the Consolidated Financial Statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E



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per Shrawan Jalan  
Partner  
Membership Number: 102102  
Place of Signature: Chennai  
Date: May 4, 2015

Independent Auditor's Report on the Consolidated Financial Statements  
Aditya Birla Money Limited

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

The Group, comprising Aditya Birla Money Limited ('Holding Company') and its subsidiary to whom the provisions of the Order apply

- (i)(a) The Holding Company and the Subsidiary Company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All fixed assets have not been physically verified by the management of the Holding Company and the Subsidiary Company during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the of the Holding Company and the Subsidiary Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii)(a) The business of the Holding Company and the Subsidiary Company does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and the Subsidiary Company.
- (iii)(a) According to the information and explanations given to us, the Holding Company and the Subsidiary Company have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company and its subsidiary.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Holding Company and the Subsidiary Company and the nature of its businesses, for the purchase of fixed assets and for rendering of services. The activities of the Holding Company and the Subsidiary Company do not involve purchase of inventory and the sale of goods. During the course of our audit, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Subsidiary Company in respect of these areas.
- (v) The Holding Company and the Subsidiary Company have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Holding Company and the Subsidiary Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of the Holding Company. The provisions relating to customs duty and excise duty are not applicable to the Holding Company and the Subsidiary Company.



Independent Auditor's Report on the Consolidated Financial Statements  
Aditya Birla Money Limited

- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and the Subsidiary Company. The provisions relating to customs duty and excise duty are not applicable to the Holding Company and the Subsidiary Company.

As more fully discussed in Note 22 to the financial statements, stamp duties collected by the Holding Company and the Subsidiary in respect of States wherein the manner of payment has not been notified from July 2011 onwards and remaining unpaid as of March 31, 2015 is Rs. 5,341,423. As the manner of payment of the same has not been notified, we are not in a position to comment if any portion of the stamp duties collected has become due and outstanding for more than six months as at the Balance Sheet date.

- (vii)(c) According to the records of the Holding Company and the Subsidiary Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount related	Forum where the dispute is pending
Finance Act, 1994	Service Tax	7,283,390	April 2004 - June 2008	Commissioner of Service Tax
		376,714	October 2004 - March 2009	
		32,034	April 2006-May 2008	
		1,116,339 *	December 2008 - November 2009	
		21,821	November 2009 - March 2010	
		26,996	April 2010 - September 2010	
Tamil Nadu Value Added Tax Act,	Value Added Tax	30,439 **	April 2006-March 2007	Appellate Assistant Commissioner of
		765,329 **	April 2007-March 2008	
Karnataka Stamp Act, 1957	Stamp Duty	9,060,000	2003 - 2008	Chief Revenue Controlling Authority, Karnataka
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	14,036,578 *	April 2009 - May 2011	Regional Provident Fund Commissioner, Chennai
Income Tax Act, 1961	Income Tax	108,452	April 2006-March 2007	Commissioner of Income Tax (Appeals), Chennai
		8,773,360	April 2010 - March 2011	
		386,680	April 2011 - March 2012	

\* includes payment of Rs.4,625,484 under protest

\*\*excludes deposits of Rs 265,257

- (vii)(d) According to the information and explanations given to us, there are slight delays in the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder in respect of the Holding Company.

**Independent Auditor's Report on the Consolidated Financial Statements  
Aditya Birla Money Limited**

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- (viii) In respect of Holding Company, the accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Holding Company has not incurred cash loss during the year. In the immediately preceding financial year, the Holding Company had incurred cash loss. In respect of the Subsidiary Company, the accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Subsidiary Company has incurred cash loss during the year and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Holding Company and the Subsidiary Company have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company and the Subsidiary Company have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Holding Company and the Subsidiary Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company have been noticed or reported during the year. In case of the Subsidiary Company, we have been informed by the management of the subsidiary company during the year under audit that two employees of the subsidiary company had committed fraudulent acts on the subsidiary company by sending confirmations to a client misrepresenting his trading account balance to be Rs. 2,485,000 as against the actual balance of Rs.10,000. The issue came to fore post the resignation of both employees. The subsidiary company has filed police complaint against both the employees. Currently, the matter is under investigation and management is of the view that pending completion of the same no adjustments are necessary in these financial statements.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E



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per Shrawan Jalan  
Partner  
Membership Number: 102102  
Place of Signature: Chennai  
Date: May 4, 2015



**Aditya Birla Money Limited**

**Consolidated Balance Sheet as at March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Note No.</u>	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' Funds</b>			
Share Capital	3	155,400,000	155,400,000
Reserves and Surplus	4	160,554,008	185,879,866
	Sub-Total (A)	<u>315,954,008</u>	<u>341,279,866</u>
<b>(B) Non-Current Liabilities</b>			
Other Long-term Liabilities	5A	5,705,605	6,617,507
Long-term Provisions	6A	1,369,696	2,220,436
	Sub-Total (B)	<u>7,075,301</u>	<u>8,837,943</u>
<b>(C) Current Liabilities</b>			
Short-term Borrowings	7	690,631,345	98,723,887
Trade Payables	8	113,006,384	64,690,312
Other Current Liabilities	5B	1,130,129,089	1,589,250,047
Short-term Provisions	6B	26,274,112	13,379,965
	Sub-Total (C)	<u>1,960,040,930</u>	<u>1,766,044,211</u>
	<b>TOTAL (A)+(B)+(C)</b>	<u><b>2,283,070,239</b></u>	<u><b>2,116,162,020</b></u>
<b>ASSETS</b>			
<b>(D) Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9A	51,019,071	170,092,549
Intangible Assets	9B	28,770,654	41,652,792
Intangible Assets under Development		784,500	-
		<u>80,574,225</u>	<u>211,745,341</u>
Non-Current Investments	10A	65,750	66,000
Long-term Loans and Advances	11A	71,044,695	74,370,223
	Sub-Total (D)	<u>151,684,670</u>	<u>286,181,564</u>
<b>(E) Current Assets</b>			
Current Investments	10B	8,341	-
Trade Receivables	13	917,885,088	885,508,231
Cash and Bank Balances	14	893,414,352	488,488,362
Short-term Loans and Advances	11B	215,535,458	357,128,581
Other Current Assets	12	104,542,330	98,855,282
	Sub-Total (E)	<u>2,131,385,569</u>	<u>1,829,980,456</u>
	<b>TOTAL (D)+(E)</b>	<u><b>2,283,070,239</b></u>	<u><b>2,116,162,020</b></u>

Summary of Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Shrawan Jalan  
Partner

Membership No.: 102102

Date: May 4, 2015

Place: Chennai

Sudhakar Ramasubramanian

Managing Director

DIN : 02584713

Srinivas Subudhi

Chief Finance Officer

PAN : ATIPS9641N

Director

DIN : 00894124

Vikash Kumar Agarwal

Company Secretary

PAN : ACXPA6332J



**Aditya Birla Money Limited****Consolidated Statement of Profit and Loss for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>Note No.</u>	<u>Year Ended March 31, 2015</u>	<u>Year Ended March 31, 2014</u>
<b>Revenue</b>			
Revenue from Operations	15	1,190,750,620	751,757,769
Other Income	16	73,803,610	61,338,897
<b>Total Revenue</b>		<b>1,264,554,230</b>	<b>813,096,666</b>
<b>Expenses</b>			
Employee Benefits Expenses	17	494,980,230	376,137,470
Finance Cost	18	19,863,406	24,210,654
Depreciation and Amortisation Expenses	19	59,265,658	64,619,340
Business Partners Payout		342,359,130	212,356,282
Other Expenses	20	292,009,172	253,151,895
<b>Total Expenses</b>		<b>1,208,477,596</b>	<b>930,475,641</b>
<b>Profit/(Loss) Before Tax</b>		<b>56,076,634</b>	<b>(117,378,975)</b>
Tax Expenses			
- Write Back of Excess Provision for Tax/ Income		(2,912,943)	-
<b>Profit/(Loss) for the Year</b>		<b>58,989,577</b>	<b>(117,378,975)</b>
Earnings / (Loss) per share (Basic and Diluted) (Face Value of Re. 1/- each)	27	1.06	(2.12)

**Summary of Significant Accounting Policies****2**

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

*Shrawan*

per Shrawan Jalan

Partner

Membership No.: 102102

Date: May 4, 2015

Place: Chennai

*Sudhakar*  
**Sudhakar Ramasubramanian**  
 Managing Director  
 DIN : 02584713

*Srinivas*

**Srinivas Subudhi**  
 Chief Finance Officer  
 PAN : ATIPS9641N

*Vikas*  
 Director  
 DIN : 00894134

*Vikas*  
**Vikas Kumar Agarwal**  
 Company Secretary  
 PAN : ACXPA6332J



PB

*(All amounts are in Indian Rupees unless otherwise stated)*

### **1) Principles of consolidation**

- i) The Consolidated Financial Statements ('CFS') relate to Aditya Birla Money Limited ('the Company') and its 100% (Previous year 100%) wholly owned subsidiary Aditya Birla Commodities Broking Limited ('ABCBL'). Aditya Birla Commodities Broking Limited is incorporated in India.
- ii) The financial statements of the subsidiary have been drawn for the same reporting period as that of the Company i.e. year ended March 31, 2015.
- iii) The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealized profits/losses.
- iv) There is no excess / shortage of cost to the Company of its investment in the subsidiary over its proportionate share in the equity as at the date of the investment. Accordingly no goodwill / capital reserve is recognized in the CFS.
- v) The CFS have been prepared using uniform accounting policies, except as stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.

### **2) Statement of Significant Accounting Policies**

#### **a) Basis of preparation**

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies Accounting Standards Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the ministry of corporate affairs, in respect of 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. However, as these financial statements are not statutory financial statements, full compliance with the above Act are not required and so they may not reflect all the disclosure requirements of the Act. The financial statements have been prepared under the historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### **b) Change In Accounting Policy**

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.



FB



*(All amounts are in Indian Rupees unless otherwise stated)*

### **Useful lives/ depreciation rates**

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Fixed assets individually costing Rs.5,000 or less are fully depreciated in the year of purchase.

Based on transitional provision given in Schedule II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to Rs 843.15 Lakhs has been charged to opening balance of retained earnings. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been lesser by Rs120.67 lakhs.

### **c) Use of Estimates**

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

### **d) Tangible Fixed Assets and Depreciation**

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the 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.



*(All amounts are in Indian Rupees unless otherwise stated)*

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

**Assets where useful life is same as Schedule II:**

Asset	Useful Life as Prescribed by Schedule II of the Co. Act,2013
Computers (end user computers, Laptops)	3
V-Sat	6
Office Equipment(AC, Ups, Generator & Invertors)	5
Vehicles	6

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

Asset	Useful Life as Prescribed by Schedule II of the Co. Act,2013	Estimated Useful Life
Batteries (included under office Equipment's)	5 Years	4 Years
Furniture & Fixtures*	10 Years	7 years

\*In case of Furniture & Fixtures fitted with premises, Depreciation calculated based on lease period taking into account the secondary lease period or 7 years whichever is less.

**Leasehold Assets**

Leasehold Improvements	Period of Lease ranging from 4 to 5 years
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Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding and in the case of capitalisation of Greenfield/ Brownfield project, depreciation is charged from the date the project is ready to commence commercial production to the Statement of Profit and Loss.



P8



*(All amounts are in Indian Rupees unless otherwise stated)*

**e) Intangible assets**

Intangible assets are recorded at the consideration paid for acquisition. The computer software costs are capitalized and recognized as intangible assets in terms of Accounting Standard 26 - Intangible Assets based on materiality, accounting prudence and significant economic benefit expected there from to flow over a period longer than one year. Capitalized costs include direct costs of implementation and expenses directly attributable to the development of the software. All other expenses on existing intangible assets, including day-to-day maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Computer software cost capitalized is amortized over the estimated useful life of 6 years on a straight line basis.

**f) Impairment**

- 1) 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 impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- 2) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**g) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

**h) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



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*(All amounts are in Indian Rupees unless otherwise stated)*

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**i) Revenues**

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

Brokerage Income and transaction charges are recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.

Income from depository services, referral fee and interest and finance charges are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.

Other interest incomes are recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest. The same is included under the head 'other income' in the statement of profit and loss.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**j) Employee Benefits**

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.
- iv. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.





(All amounts are in Indian Rupees unless otherwise stated)

**k) Employee stock compensation cost**

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (*Share Based Employee Benefits*) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

**l) Income Tax**

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

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

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

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

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



*(All amounts are in Indian Rupees unless otherwise stated)*

**m) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

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

**n) Contingent Liability and Provisions**

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

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

**o) Segment Reporting**

The Company is principally engaged in the business of Broking and related activities. The operations are entirely in India. There is only one business segment and one geographical segment and hence segment information is not required to be disclosed as per explanation to para 38 of AS 17.

**p) Cash and Cash Equivalents**

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

**q) Sharing of costs**

The Company shares certain costs / service charges with other companies in the Group. These costs have been allocated on a reasonable and consistent basis between the Companies as mutually agreed to.



**Aditya Birla Money Limited**

**Notes to the Consolidated Financial statements for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>NOTE: 3</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
150,000,000 (Previous year 150,000,000) Equity Shares of Re.1/- each	150,000,000	150,000,000
1,000,000 (Previous Year 1,000,000) 8% Redeemable Non convertible non cumulative Preference Shares of Rs. 100/- each	100,000,000	100,000,000
	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and paid-up</b>		
<b>EQUITY SHARE CAPITAL</b>		
55,400,000 (Previous Year - 55,400,000) Equity Shares of Re.1/-each Fully paid	55,400,000	55,400,000
	<b>55,400,000</b>	<b>55,400,000</b>
<b>PREFERENCE SHARE CAPITAL</b>		
1,000,000 (Previous Year 1,000,000) 8% Redeemable Non convertible Non cumulative Preference Shares of Rs.100/- each fully paid	100,000,000	100,000,000
	<b>100,000,000</b>	<b>100,000,000</b>

**1A Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period**

Sl. No	Description	As at 31-Mar-15		As at 31-Mar-14	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the period	55,400,000	55,400,000	55,400,000	55,400,000
2	Issued during the period	-	-	-	-
3	Outstanding at the end of the period	55,400,000	55,400,000	55,400,000	55,400,000

**1B Reconciliation of the number of Preference shares outstanding at the beginning and at the end of the period**

Sl. No	Description	As at 31-Mar-15		As at 31-Mar-14	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the period	1,000,000	100,000,000	800,000	80,000,000
2	Issued during the period	-	-	200,000	20,000,000
3	Outstanding at the end of the period	1,000,000	100,000,000	1,000,000	100,000,000

**2 Term/right attached to equity shares**

The Company has only one class of equity shares having a par value of Re.1/- 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 Term/right attached to Preference Shares**

Preference share carry non cumulative dividend of 8% per annum. The company declares and pays dividends in Indian rupees.

On 31st March 2011, the Company had allotted 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each, fully paid up at a premium of Rs.150/- per share to Aditya Birla Financial Services Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs.320/- per share.

On 31st March 2014, the Company had allotted 200,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each, fully paid up at a premium of Rs.400/- per share to Aditya Birla Financial Services Limited, the holding Company. These Preference Shares are redeemable at the end of 5 years from the date of issue at a price of Rs.725/- per share.

During the year, the rights attached to the 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each were varied to the extent and manner given below with the written consent of the preference shareholders dated 30th March 2015:

1. The period of redemption extended by 39 months from March 2016 to June 2019 and
2. The redemption price of Redeemable Non Convertible Non Cumulative Preference Shares shall be varied from Rs.320/- (Face value Rs.100/- and Premium of Rs.220/- per share) to Rs.411/- (Face value Rs.100/- and Premium of Rs.311/- per share)
3. Same as what is mentioned hereinabove, all other terms and conditions of the said preference shares remain the same.



4 **Shares held by Holding Company**

41,550,000 (Previous Year : 41,550,000) equity shares of Re.1/- each fully paid and 1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non Convertible Non Cumulative preference shares Rs.100/-each fully paid are held by Aditya Birla Financial Services Limited, the Holding Company.

5 **Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under:-**

i) **Equity Shares Capital**

Sl. No.	Name of Share Holder	As at 31-Mar-15		As at 31-Mar-14	
		Number of Shares held	% of total paid-up equity share capital	Number of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Limited	41,550,000	75.00	41,550,000	75.00
2	PCR Investments Limited	-	0.00	3,385,320	6.11
3	Sucharitha P. Reddy	5,517,460	9.96	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

ii) **Preference Share Capital**

Sl. No.	Name of Share Holder	As at 31-Mar-15		As at 31-Mar-14	
		Number of Shares held	% of total paid-up preference share capital	Number of Shares held	% of total paid-up preference share capital
1	Aditya Birla Financial Services Limited	1,000,000	100	1,000,000	100



2

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**Aditya Birla Money Limited**

**Notes to the Consolidated Financial statements for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
<b>NOTE: 4</b>		
<b>RESERVES AND SURPLUS</b>		
<b>1) Capital Reserves</b>	11,538,863	11,538,863
<b>2) Securities Premium Account</b>		
Balance as per last audited Financial Statement	200,000,000	120,000,000
Addition:		
Security premium on preference share issued during the year	-	<u>80,000,000</u>
	<u>200,000,000</u>	<u>200,000,000</u>
<b>3) General Reserve</b>		
Balance as per last audited Financial Statement	261,376,777	261,376,777
<b>4) Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last audited Financial Statement	(287,035,773)	(169,656,798)
Addition:		
Profit/(Loss) of the year	58,989,577	(117,378,975)
Less: Appropriations		
Depreciation one time written off as per Sch. II	<u>(84,315,431)</u>	-
	<u>(312,361,627)</u>	<u>(287,035,773)</u>
	<u>160,554,008</u>	<u>185,879,866</u>
<b>NOTE: 5A</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
Rent Equalization Liability	<u>5,705,605</u>	<u>6,617,507</u>
	<u>5,705,605</u>	<u>6,617,507</u>
<b>NOTE: 5B</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Income Received in Advance	24,315	288,294
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	51,731	670,077
Unpaid Matured Deposits and Interest Accrued thereon	-	185,182
Other Payables		
Payable to customers	1,056,828,984	1,518,475,742
Payable to exchanges	2,725,605	1,270,958
Book Overdraft	6,009,498	12,169,865
Statutory Dues	20,581,402	14,024,900
Deposits	41,435,518	40,436,710
Rent Equalization Liability	2,138,041	752,814
Others (due to Related Parties)	<u>333,995</u>	<u>975,505</u>
	<u>1,130,129,089</u>	<u>1,589,250,047</u>
<b>NOTE: 6A</b>		
<b>LONG-TERM PROVISIONS</b>		
Provisions for Employee Benefits:		
Gratuity (Unfunded) (Refer Note no. 29)	<u>1,369,696</u>	<u>2,220,436</u>
	<u>1,369,696</u>	<u>2,220,436</u>
<b>NOTE: 6B</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provisions for Employee Benefits:		
Leave Encashment	16,517,355	7,783,741
Gratuity (Unfunded) (Refer Note no. 29)	20,219	43,391
Gratuity (Funded) (Refer Note no. 29)	8,896,648	-
Others (Deferred Compensation)	-	1,800,000
Taxation (Net of Advance Tax Rs.16,060,110/- (Previous Year Rs.61,647,167/-))	<u>839,890</u>	<u>3,752,833</u>
	<u>26,274,112</u>	<u>13,379,965</u>



18



**Aditya Birla Money Limited**

**Notes to the Consolidated Financial statements for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
<b>NOTE: 7</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>UNSECURED</b>		
Commercial Papers * ^	690,631,345	98,723,887
	<u>690,631,345</u>	<u>98,723,887</u>
* Maximum balance outstanding during the year	690,631,345	494,832,259
^ Repayable in 30 to 90 days from the date of draw down. The interest on this loan ranges from 8.75% to 10.70%.		
<b>NOTE: 8</b>		
<b>TRADE PAYABLES</b>		
Salaries, wages, bonus and other employee benefits payable	61,677,662	27,168,100
Trade Payables (Others)	51,328,722	37,522,212
	<u>113,006,384</u>	<u>64,690,312</u>

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, 2015. 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.





Aditya Birla Money Limited  
Notes to the Consolidated Financial statements for Year ended March 31, 2015

Note 9A - Tangible Assets

	Freehold Land	V SAT Equipments	Furniture & Fixtures	Office Equipment	Computers	Vehicles	TOTAL	Computer Software
<b>Gross Block</b>								
As at 1st April 2013	1,500,000	95,729,009	99,505,523	74,304,672	213,633,450	2,245,810	486,918,465	227,275,680
Additions	-	-	1,012,346	770,308	416,668	-	2,199,322	4,746,170
Deletions	-	-	21,005,166	5,489,742	2,346,413	1,030,413	29,871,734	-
As at 31st March 2014	1,500,000	95,729,009	79,512,703	69,585,238	211,703,705	1,215,397	459,246,053	232,021,850
<b>Cost</b>								
At 1 April 2014	1,500,000	95,729,009	79,512,703	69,585,238	211,703,705	1,215,397	459,246,053	232,021,850
Additions	-	-	515,177	3,700,359	3,219,939	2,195,613	9,631,088	2,099,460
Deletions	-	864,345	1,206,548	3,641,167	4,700,160	-	10,412,220	-
As at 31st March 2015	1,500,000	94,864,664	78,821,332	69,644,430	210,223,484	3,411,010	458,464,921	234,121,310
<b>Accumulated Depreciation</b>								
As at 1st April 2013	-	42,549,878	45,786,056	29,193,243	148,301,596	648,644	266,479,417	166,918,499
For the year	-	4,172,448	7,790,084	5,130,242	23,952,386	123,620	41,168,781	23,450,559
Deletions	-	-	12,377,702	3,534,884	2,243,005	339,103	18,494,694	-
As at 31 March 2013	-	46,722,326	41,198,437	30,788,601	170,010,977	433,161	289,153,504	190,369,058
<b>Depreciation</b>								
At 1 April 2014	-	46,722,326	41,198,437	30,788,601	170,010,977	433,161	289,153,502	190,369,058
For the year	-	8,454,162	11,190,654	13,422,814	10,810,837	405,593	44,284,060	14,981,598
Deletions	-	864,349	1,196,329	3,546,309	4,700,161	-	10,307,147	-
Adjustment	-	39,992,920	7,466,841	20,794,074	16,061,800	-	84,315,435	-
As at 31st March 2015	-	94,305,059	58,659,403	61,459,180	192,183,453	838,754	407,445,850	205,350,656
<b>Net book amount as at 31st March 2014</b>	1,500,000	49,006,683	38,314,266	38,796,637	41,692,728	782,236	170,092,549	41,652,792
<b>Net book amount as at 31st March 2015</b>	1,500,000	559,605	20,161,929	8,185,250	18,040,031	2,572,256	51,019,071	28,770,654

\* The company is in the process of getting the lands registered in its name which is currently under dispute but management expects a favourable outcome in this matter



**Aditya Birla Money Limited**

**Notes to the Consolidated Financial statements for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>NOTE: 10A</b>		
<b>INVESTMENTS : NON-CURRENT</b>		
<b>Unquoted</b>		
Non Trade Investments (Unquoted, as valued at cost less provision)		
Investments in Equity Shares	183,824	184,523
6,575 (Previous year: 6,600) Equity Share of Rs.10/-each fully paid in Apollo Sindhoori Hotels Limited.		
Less: Provision for diminution in value of investment	<u>(118,074)</u>	<u>(118,523)</u>
	<u>65,750</u>	<u>66,000</u>
<b>Note :</b>		
1. Aggregate amount of unquoted investments	65,750	66,000
2. Aggregate amount of diminution in value of investment	118,074	118,523
<b>NOTE: 10B</b>		
<b>INVESTMENTS: CURRENT</b>		
<b>Quoted</b>		
Investments in		
Mutual Funds	<u>8,341</u>	<u>-</u>
	<u>8,341</u>	<u>-</u>
<b>NOTE: 11A</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits	32,217,356	37,894,762
Margins with Exchange	16,000,000	15,700,000
Other Loans and Advances		
Advance Tax (Net of Provision Rs.6,640,873/- (Previous year : Rs.6,640,873/-))	22,770,740	20,436,833
Prepaid Expenses	<u>56,599</u>	<u>338,628</u>
	<u>71,044,695</u>	<u>74,370,223</u>
<b>NOTE: 11B</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 21)		
Advances recoverable in cash or Kind		
Considered Good	95,938,872	106,463,065
Considered Doubtful	<u>62,980,767</u>	<u>50,862,957</u>
	158,919,639	157,326,022
Less: Provision for Doubtful	<u>(62,980,767)</u>	<u>(50,862,957)</u>
	<u>95,938,872</u>	<u>106,463,065</u>
Security Deposits	5,784,039	764,290
Considered Doubtful	<u>366,500</u>	<u>366,500</u>
	6,150,539	1,130,790
Less: Provision for Doubtful	<u>(366,500)</u>	<u>(366,500)</u>
	<u>5,784,039</u>	<u>764,290</u>
Gratuity Receivable (Refer note no.29)	-	4,971,397
Loans & Advances to Related Party #	2,547,704	2,278,724
Margins with Exchange	66,823,002	201,253,001
Balances with Govt. Authorities	4,008,214	7,039,813
Advances to Suppliers	24,959,276	20,354,071
Prepaid Expenses	12,724,364	11,907,102
Advances to Employees	2,749,988	2,097,118
Considered Doubtful	<u>191,715</u>	<u>-</u>
	2,941,703	2,097,118
Less: Provision for Doubtful	<u>(191,715)</u>	<u>-</u>
	<u>2,749,988</u>	<u>2,097,118</u>
	<u>215,535,458</u>	<u>357,128,581</u>



2

18

**Aditya Birla Money Limited**

**Notes to the Consolidated Financial statements for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>NOTE: 12</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, Considered Good, except otherwise stated)		
Accrued Income (from operations)	5,748,950	8,591,552
Interest Accrued on Fixed Deposits	33,172,808	16,177,481
Receivable from Exchange	65,620,572	66,408,742
Insurance Claim Receivables *		7,677,507
Considered Doubtful	2,991,592	1,232,419
	2,991,592	8,909,926
Less: Provision for Doubtful	(2,991,592)	(1,232,419)
	-	7,677,507
	<u>104,542,330</u>	<u>98,855,282</u>

\* Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection

**NOTE: 13**

**TRADE RECEIVABLES^**

OutStanding for a period exceeding 6 months from the date they are due for payment		
Secured, Considered Good	63,718,609	53,830,458
Unsecured, Considered Doubtful	28,455,818	21,927,292
Less: Provision for doubtful	(28,455,818)	(21,927,292)
	<u>63,718,609</u>	<u>53,830,458</u>
Others		
Secured, Considered Good	787,108,743	772,114,311
Unsecured, Considered Good	67,057,736	59,563,462
Unsecured, Considered Doubtful	776,973	1,848,929
Less: Provision for doubtful	(776,973)	(1,848,929)
	<u>854,166,479</u>	<u>831,677,773</u>
	<u>917,885,088</u>	<u>885,508,231</u>

^Trade receivables include pass through amounts representing dues from clients towards transactions not fully settled as at the reporting date.

**NOTE: 14**

**CASH AND BANK BALANCES**

**Cash and Cash Equivalents**

**Balances with Banks**

Current Accounts	150,881,320	132,923,848
Unpaid Dividend	51,731	670,077
Unclaimed Matured Deposits	-	185,182
Cash on Hand	964	16,607
	<u>(A) 150,934,015</u>	<u>133,795,714</u>

**Other Bank Balances**

Deposit Accounts (with original maturity more than three months)\*

	742,480,337	354,692,648
	<u>(B) 742,480,337</u>	<u>354,692,648</u>
	<u>(A) + (B) 893,414,352</u>	<u>488,488,362</u>

\* Fixed deposits have been placed under lien towards bank guarantees Rs.281,431,178 (Previous year : Rs.152,831,648), as margin with exchanges Rs.458,208,474 (Previous year :201,861,000) and as General a/c Rs.2,840,685 (Previous year : Nil).



**Aditya Birla Money Limited****Notes to the Consolidated Financial statements for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>NOTE: 15</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>A. Income from services</b>		
Brokerage income	1,011,520,631	627,324,044
Income from transaction charges	6,287,216	4,991,295
Account opening charges	2,808,924	2,873,047
Income from depository services	43,359,339	39,978,425
	<u>1,063,976,110</u>	<u>675,166,811</u>
<b>B. Other operating income</b>		
V-sat rent	1,332,267	1,754,919
Interest and finance charges	125,442,243	74,836,039
	<u>126,774,510</u>	<u>76,590,958</u>
	<u>1,190,750,620</u>	<u>751,757,769</u>
<b>NOTE: 16</b>		
<b>OTHER INCOME</b>		
Interest Income		
Interest on bank deposits	57,236,263	41,218,583
Other interest income	13,929	179,352
Dividends Income on Investments		
Long-term	19,800	19,800
Net Gain on Sale of Investments	14,108,602	10,812,644
Profit on Sale of Fixed Assets (Net)	967,731	-
Provision for Doubtful Debts written back	-	3,536,630
Miscellaneous Income (Net)	1,457,285	5,571,888
	<u>73,803,610</u>	<u>61,338,897</u>
<b>NOTE: 17</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	458,725,781	351,549,189
Contribution to Provident & Other Funds (Refer Note 29)	27,215,721	16,909,898
Staff Welfare Expenses	9,038,728	7,678,383
	<u>494,980,230</u>	<u>376,137,470</u>
<b>NOTE: 18</b>		
<b>FINANCE COST</b>		
Interest Expenses	19,773,802	24,197,440
Other Borrowing Costs	89,604	13,214
	<u>19,863,406</u>	<u>24,210,654</u>
<b>NOTE: 19</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of Tangible Assets	44,284,060	41,168,780
Amortisation of Intangible Assets	14,981,598	23,450,560
	<u>59,265,658</u>	<u>64,619,340</u>



**Aditya Birla Money Limited****Notes to the Consolidated Financial statements for the Year ended March 31, 2015**

(All amounts are in Indian Rupees, unless otherwise stated)

	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>NOTE: 20</b>		
<b>OTHER EXPENSES</b>		
Rent (Refer Note 28)	55,937,074	52,623,656
Repairs and Maintenance of:		
Buildings	1,331,564	1,350,939
Others	20,686,178	22,645,948
Insurance	16,903,898	12,212,765
Rates and Taxes	13,511,071	6,568,917
Bandwidth Charges	23,399,912	17,562,226
Advertisement	2,957,979	2,207,954
Legal and Profession Expenses	19,015,895	16,751,226
Provision for Doubtful Debts	5,456,570	-
Provision for Doubtful Deposits and Advances	14,068,698	6,413,000
Printing and Stationery	6,133,734	5,410,649
Travelling and Conveyance	19,452,452	18,248,205
Communication Expenses	15,635,706	15,819,104
Loss on Sale/Discard of Fixed Assets (Net)	-	7,574,460
Bank, Collateral and Clearing Charges	10,685,843	3,439,693
Auditors' Remuneration*	2,909,350	2,120,183
Directors' Fees	470,000	450,000
Postage Expenses	3,626,067	2,770,879
Electricity Charges	13,079,303	12,174,177
Information Technology & Software Expenses	40,010,767	40,683,268
Miscellaneous Expenses	6,737,111	6,124,646
	<b>292,009,172</b>	<b>253,151,895</b>

\* Auditors' Remuneration includes payments to auditors as under:

As auditor:

Audit fee	1,300,000	1,100,000
Limited Reviews	750,000	800,000
Tax audit fee	350,000	100,000
Certification fees	23,156	39,329
Reimbursement of expenses	486,194	80,854
	<b>2,909,350</b>	<b>2,120,183</b>



PB

*(All amounts are in Indian Rupees unless otherwise stated)*

## **21) Assets forming part of claims made by the Ultimate Parent Company**

Pursuant to a Share Purchase agreement ('SPA') between Aditya Birla Nuvo Limited ('ABNL' or 'the Purchaser') and Mr Prataph C Reddy and others ("Erstwhile Promoters") dated August 28, 2008, ABNL had agreed to acquire 31 million equity shares in Aditya Birla Money Limited ("the Company"). The transaction was completed on March 6, 2009.

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

Subsequent to the completion of the above transaction, the Purchaser noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, ABNL based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of Rs 166,634,149 as Losses incurred on account of breach of representation warranties in the SPA. Further, ABNL vide its letter dated March 5, 2011 made a separate claim of Rs 5,169,379 for amounts becoming due and payable on accounts of various cases initiated by the customers of the Company. ABNL invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011 with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2014 aggregating Rs 148,960,079 (previous year: Rs 149,009,581) and disclosed the same in Short Term Loans & Advances in Note No 11B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

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

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

During the current year, Arbitral Tribunal has passed an award, allowing claim of Rs.102,395,606/-, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of Rs. 57,341,539/- (being 56% of Rs.102,395,606/-, as ABNL has purchased only 56% of shares), alongwith interest @ 14% from the date of award. This award was received by ABNL on 27<sup>th</sup> May 2014.

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





*(All amounts are in Indian Rupees unless otherwise stated)*

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

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

## **22) Stamp duty**

Hitherto, the Company had been collecting and remitting stamp duties with respect to states wherein the manner of payment of the same has been prescribed by the respective state governments. From July 2011, the Company had started collecting stamp duty on contract notes for all states, including the states wherein the manner of payment has not yet been notified. The Company is evaluating various options of remitting the same, including remitting those amounts in the State of Tamil Nadu, as all the contract notes are executed at Tamil Nadu. Pending, the final determination of the manner of remittance, amount of Rs 5,341,423/- (Previous Year: Rs. 2,088,276) collected till March 31, 2015 has been disclosed under statutory dues in other current liabilities.

## **23) Capital and other commitments**

- a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is 784,500/- (Previous year - Rs. NIL).
- b) For commitments relating to lease arrangements, please refer note 28.



PB

(All amounts are in Indian Rupees unless otherwise stated)

**24) Contingent Liabilities**

Particulars	March 31, 2015	March 31, 2014
<b>Disputed tax and other statutory liabilities not provided for:</b>		
(a) Income tax & interest tax - for various assessment years in respect of which Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	45,653,877	45,653,877
(b) Service tax - for various assessment years in respect of which the Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	7,989,907	7,989,907
(c) Provident fund - for the period from March 2009 to May 2011 for non-inclusion of certain components like allowances etc. while computing and remitting the employer and employees' contribution to provident fund. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	14,036,578	14,036,578
(d) Karnataka Stamp duty for the period from 2003-2008. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities	9,060,000	9,060,000
(e) VAT - for various assessment years in respect of which Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	1,061,025	1,061,025
<b>Contingent Liability not provided for on account of:</b>		
(a) Disputed claim of SEBI towards turnover fees contested by the Company at Ho'nble Supreme Court. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.	27,656,667	27,656,667
(b) Claims against the Company not acknowledged as debts*	84,364,701	39,838,038
* Represents claims made on the Company by various customers alleging unauthorized trades, loss of profits etc. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.		



(All amounts are in Indian Rupees unless otherwise stated)

## 25) Managerial Remuneration

During an earlier year the Company had made an application to the Central Government under Section 309 (5B) of the Companies Act, 1956 for seeking waiver of excess managerial remuneration amounting to Rs 3,094,634 (Previous year: Rs 3,094,634) (excluding statutory contribution to provident fund, gratuity and leave encashment which are exempted under Schedule VI) paid to Mr. P.B. Subramaniyan, the erstwhile whole time director ('Erstwhile Director') of the Company for the period from April 1, 2008 to March 6, 2009.

During the previous year, the Company has received an order from the Central Government (CG) whereby the CG has rejected excess remuneration of Rs.1,626,614 (Previous year: Rs.1,626,614) and directed the Company to collect the same from the Erstwhile Director.

The Company has commenced the process of recovery from the Erstwhile Director. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet. The Company is evaluating various alternative options including seeking a condonation / compounding if these amounts are not recoverable from the Erstwhile Director.

## 26) Foreign currency transactions

The Company did not enter into any foreign currency transactions in the current year and previous year.

## 27) Earnings Per Share

Particulars		March 31, 2015	March 31, 2014
Net profit/ (loss) as per Statement of profit and loss	A	58,989,577	(117,378,975)
Weighted average number of equity shares			
- Basic and diluted	B	55,400,000	55,400,000
Earnings / (Loss) per share			
- Basic and diluted	A/B	1.06	(2.12)
Nominal value of equity share (in Rs.)		Re 1/-	Re 1/-



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(All amounts are in Indian Rupees unless otherwise stated)

## 28) Lease disclosures

### Operating leases for premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2015 amounts to Rs. 51,573,603 (Previous Year Rs. 47,580,720).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2015 amounts to Rs.208,418,830 (Previous Year Rs. 245,888,965). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2015	March 31, 2014
Within one year	44,766,451	43,942,934
Later than one year and not later than five years	120,710,820	163,288,588
Later than five years	42,941,559	38,657,443

The company has entered into lease / license agreements in respect of immovable properties with different parties. Some of the agreements contain escalation clause related to lease rentals / license fees from 5% to 15% p.a.

### Operating leases for computers:

The company has entered into commercial leases on computer desktops. These leases have an average life of three years with renewal option included in the contracts.

Lease rentals in respect of computers taken on operating lease during the year ended March 31, 2015 amounts to Rs. 4,103,985 (Previous Year Rs. 4,559,985).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2015 amounts to Rs. 2,051,991 (Previous Year - Rs 2,112,280). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2015	March 31, 2014
Within one year	2,051,991	2,112,280
Later than one year and not later than five years	-	-
Later than five years	-	-



(All amounts are in Indian Rupees unless otherwise stated)

## 29) Employment Benefit disclosures

The amounts charged to the statement of profit and loss during the year for Provident fund contribution aggregates to Rs.17,472,222 (Previous year - Rs. 14,829,414) and employees' state insurance contribution aggregates to Rs. 1,141,013 (Previous year - Rs. 1,497,563).

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded for the Company. The scheme is unfunded for ABCBL.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan of ABML.

### Amounts recognized in the Balance sheet in respect of gratuity

Particulars	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	29,188,092	12,763,006
Fair value of plan assets	20,291,443	17,734,403
Liability/(Asset) recognized in the balance sheet	8,896,649	(4,971,397)

### Amounts recognized in the statement of profit and loss in respect of gratuity

Particulars	March 31, 2015	March 31, 2014
Current service cost	4,175,843	2,699,416
Interest cost on benefit obligation	1,569,730	1,028,931
Expected return on plan assets	(1,547,158)	(1,214,160)
Net actuarial (gain) / loss recognized in the year	392,0591	(1,931,266)
Past service costs - vested benefits		-
Net gratuity cost	8,119,006	582,921

### Actual return on plan assets:

Particulars	March 31, 2015	March 31, 2014
Expected return on plan assets	1,547,158	1,214,160
Actuarial gains / (Losses) on plan assets	1,009,882	(387,351)
Actual return on plan assets	2,557,040	826,809

### Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	March 31, 2015	March 31, 2014
Opening defined benefit obligation	12,763,006	12,471,889
Interest cost	1,569,730	1,028,931
Acquisition Adjustment	6,282,164	-
Current service cost	4,175,843	2,699,416
Actuarial (gains)/ losses on obligation	4,930,473	(2,318,617)
Benefits paid	(533,124)	(1,118,613)
Closing defined benefit obligation	29,188,092	12,763,006



**Aditya Birla Money Limited**  
**Notes to the Consolidated Financial statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless otherwise stated)

**Change in fair value of plan assets**

Particulars	March 31, 2015	March 31, 2014
Opening fair value of plan assets	17,734,403	16,907,594
Expected return	1,547,158	1,214,160
Actuarial (gains)/ losses on	1,009,882	(387,351)
Contributions by employer	533,124	1,118,613
Benefits paid	(533,124)	(1,118,613)
<b>Closing fair value of plan assets</b>	<b>20,291,443</b>	<b>17,734,403</b>

**Details of plan assets**

The plan assets represent Company's proportionate share in the Aditya Birla Nuvo Gratuity Fund managed by the ultimate parent company for the employees of the Company. The details of plan assets are as under:

Particulars	March 31, 2015	March 31, 2014
Government of India securities	27%	21%
Corporate Bonds	1%	1%
Insurer managed funds	51%	58%
Deposit Scheme	2%	3%
Others	19%	17%
	<b>100%</b>	<b>100%</b>

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**Experience adjustments**

Particulars	March 31, 2015	March 31, 2014	March 31, 2013
Experience adjustments (loss) / gain	(274,235)	387,351	641,862

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Experience adjustments (loss) / gain	2,584,420	3,041,066	(2,081,274)

The Company does not expect to contribute additional amount to the fund in the next year.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2015	March 31, 2014
Discount rate	8.00%	8.25%
Expected rate of return on assets	8.50%	8.25%



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(All amounts are in Indian Rupees unless otherwise stated)

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

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity plan of the ABCBL which is unfunded.

#### Amounts recognized in the Balance sheet in respect of gratuity

Particulars	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	1,389,915	2,263,827
Fair value of plan assets	-	-
<b>Liability/(Asset) recognized in the balance sheet</b>	<b>1,389,915</b>	<b>2,263,827</b>

#### Amounts recognized in the statement of profit and loss in respect of gratuity

Particulars	March 31, 2015	March 31, 2014
Current service cost	264,225	357,517
Interest cost on benefit obligation	146,401	244,381
Expected return on plan assets	NIL	NIL
Net actuarial (gain) / loss recognized in the year	(25,666)	(775,371)
Past service costs - vested benefits	NIL	-
<b>Net gratuity cost</b>	<b>384,960</b>	<b>(173,473)</b>

#### Reconciliation of present value of the obligation

Particulars	March 31, 2015	March 31, 2014
Opening defined benefit obligation	2,263,827	2,962,192
Acquisition Adjustment	(1,103,034)	-
Interest cost	146,401	244,381
Current service cost	264,225	357,517
Actuarial (gains)/ losses on obligation	(25,666)	(775,371)
Benefits paid	(155,838)	(524,892)
<b>Closing defined benefit obligation</b>	<b>1,389,915</b>	<b>2,263,827</b>

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2015	March 31, 2014
Discount rate	8.00%	8.25%
Expected rate of return on assets	8.00%	8.25%

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



**Aditya Birla Money Limited**  
**Notes to the Consolidated Financial statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless otherwise stated)

**30) Related party transactions**

**List of related parties**

Ultimate holding Company	Aditya Birla Nuvo Limited
Holding Company	Aditya Birla Financial Services Private Limited
Subsidiary Company	Aditya Birla Commodity Broking Limited

Related parties under AS 18 with whom transactions have taken place during the year	
Fellow Subsidiaries	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services Pvt Limited

Additional related parties as per CA 2013 with whom transactions have taken place during the year	
Key Management Personnel	Mr. Sudhakar Ramasubramanian, Managing Director
	Mr. Srinivas Subudhi, Chief Financial Officer (w.e.f 15-5-2014)
	Mr. Vikash Agarwal, Company Secretary (w.e.f 28-1-2015)

Sr. No.	Particulars	Closing Balance as on March 31, 2015	Transactions 2014 - 2015	Closing Balance as on March 31, 2014	Transactions 2013 - 2014
<b>I.</b>	<b>Aditya Birla Nuvo Ltd</b>				
1	Reimbursement of Cost - Other Expenses	-	11,236	-	-
2	Outstanding Balances				
	- Payables	-	-	-	-
<b>II.</b>	<b>Aditya Birla Financial Services Ltd</b>				
1	Reimbursement of Cost - Manpower Cost	-	4,844,088	-	-
2	Contribution to Fund	-	129,350	-	-
3	Reimbursement of Cost - Electricity, Rent, Staff welfare and other expenses	-	1,387,698	-	-
4	Issue of Preference Share	-	-	-	20,000,000
5	Security premium on preference share issued during the year	-	-	-	80,000,000
6	Outstanding Balances				
	- Payables	(1,968,933)	-	-	-



**Aditya Birla Money Limited**  
**Notes to the Consolidated Financial statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless otherwise stated)

<b>III.</b>	<b>Aditya Birla Finance Ltd</b>				
1	Recovery of Cost - Manpower, Rent expenses	-	588,571	-	101,125
2	Sale of Assets	-	-	-	738,930
3	Outstanding Balances				
	- Receivables	400,870	-	18,202	-
<b>IV.</b>	<b>Aditya Birla Money Mart Ltd</b>				
1	Expenses - Commission, - Management Fees	-	105,884,114	-	63,787,072
2	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	-	46,385,949	-	14,947,934
3	Reimbursement of Cost - Rent, Electricity, Staff welfare and other expenses	-	-	-	3,475,299
4	Other Transaction- Gratuity/Leave Encashment liability	-	8,161,581	-	-
5	Inter corporate loan given	-	-	-	10,000,000
6	Inter corporate loan receipt	-	-	-	10,000,000
7	Interest on Inter corporate loan receivable	-	-	-	374,932
8	Outstanding Balances				
	- Receivables	1,747,007	-	2,092,555	-
	- Payables	(333,995)	-	(975,505)	-
<b>V.</b>	<b>Aditya Birla Financial Shared Services Ltd</b>				
1	Reimbursement of Cost - Manpower, Electricity, Staff welfare and other expenses		12,823,927		11,353,190
2	Contribution to Fund		353,994		-
3	Outstanding Balances				
	- Payables	(1,338,403)	-	(3,305,760)	-
<b>VI.</b>	<b>Birla Sunlife Insurance Co Ltd</b>				
1	Income	-	13,154,258	-	10,891,642
2	Outstanding Balances				
	- Receivables	198,633	-	-	-



**Aditya Birla Money Limited**  
**Notes to the Consolidated Financial statements for the year ended March 31, 2015**

*(All amounts are in Indian Rupees unless otherwise stated)*

<b>VII.</b>	<b>Aditya Birla Insurance Brokers Ltd</b>				
1	Recovery of Cost - Rent expenses	-	813,714	-	488,766
2	Outstanding Balances				
	- Receivables	133,484	-	92,124	-
<b>VIII.</b>	<b>Aditya Birla Customer Services Ltd</b>				
1	Recovery of Cost - IT Support, Manpower expenses	-	3,397,132	-	842,700
2	Reimbursement of Cost - Rent expenses	-	1,075,791	-	-
3	Outstanding Balances				
	- Receivables	67,710	-	75,843	-
<b>IX.</b>	<b>Mr. P. SUDHIR RAO</b>				
1	Directors Sitting Fee	-	275000	-	250000
2	Reimbursement of expenses		67383	-	76413
		-	-	-	-
<b>X.</b>	<b>Mr. G. VIJAYARAGHAVAN</b>				
1	Directors Sitting Fee		195000	-	200000
<b>XI.</b>	<b>Mr. K. SUDHAKAR RAMASUBRAMANIAN</b>				
1	Income	-	90,072	-	60,391
2	Outstanding Balances				
	- Payable	(411,014)	-	(3,528,245)	-
<b>XII.</b>	<b>Mr. AJAY SRINIVASAN</b>				
1	Income	-	7,000	-	-
2	Outstanding Balances				
	- Payable	(727)		-	-



PB

*(All amounts are in Indian Rupees unless otherwise stated)*

### 31) Others

#### a. Stock options granted under ABML – Employee Stock Option Scheme – 2014

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

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the market price of the Company and further, the vesting of options is due only in the upcoming years.

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

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

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

Options outstanding as on April 01, 2014	Nil
No. of options granted during the year	25,09,341
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant Date	02.12.2014
Grant/Exercise price (Rs. per share)	34.25/-
Market price as on the date of the grant	34.25/-(previous day closing price on the



PB



(All amounts are in Indian Rupees unless otherwise stated)

	recognized stock exchange)
Options forfeited/lapsed during the year	60,440 (due to resignation of employees)
Options exercised during the year	Nil
Options outstanding as on March 31, 2015	2,448,901

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

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

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

**Fair Valuation:** The fair value of the options on the date of grant has been done by an independent valuer using Black-Scholes Formula. The key assumptions are as under:

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

Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

	For the year ended March 31, 2015
Net profit (As reported)	58,989,577
Less: Impact of Incremental cost under Fair value approach	8,152,100
Net Profit (Proforma)	50,837,477
Basic earnings per share (as reported) (In Rs.)	1.06
Basic earnings per share (Proforma) (In Rs.)	0.92
Diluted earnings per share (as reported) (In Rs.)	1.06
Diluted earnings per share (Proforma) (In Rs.)	0.92

- b. The Company has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. As at the balance sheet date, there were no long term contracts (including derivative contracts)
- c. The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax and other statutory authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. Refer note 24 for details on contingent liabilities. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of Rs 12,314,612 as at 31 March 2015.



18



**Aditya Birla Money Limited**

**Notes to the Consolidated Financial statements for the year ended March 31, 2015**

*(All amounts are in Indian Rupees unless otherwise stated)*

**32) Previous year figures**

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

**As per our report of even date  
For S. R. BATLIBOI & CO LLP.**

Chartered Accountants  
ICAI Firm Registration Number: 301003E




**per Shrawan Jalan**  
Partner  
Membership No.: 102102  
Date: May 4, 2015  
Place: Chennai



**For and on behalf of the Board of Directors of Aditya  
Birla Money Limited**

  
**Sudhakar Ramasubramanian**  
Managing Director  
DIN: 02584713

  
Director  
DIN: 80894184

  
**Srinivas Subudhi**  
Chief Financial Officer  
PAN : ATIPS9641N

  
**Vikashh Agarwal**  
Company Secretary  
PAN : ACXPA6332J



**Aditya Birla Money Limited**  
**Consolidated Cash Flow Statement as at 31st March 2015**  
*(All amounts are in Indian rupees, unless otherwise stated)*

Particulars	March 31, 2015 Rs	March 31, 2014 Rs
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>56,076,634</b>	<b>(117,378,975)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	59,265,658	64,619,340
Loss/ (profit) on sale of fixed assets	(967,731)	7,574,460
Provision for doubtful debts made/(written back)	5,456,570	(3,536,630)
Provision for doubtful deposits and advances	14,068,698	6,514,998
Net (gain)/ loss on sale of current investments	(14,108,602)	(10,812,644)
Interest expense	19,773,802	24,197,440
Interest (income)	(57,250,192)	(41,397,935)
Dividend (income)	(19,800)	(19,800)
<b>Operating profit before working capital changes</b>	<b>82,295,037</b>	<b>(70,239,746)</b>
Movements in working capital :		
Increase/ (decrease) in trade payables	47,570,941	(3,339,536)
Increase / (decrease) in long-term provisions	(850,740)	(690,061)
Increase / (decrease) in short-term provisions	15,807,090	(563,878)
Increase/ (decrease) in other current liabilities	(458,287,598)	559,228,226
Increase/ (decrease) in other long-term liabilities	(911,902)	213,198
Decrease / (increase) in trade receivables	(37,833,427)	(363,735,369)
Decrease / (increase) in long-term loans and advances	3,325,528	7,768,697
Decrease / (increase) in short-term loans and advances	127,436,196	(157,605,712)
Decrease / (increase) in other current assets	13,830,744	(70,305,081)
<b>Cash generated from / (used in) operations</b>	<b>(207,618,131)</b>	<b>(159,968,450)</b>
<b>Direct taxes paid (net of refunds)</b>	-	-
<b>Cash flow before exceptional items</b>	<b>(207,618,131)</b>	<b>(159,968,450)</b>
Exceptional item	-	-
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(207,618,131)</b>	<b>(159,968,450)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(12,515,048)	(4,800,492)
Proceeds from sale of fixed assets	1,072,801	3,149,896
Proceeds of non-current investments	6,062	-
Purchase of Mutual Fund	(3,977,500,000)	(28,126,450,000)
Proceeds from Sale of Mutual Fund	3,991,594,449	28,137,262,644
Investment in subsidiaries	-	(30,000,000)
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(665,743,597)	(1,015,346,440)
Maturity of bank deposits (having original maturity of more than three months)	277,955,908	1,480,797,000
Interest received	37,809,839	73,185,761
Dividends received	19,800	19,800
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(347,299,786)</b>	<b>517,818,169</b>
<b>Cash flows from financing activities</b>		
Proceeds from Short-term borrowings	1,001,637,112	474,000,000
Repayment of Short-term borrowings	(1,001,637,112)	(527,500,000)
Proceeds from Issue of Preference share capital	-	100,000,000
Proceed received from Issue of Equity capital	-	30,000,000
Proceeds from Issue of Commercial Paper	1,391,907,458	750,000,000
Repayment of Commercial Paper	(800,000,000)	(1,150,000,000)
Interest paid	(19,851,241)	(19,822,674)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>572,056,217</b>	<b>(343,322,674)</b>



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**Aditya Birla Money Limited**  
**Consolidated Cash Flow Statement as at 31st March 2015**  
*(All amounts are in Indian rupees, unless otherwise stated)*

Particulars	March 31,2015 Rs	March 31,2014 Rs
Net increase/(decrease) in cash and cash equivalents (A + B + C)	17,138,301	14,527,045
Cash and cash equivalents at the beginning of the year	133,795,714	58,569,482
Cash and cash equivalents at the year ended	150,934,015	133,795,714
<b>Components of cash and cash equivalents</b>		
Cash on hand	964	16,607
With banks		
- Current Accounts	150,881,320	132,923,848
- unpaid dividend accounts*	51,731	670,077
- unpaid matured deposits*		185,182
<b>Total cash and cash equivalents (Note 14)</b>	<b>150,934,015</b>	<b>133,795,714</b>

\* The Company can utilise these balances only towards settlement of the respective unpaid dividend and unpaid matured deposit .

As per our report of even date

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

For **S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

*Shrawan*

per Shrawan Jalan  
Partner  
Membership No.: 102102  
Date: May 4, 2015  
Place: Chennai



JB

*Sudhakar*  
**Sudhakar Ramasubramanian**  
Managing Director  
DIN : 02584713

*Srinivas*

**Srinivas Subudhi**  
Chief Finance Officer  
PAN : ATIPS9641N

*Vikash*  
Director  
DIN : 00894134

*Vikash*

**Vikash Kumar Agarwal**  
Company Secretary  
PAN : ACXPA6332J

