

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Aditya Birla Capital Advisors Private Limited

**Report on the Ind AS Financial Statements**

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

**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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with [Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - 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.
    - iv. The Company has provided requisite disclosures in Note 26 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: April 27, 2017



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

**Re: Aditya Birla Capital Advisors Private Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) 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 are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, and other statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax 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, income-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. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(c) According to the records of the Company, the dues of income-tax are as follows:

Name of the statute	Nature of the dues	Amount** (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Demand	435,770	AY 2011-12	CIT(Appeals)

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

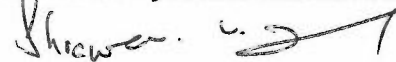


# S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E / E300005



per Shrawan Jalan  
Partner  
Membership Number: 102102  
Place of Signature: Mumbai  
Date: April 27, 2017



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

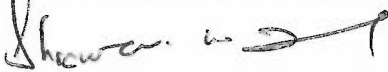
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

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

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner  
Membership Number: 102102  
Place of Signature: Mumbai  
Date: April 27, 2017



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Note	As at	As at	As at	
	31-Mar-2017	31-Mar-2016	1-Apr-2015	
	Ind AS	Ind AS	Ind AS	
<b>I ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	3	7,951,617	6,370,487	4,603,002
(b) Financial Assets: Loans	4A	-	-	4,091,107
(c) Advance tax (net)	5	22,271,252	16,091,762	11,210,442
(d) Other Non Current	6A	-	-	374,366
		<b>30,222,869</b>	<b>22,462,249</b>	<b>20,278,917</b>
<b>(2) Current assets</b>				
<b>(a) Financial Assets</b>				
(i) Investments	7	352,751,412	341,193,257	293,361,578
(ii) Cash and cash equivalents	8	635,903	1,712,422	2,261,744
(iii) Loans	4B	21,135,245	10,692,123	4,299,985
(b) Other current assets	6B	8,022,519	4,103,236	3,168,941
		<b>382,545,079</b>	<b>357,701,038</b>	<b>303,092,248</b>
<b>Total assets</b>		<b>412,767,948</b>	<b>380,163,287</b>	<b>323,371,165</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share capital	9	35,000,000	35,000,000	35,000,000
(b) Other Equity	10	313,301,226	294,009,219	246,261,478
<b>Total equity</b>		<b>348,301,226</b>	<b>329,009,219</b>	<b>281,261,478</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Deferred tax liabilities (net)		1,488,875	4,915,059	2,193,464
		<b>1,488,875</b>	<b>4,915,059</b>	<b>2,193,464</b>
<b>(2) Current liabilities</b>				
<b>(a) Financial Liabilities:</b>				
Trade Payables	11	51,851,029	32,037,678	24,964,852
(b) Other Current Liabilities	12	2,199,968	3,448,977	1,441,731
(c) Provisions	13	8,926,849	10,752,354	13,509,640
		<b>62,977,847</b>	<b>46,239,009</b>	<b>39,916,223</b>
<b>Total liabilities</b>		<b>64,466,722</b>	<b>51,154,068</b>	<b>42,109,687</b>
<b>Total Equity and Liabilities</b>		<b>412,767,948</b>	<b>380,163,287</b>	<b>323,371,165</b>

Significant Accounting Policies Refer Note : 2  
The accompanying Notes are an integral part of the Financial Statements.

As per our attached Report of even date  
For S. R. Batliboi & Co LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

*Shrawan*



per Shrawan Jalan  
Partner  
Membership No. 102102  
Mumbai, April 27, 2017

For and on behalf of the Board of Directors  
Aditya Birla Capital Advisors Private Limited

*Ajay Srinivasan*  
Ajay Srinivasan  
Director  
(DIN - 1221181)

*P. H. Ravikumar*  
P. H. Ravikumar  
Director  
(DIN - 280010)

*Sunil K Jain*  
Sunil K Jain  
Chief Financial Officer  
Mumbai, April 27, 2017

*Piyush Shah*  
Piyush Shah  
Company Secretary



Aditya Birla Capital Advisors Private Limited  
Statement of Profit and Loss for the year ended 31st March, 2017

		In Rs.	
		Year Ended 31-Mar-17	Year Ended 31-Mar-16
		Ind AS	Ind AS
<b>Continuing operations</b>			
I	Revenue from Operations	165,194,698	203,257,647
II	Other Income	28,520,481	22,263,821
	<b>Total Income</b>	<b>193,715,179</b>	<b>225,521,468</b>
<b>III EXPENSES</b>			
	Employee benefits expense	141,555,273	122,363,950
	Depreciation and amortization expenses	2,760,514	2,193,306
	Other expenses	33,648,676	33,035,660
	<b>Total Expenses</b>	<b>177,964,463</b>	<b>157,592,916</b>
IV	<b>Profit/ (Loss) before tax from continuing operations</b>	<b>15,750,716</b>	<b>67,928,552</b>
V	<b>Tax Expenses</b>		
	Current Tax	2,170,260	16,741,388
	Write Back of Excess Provision for Tax Related to Earlier Years	(345,840)	-
	MAT Credit	(1,969,205)	-
	Deferred Tax	(3,426,183)	2,721,595
	<b>Total Tax Expenses</b>	<b>(3,570,968)</b>	<b>19,462,983</b>
VI	<b>Net Profit / (Loss) for the period</b>	<b>19,321,684</b>	<b>48,465,569</b>
<b>VII Other Comprehensive Income (OCI)</b>			
Item not to be reclassified to profit or loss in subsequent periods :			
	Actuarial Gain/ (Loss) on retirement benefits	(29,678)	(717,828)
	Net Item not to be reclassified to profit or loss in subsequent periods	(29,678)	(717,828)
	<b>Total Comprehensive Income for the year, net of tax attributable to:</b>	<b>19,292,006</b>	<b>47,747,741</b>
<b>Profit for the year</b>			
	Attributable to: Equity holders of the parent	19,321,684	48,465,569
<b>Other Comprehensive Income for the year</b>			
	Attributable to: Equity holders of the parent	(29,678)	(717,828)
<b>Total Comprehensive Income for the year</b>			
	Attributable to: Equity holders of the parent	19,292,006	47,747,741
	Earnings per equity share for continuing operations		
	Basic, computed on the basis of profit from continuing operations attributable to equity holders of the parent	5.51	13.64
	Diluted, computed on the basis of profit from continuing operations attributable to equity holders of the parent	5.51	13.64

Significant Accounting Policies Refer Note : 2

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

As per our attached Report of even date  
For S. R. Batliboi & Co LLP

Chartered Accountants  
CAI Firm Registration No. 301003E/E300005

*Shrawan*



per Shrawan Jalan  
Partner  
Membership No. 102102  
Mumbai, April 27, 2017

For and on behalf of the Board of Directors  
Aditya Birla Capital Advisors Private Limited

*Ajay Skinivasan*  
Ajay Skinivasan  
Director  
(DIN - 121181)

*Sunil K Jain*  
Sunil K Jain  
Chief Financial Officer  
Mumbai, April 27, 2017

*P H Ravikumar*  
P H Ravikumar  
Director  
(DIN - 280010)

*Piyush Shah*  
Piyush Shah  
Company Secretary





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

	Equity share capital	Retained earnings	Total Equity
	Rs.	Rs.	Rs.
<b>Current year :</b>			
Opening balance as on 01 April 2016	35,000,000	294,009,219	329,009,219
Addition during the period	-	19,321,684	19,321,684
Comprehensive gain/(loss) during the period	-	(29,678)	(29,678)
Closing balance as on 31 March 2017	35,000,000	313,301,226	348,301,226

For the year ended 31 March 2016

	Equity share capital	Retained earnings	Total Equity
	Rs.	Rs.	Rs.
<b>Previous year :</b>			
Opening balance as on 01 April 2015	35,000,000	246,261,478	281,261,478
Addition during the period		48,465,569	48,465,569
Comprehensive gain/(loss) during the period		(717,828)	(717,828)
Closing balance as on 31 March 2016	35,000,000	294,009,219	329,009,219

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

As per our attached Report of even date  
For S. R. Batliboi & Co LLP

Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005



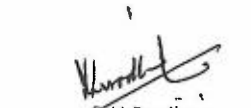
per Shrawan Jalan  
Partner  
Membership No. 102102  
Mumbai, April 27, 2017



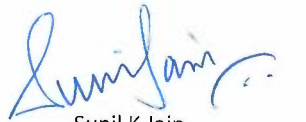
For and on behalf of the Board of Directors  
Aditya Birla Capital Advisors Private Limited



Ajay Srinivasan  
Director  
(DIN: - 121181)



P H Ravikumar  
Director  
(DIN: - 121181)



Sunil K Jain  
Chief Financial Officer  
Mumbai, April 27, 2017



Piyush Shah  
Company Secretary



**Aditya Birla Capital Advisors Private Limited**  
**Cash Flow Statement for the year ended 31st March,2017**

In Rs.

Particulars	Year ended 31/03/2017 Amount in Rs.	Year ended 31/03/2016 Amount in Rs.
<b>A. Cash flow from operating activities</b>		
Net Profit (Loss) before tax and prior period item	15,750,716	67,928,552
<b>Adjustments for :</b>		
Dividend reinvestment	13,210,232	13,192,466
Depreciation/ amortisation	2,760,514	2,193,306
Profit on sale of Assets	587,330	-
Actuarial Gain/ (Loss) on retirement benefits	(29,678)	(717,828)
Deferred Rent Expense	374,366	374,367
Dividend Income	(13,210,232)	(13,192,466)
Interest Income	(1,334,881)	(373,141)
Misc. Income	(364,282)	-
Profit on Sale of Investment	(13,611,086)	(8,698,214)
<b>Operating profit before working capital changes</b>	<b>4,132,999</b>	<b>60,707,042</b>
<b>Adjustment for changes in working capital:</b>		
Increase/(decrease) in current liabilities	16,738,840	6,322,785
(Increase)/decrease in loans and advances	(14,324,719)	329,663
<b>Cash from operating activities</b>	<b>6,547,120</b>	<b>67,359,490</b>
Tax deducted at source	(8,000,618)	(24,814,554)
<b>Net cash from operating activities (A)</b>	<b>(1,453,498)</b>	<b>42,544,936</b>
<b>B. Cash flow from investing activities</b>		
Dividend from mutual fund units	(13,210,232)	(13,192,466)
Sale of fixed assets	4,311,021	-
Purchase of fixed assets	(5,986,974)	(3,960,791)
Purchase of investment (Net)	2,052,932	(39,133,466)
Dividend Received	13,210,232	13,192,466
<b>Net cash used in investing activities (B)</b>	<b>376,979</b>	<b>(43,094,257)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A+B)</b>	<b>(1,076,519)</b>	<b>(549,321)</b>
Cash and cash equivalent at beginning of the year	1,712,422	2,261,744
Cash and cash equivalent at end of the year	<b>635,903</b>	<b>1,712,422</b>

As per our Report of even date  
**FOR S.R.BATLIBOI & CO.LLP**  
Chartered Accountants  
ICAI Firm Registration No.301003E/E300005




per Shrawan Jalan  
Partner  
Membership No.102102  
Mumbai, April 27, 2017



For and on behalf of the Board of Directors  
**Aditya Birla Capital Advisors Private Limited**

  
Ajay Srinivasan  
Director  
(DIN - 121181)

  
Sunil K Jain  
Chief Financial Officer  
Mumbai, April 27, 2017

  
P H Ravikumar  
Director  
(DIN - 280010)

  
Piyush Shah  
Company Secretary



# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

## 1. Corporate Information

Aditya Birla Capital Advisors Private Limited (the 'Company') was incorporated on February 22, 2008. The Company is a Private Limited Company incorporated under the provisions of the Companies Act, 1956 and a wholly owned subsidiary of Aditya Birla Financial Services Limited and the ultimate holding is Aditya Birla Nuvo Limited. The registered office of the Company is located at One India Bulls Centre, S. B. Marg, Elphinstone Road, Mumbai, Maharashtra, India. The main object of the Company is to provide financial advisory services and management services and to carry on business of advising and managing venture capital funds. The Company is the Investment Manager to the Aditya Birla Private Equity-Fund I and Aditya Birla Private Equity – Sunrise Fund. Both these are Domestic Venture Capital Funds registered with SEBI.

The financial statements are approved for issue by the Company's Board of Directors by resolution passed in the meeting dated April 27, 2017.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The company is a subsidiary of Aditya Birla Nuvo Limited which is a listed company with networth of over Rs. 500 crores and required to adopt IND AS in terms of rule of the Companies (Indian Accounting Standards) Rules, 2015. All subsidiaries of such companies are also required to adopt IND AS as prescribed under said Rules.

The Company has prepared financial statements in accordance with Indian Accounting Standards ('Ind AS') under the historic cost convention on the accrual basis except financial instrument which are measured at fair value, and the provisions of the Companies Act 2013 (to the extent notified). The IND AS are prescribed under section 133 of the act read with rule of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company has applied Ind AS starting from financial year beginning on or after 1st April, 2016. These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Companies' Act 2013. Based on the nature of products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to 12 months for the purpose of current/non-current classification of assets and liabilities.

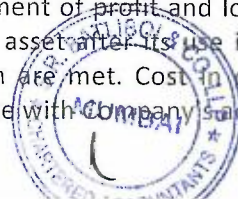
### 2.2 Summary of Significant accounting policies

#### (a) Use of estimate

The preparation of financial statements in conformity with Indian Accounting Standards (IND AS) requires the management to make judgments, 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 on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (b) Property, Plant and Equipment

Property, plant and equipment and Capital Work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price including import duties and non refundable purchase taxes, after deducting trade discounts and rebates including directly attributable cost of bringing the assets to its working condition for its intended use. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Cost in case of long term construction projects includes borrowing cost capitalized in accordance with Company's accounting policy.



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Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the reporting date.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided on straight line method using the rates arrived as per estimates made by the management supported by technical assessment which coincides with the the useful lives of assets as specified in Schedule II to the Companies Act, 2013 , except for the assets specified below. The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

Following rates are used to provide depreciation on Property, Plant and Equipment:-

Asset Category	Useful life prescribed by Schedule II of The Companies Act, 2013	Estimated useful life
Furniture and fixtures	10 years	4 years
Office Equipment's	5 years	4 years
Vehicles	6 years	4 years
Computer	3 years	4 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized

Assets costing Rs. 5,000 or less are written off in the year of purchase Useful life of assets different from those prescribed in Schedule II has been estimated by management supported by technical assessment.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company has elected to apply previous GAAP carrying amount of its property, plant and equipments as on 1st April 2015 (date of transition to Ind AS) as deemed cost for the purpose of accounting standard Ind AS 16.

## (c) Translation in foreign currency items

Transactions in foreign currency are initially recorded at the spot rate of exchange prevailing on the date of transaction. Exchange difference on settlement or translation of all other monetary items is recognised in the Statement of Profit and Loss. Non-monetary items are measured in terms of historical cost in foreign currency duly translated using the exchange rate at the date of initial transaction.

## (d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Service tax is not received by the Company on its own account. Rather, it is tax collected on the services rendered by the Company on behalf of the government. Accordingly, it is excluded from revenue.



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

**Rendering of services**

Revenue from services is recognised as they are rendered based on agreements / arrangements with the concerned parties and recognised net of Service Tax.

**Dividends**

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

**Interest Income**

For all Financial Instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

**Disposal of Investments**

On disposal of an investment the difference between carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss using weighted average cost.

**(e) Retirement and Other Employee Benefits**

Retirement benefit in the form of provident fund, pension fund and superannuation scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund, pension fund and superannuation scheme. The Company recognizes contribution payable to the provident fund, pension fund and superannuation scheme as an expense, when an employee renders the related service. If the contribution payable to the schemes 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.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

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

The Company treats accumulated leave as a non-contributory defined benefit arrangement providing benefits expressed in terms of a multiple of final monthly salary. It is carried as a current liability since it is to be utilized over a maximum period of one year in terms of the leave policy of the Company. The leave which gets availed whilst in service is valued on employee's CTC basis whereas the leave encashment is valued on the basis of the definition prescribed in the Company's leave encashment policy. Based on the above principles, an actuarial valuation is made to determine the liability the Company needs to hold on its balance sheet date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet



# Aditya Birla Capital Advisors Private Limited

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with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

## (f) Taxation

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions

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

Minimum Alternative Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

### Deferred Taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised,;

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## (g) Operating Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are



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apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

**(h) Contingent liabilities & Provisions:**

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.

**Provisions**

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

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

**(i) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1) Financial instruments at amortised cost
- 2) Financial instruments at fair value through other comprehensive income (FVTOCI)
- 3) Financial instruments, Mutual Fund and equity instruments at fair value through profit or loss (FVTPL)
- 4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Financial instruments at amortised cost**

A 'Financial instrument' is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an



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integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

## Financial Instrument at FVTOCI

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

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

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

## Financial Instrument at FVTPL

FVTPL is a residual category for Financial Instruments. Any Financial Instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

## Equity investments and Mutual Funds at FVTPL

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

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

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

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of



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the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## Impairment of financial assets

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

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 17
- d. Trade receivables
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

For recognition of impairment loss allowance on Trade receivables; and all lease receivables resulting from transactions within the scope of Ind AS 17 the Company follows 'simplified approach'

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

1. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
2. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

*Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



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*Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.

*Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## Financial liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and In the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

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

#### Offsetting of financial instruments

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

## (j) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. The Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- in the absence of a principal market in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use in pricing the asset or liability, assuming that market participants act in their economic best interest.



# Aditya Birla Capital Advisors Private Limited

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## (k) Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## (l) Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## (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 number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## (n) Recent accounting pronouncements

### Standard issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company Financial statements is disclosed below. The Company intends to adopt this standard when it become effective.

**Amendments to Ind AS 107 Disclosure Intangible Assets**  
The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.



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

## Ind AS 115 Revenue from Contracts with Customers

The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.



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Aditya Birla Capital Advisors Private Limited

Notes forming part of Financial Statements

NOTE: 3

PROPERTY, PLANT AND EQUIPMENT

In Rs.

Particulars	Leasehold Improvements	Funitures & Fixtures	Computers & Printers	Office Equipment	Vehicles	TOTAL
<b>Cost or Valuation</b>						
As at 1st April, 2015	227,627	29,696	1,004,090	82,644	3,258,946	4,603,003
Additions	-	-	260,621	78,761	3,621,409	3,960,791
Deletions	-	-	-	-	-	-
As at 31st March, 2016	227,627	29,696	1,264,711	161,405	6,880,355	8,563,794
Additions	-	29,510	94,944	-	5,862,520	5,986,974
Deletions	-	-	22,275	-	2,962,726	2,985,001
As at 31st March, 2017	227,627	59,206	1,337,380	161,405	9,780,149	11,565,767
<b>Depreciation and impairment</b>						
As at 1st April, 2015	-	-	-	-	-	-
For the year	227,627	16,986	370,526	34,772	1,543,395	2,193,306
Deletions	-	-	-	-	-	-
As at 31st March, 2016	227,627	16,986	370,526	34,772	1,543,395	2,193,306
For the year	-	-	349,239	27,000	2,180,253	2,556,492
Deletions	-	-	19,230	-	1,116,418	1,135,648
As at 31st March, 2017	227,627	16,986	700,535	61,772	2,607,230	3,614,150
Net Book Value as at 31st March, 2016	-	12,710	894,185	126,633	5,336,960	6,370,488
Net Book Value as at 31st March, 2017	-	42,220	636,845	99,633	7,172,919	7,951,617

The Company has elected to apply previous GAAP carrying amount of its property, plant and equipments as on 1st April 2015 (date of transition to Ind AS) as deemed cost for the purpose of accounting standard Ind AS 16.



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Aditya Birla Capital Advisors Private Limited  
Notes forming part of Financial Statements

	In Rs.		
	31-Mar-2017	31-Mar-2016	1-Apr-2015
	Ind AS	Ind AS	Ind AS
<b>NOTE: 4A</b>			
<b>NON-CURRENT FINANCIAL ASSETS - LOANS</b>			
(Unsecured, Considered Good, except otherwise stated)- Held at amortised cost			
Security Deposits			
Unsecured, Considered Good	-	-	4,091,107
	-	-	<b>4,091,107</b>
<b>NOTE: 5</b>			
<b>Advance Tax (net)</b>			
Advance tax	20,302,047	16,091,762	11,210,442
MAT Credit Entitlement	1,969,205	-	-
	<b>22,271,252</b>	<b>16,091,762</b>	<b>11,210,442</b>
<b>NOTE: 6A</b>			
<b>Other Non Current Assets</b>			
Deferred Rent Expenses	-	-	374,366
	-	-	<b>374,366</b>
<b>NOTE: 7</b>			
<b>CURRENT FINANCIAL ASSETS - INVESTMENTS</b>			
<b>- Unquoted</b>			
<b>- Held at FVTPL</b>			
2,093,167.335 Units (Previous year 2,115,163.185) of Birla Sunlife Savings Fund Daily Dividend Reinvestment Scheme	209,938,823	212,144,945	118,105,955
938,257.056 units (previous year 938,257.056) of Birla Sun life Income Plus - Growth - Direct plan	70,876,126	63,343,235	59,961,100
Nil units (previous year 1,155,201.294) of Birla Sun life Short Term Fund - Growth - Regular Plan	-	65,705,077	60,446,023
Nil (previous year Nil) of Birla Sun Life FTP Series	-	-	54,848,500
275,155.721 units (previous year Nil) of Birla Sun life Cash Plus - Growth - Direct Plan <sup>(*)</sup>	71,936,464	-	-
	<b>352,751,412</b>	<b>341,193,257</b>	<b>293,361,578</b>
<sup>(*)</sup> Represents units purchased on 31st March 2017 by way of switch from another scheme of the Mutual Fund and evidenced by Fund Statement of next working day.			
<b>NOTE: 8</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Balances with Banks			
Current Accounts	613,181	1,700,912	2,259,193
Cash on Hand	22,722	11,510	2,551
	<b>635,903</b>	<b>1,712,422</b>	<b>2,261,744</b>



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**NOTE: 4B**

**CURRENT FINANCIAL ASSETS - LOANS**

(Unsecured, Considered Good, except otherwise stated)- Held at amortised cost

Security Deposit

Unsecured, Considered Good

4,876,300

4,464,249

-

Others

Considered Good

16,258,945

6,227,874

4,299,985

**21,135,245**

**10,692,123**

**4,299,985**

Other Current Assets includes an amount of Rs. 1,57,33,110/- in FY 2016-17,(Previous year Rs.56,76,129) being initial expenses reasonably attributable for an upcoming funds (Fund III) which will be recoverable from Fund III. This comprises expenses for startup of the fund (inclusive of the costs incurred towards the incorporation of the fund, travel expenses incurred in fund raising, setting up and offering costs, legal fees, accounting fees, professional expenses incurred.

**NOTE: 6B**

**OTHER CURRENT ASSETS**

VAT, Other Taxes Recoverable, and Dues from Government

Unsecured, Considered Good

5,747,543

1,964,652

1,290,612

Prepaid Expenses

2,274,976

1,764,218

1,503,963

Deferred Rent Expense

-

374,366

374,366

**8,022,519**

**4,103,236**

**3,168,941**



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Aditya Birla Capital Advisors Private Limited

Notes forming part of Financial Statements

	As at 31-Mar-2017	As at 31-Mar-2016
	Ind AS	Ind AS
<b>NOTE: 10</b>		
<b>RETAINED EARNINGS</b>		
Opening Balance as per last audited Financial Statement	294,009,219	246,261,478
Surplus in Profit and loss accounts	19,321,684	48,465,569
Other Comprehensive Income/(loss) for the year- - Remeasurement gains/(loss) on defined benefit plans (See Note 28)	(29,677)	(717,827)
	<u>313,301,226</u>	<u>294,009,219</u>



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Aditya Birla Capital Advisors Private Limited  
Notes forming part of Financial Statements

In Rs.

As at 31-Mar-2017 Ind AS	As at 31-Mar-2016 Ind AS	As at 1-Apr-2015 Ind AS
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NOTE: 11

TRADE PAYABLES

For salaries, wages, bonus and other employee benefits	45,639,862	25,230,334	21,012,899
To Micro Small & Medium Enterprises	-	-	-
Other than Micro Small & Medium Enterprises	6,211,167	6,807,344	3,951,953
	<b>51,851,029</b>	<b>32,037,678</b>	<b>24,964,852</b>

NOTE: 12

OTHER CURRENT LIABILITIES

Statutory Dues	2,199,968	3,448,977	1,305,046
Others	-	-	136,685
	<b>2,199,968</b>	<b>3,448,977</b>	<b>1,441,731</b>

NOTE: 13

PROVISIONS

Provision for Employee Benefit (see Note 28)

Provision for Leave encashment	8,718,274	9,001,524	13,509,640
Provision for Gratuity	208,576	1,750,830	-
	<b>8,926,850</b>	<b>10,752,354</b>	<b>13,509,640</b>



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Aditya Birla Capital Advisors Private Limited  
Notes forming part of Financial Statements

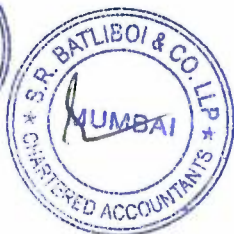
	In Rs.	
	Year Ended March 31, 2017	Year Ended March 31, 2016
	Ind AS	Ind AS
<b>NOTE: 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>SALE OF SERVICES</b>		
Other Financial Services	165,194,698	203,257,647
	<u>165,194,698</u>	<u>203,257,647</u>
<b>NOTE: 15</b>		
<b>OTHER INCOME</b>		
Interest on Income Tax refund	922,830	-
Interest Income on amortised cost		
Other Interest Income	412,051	373,141
Dividend Income on Investment -Held at FVTPL	13,210,232	13,192,466
Net Gain on Sale of Investments -Held at FVTPL	5,863,164	4,905,525
MTM Gain on Investment-Held at FVTPL	7,747,922	3,792,689
Miscellaneous Income	364,282	-
	<u>28,520,481</u>	<u>22,263,821</u>
<b>NOTE: 16</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	129,561,535	109,148,506
Contribution to Provident and Other Funds	9,719,761	8,416,384
Staff Welfare Expenses	2,273,977	4,799,060
	<u>141,555,273</u>	<u>122,363,950</u>
<b>NOTE: 17</b>		
<b>OTHER EXPENSES</b>		
Rent	8,798,176	9,139,441
Repairs & Maintenance of:		
Buildings	855,732	852,892
Others	489,998	326,286
Insurance	1,568,899	1,368,741
Profession Tax	2,500	2,500
Rates and Taxes	281,181	104,973
Advertisement	104,339	90,317
Travelling & Conveyance	1,453,425	2,960,783
Bank Charges	1,544	1,810
Information Technology Expenses	188,287	12,112
Directors' Fees	567,825	600,750
Printing and Stationery	478,145	468,586
Communication Expenses	786,880	614,936
Loss on Sale of Fixed Assets	447,330	-
Postage Expenses	28,862	21,811
Electricity Charges	1,246,302	1,362,940
Corporate Social Responsibility (CSR) Expenses	1,432,925	1,600,000
Legal and Professional Expenses	8,213,258	4,062,631
Auditors Remunerations - Refer Note 19	1,140,160	1,082,620
Security & Housekeeping Expenses	972,343	1,008,638
Membership & Subscription	1,037,721	3,559,087
Recruitment expenses	891,534	1,591,823
Miscellaneous Expenses	2,661,312	2,201,984
	<u>33,648,676</u>	<u>33,035,660</u>



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In Rs.

	As at 31-Mar-2017	As at 31-Mar-2016
<b>NOTE: 18</b>		
<b>DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE</b>		
Earnings per Share (EPS) is calculated as under:		
Profit attributable to equity holders of the Parent:		
Continuing Operations	19,292,006	47,747,741
Discontinued Operations	-	-
<b>Profit attributable to equity holders of the Parent for basic earnings</b>	<b>19,292,006</b>	<b>47,747,741</b>
Less: Preference Dividend and Tax thereon	-	-
<b>Profit attributable to equity holders of Parent for the effect of dilution (A)</b>	<b>19,292,006</b>	<b>47,747,741</b>
Weighted-average Number of Equity Shares for calculation of Basic EPS (B)	3,500,000	3,500,000
<b>Basic EPS (Rs.)</b>		
Continuing Operations	5.51	13.64
Discontinued Operations	-	-
Continuing and Discontinued operations	5.51	13.64
Weighted-average Number of Equity Shares Outstanding	3,500,000	3,500,000
Weighted-average number of Equity Shares for calculation of Diluted EPS (C)	3,500,000	3,500,000
<b>Diluted EPS (Rs.) (A/C)</b>		
Continuing Operations	5.51	13.64
Discontinued Operations	-	-
Continuing and Discontinued operations	5.51	13.64
Nominal Value of Shares (Rs.)	10.00	10.00



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NOTE: 9 SHARE CAPITAL Authorised: Equity Shares of Rs. 10/- each	Numbers	In Rs.		
		As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Apr-2015
		Ind AS	Ind AS	Ind AS
	5,000,000	50,000,000	50,000,000	50,000,000
		<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed & Paidup: EQUITY SHARE CAPITAL Equity Shares of Rs. 10/- each fully paid up	3,500,000	35,000,000	35,000,000	35,000,000
		<u>35,000,000</u>	<u>35,000,000</u>	<u>35,000,000</u>

## 1) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

S. No.	Description	As at 31st March, 2017	As at 31st March, 2016
		Equity Shares	Equity Shares
1	Number of shares outstanding at the beginning of the period @ Rs. 10/-	3,500,000	3,500,000
2	No of Shares Outstanding at the end of the period @ Rs. 10/- each	3,500,000	3,500,000

## 2) Term/Right Attached to Equity Shares

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

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

## 3) As per records of the Company, including register of shareholder/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal &amp; beneficial ownership of shares.

## 4) The entire share capital is held by Aditya Birla Financial Services Limited, the holding company and its nominees.

## 5) Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of shares held are as under:

Sr. No.	Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		No of Shares Held	% of Total Paid-up Equity Share Capital	No of Shares Held	% of Total Paid-up Equity Share Capital	No of Shares Held	% of Total Paid-up Preference Share Capital
1	Aditya Birla Financial Services Limited with its nominees	3,500,000	100.00%	3,500,000	100.00%	3,500,000	100.00%



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19. During the year, the Company has paid following amount to statutory auditors:

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit Fees	8,50,000	8,50,000
Tax Audit	1,00,000	1,00,000
Other Certification Fees	1,25,000	-
Reimbursement of expenses	65,160	1,32,620
<b>Total</b>	<b>11,40,160</b>	<b>10,82,620</b>

20. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Based on the information available with the Company, no amounts have fallen due for payment to suppliers who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2017.

21. Segment Reporting

Ind AS 108 introduces a 'management approach' to identifying and measuring the financial performance of an entity's operating segments. The Company's operations is to render management services. There is no segment wise internal reporting which is used by the Management for taking key decision.

22. Related Party Disclosure

Name and relation with parties where control exists:-

Ultimate Holding Company : Aditya Birla Nuvo Limited  
Holding Company : Aditya Birla Financial Services Limited

Related Parties with whom transactions have taken place during the year:-

Fellow Subsidiary : Aditya Birla Trustee Company Private Limited  
: ABCAP Trustee Company Private Limited  
: Birla Sun Life Insurance Company Limited  
: Aditya Birla Health Insurance Company Limited  
: Aditya Birla Finance Limited

Joint Venture/Associate of Parent : IDEA Cellular Limited  
Company : Birla Sunlife Asset Management Company Limited

Key Managerial Personnel's : Mr. D. Muthukumaran (Chief Executive Officer)  
: Mr. Sandeep Bhat, (Chief Financial Officer) upto 31/03/2017  
: Mr. Sunil K Jain, (Chief Financial Officer) w.e.f. 01/04/2017  
: Mr. Piyush Shah, Company Secretary

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:



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# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

Sr. No.	Particulars	Year ended 31st March 17	Year ended 31st March 16	As on 1 <sup>st</sup> April 15
<b>A</b>	<b><u>Holding Company / Ultimate Holding Company</u></b>			
	<b>Transactions during the year</b>			
	<b>Aditya Birla Financial Services Limited</b>			
	(a) Employee Benefit Expenses	7,275,764	6,189,802	-
	(b) Other Expenditure	2,718,255	2,059,499	-
	<b>Balance outstanding</b>			
	Aditya Birla Financial Services Limited - Equity Share Capital	35,000,000	35,000,000	35,000,000
	Aditya Birla Financial Services Limited - Payable	2,010,488	1,301,787	772,447
<b>B</b>	<b><u>Fellow Subsidiaries</u></b>			
	<b>Brief description Company &amp; item wise:</b>			
	<b>Transactions during the year</b>			
	<b>Aditya Birla Trustee Company Private Limited</b>			
	Reimbursement of Statutory Dues paid	50,363	142,568	-
	<b>Aditya Birla Financial Shared Services Limited</b>			
	(a) Employee Benefit Expenses	1,526,162	1,145,312	-
	(b) Reimbursement of expenses	782,261	1,246,561	-
	(c) Reimbursement of Prepaid	649,126	-	-
	<b>Balance outstanding</b>			
	- Aditya Birla Financial Shared Services Limited	614,109	345,506	136,684
	<b>Prepaid to be amortise</b>			
	- Aditya Birla Financial Shared Services Limited	41,733	-	-
	<b>Birla Sunlife Insurance Company Limited</b>			
	Insurance premium paid	109,448	120,917	-
	Outstanding amount Payable	-	-	-
	<b>Aditya Birla Health Insurance Co Ltd</b>			
	Group Deposit GMC & Top Up	485,190	-	-
	Outstanding amount payable	-	-	-
	<b>Aditya Birla Finance Limited</b>			
	Reimbursement of expense	88,000	-	-
	<b>Others:</b>			
	<b>Idea Cellular Limited</b>			
	Reimbursement of expenses	440,502	355,820	-
	Outstanding amount Payable	25,825	28,883	30,756
	<b>Birla Sun life Asset Management Company Limited</b>			
	Reimbursement on transfer of Employee	-	13,362	-
	Outstanding amount Payable	-	-	(13,362)



# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

## 23. Capital Commitment, Long Term Contract & Pending Litigations

Estimated amounts of contracts remaining to be executed on capital account not provided for amounts to Rs. NIL (Previous year NIL).

The Company has a process whereby periodically review all long term contracts, if any, are assessed for material foreseeable losses. During the year, the company did not have any long term contracts including derivative contracts.

The Company's pending litigations comprise of claims against the Company primarily by the proceedings pending with Tax 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 material adverse effect on its financial results at March 31, 2017.

## 24. Operating Leases (Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Lease payments recognized in the profit and loss	87,98,176	91,39,441

Future minimum rentals payable under non-cancellable operating leases are as follows:

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Within one year	84,71,700	84,71,700
After one year but not more than five years	1,69,43,400	--
Lease payments recognized in the profit and loss	NIL	-

Lease for office premises has expired on March 31, 2017 and has since been renewed w.e.f. April 01, 2017.

## 25. Current Tax

Current tax for the year of Rs. 21,70,260/- (Previous Year Rs. 16,741,388).

### Income Tax Disclosure

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

#### Statement of profit and loss:

##### Profit or loss Section

	31 March 2017	31 March 2016
<b>Current income tax:</b>		
Current income tax charge	2,170,260	16,741,388
Adjustments in respect of current income tax of previous year	(345,840)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(5,395,388)	2,721,595
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(3,570,968)</b>	<b>19,462,983</b>

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

	31 March 2017	31 March 2016
	INR	INR
Accounting Profit before tax from continuing operations	15,750,715	67,928,552
Enacted tax rates in India	20.389%	33.063%
Accounting profit before income tax		



# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

At India's statutory income tax rate of 20.389% (31 Mar 2016: 33.063%)	3,211,396	22,459,247
Adjustments in respect of current income tax of previous year	(345,840)	-
Other non-deductible expenses	(1,041,137)	(5,717,859)
DTA/ DTL	(3,426,183)	2,721,595
MAT entitlement	(1,969,205)	-
At the effective income tax rate of 20.389% (31 Mar 2016: 33.063%)		
Income tax expense reported in the statement of profit and loss	(3,570,968)	19,462,983

## Deferred tax:

Deferred tax relates to the following:

	Balance Sheet		
	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
<b>Deferred tax Assets</b>			
Leave Encashment	(2,402,102)	(2,976,174)	(4,383,203)
Disallowance U/s. 43B of the Income Tax Act, 1961	(1,684,899)	(1,700,550)	(1,681,558)
Deferred Lease expenses	(309,442)	(247,554)	(123,777)
Provisioning of Straight lining of Rent			(79,987)
<b>Deferred tax Liabilities</b>			
Marked to Market Value of Investment	5,575,196	9,604,243	8,350,267
Notional Interest on Security Deposit	309,442	235,094	111,722
<b>Deferred tax expense/(income)</b>			
<b>Net deferred tax assets/(liabilities)</b>	<b>1,488,195</b>	<b>4,915,059</b>	<b>2,193,464</b>

Reflected in the balance sheet as follows:			
	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
Deferred tax assets	(4,396,443)	(4,924,278)	(6,268,525)
Deferred tax liabilities	5,884,638	9,839,337	8,461,989
<b>Deferred tax Assets/(liabilities), net</b>	<b>1,488,195</b>	<b>4,915,059</b>	<b>2,193,464</b>

Reflected in the profit & Loss account as follows:

	Profit & Loss Account	
	31 March 2017	31 March 2016
	INR	INR
<b>Deferred tax Assets</b>		
Leave Encashment	574,754	1,407,029
Disallowance U/s. 43B of the Income Tax Act, 1961	15,651	(18,992)
Deferred Lease expenses	(61,888)	(123,777)
Provisioning of Straight lining of Rent	-	79,987
<b>Deferred tax Liabilities</b>		
Marked to Market Value of Investment	(4,029,047)	1,253,977
Notional Interest on Security Deposit	74,348	123,372
<b>Deferred tax expense/(income)</b>	<b>(3,426,183)</b>	<b>2,721,596</b>





## Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

Reconciliation of deferred tax Assets/ (liabilities) (net):	31 March 2017	31 March 2016
	INR	INR
Opening balance as of 1 April	4,915,059	2,193,464
Tax (income)/expense during the period recognised in profit or loss	(3,426,865)	2,721,596
Tax (income)/expense during the period recognised in OCI		-
Closing balance as at 31 March	1,488,195	4,915,059

26. Details regarding Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> Nov 2016 to 30<sup>th</sup> Dec 2016 is provided in annexure below:

Particulars	SBN's	Other Denominations	Total
Closing cash in hand as on 08.11.2016	14000.00	981.00	14981.00
(+) Permitted receipts	Nil	40000.00*	40000.00
(-) Permitted payments	Nil	23272.00*	23272.00
(-) Amount deposited in Banks	14000.00	Nil	14000.00
Closing cash in hand as on 30.12.2016	Nil	17709.00	17709.00

(\*)This pertains to withdrawals from bank and payment made thereof.

27. Details of CSR expenditure:

(Amt. in Rs.)

a) Gross amount to be spent during the year	March 31, 2017	March 31, 2016
	14,32,925/-	15,76,000/-

b) Amount spent during the year ending on March 31, 2017	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	Nil	Nil	Nil
ii) On purposes other than (i) above	14,32,925/-	Nil	14,32,925/-
b) Amount spent during the year ending on March 31, 2016	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	Nil	Nil	Nil
ii) On purposes other than (i) above	16,00,000/-	Nil	16,00,000/-

28. Retirement Benefit

Disclosure in respect of Employee Benefits pursuant to IND AS 19

Amounts recognised in the Balance Sheet in respect of Gratuity

Present Value of the funded Defined Benefit Obligations at the end of the year  
 Fair Value of Plan Assets  
 Net (Asset)/ Liability

As at 31-Mar-2017	As at 31-Mar-2016
13,536,858	11,416,466
13,328,283	9,665,636
208,575	1,750,830



# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

## Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity

Current Service cost	2,341,273	1,861,175
Interest on net defined benefit liability / (assets)	97,565	(286,543)
<b>Net Gratuity Cost</b>	<b>2,438,838</b>	<b>1,574,632</b>

## Amount recognised in Other Comprehensive Income (OCI) for the year

Opening amount recognised in OCI outside profit & loss A/c.	779,019	-
Actual return on plan assets less interest on plan assets	(583,479)	258,891
Actuarial changes arising from changes in demographic assumptions	-	(145,425)
Actuarial changes arising from changes in financial assumptions	668,756	229,028
Actuarial changes arising from changes in experience assumptions	(284,543)	436,525
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>579,753</b>	<b>779,019</b>

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

### Change in net liability/ assets

Opening net defined benefit liability/ (assets)	1,750,830	(3,581,788)
Expense charged to profit and loss account	2,438,838	1,574,632
Amount recognised outside profit and loss account - OCI	(199,266)	779,019
Employer Contributions	(3,596,464)	2,387,825
Impact of Liability assumed or (settled)	(185,363)	591,142
<b>Closing net defined benefit liability / (asset)</b>	<b>208,575</b>	<b>1,750,830</b>

### Change in Present Value of the Obligations:

Opening Defined Benefit Obligations	11,416,466	8,392,578
Current Service Cost	2,341,273	1,861,175
Interest Cost	876,733	663,618
Actuarial changes arising from changes in demographic assumptions	-	(145,425)
Actuarial changes arising from changes in financial assumptions	668,756	229,028
Actuarial changes arising from changes in experience assumptions	(284,543)	436,525
Liabilities Settled	(185,363)	591,142
Benefits Paid	(1,296,464)	(612,175)
<b>Closing Defined Benefit Obligations</b>	<b>13,536,858</b>	<b>11,416,466</b>

### Change in Fair Value of the Plan Assets:

Opening Fair Value of the Plan Assets	9,665,636	11,974,366
Interest Income on plan assets	779,168	950,161
Actual return on plan assets less interest on plan assets	583,479	(258,891)
Contributions by the Employer	3,596,464	(2,387,825)
Assets acquired / (settled)	-	-
Benefits Paid	(1,296,464)	(612,175)
<b>Closing Fair Value of the Plan Assets</b>	<b>13,328,283</b>	<b>9,665,636</b>

## Funding Arrangement and Policy

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



# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

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

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is Rs. 20,00,000/- (Previous Year : Rs. 10,00,000).

## Maturity Profile of defined benefit obligation

Within the next 12 months (next annual reporting period)	1,640,035	352,603
Between 2 and 5 years	1,278,917	3,103,654
Between 6 and 9 years	6,236,116	5,301,508
10 years and Above	20,415,502	20,123,707

The weighted average duration to the payment of these cash flows is 10.35 years (Previous Year 10.17 Years)

## Principal Actuarial Assumptions at the Balance Sheet Date

Discount Rate	7.25%	7.80%
Salary escalation		
Salary escalation - Staff	7.00%	7.00%
Estimated Rate of Return on the Plan Assets	7.25%	7.80%

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

Quantitative sensitivity analysis for significant assumption is as below :

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

i) 50 bps increase in discount rate	-5.01%	-4.91%
ii) 50 bps decrease in discount rate	5.36%	5.27%

## Sensitivity Analysis Method

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

Disaggregation of Plan Assets	Period Ended 31st March 2017		
	Quoted Value	Non Quoted Value	Total
Government debt instruments	-	1,586,841	1,586,841
Other debt instruments	-	54,857	54,857
Insurer Managed Funds	-	7,960,942	7,960,942
Others	-	3,725,643	3,725,643
<b>Grand Total</b>	-	<b>13,328,283</b>	<b>13,328,283</b>



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# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

Disaggregation of Plan Assets	Period Ended 31st March 2016		
	Quoted Value	Non Quoted Value	Total
Government debt instruments	-	2,027,746	2,027,746
Other debt instruments	-	38,732	38,732
Insurer Managed Funds	-	5,352,821	5,352,821
Others	-	2,246,337	2,246,337
<b>Grand Total</b>	-	<b>9,665,636</b>	<b>9,665,636</b>

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

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

The details of the Company's Defined Benefit Plans in respect of the Company owned Provident Fund Trust

Contribution to Company-Owned Employees' Provident Fund Trust	4,025,873	3,830,647
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	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Defined Contribution Plans –</b>		
Contribution To Superannuation Fund	2,459,110	2,282,236
Contribution to Employee Pension Scheme	173,750	183,750

## 29. Financial Instrument- Accounting Classification & Fair Value Measurements

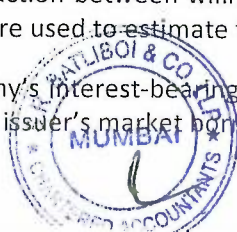
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	Carrying value			Fair value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Financial assets</b>						
Investments	352,751,412	341,193,257	293,361,578	352,751,412	341,193,257	293,361,578
Security Deposit	4,876,300	4,464,249	4,091,107	4,876,300	4,490,207	4,098,952
	<b>357,627,712</b>	<b>345,657,506</b>	<b>297,452,685</b>	<b>357,627,712</b>	<b>345,683,464</b>	<b>297,460,530</b>

The management assessed that cash and cash equivalents, trade and other payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's market borrowing rate and lending rate as at the end of the reporting period.



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# Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

## Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2017</b>					
<b>Financial assets</b>					
Investments*	March 31, 2017	352,751,412	-	352,751,412	
Security Deposit <sup>^</sup>	March 31, 2017	4,876,300			4,876,300
<b>As at March 31, 2016</b>					
<b>Financial assets</b>					
Investments*	March 31, 2016	341,193,257	-	341,193,257	
Security Deposit <sup>^</sup>	March 31, 2016	4,490,207			4,490,207
<b>As at April 1, 2015</b>					
<b>Financial assets</b>					
Investments*	April 1, 2015	293,361,578	-	293,361,578	
Security Deposit <sup>^</sup>	April 1, 2015	4,098,952			4,098,952

### Note:

(\*) Fair value of Investment in Unquoted Mutual Funds done based on NAV of Units

(<sup>^</sup>) Fair value of security deposit is done based on discounted cash flow.

## 30. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise trade and other payables and liability to employees dues. The Company principal financial assets include Investments into mutual funds and cash and cash equivalents that are derived directly from its operations.

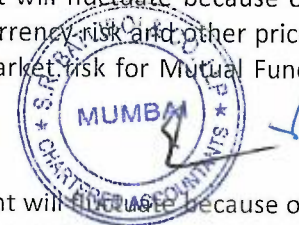
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company has formulated suitable Risk Control Matrix (RCM) to provide an assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All Investment activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that surplus assets are invested in low risk financial instruments with high liquidity. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk for Mutual Fund investments.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As interest rates increase, the market price of the mutual fund experiences a reduction in value and a reduction in yields of underlying securities result in an increase in value of the Mutual Fund. The Company does not have any debt resulting in any direct impact of interest rates changes on profitability.



## Aditya Birla Capital Advisors Private Limited

Notes Forming part of Financial Statements as on 31<sup>st</sup> March 2017

The Company manages its interest rate risk by having a portfolio in short term and liquid mutual fund derivative instruments.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any foreign currency assets or liabilities and hence there is no need for any foreign currency hedges.

### Credit risk

The Company gets its revenue in advance from the Fund that it manages. Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its investment in Mutual funds. Since these are large entities regulated by SEBI we do not perceive any credit risk on such investments.

### Liquidity risk

Liquidity risk relates to the risk that the entity may not be able to meet its obligations from available resources. The Company does not perceive any liquidity risk as investments are made in highly liquid schemes of a Mutual Fund.

### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed by investing in scheme of a Mutual fund having a diversified portfolio in a particular asset class rather than a specific investment on its own.

## 31. Significant Judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) **Fair Value of Certain Financial Instrument (Refer Note 29):** Fair value of Investment in Unquoted Mutual Funds done based on NAV of Units.

ii) **Employee Benefit (Refer Note 28):**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



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ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Notes Forming Part of Financial Statement for the year ended 31<sup>st</sup> March 2017

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates and yields of government bonds and other debt securities.

The mortality rate is based on publicly available mortality tables. Future salary increases and gratuity increases are based on expected future inflation rates.

**iii) Property, Plant and Equipment (Refer Note 2.2.b):**

Property, Plant and Equipment (PPE) has been restated at fair value as on April 01, 2015 and net WDV as on March 31, 2015 has been assumed to be the fair value as on that date.

Depreciation has been provided on PPE based on Original cost and an estimate of the useful life of PPE as explained in Note 2.2.b.

**iv) Taxes**

Deferred tax liability are recognised for timing difference in various head of Assets and Liabilities to the extent that this will be set off against future tax expense in subsequent years. In addition the company is of the opinion that Minimum Alternate Tax (MAT) Credit of Rs. 19,69,205/- for Financial Year 2016-17 can be available for set off against actual tax liability under normal provision of Income Tax Act in subsequent years.



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## Aditya Birla Capital Advisors Private Limited

### Note: 32

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS FOR THE YEAR ENDED 31/03/2016 and 01/04/2015:-

#### First Time Adoption of IND AS

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

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

#### Exemptions:

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

- i) The Company has elected to apply previous GAAP carrying amount of its property, plant and equipments as deemed cost as on the date of transition to Ind AS, after making necessary adjustments.
- ii) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.
- iii) The Company has designated unquoted Mutual Fund units held at 1 April 2015 as fair value through Profit & Loss account



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- Equity as at April 1, 2015 and March 31, 2016
- Net profit for the year ended March 31, 2016

Note	Balance sheet as at March 31 2016			Opening Balance sheet as at April 1 2015		
	Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>I ASSETS</b>						
(1) <b>Non-current assets</b>						
(a) Property, Plant and Equipment	6,370,487	-	6,370,487	4,603,002	-	4,603,002
(ii) Loans	-	-	-	4,876,300	(785,193)	4,091,107
(b) Deferred tax asset (net) G	4,677,535	(4,677,535)	-	6,144,748	(6,144,748)	-
(c) Advance tax (net)	16,091,762	-	16,091,762	8,043,230	3,167,212	11,210,442
(d) Other non-current-assets	-	-	-	-	374,366	374,366
	<b>27,139,784</b>	<b>(4,677,535)</b>	<b>22,462,249</b>	<b>23,667,280</b>	<b>(3,388,362)</b>	<b>20,278,918</b>
(2) <b>Current assets</b>						
(a) Financial Assets						
(i) Investments: Other Investments A	312,144,945	29,048,312	341,193,257	268,105,955	25,255,623	293,361,578
(ii) Cash and cash equivalents	1,712,422	-	1,712,422	2,261,744	-	2,261,744
(iii) Loans B	11,104,174	(412,051)	10,692,123	4,299,985	-	4,299,985
(b) Current tax assets (net)	-	-	-	3,191,847	(3,191,847)	-
(c) Other current assets B	3,728,870	374,366	4,103,236	2,794,575	374,366	3,168,941
	<b>328,690,411</b>	<b>29,010,626</b>	<b>357,701,038</b>	<b>280,654,105</b>	<b>22,438,142</b>	<b>303,092,248</b>
<b>Total assets</b>	<b>355,830,195</b>	<b>24,333,091</b>	<b>380,163,286</b>	<b>304,321,385</b>	<b>19,049,780</b>	<b>323,371,165</b>
<b>II EQUITY AND LIABILITIES</b>						
(1) <b>Equity</b>						
(a) Equity Share capital	35,000,000	-	35,000,000	35,000,000	-	35,000,000
(b) Other Equity Retained Earnings C	274,591,186	19,418,033	294,009,219	229,380,527	16,880,951	246,261,478
<b>Total equity</b>	<b>309,591,186</b>	<b>19,418,033</b>	<b>329,009,219</b>	<b>264,380,527</b>	<b>16,880,951</b>	<b>281,261,478</b>
<b>Liability</b>						
(1) <b>Non-current liabilities</b>						
(a) Deferred tax liabilities (net) G	-	4,915,059	4,915,059	-	2,193,464	2,193,464
	<b>-</b>	<b>4,915,059</b>	<b>4,915,059</b>	<b>-</b>	<b>2,193,464</b>	<b>2,193,464</b>
(2) <b>Current liabilities</b>						
(a) Financial Liabilities						
(ii) Trade Payables	32,037,678	-	32,037,678	24,964,852	-	24,964,852
(iii) Other Financial Liabilities	-	-	-	-	-	-
(b) Other Current Liabilities	3,448,977	-	3,448,977	1,441,731	-	1,441,731
(c) Provisions	10,752,354	-	10,752,354	13,509,640	-	13,509,640
(d) Liability for Current Tax	-	-	-	24,635	(24,635)	-
	<b>46,239,009</b>	<b>-</b>	<b>46,239,009</b>	<b>39,940,858</b>	<b>(24,635)</b>	<b>39,916,223</b>
<b>Total liabilities</b>	<b>46,239,009</b>	<b>4,915,059</b>	<b>51,154,067</b>	<b>39,940,858</b>	<b>2,168,829</b>	<b>42,109,687</b>
<b>Total Equity and Liabilities</b>	<b>355,830,195</b>	<b>24,333,092</b>	<b>380,163,287</b>	<b>304,321,385</b>	<b>19,049,780</b>	<b>323,371,165</b>



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Aditya Birla Capital Advisors Private Limited  
Reconciliation of Statement of Profit & Loss as per previously reported under IGAAP to IND AS

In Rs.

Year Ended March 31, 2016

	Note	IGAAP	Effect of transition to IND-AS	Ind AS
I Revenue from Operations		203,257,647	-	203,257,647
II Other Income		18,097,991	4,165,830	22,263,821
<b>Total Income</b>	D	<b>221,355,638</b>	<b>4,165,830</b>	<b>225,521,468</b>
III EXPENSES				
Employee benefits expense	E	123,081,778	(717,828)	122,363,950
Other expenses	F	32,661,293	374,367	33,035,660
Depreciation and amortization expenses		2,193,306	-	2,193,306
Finance Cost		-	-	-
<b>Total Expenses</b>		<b>157,936,377</b>	<b>(343,461)</b>	<b>157,592,916</b>
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>		<b>63,419,260</b>	<b>4,509,291</b>	<b>67,928,552</b>
IV Profit/ (Loss) before tax		63,419,260	4,509,291	67,928,552
Current Tax		16,741,388	-	16,741,388
Deferred Tax (Net of MAT Credit, if any)		1,467,213	1,254,382	2,721,595
<b>Tax Expense:</b>	G	<b>18,208,601</b>	<b>1,254,382</b>	<b>19,462,983</b>
Business attributable to participating policyholders		45,210,659	3,254,909	48,465,569
<u>Other Comprehensive Income</u>				
Actuarial Gain/ (Loss) on retirement benefits		-	-	(717,828)
Other Comprehensive Income for the period		-	-	(717,828)
<b>Total Comprehensive Income for the period</b>		<b>45,210,659</b>	<b>3,254,909</b>	<b>47,747,741</b>

Reconciliation of Total Equity for the year ended 31 March 2016

Particulars	Note	March 31, 2016	April 1, 2015
Share capital		35,000,000	35,000,000
Profit and Loss account		274,591,186	229,380,527
<b>Total Equity as per Indian GAAP</b>		<b>309,591,186</b>	<b>264,380,527</b>
Opening IND AS Impact (b/f from previous year)		16,880,950	-
First time IND AS adoption impact:			
- Financial assets - Fair Value of Investment	A	3,792,689	25,255,623
- Financial assets- Amortization of Security Deposit	B	(1,226)	(36,459)
- Deferred tax adjustment on above items	G	(1,254,381)	(8,338,214)
<b>Total impact due to conversion under IND AS</b>		<b>19,418,033</b>	<b>16,880,950</b>
<b>Total Equity as on date under IND AS</b>		<b>329,009,219</b>	<b>281,261,477</b>



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Explanation for reconciliation as previously reported under IGAAP to IND AS

**A Current Investment**

Investment in mutual funds has been recognised at fair value as per Ind AS 109. Under Indian GAAP investments were held at cost or fair value which ever is lower.

**B Loans & Other Current Assets**

Security deposits has been recognised at amortised cost as per Ind AS 109 . Difference between cost and carrying value as per previous gaap has been recognised as deferred rent expenses. Under previous Indian GAAP security deposit was valued at cost.

**C Other Equity Retained Earnings**

- a) Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.
- b) In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

**D Other Income**

a) Interest Income is recognised on interest free security deposit which is recognised at amortised cost as per the provisions of IND AS 109. Under previous Indian GAAP Deposit were interest free hence no interest was accounted.

b) Current Investments are carried at fair value, the impact of mark to market has been recognised as income under Ind AS. Under previous Indian GAAP Investments were recognised as cost or fair value whichever is lower.

**E Employee Benefits Expenses**

Both under Indian GAAP and Ind AS ,the Company recognised costs related to its post-employment defined benefit plan on an actual basis. Under Indian GAAP, the entire cost,including actuarial gains and losses, are charged to profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling,excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in balance sheet through other comprehensive income.

**F Other Expenses**

The effect of amortisation of deferred lease expenses on security deposit is shown in expenses. Under Indian GAAP security deposit were recognised at cost instead of amortised value due to which no lease expenditure were accounted in profit & loss account.

**G Deferred Tax Liabilities**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.



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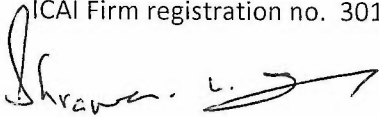
ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED  
Notes Forming Part of Financial Statement for the year ended 31<sup>st</sup> March 2017

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

As per our attached report of even date

For S. R. Batliboi & Co. LLP  
Chartered Accountants

ICAI Firm registration no. 301003E/E300005



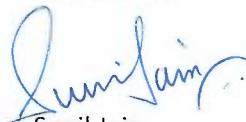
Per Shrawan Jalan  
Partner  
Membership No.102102



For and on behalf of Board of Directors  
Aditya Birla Capital Advisors Private Limited



Ajay Srinivasan  
Director  
DIN: 121181



Sunil Jain  
Chief Financial Officer



P H Ravikumar  
Director  
DIN : 280010



Piyush Shah  
Company Secretary

Mumbai, April 27, 2017



Mumbai, April 27, 2017

