

**ADITYA BIRLA**



**MONEY**

Ref: SECTL/2016 – 33

August 1, 2016

**Bombay Stock Exchange Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**MUMBAI – 400 001**

Fax # 022-22723121/ 22722037  
22722041/ 22723719  
22722039/ 22722061

**National Stock Exchange of India Limited,**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G-Block,  
Bandra-Kurla Complex, Bandra (East)  
**MUMBAI – 400 051**

Fax # 022-26598237/38

Dear Sirs,

**Sub: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015**  
**Scrip Code: BSE – 532974; NSE – BIRLA MONEY**

Please find enclosed the Annual Report 2015-16 along with Notice for the 20<sup>th</sup> Annual General Meeting of the Shareholders of the Company to be held on 24<sup>th</sup> August, 2016.

This is for your information and record.

Thanking you,

Yours faithfully,

For **Aditya Birla Money Limited,**

  
**Vikashh K Agarwal**  
Company Secretary



Encl. : as above

Aditya Birla Money Limited  
Ali Centre, No. 53 Greams Road,  
Chennai 600 006.



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Website www.adityabirlamoney.com  
Corporate Website www.abfsg.com  
E-mail abm.care@adityabirla.com

ADITYA BIRLA



MONEY

## ADITYA BIRLA MONEY LIMITED

CIN: L65993GJ1995PLC064810

Registered Office: Indian Rayon Compound, Veraval - 362 266, Gujarat.

Email: abm.care@adityabirla.com Website: www.adityabirlamoney.com Ph: 044-39190002/3, Fax: 044-28290835

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### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the Shareholders of ADITYA BIRLA MONEY LIMITED will be held on Wednesday, the 24th August, 2016 at 11.00 A.M. at the Registered Office of the Company at Indian Rayon Compound, Veraval - 362 266, Gujarat to transact the following businesses:

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date, the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Shriram Jagetiya (DIN: 01638250), who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to ratify the appointment of M/s. S.R. Batliboi & Co. LLP (ICAI Firm Registration No.301003E/E300005) Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors."

#### SPECIAL BUSINESS

4. To appoint Mr. Tushar Shah (DIN:07504267) as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Mr. Tushar Shah (DIN:07504267) who was appointed as an Additional Director (Non-Executive) of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 (hereinafter referred to as 'Act') and Article 117 of the Articles of Association of the Company with effect from May 06, 2016 and who holds the office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act along with the requisite deposit, proposing the candidature of Mr. Tushar Shah for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation."

5. To appoint Mr. Murali Krishnan L R as the Manager of the Company and in this regard to consider and if thought fit, to pass the following Resolution as an **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 2(78), 196, 197, 203 read Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules referred therein (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to appoint Mr. Murali Krishnan L R as the Manager of the Company at a remuneration not exceeding Rs. 27 lakhs per annum inclusive of perquisites and performance related compensation, if any for a period of 3 years with effect from May 06, 2016 to May 05, 2019.

**RESOLVED FURTHER THAT** in the event of higher profits in the upcoming years, the Board of Directors, be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, within such limit(s) or ceiling from time to time, as prescribed under the provisions of the Companies Act, 2013.

6. To consider and approve Related Party Transactions with Aditya Birla Money Mart Limited for availing / rendering of Services and in this regard and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 and Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company be accorded to the “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, to enter into related party transaction(s) with Aditya Birla Money Mart Limited (ABMML), a fellow subsidiary, relating to availing and rendering of services as mentioned below for the period April 2016 to March 2017 for a transaction value of a sum not exceeding an aggregate of Rs.25 Crores on such terms and conditions as may be deemed necessary by the Board.

**Scope of Services**

1. Commission / Management Fees
  - Sharing of brokerage and commission for availing of services from ABMML in relation to client introduction and wealth management, by virtue of ABMML being an Authorised Person of the Company for broking operations pursuant to SEBI Circular MIRSD/DR-1/ Cir-16 /09 dated November 06, 2009.
2. Capital Market / Mutual Fund services and ancillary services
3. Recovery of Cost - Infrastructure, Manpower and other expenses
4. Reimbursement of Cost - Infrastructure, Manpower and other expenses
5. Income from Promotional activities / Advertisement Income

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.

7. To consider and approve Related Party Transactions with Aditya Birla Finance Limited and SKI Carbon Black (India) Private Limited for availing Loan and in this regard and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 and Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company be accorded to the “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, to enter into related party transaction(s) with Aditya Birla Finance Limited and SKI Carbon Black (India) Private Limited for availing a loan in one or more tranches for a sum not exceeding Rs.100 Crores and Rs.40 Corers respectively as and when required by the company at such rates prevalent at the time of availing of the loan and on such terms and conditions as may be deemed necessary for the purpose of obtaining the loan.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

<b>Name of the Related Party</b>	Aditya Birla Finance Limited	SKI Carbon Black (India) Private Limited
<b>Nature of Transaction</b>	Availing of interest bearing working capital loan	Availing of interest bearing working capital loan
<b>Period of Transaction</b>	From time to time as per business requirement of the Company	From time to time as per business requirement of the Company

<b>Maximum amount of transaction</b>	Rs.100 Crores (Rupees Hundred Crores only) in a single/multiple tranches depending upon the working capital requirement of the company	Rs.40 Crores (Rupees Fourty Crores only) in a single/multiple tranches depending upon the working capital requirement of the company
<b>Rate of Interest</b>	At such rate prevalent at the time of availing of the loan	At such rate prevalent at the time of availing of the loan

By Order of the Board  
For Aditya Birla Money Limited

Date : July 29, 2016  
Place : Mumbai

Vikashh K Agarwal  
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 20TH ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
  
THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
2. Corporate Members intending to depute their authorised representatives to attend the Meeting are requested to send to the Company a duly certified true copy of the Board Resolution – Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Item Nos. 4 to 7 of the Notice set out above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from August 18, 2016 to August 24, 2016 (both days inclusive).
5. Details in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. Members / Proxies should bring their Attendance Slip sent herewith, duly filled in, for attending the meeting.
7. Members may also note that the Notice of the 20<sup>th</sup> Annual General Meeting (AGM) and the Annual Report for 2015-16 will also be available on the Company's website [www.adityabirlamoney.com](http://www.adityabirlamoney.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Indian Rayon Compound, Veraval – 362 266, Gujarat for inspection during normal business hours on working days, except Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, members may also send requests to the Company's investor e-mail ID [ABML.Investorgrievance@adityabirla.com](mailto:ABML.Investorgrievance@adityabirla.com)
8. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, the facility to exercise their right to vote at the 20<sup>th</sup> Annual General Meeting by electronic means. The Board

of Directors has appointed Ms. B.Chandra, Practising Company Secretary, as the Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner.

The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on August 21, 2016 (9.00 A.M.) and ends on August 23, 2016 (5.00 P.M). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 17, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "ADITYA BIRLA MONEY LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
9. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.adityabirlamoney.com](http://www.adityabirlamoney.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchanges.

## STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 4

The Board of Directors appointed Mr. Tushar Shah as an Additional Director of the Company with effect from May 06, 2016 and he holds office upto the date of the ensuing Annual General Meeting.

The Company has received the requisite notice from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Tushar Shah for the Office of Director. The same has been posted on the Company's website [www.adityabirlamoney.com](http://www.adityabirlamoney.com). Accordingly, the Board recommends his appointment as Director of the Company liable to retire by rotation.

Brief resume of Mr. Tushar Shah, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships /chairmanships of Board Committees, as stipulated under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings, is annexed to this Notice.

Mr. Tushar Shah is interested in the resolution set out respectively at Item No. 4 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these Resolutions.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

### Item No. 5

Pursuant to provisions of Section 203 of the Companies Act, 2013 (the Act) read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company shall appoint a Manager or a Managing Director or Chief Executive Officer and in their absence a Whole Time Director who shall be a whole time Key Managerial Personnel (KMP) of the Company

Further, pursuant to provisions of the Act, a vacancy caused consequent to the resignation of Mr. Sudhakar Ramasubramanian as a Managing Director and Director of the Company, has to be filled within six months time from the date of resignation, either by appointing a Managing Director / Chief Executive Officer / Manager / Whole Time Director.

With regard to this, the Board has appointed Mr. Murali Krishnan L R as the Manager of the Company who holds suitable qualification and has relevant experience in the industry for a term of 3 years with effect from May 06, 2016 to May 05, 2019 at a remuneration not exceeding Rs. 27 lakhs per annum inclusive of perquisites and performance related compensation, if any.

#### I. General Information

- (a) Nature of Industry: The Company is engaged in the business of Broking, Distribution, Wealth Management and Portfolio Management Services.
- (b) Date or expected date of commencement of commercial production: Not applicable
- (c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
- (d) Financial performance based on the given indicators:  
The Company has achieved total income of Rs.118.38 crores during the year 2015-16 as compared to Rs.118.72 crores during 2014-15. The Income from Operations of FY 2015-16 was Rs.111.56 crores as compared to Rs.112.01 crores during FY 2014-15. The Company has posted a Net Profit of Rs.1.20 crores for the year ended March 31, 2016 as compared to Net Profit of Rs.7.08 crores for the year ended March 31, 2015.
- (e) Foreign Investments or Collaborations, if any: Not Applicable

#### II. Information about the appointee

- (a) Background Details: Mr. Murali Krishnan L R is a Law Graduate from Dr. Ambedkar Government Law College and he has an overall experience of 19 years and has rich experience in the field of capital market business
- (b) Past Remuneration: The remuneration drawn by Mr. Murali Krishnan L R during the financial year ended 31<sup>st</sup> March 2016 is 20.63 lakhs per annum including perquisites and performance related compensation.
- (c) Recognition or Awards: None
- (d) Job Profile and his Suitability: Mr. Murali Krishnan L R is a Law Graduate from Dr. Ambedkar Government Law College and he has an overall experience of 19 years and has rich experience in the field of capital market business.  
He has been associated with Aditya Birla Money Limited for more than 15 years in various capacities and currently heading the Legal function of the Company. He is also the designated Compliance Officer for the Portfolio Management Services division of the Company and for the Commodities Broking arm of the Company undertaken through its wholly owned subsidiary - Aditya Birla Commodities Broking Limited. Owing to his experience in the industry, he has contributed significantly to the growth of the Company.
- (e) Remuneration Proposed: The appointee will be paid remuneration up to not exceeding Rs. 27 lakhs per annum inclusive of perquisites and performance related compensation, if any.
- (f) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person ( in case of expatriates the relevant details would be w.r.t. the country of Origin.): Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and involvement of Mr. Murali Krishnan L R in the Company, the proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the industry. Further, the proposed remuneration is as per the Remuneration policy of the Company.
- (g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any : Except to the proposed remuneration, there is no pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel by Mr. Murali Krishnan L R and none of his relative is employed by the Company.

#### III. Other Information

- (a) Reasons of loss or inadequate profits: The Company has been profitable in the last couple of years. Due to past accumulated losses, the company has deficit in the profit and loss account. The management is exploring other avenues to increase turnover and profitability of the company.
- (b) Steps taken or proposed to be taken for improvement: The Company has undertaken cost cutting initiative and expanding business in new areas to increase revenue and improve overall profitability.
- (c) Expected increase in productivity and profits in measurable terms: The Company is committed to build the business operations within budget and considering that the business operates on going concern basis, it is believed that financial position of the company will further improve in near future.

**IV. The disclosures required under the heading Corporate Governance pursuant to this section forms part of the Annual Report except as below**

Director's details with regard to Service Contracts, Notice period and Severance fees: Independent Directors are appointed for a period of 5 years and all Non Executives Directors are appointed on retirement by rotation basis. Directors may resign without any Notice Period/Severance fees.

Since the company has inadequate profit, the Board recommends the Special Resolutions set out at Item No. 5 for approval of Members.

None of the Directors / Key Managerial personnel of the Company and their relatives except the appointee are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

**Item No.6**

Aditya Birla Money Mart Limited (hereinafter referred to as 'ABMML'), a fellow subsidiary pursuant as per Section 2(76) of the Companies Act, 2013, was appointed as an Authorised Person for broking operations by the Company pursuant to SEBI Circular MIRSD/DR-1/Cir-16/09 dated November 06, 2009 for which the Company has entered into an agreement for sharing of brokerage and commission for availing of services from ABMML in relation to client introduction and wealth management.

In the course of such activities, the Company also renders various services to ABMML in relation to:

1. Data confirmation and information dissemination including customer awareness about the products and services
2. All support services in relation to client acquisition and post servicing assistance in Planning, Reporting, People & Relationship management and Compliance management.

The Company also recovers the cost incurred towards rendering of such services by way of monthly debit note, for which the approval of the Audit Committee was sought.

All the transactions entered into with Aditya Birla Money Mart Limited are on arms' length basis and in the ordinary course of business by virtue of ABMML being an Authorised Person and the transaction being repetitive in nature.

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transactions which are material in nature i.e. the transaction value exceeds 10% of the consolidated turnover as per last audited financial results of the Company shall be entered with the approval of the shareholders is required.

The Board recommends the Ordinary Resolutions set out at Item No. 6 for approval of Members.

None of the Directors / Key Managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6.

**Item No.7**

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, All Material Related Party Transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. Material Related Party Transaction means the transaction(s) to be entered with related parties either individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Aditya Birla Finance Limited and SKI Carbon Black (India) Private Limited are falling under related party pursuant to Section 2(76) of the Companies Act, 2013. As we are proposing to avail loan in one or more tranches for a sum not exceeding Rs.100 Crores and Rs.40 Crores respectively from both Aditya Birla Finance Limited and SKI Carbon Black (India) Private Limited, the transaction value exceeds the threshold limit of 10% of the consolidated turnover of the Company as on 31<sup>st</sup> March 2016, Hence, it requires the approval from the shareholders of the company in the ensuing Annual General Meeting.

All the transactions to be entered with Aditya Birla Finance Limited and SKI Carbon Black (India) Private Limited shall be in the nature of ordinary course of business and on arms' length basis.

The Board recommends the Ordinary Resolutions set out at Item No. 7 for approval of Members.

Except Mr. Tushar Shah and Mr. G.K Tulsian, None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this Resolution

By Order of the Board  
For Aditya Birla Money Limited

Date : July 29, 2016  
Place : Mumbai

Vikashh K Agarwal  
Company Secretary



Details of Directors seeking appointment / re-appointment in the 20<sup>th</sup> Annual General Meeting

Name of the Director	Mr. Tushar Shah	Mr. Shriram Jagetiya
Date of Birth	17 <sup>th</sup> April, 1965	21 <sup>st</sup> April, 1969
Date of appointment in the Board	06 <sup>th</sup> May 2016	25 <sup>th</sup> March, 2014
Qualification	B.L., CA.	CA, ICWA.
Expertise in specific functional area	<p>Mr. Tushar Shah joined the Aditya Birla Group as the CEO – Project &amp; Structured Finance (PSFG) in 2011 to spearhead the Group's foray into Infrastructure financing and set-up the Business from scratch. Under his leadership, the Group has taken rapid strides in Project linked lending, Structured Finance, Debt Capital Markets &amp; Syndication. In addition, he has guided special initiatives like the launch of Infrastructure debt fund.</p> <p>Mr. Shah, a law graduate and member of the Institute of Chartered Accountants of India since 1988, has over two decades of work experience.</p>	<p>Mr. Shriram is working with Aditya Birla Group for more than 23 years. He has held various positions in the Group and is currently serving in the capacity of President in Aditya Birla Nuvo Ltd. and heading Finance and Treasury function of the Company.</p>
Directorships held in other companies	Nil	<ol style="list-style-type: none"> <li>1. Aditya Birla Customer Services Pvt. Ltd.</li> <li>2. Aditya Birla Money Ltd.</li> <li>3. Aditya Birla Financial Services Ltd.</li> <li>4. Aditya Birla Trustee Company Pvt. Ltd.</li> <li>5. ABG Realty and Infrastructure Co. Pvt. Ltd.</li> <li>6. ABCAP Trustee Company Pvt. Ltd.</li> <li>7. Birla Family Investments Pvt. Ltd.</li> <li>8. Birla Sun Life AMC (Mauritius) Limited</li> <li>9. Shaktiman Mega Food Park Pvt. Ltd.</li> <li>10. ABNL Investments Limited</li> </ol>
* Chairman / Member of Committee (s) of Board of Directors of the Company	1	1
* Chairman / Member of the Committee(s) of Board of Directors of other Companies in which he/she is a Director	Nil	3
Whether related with other Directors / Key Managerial Personnel	No	No
Number of meetings attended during the year	Nil (Appointed as an Additional Director with effect from May 06, 2016)	3 out of 4
Number of Shares held in Company	Nil	Nil

\*Includes only Chairmanship/Membership of Audit Committees and Stakeholders' Relationship Committee



**ADITYA BIRLA MONEY LIMITED**

**ATTENDANCE SLIP**

CIN: L65993GJ1995PLC064810

Registered Office: Indian Rayon Compound, Veraval - 362 266, Gujarat.

Email: abm.care@adityabirla.com Website: www.adityabirlamoney.com Ph: 044-39190002/3, Fax: 044-28290835

Name of the Member(s) :

Registered Address :

Folio No/DP ID / Client ID :

No. of Shares held :

I/We hereby record my/our presence at the Twentieth Annual General Meeting held at the Registered Office at Indian Rayon Compound, Veraval - 362 266, Gujarat on Wednesday, the 24<sup>th</sup> day of August 2016 at 11.00 A.M.

Member's Folio No. /DP ID & Client ID

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Note:

- Please complete the Folio/DP ID & Client ID and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the Entrance of the Meeting Hall.
- Members holding shares in physical form are requested to advise the change in their address, if any, to M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai 600002, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s)..

**ADITYA BIRLA MONEY LIMITED**

CIN: L65993GJ1995PLC064810

**PROXY FORM**

Registered Office: Indian Rayon Compound, Veraval - 362 266, Gujarat.

Email: abm.care@adityabirla.com Website: www.adityabirlamoney.com Ph: 044-39190002/3, Fax: 044-28290835

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No/DP ID / Client ID :

I/We, being the member (s) holding ..... shares of Aditya Birla Money Limited, hereby appoint:

- |                 |                                    |
|-----------------|------------------------------------|
| (1) Name .....  | Address .....                      |
| Email Id: ..... | Signature .....or failing him/her, |
| (2) Name .....  | Address .....                      |
| Email Id: ..... | Signature .....or failing him/her, |
| (3) Name .....  | Address .....                      |
| Email Id: ..... | Signature .....                    |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company, to be held on Wednesday, August 24, 2016 at 11.00 a.m. at the Registered Office at Indian Rayon Compound, Veraval - 362 266, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional)*	
		For	Against
1.	Adoption of Financial Statements and Directors' Report for the year ended March 31, 2016		
2.	Appointment of a Director in place of Mr. Shriram Jagetiya, who retires by rotation and being eligible, seeks reappointment		
3.	Ratification appointment of M/s. S.R. Batliboi & Co. LLP as Auditors and fixing their remuneration		
4.	Appointment of Mr. Tushar Shah as Director liable to retire by rotation		
5.	To appoint Mr. Murali Krishnan L R as the Manager of the Company		
6.	Approval for Related Party Transactions entered into by the Company with Aditya Birla Money Mart Limited during the financial year 2016-17		
7.	Approval for the Related Party Transaction with Aditya Birla Finance Limited and SKI Carbon Black (India) Private Limited for availing Loan.		

Signed this ..... day of ..... 2016

Signature of Shareholder(s) .....Signature of Proxy holder(s) .....

Note:

- This form of proxy, in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
- It is optional to put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to Vote in the manner as he/she thinks appropriate.

Affix Revenue Stamp Re.1/-

ROUTE MAP TO THE VENUE OF THE AGM



VENUE:  
INDIAN RAYON COMPOUND,  
VERAVAL,  
GUJARAT – 362 266.



ANNUAL REPORT  
2015-16

ADITYA BIRLA MONEY LIMITED



**BIG ON GROWTH**  
BASED ON STRONG FUNDAMENTALS

## LETTER FROM THE CHAIRMAN

Dear Shareholders,

In FY16, the economic indicators as compared to FY15 with primary indicators like GDP, CAD and others being better compared to the previous year. GDP is expected to grow at 7.7% for FY16 compared to 7.10% in FY15 and makes us one of the fastest growing economies in the world according to IMF. Among the secondary indicators, inflation as measured under CPI has fallen to 4.91% and has been lower than the RBI target of 6% by Jan'16. The fall has been mainly due to lower MSP increases and fall in crude prices to multi year lows of USD 30 levels. Despite a lower than expected monsoon and uneven rains during the year, food inflation remained low as global agri commodities prices fell. Index of Industrial Production growth has been on par with previous year as manufacturing has been weak due to a global economic slowdown and capacity utilization still having scope to improve. The one major indicator which has been weak has been trade data as exports have shrunk drastically.

There was an outflow of USD 2.51bn from FIIs in FY16 against the inflows of USD 45.44bn seen in FY15 as markets were volatile in FY16 due to various global factors. FY16 saw outflows from both debt and equity markets as equities saw outflows of USD 2.01bn while debt saw outflows of USD 0.51bn. FII flows are expected to improve in FY17 as government reforms boost growth and since macro indicators are much better compared to other emerging markets.

Your Company's continued focus on cost reduction and productivity enhancement initiatives supported by market buoyancy have resulted into considerable gains both in revenues as well as profitability. Further, we enhanced our product offerings and reached out to specific profitable segments successfully.

Your Company reported a consolidated net profit of Rs.3.33 crores in FY15-16. Income from operations has remained stable at Rs.127.65 crores as compared to Rs.126.45 crores for the previous year.

Given the underlying potential of Indian markets in the long run, we continue to be positive on the long term potential in India and expect retail investors to increase their participation in capital markets. Your Company will continue to work towards creating enduring value for its stakeholders and customers by converting challenges into opportunities.

Yours Sincerely,



Gopi Krishna Tulsian  
Chairman

# ADITYA BIRLA MONEY LIMITED

## BOARD OF DIRECTORS

Mr. Gopi Krishna Tulsian	- Non Executive Director (Chairman of the Board)
Mr. P. Sudhir Rao	- Independent Director
Mr. G. Vijayaraghavan	- Independent Director
Ms. Pinky A Mehta	- Non Executive Director
Mr. Tushar Shah	- Non Executive Director
Mr. Shriram Jagetiya	- Non Executive Director

## COMPANY SECRETARY

Mr. Vikashh K Agarwal

## AUDITORS

M/s. S. R. Batliboi & Co. LLP  
Chartered Accountants, Mumbai

## BANKERS

HDFC Bank Limited  
Bank of India  
State Bank of India  
Allahabad Bank  
Axis Bank Limited  
ICICI Bank Limited  
Standard Chartered Bank

## REGISTERED OFFICE

Indian Rayon Compound  
Veraval - 362 266, Gujarat

## CORPORATE OFFICE

Ali Centre,  
No.53, Greams Road,  
Chennai - 600 006.

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MACRO ECONOMIC SCENARIO

### THE INDIAN ECONOMY & MARKETS

In FY16, the economic indicators as compared to FY15 with primary indicators like GDP, CAD and others being better compared to the previous year. GDP is expected to grow at 7.7% for FY16 compared to 7.10% in FY15 and makes us one of the fastest growing economies in the world according to IMF. Among the secondary indicators, inflation as measured under CPI has fallen to 4.91% and has been lower than the RBI target of 6% by Jan'16. The fall has been mainly due to lower MSP increases and fall in crude prices to multi year lows of USD 30 levels. Despite a lower than expected monsoon and uneven rains during the year, food inflation remained low as global agri commodities prices fell. Index of Industrial Production growth has been on par with previous year as manufacturing has been weak due to a global economic slowdown and capacity utilization still having scope to improve. The one major indicator which has been weak has been trade data as exports have shrunk drastically.

There was an outflow of USD 2.51bn from FIIs in FY16 against the inflows of USD 45.44bn seen in FY15 as markets were volatile in FY16 due to various global factors. FY16 saw outflows from both debt and equity markets as equities saw outflows of USD 2.01bn while debt saw outflows of USD 0.51bn. FII flows are expected to improve in FY17 as government reforms boost growth and since macro indicators are much better compared to other emerging markets.

### GLOBAL ECONOMY AND DEVELOPMENTS

The global macroeconomic landscape is currently rough and uncertain characterized by weak global growth. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect risk adverse behavior of global investors, thus putting many, and in particular, commodity exporting economies under considerable stress.

In light of this, 2015-16 was a year of adjustment and expectation management. Expectations of world GDP growth from many quarters have been below 3%. During the last year, we stumbled from one mini economic crisis to another in the form either the Greek debt crisis or the Chinese devaluation and then the commodity crash. Although, we have seen a patchy recovery in the equity and commodity market of January-February this year, this can be attributed to the NIRP (Negative Interest Rate Policy) regime implemented by BoJ and the ECB, aided by the reduced expectation of rate hike by Fed. The faith in such a recovery seems limited at this point and that is getting manifested in continued downturn in most commodity prices.

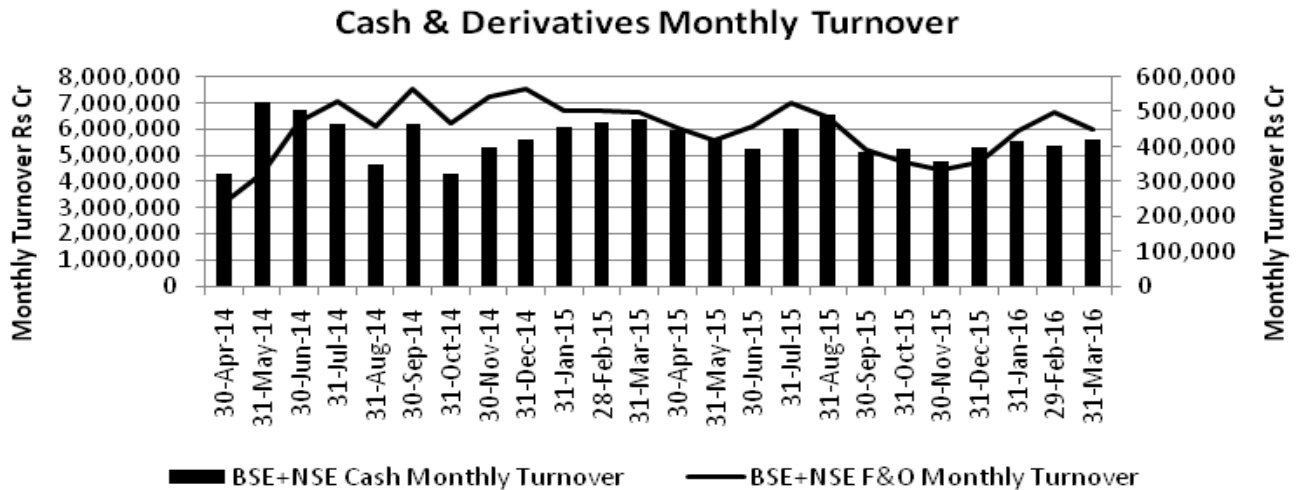
The narrative in Emerging Markets (EM) is also similar with rise in corporate debt post 2008. Growth expectations of EM countries have also been downgraded to around 4.5% level down from an average of 6.5% in the previous decade. Most of the EM countries are net exporter of commodities and that has left them vulnerable in this low commodity price scenario. The EM corporate bond spreads are still low however we have seen some rise in spreads in China. Most of the central banks in EM region including China have pumped liquidity in the system through its recent policy moves and this has helped the markets. However this has left EM vulnerable to another global economic crisis. Since EM is a vast encompassing term there are of course some exceptions including India.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

During FY16, cash market volumes declined to ~20,000 crores as compared to ~21,000 crores in the previous year as commodities crash globally led to a sharp risk-off across the globe for most part of 2015-16. Daily derivatives turnover improved from ~229,000 crores to ~264,000 crores. Indian markets continue to be heavy on derivatives while light on cash trading, thereby suggesting higher speculative activity than investing activity. While this mix has improved over the years in favor of investing volumes, this mix is also driven by the fact that derivatives market is more liquid than the cash market and hence amenable for better price discovery. Although cash volumes have improved in the recent quarters, the structural shift (from high yield cash delivery to low yield derivatives market) over the years, is resulting in prolonged earnings pressure on the entire broking space. On the fund flow scenario foreign investors were net sellers for the fiscal year with an outflow of ~\$1.5bn. What was extremely heartening was the domestic institutional investor flow, which was at multi year high of ~Rs.80,000 crore for the fiscal.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

While global economic conditions remained subdued for most part of the fiscal year, thereby suppressing our own secondary market outlook through the year, the primary market did see sharply improved activity on account of issuances by sunrise sectors like e-commerce, micro-finance and healthcare. OFS activity (from Government stable) was muted during the 1H, but picked up in H2 as Government moved to meet its fiscal deficit target.



### FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

Your Company recorded an Income from Operations of Rs.111.56 crores for the year ended March 31, 2016. The total income for the year under review has remained stable at Rs.118.38 crores as compared to Rs.118.72 crores during the previous year. The Net Profit for the year stood at Rs.1.20 crores for the year ended March 31, 2016

### ECONOMY

The latest weather forecast points towards the likelihood of normal monsoon in FY17 after two consecutive years of below than normal rains. MSP increases for FY17 are expected to be in the range of 2-4% which should keep agri commodities prices from spiraling up. Risks however remains that bad monsoons may lead to CPI rising. RBI has cut policy rates by 150bps since Jan'15 and is expected to cut another 25bps by end of 2016 if the inflation remains favorable.

The key contributors in FY17 will be the reforms taken by the government to boost growth by bringing in bills like GST, Land Acquisition, etc. The economy needs a major push in terms of spends on infrastructure and focus on manufacturing and increasing its share in the GDP.

Macroeconomic indicators like the core sector growth, Index of Industrial Production, Capital spends etc., which had slumped in the last two years have started improving in FY16 and with more scope to improve in FY17 as well. This process along with more proactive governmental support will help the economy hit 8% growth in the next few years.

CPI Inflation is indicating a sustainable moderation in core inflation, RBI has already moved into a soft money policy mode which is expected to continue for the next few years. Lower inflation expectations and lower interest rates would definitely add strength to the recovery process and help kick start the investment cycle as well.

### INDUSTRY

For the broking industry, structural challenges remain. While the economy continues to improve, and there are signs of higher financial market participation, growing cost pressures and low yields continue to dominate the broking industry. This has led to falling yields in the broking business accompanied with change in business model for a large number of players (from broking to advisory). Smaller players are likely to find it difficult to grow in an environment like this. Moreover, consolidation is long over-due in the industry.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

While Indians did consume more and saved less during the past few years, we expect the trend to reverse and savings rate to move back up. While Indian savers have preferred physical savings over the past decade, we see that changing over the next decade, as financial inclusion led move towards financing savings becomes pre-dominant. Moreover, within financial savings, equity has attracted the lowest share of the saver's wallet. One of the key reasons for the same has been high interest rates. Given that interest rates have come down through the year gone by and are likely to come down further, and that interest rates are starting to get market linked, we sense a structural shift over the next decade in the savings composition of our economy. Further, as alternative asset classes slow down after decadal Bull Run (commodities, real estate); savers will be forced to look beyond historically favored saving vehicles. With a resolve from both the RBI and the Government to keep the real interest rates positive the move away from investments in physical assets is underway and within that equity is continuing to gain share at the cost of other asset classes.

The pricing environment continues to be challenging in the industry, with institutional brokerage commission being capped at 12 bps for cash market & 5 bps for futures segment. This is also reflected in falling yields for most players in the industry. The yield in the Options and Commodity segment too is falling due to competitive intensity.

The outlook for the industry is dependent upon three important factors. One, global economic recovery and coordinated central bank dovishness will significantly aid global investment sentiment and foreign portfolio flows into India. Second, a broad based macro-economic recovery will lead to improved corporate profitability thereby supporting equity returns. Finally, both the first and the second factor will lead to rise in interest in equities and hence increase in participation by both domestic and foreign investors. Successful and vibrant primary market offerings will also help gain investor confidence and hence enhanced participation.

One of the most useful (but not widely tracked) variable of equity market participation is the "cash market volume to GDP" ratio which is still at ~36.4% (a long distance from the peak of 98% in 2007-08) highlighting reduced trade velocity. Moreover, this ratio also doesn't reflect the rise and change in economic activity (GDP) in the country over the past decade. So even if this ratio were to reach close to the historic high, it would represent a significant opportunity for equity broking players.

### OPPORTUNITIES AND THREAT

India is on the cusp of a structural bull market after a prolonged slowdown of three years. With the building blocks for an economic recovery in place (like lower commodity prices, reform oriented government, low inflation and low interest rates), we believe that as the recovery comes about, participation in the financial markets is likely to increase. Moreover, with the focus of the Government to shift the savings of the economy into productive financial assets rather than unproductive physical assets the equity broking industry is set for increased volumes over the next few years.

We will also see increased retail participation as equities are likely to emerge as the best asset class in the foreseeable future outperforming other asset classes. Your Company is aware of the same and making conscious efforts to increase investor participation. It has plans to increase its overall market share by targeting profitable segments. Company is also focusing on efficient use of technology to become a cost efficient player in the market.

Your Company will continue to focus on technology, drive client acquisition, increase its business partner network, cost rationalization and provide efficient trading tools and value added research advice to its clients. The overall strategic focus is to create product and service differentiators across all segments.

### RISK AND CONCERNS

The very nature of the Company's business makes it susceptible to various kinds of risks. The Company encounters market risk, credit risk and operational risks in its daily business operations. The Company has framed a comprehensive Risk Management Manual which *inter-alia* lays down detailed process and policies in the various facets of risk management function. The risk management review framework provides complete oversight to various risk management practices and process. The framework and assessment remains dynamic and aligns with the continuing requirements and demands of the market. The Company has also implemented surveillance mechanism to deal with various trade related risks and adopted a surveillance policy in line with the regulatory requirements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTERNAL CONTROL AND ADEQUACY

The Company has adequate internal control systems appropriate for the business processes having regard to efficiency of operations and for compliance with applicable laws. The controls are reviewed periodically and strengthened in view of changed processes, systems and regulations. In addition, the Company goes through periodic internal audits both through its internal team and external auditors, which includes branch and franchisee audits as well as all operations control. All the audit and inspection reports are placed at the Audit Committee meetings. Key issues are specifically brought to the attention of the Audit Committee and deliberated in detail along with the action plan for closure.

## HUMAN RESOURCES

One of the key pillars of the Company's business is its people. The Company's HR policies and practices are built on Aditya Birla Group's core values of *Integrity, Passion, Speed, Commitment and Seamlessness*. The Company's focus is on recruitment of good talent and retention of the talent pool. The Company is hopeful and confident of achieving the same to be able to deliver results and value for our shareholders. As on March 31, 2016, the total employees on the Company's rolls stood at 927.

## CAUTIONARY NOTE

*Statements in this Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.*

## DIRECTOR'S REPORT TO THE MEMBERS

Dear Shareholders,

We are pleased to present the 20th Annual Report, together with the Audited Standalone and Consolidated Accounts of your Company for the financial year ended March 31, 2016.

### 1. Financial Performance Summary

The highlights of the financial results of the Company on a standalone and consolidated basis are as follows:

Particulars	(Rs. in Crores)			
	Standalone		Consolidated	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Income from Operations	111.56	112.01	119.65	119.08
Other Income	6.83	6.71	8.00	7.38
<b>Total Income</b>	<b>118.38</b>	<b>118.72</b>	<b>127.65</b>	<b>126.46</b>
Profit before Interest, Depreciation and Taxation	12.02	14.50	14.32	13.51
Less : Interest	6.35	1.98	6.35	1.98
Profit before Depreciation and Taxation	5.66	12.51	7.97	11.53
Less : Depreciation	3.78	5.72	3.96	5.93
Profit / (Loss) Before Taxation	1.88	6.79	4.01	5.61
Current Tax	0.68	-	1.05	-
MAT Credit	-	-	(0.36)	-
Less : Excess Provision for Tax Written back	-	(0.29)	-	(0.29)
Profit / (Loss) After Tax	1.20	7.08	3.33	5.90
Profit / (Loss) brought forward from previous year	(26.86)	(25.53)	(31.24)	(28.70)
Less: Depreciation written off as per Schedule II	-	8.41	-	8.43
<b>Balance carried to Balance Sheet</b>	<b>(25.67)</b>	<b>(26.86)</b>	<b>(27.91)</b>	<b>(31.24)</b>

### 2. Business Performance

The Company on a Standalone basis has achieved total income of Rs.118.38 crores as compared to Rs.118.72 crores during the previous year. The Income from Operations during the year was also stable at Rs. 111.56 crores as compared to Rs. 112.01 crores during the previous year. The Company has posted a **Net Profit** of Rs. 1.20 crores during the year ended March 31, 2016.

On a Consolidated basis, the Company's Income from Operations was stable at Rs.127.65 crores as compared to Rs.126.45 crores in the previous year. The Company has posted a **Consolidated Net Profit** of Rs. 3.33 crores during the year ended March 31, 2016.

### 3. Reserves

The Reserves & Surplus of the Company as on March 31, 2016 stood at Rs. 21.63 crores. No amount is proposed to be transferred to Reserves during the year.

### 4. Dividend

In order to conserve cash for Company's operations, your Directors do not recommend any dividend for the year under review.

## DIRECTOR'S REPORT TO THE MEMBERS

### 5. Share Capital

The Authorised Share Capital of the Company is Rs.25 crore. The Issued, Subscribed and Paid-up Capital of the Company was Rs.15.54 crores as on March 31, 2016 consisting of 55,400,000 Equity shares of Re.1/- each and 1,000,000 8% Redeemable Non-Convertible Non-Cumulative Preference shares of Rs.100/- each.

### 6. Credit Rating

During the year, CRISIL has re-affirmed A1+ rating for the short term debt programme.

### 7. Public Deposits

During the year, the Company has not accepted or renewed any deposit from the public as covered under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 8. Corporate Governance

Your Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set out by Securities and Exchange Board of India (SEBI). During the year under review, the Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges as amended by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the Corporate Governance compliances.

The Report on Corporate Governance as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The Practising Company Secretary's Certificate confirming compliance with Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure I and the same forms part of the Directors' Report.

### 9. Management Discussion and Analysis

In terms of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on the operations of the Company is provided as a separate section and forms part of the Annual Report.

### 10. Subsidiary

The Company has a wholly owned subsidiary viz. Aditya Birla Commodities Broking Limited ("ABCBL"), which is engaged in the business of commodity broking.

During the year, ABCBL has posted total Income of Rs. 9.27 crores as compared to Rs.7.75 crores during previous year, growth of 19.6%. The subsidiary has posted a Net profit of Rs. 2.13 crores as compared to a net loss of Rs.1.18 crores in the previous year.

The Policy for determining material subsidiaries may be accessed on the Company's website at <http://www.adityabirlamoney.com/about-us/investor>.

The audited financial statements of the Company's subsidiaries and related information have been placed on the website of the Company viz. [www.adityabirlamoney.com](http://www.adityabirlamoney.com). Any Member, who is interested in obtaining a copy of audited financial statements of the Company's subsidiaries may write to the Company Secretary at the Registered Office of the Company.

The Consolidated Financial Statements prepared pursuant to Section 129(3) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India forms part of the Annual Report. The statement containing the salient features of the financial statements of the Company's subsidiary is set out in Annexure II to this report.

### 11. Significant and Material Orders Passed by the Regulators or Courts

During the year, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company.

## DIRECTOR'S REPORT TO THE MEMBERS

### 12. Internal Financial Control and their Adequacy

The Company has put in place adequate internal control systems commensurate with the size of its operations. The internal control systems, comprising of policies and procedures, are designed to ensure orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has the required internal financial controls in place as prescribed under the Companies Act, 2013.

### 13. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to the financial statements.

### 14. Risk Management Policy

The Company has a robust Risk Management Policy in place which includes identifying the elements of risk in the opinion of the Board that may threaten the existence of the Company. The Company has a Risk Governance Committee to evaluate the significant risk exposure of the Company & assessing Management's action to mitigate the exposure in timely manner and approving the implementation of the Enterprise Risk Management Framework for the Company. During the year, the Risk Governance Committee met on March 16, 2016 and had discussions on various risk areas and mitigations initiated by the Company.

### 15. Corporate Social Responsibility

In terms of the provisions Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mr.G.Vijayaraghavan. The other members of the Committee are Mr. Gopi Krishna Tulsian and Ms. Pinky A Mehta, Directors of the Company.

The Company also has in place a CSR Policy and the same is available on the website of the Company at [www.adityabirlamoney.com](http://www.adityabirlamoney.com). A detailed report is attached as Annexure VI forming part of this report.

### 16. Related Party Transactions

During the financial year, the Company has entered into related party transactions which were on an arm's length basis and in the ordinary course of business. All related party transactions have been approved by the Audit Committee of the Board of Directors of the Company and the same are being reviewed by it on a periodic basis.

The Board has formulated a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions and the same is posted on the Company's website viz. [www.adityabirlamoney.com](http://www.adityabirlamoney.com).

Details of Related Party Transaction for the year 2015-16 are mentioned in Note No.30 of Notes to Financial Statement for the FY 2015-16 and the material transaction is stated in Form AOC-2 enclosed as Annexure V.

### 17. Cost Audit

The provisions of Cost audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

### 18. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to the Conservation of Energy and Technology Absorption required under Rule 8(3)(A) and 8(3)(B) of Companies (Accounts) Rules, 2014 are not applicable to the Company due to the very nature of the industry in which it operates. During the year under review, there were no foreign exchange earnings (Previous Year - Nil) and outgo (Previous Year - Nil), respectively.

## DIRECTOR'S REPORT TO THE MEMBERS

### 19. Directors

#### Changes in Board Constitution -

Mr. Sudhakar Ramasubramanian, the Managing Director of the Company, resigned from the Board as a Director and Managing Director of the Company with effect from April 30, 2016 due to his movement to another role within the Aditya Birla Group. The Board places on record its deep appreciation for the services rendered by him during his tenure as the Managing Director.

Subject to the approval of the shareholders, the Board has on recommendation of the Nomination and Remuneration Committee appointed Mr. Tushar Shah (DIN: 07504267) as an Additional Director of the Company with effect from May 06, 2016. In accordance with Section 161 of the Companies Act, 2013, Mr. Tushar Shah holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible to be appointed as the Director of the Company.

The Company has received a notice from M/s. Aditya Birla Financial Services Limited, shareholder along with the requisite deposit signifying his candidature for appointment as the Director at the ensuing Annual General Meeting. The resolution seeking Mr. Tushar Shah's appointment has been included in the Notice of the Annual General Meeting together with his brief details.

Mr. Shriram Jagetiya retires from office by rotation and being eligible, has offered himself for reappointment. The Directors recommend the said re-appointment. Items seeking your approval on the above re-appointment are included in the Notice convening the Annual General Meeting. Brief resumes of the Directors seeking appointments / reappointments form part of the Notice of the ensuing Annual General Meeting.

#### Board Meetings

The Board of Directors of the Company met 4 (four) times during the year i.e. on May 04, 2015, July 23, 2015, October 28, 2015 and January 27, 2016.

#### Composition of the Audit Committee -

The Board has constituted the Audit Committee which comprises of Mr. Sudhir Rao (Chairman), Mr. G.Vijayaraghavan and Mr. Shriram Jagetiya as the members. Other details of the Audit Committee are listed in the Corporate Governance Report. The Audit Committee met 4 times during the year under review.

#### Independent Director's confirmation -

The Independent Directors on the Company's Board have given their respective declarations that they meet the criteria of Independence as provided in Section 149(6) of the Act and Chapter IV of SEBI (Listing Obligations and Disclosure Requirements), 2015.

#### Annual Evaluation -

The evaluation framework for assessing the performance of Directors of your Company comprises of contributions at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others. Pursuant to the provisions of the Act and the Listing Regulations, the Directors have carried out the annual performance evaluation of the Board, Independent Directors, Non-executive Directors, Executive Directors, Committees and the Chairman of the Board. The manner of evaluation is provided in the Corporate Governance Report. The details of programme for familiarisation of Independent Directors of your Company are available on your Company's website viz. [www.adityabirlamoney.com](http://www.adityabirlamoney.com).

#### Key Managerial Personnel

During the year under review, Mr. Srinivas Subudhi resigned from the office of Chief Financial Officer of the Company with effect from March 31, 2016. The Board has appointed Ms. Sumathy Ravichandran as the Chief Financial Officer effective May 06, 2016.

Consequent to the resignation of Mr. Sudhakar Ramasubramanian as the Managing Director of the Company, the Board has on recommendation of the Nomination and Remuneration Committee, appointed Mr. Murali Krishnan L R as the

## DIRECTOR'S REPORT TO THE MEMBERS

Manager of the Company with effect from May 06, 2016 subject to approval by the Shareholder of the Company and further the board requested the Shareholders of the company to approve the same in the ensuing AGM.

### Policy on Remuneration to Directors, Key Managerial Personnel

The Nomination and Remuneration Committee has formulated the policy on remuneration for the Directors, Key Managerial Personnel which is appended herewith as Annexure VII and also posted on the website [www.adityabirlamoney.com](http://www.adityabirlamoney.com).

### 20. Disclosure Pursuant to Section 62(1)(B) of the Companies Act, 2013 Read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 & Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014.

Nature of Disclosure	Particulars	
Options granted on December 02, 2014	2,509,341	
Options outstanding as on April 01, 2015	24,48,901	
Options vested during the year	25% of the options granted	
Options exercised as on March 31, 2016	Nil	
Total number of shares arising as a result of exercise of options	Nil	
Options lapsed	4,69,781 (due to resignation of employees)	
Exercise Price	Rs.34.25/- per option	
Variation of terms of options	Nil	
Money realised by exercise of options	Nil	
Options outstanding as on March 31, 2016	19,79,120	
Employee-wise details of options granted	No. of options granted	No. of options outstanding
(i) Key Managerial Personnel		
Mr.Sudhakar Ramasubramanian, Managing Director	329,670	329,670
Mr.Srinivas Subudhi, Chief Financial Officer	Nil	Nil
Mr.Vikashh K Agarwal, Company Secretary	32,967	32,967
(ii) Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year	(i) Mr. Saurabh Shukla - Head - Broking and Retail Business - 225,275 (ii) Mr. Mohit Saxena - Senior Vice President - Products, BD and Worksite Marketing - 157,692	
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	

The Company has complied with and shall comply with the applicable provisions under the Companies Act, 2013, the SEBI (Share Based Employee Benefits) Regulations, 2014 and the Accounting Standards. The Disclosures prescribed in Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 has been posted on the Company's website at the link <http://www.adityabirlamoney.com/about-us/investor>.

A certificate received from the Statutory Auditors on the implementation of the Company's Employees Stock Option Scheme 2014 will be placed at the ensuing Annual General Meeting for inspection by the Members.

## DIRECTOR'S REPORT TO THE MEMBERS

### 21. Internal Audit Framework

The Company has in place a robust internal audit framework to monitor the efficacy of internal controls with the purpose of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes.

The framework is commensurate with the nature of the business and the size of its operations. Internal auditing, of the Company, involves the utilisation of a systematic methodology for analysing business processes or organisational problems and recommending solutions to add value and improve the processes. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls.

As per the provisions of Section 138 of the Companies Act, 2013, M/s PKF Sridhar & Santhanam, Chartered Accountants have been appointed as the Internal Auditors by the Board of Directors of the Company. The audit scope and plans are approved by the Board every year.

Internal Audit Process followed by the Company is as follows:

- Establish and communicate the scope and objectives of audit to the management
- Develop an understanding of the business area under review.
- Identify control procedures used to ensure each key transaction type is properly controlled and monitored.
- Develop and execute a risk-based sampling and testing approach to determine whether the key controls are operating as intended.
- Report the key audit findings and recommendations made by the auditors to the Board of Directors of the Company
- Monitor the implementation of audit recommendations and ensure periodic reporting to the Board of Directors of the Company
- Audit findings are used as a key input in the risk management process and all the key risks of the Company are mapped to the audit processes to ensure a risk-based audit approach.
- The internal audit activity is monitored on an ongoing basis

### 22. Particulars of Employees

In accordance with the provisions of Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, having regard to the provisions of Section 136(1) of the Act, the Annual Report excluding the aforesaid information about the employees, is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during the working hours. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company and the same will be furnished on request.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as Annexure to the Boards' Report as Annexure III.

### 23. Vigil Mechanism / Whistle Blower Policy

In compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a vigil mechanism wherein the directors and employees to report their concerns about unethical behaviour, and actual or suspected fraud or violation of the Company's Code of Conduct to the Value Standards Committee. The Company Secretary of the Company acts as the Secretary to the Values Standard Committee. On a quarterly basis, an update on the issues reported under this policy is placed before the Audit Committee of the Board of Directors, for its review and perusal. The vigil mechanism Policy is posted on the Company's website at [www.adityabirlamoney.com](http://www.adityabirlamoney.com).



## DIRECTOR'S REPORT TO THE MEMBERS

### 24. Disclosure Under the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has implemented a policy for prevention of Sexual Harassment in line with the requirements of the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) presided by a senior level woman employee has been set up to redress complaints received on sexual harassment. All employees (including permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No. of complaints received	:	None
No. of complaints disposed off	:	Not Applicable

### 25. Extract of Annual Return

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for the financial year March 31, 2016 in Form MGT-9 is given in Annexure IV to this report.

### 26. Directors' Responsibility Statement

The audited accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably presents the Company's financial condition and results of operations.

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that, to the best of their knowledge and belief:

- (i) in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures, if any;
- (ii) appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the attached Statement of Accounts for the period ended March 31, 2016 have been prepared on a "going concern basis";
- (v) proper internal financial controls were in place and that the financial controls were adequate and were operating efficiently.
- (vi) proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems were adequate and operating efficiently;

### 27. Statutory Auditors and Their Report

M/s. S.R. Batliboi & Co. LLP, (Registration No.301003E/E300005) Chartered Accountants, Mumbai were appointed in the 19th Annual General Meeting as the Statutory Auditors of the Company for a period of five years to hold office upto the conclusion of the Twenty Fourth Annual General Meeting. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by the Members at every AGM. Accordingly, requisite resolution forms part of the notice convening AGM for ratification appointment of Auditor.

The observations, if any, made by the Auditors of the Company in their report read with relevant notes to the Accounts are self-explanatory and therefore do not call for any further comments. The observations reported under Emphasis of Matter by the Auditors of the Company in their report with relevant notes to the Accounts are self-explanatory and do not call for any further explanation / comments.

## DIRECTOR'S REPORT TO THE MEMBERS

### 28. Secretarial Auditors

In terms of the provision of the Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. BNP & Associates, Company Secretaries, Mumbai as the Secretarial Auditor for conducting a Secretarial Audit of the Company for the financial year ended March 31, 2016. The report of the Secretarial Auditors is attached as Annexure VIII. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### 29. Appreciation

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, bankers and other business associates. Your Directors gratefully acknowledge the ongoing cooperation and support provided by Central and State Governments and all Regulatory bodies. Your Directors place on record their deep appreciation for the exemplary contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

For and on behalf of the Board of Directors,

Date : May 06, 2016  
Place : Chennai

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

## ANNEXURE I TO DIRECTOR'S REPORT

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To : The Members of Aditya Birla Money Limited

1. We have examined the compliance of conditions of Corporate Governance by M/s. Aditya Birla Money Limited, for the year ended on 31st March, 2016, as stipulated in
  - a. Clause 49 of the Listing Agreement (Listing Agreement) for the period 1st April 2015 to 30th November 2015.
  - b. As per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016,

With the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us , we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations.
4. We further state that, such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**B. CHANDRA**  
PRACTISING COMPANY SECRETARY  
CP No.7859

Place : Chennai  
Date : May 06, 2016

## ANNEXURE II TO DIRECTOR'S REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate  
companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

Sl. No.	Particulars	As on March 31, 2016
1.	No. of Subsidiaries	One
2.	Name of the Subsidiary	Aditya Birla Commodities Broking Limited (ABCBL)
3.	Reporting period for the Subsidiary	April 2015 - March 2016
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5.	Share Capital (In Rs.)	5,500,000 Equity Shares of Rs.10/- each aggregating to Rs. 55,000,000 (Rupees Five Crore and Fifty Lakhs only)
6.	Reserves & Surplus (In Rs.)	(22,435,988)
7.	Total Liabilities (In Rs.)	219,115,715
8.	Investments (In Rs.)	Nil
9.	Turnover (In Rs.)	92,736,366
10.	Profit Before Taxation (In Rs.)	21,295,298
11.	Provision for Taxation (In Rs.)	Nil
12.	Profit after Taxation (In Rs.)	21,295,298
13.	Proposed Dividend (In Rs.)	-
14.	% of Shareholding	100%

Further, the Company does not have any other subsidiaries:

1. which are yet to commence operations
2. which have been liquidated or sold during the year

The Company does not have any Associate Companies or Joint Ventures

For and on behalf of the Board of Directors,

Date : May 06, 2016  
Place : Chennai

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

## ANNEXURE III TO DIRECTOR'S REPORT

The information required under Section 197 of the Companies, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration) Rules, 2014 are given below:

- a) The ratio of the remuneration to each Director to the median remuneration of the employees of the Company for the year ended March 31, 2016 is not comparable as no remuneration was paid to the Managing Director / Non-executive Directors of the Company.
- b) The median remuneration of employees of the Company for the financial year 2015-16 was Rs.3.66 lakhs.
- c) During the financial year under review, there was an increase of 6.17% in the median remuneration of employees. The calculation of percentage increase in median remuneration is done based on comparable employees.
- d) There were 709 permanent employees on the rolls of Company as on 31st March, 2016.
- e) Relationship between average increase in remuneration and Company performance:-  
Standalone Operating Profit before Interest, Depreciation and Tax for the financial year ended 31st March, 2016 decreased by 17.2%.
- f) The average increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 6.51%. The increase in average remuneration of the employees of the Company was in line with the Human Resource Philosophy & Performance of the Company and was in line with the market trends.
- g) Comparison of the Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

S. No	Name of Key Managerial Personal	Designation	Remuneration for financial year 2015-16 (in lakhs)	% increase in Remuneration in financial year	Comparison of remuneration against performance
1.	Mr. Vikashh K Agarwal	Company Secretary	34.98	30	Standalone Operating Profit before Interest, Depreciation and Tax has decreased by 17.1% in FY 2015-16
2.	Mr. Srinivas Subudhi	Chief Financial Officer	21.03	22	

- h) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015		% Change	
	NSE	BSE	NSE	BSE	NSE	BSE
Market Capitalisation (in Crores)	115.79	111.08	133.24	132.41	-13.10	-16.11
Price Earning Ratio	96.69	92.76	18.79	18.67	-4.14	-3.96

Percent increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer.

- i) The Company has not made any offer to the public in the past, hence the market quotations of the shares of the Company and the last public offer rate are not comparable.  
In the year 2001, Om Sindhoori Capital Investments Limited, OSCIL ("Transferor Company") merged with Apollo Sindhoori Capital Investments Limited (ASCIL - erstwhile name of the Company), vide Court order dated March 12, 2001. The Transferor Company was a listed company with Madras and Mumbai Stock Exchanges. Accordingly, on completion of merger, ASCIL became listed as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000. OSCIL had made a public issue of equity shares in the year 1995.
- j) During the financial year under review, the average percentage increase made in the salaries of employees other than the managerial personnel was 6.51%. This percentage increase cannot be compared with percentage increase in managerial remuneration as no remuneration was paid to the Managing Director / Non-executive Directors of the Company for the financial year ended 31st March 2016.
- k) The key parameters for the variable component of remuneration availed by the directors:  
Based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Philosophy / Policy of the Company.
- l) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
This is not applicable to the company since the Executive/Non-Executive Directors do not receive any remuneration from the Company. However, the Independent Directors receive sitting fees for attending Meetings of the Company.
- m) It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy/Policy of the Company.

## ANNEXURE IV TO DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L65993GJ1995PLC064810
ii.	Registration Date	04 <sup>TH</sup> JULY 1995
iii.	Name of the Company	ADITYA BIRLA MONEY LIMITED
iv.	Category/Sub-Category of the Company	PUBLIC LIMITED COMPANY
v.	Address of the Registered Office and contact details	INDIAN RAYON COMPOUND, VERAVAL – 362 266. GUJARAT Contact: Ph: +91 – 44 – 3919 0002/3 E-mail: ABML.Investorgrievance@adityabirla.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	CAMEO COPORATE SERVICES LTD. 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 Ph: 91-44 - 2846 0390 (5 lines) E-mail : investor@cameoindia.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total Turnover of the Company
1.	Stock Broking	66120 – Securities and Commodity contracts brokerage	71%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Aditya Birla Financial Services Ltd. Indian Rayon Compound, Veraval – 362 266. Gujarat	U67120GJ2007PLC058890	Holding	75%	2(87)(ii)
2.	Aditya Birla Commodities Broking Ltd. Indian Rayon Compound, Veraval – 362 266. Gujarat	U51501GJ2003PLC065196	Subsidiary	100%	2(87)(ii)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoter</b>									
<b>1.</b>	<b>Indian</b>									
a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	41550000	-	41550000	75.00	41550000	-	41550000	75.00	-

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total(A)(1):-	41550000	-	41550000	75.00	41550000	-	41550000	75.00	-
<b>2.</b>	<b>Foreign</b>									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2):-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter(A)=(A)(1)+ (A)(2)	41550000	-	41550000	75.00	41550000	-	41550000	75.00	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII's	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
<b>2.</b>	<b>Non-Institutions</b>									
a)	Bodies Corporate									
(i)	Indian	1011669	14600	1026269	1.8524	735114	14600	749714	1.3532	0.4991
(ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 lakh	5491277	983919	6475196	11.6880	5728924	976240	6705164	12.1031	0.4151
(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	5849774	0	5849774	10.5591	5863663	0	5863663	10.5842	0.0250
c)	Others									
(i)	Clearing Members	18103	0	18103	0.0326	16366	0	16366	0.0295	(-0.0031)
(ii)	HUF	190577	0	190577	0.3440	259721	0	259721	0.4688	0.1248
(iii)	NRI	288081	0	288081	0.5200	253372	0	253372	0.4573	(-0.0626)

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(iv)	Trusts	2000	0	2000	0.0036	2000	0	2000	0.0036	0.0000
	Sub-Total (B)(2)	12851481	998519	13850000	25.0000	12859160	990840	13850000	25.0000	0.0000
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	12851481	998519	13850000	25.0000	12859160	990840	13850000	25.0000	0.0000
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A + B + C)	54401481	998519	55400000	100.0000	54409160	990840	55400000	100.0000	0.0000

### ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% of change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of total Shares Pledged / encumbered to total shares	
1.	Aditya Birla Financial Services Limited	41550000	75%	N.A.	41550000	75%	N.A.	Nil
	Total	41550000	75%	N.A.	41550000	75%	N.A.	Nil

### iii. Change in Promoter's Shareholding

	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the year (As on 31-03-2016)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	41550000	75%	41550000	75%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	There is no change in the total shareholding of promoters between 01-04-2015 and 31-03-2016			
At the end of the year	41550000	75%	41550000	75%

### iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Sucharitha P Reddy	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year 01-Apr-2015	5517460	9.9593	-	-
	At the end of the year 31-Mar-2016	-	-	5517460	9.9593



## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Arjun Ananthasayanam Raja	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	At the beginning of the year	192111	0.3467	-	-
	Sale 24-Apr-2015	-102000	0.1841	90111	0.1626
	At the end of the year 31-Mar-2016	-	-	90111	0.1626

Sl. No.	India Technology Investments Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	At the beginning of the year	144337	0.2605	-	-
	At the end of the year 31-Mar-2016	-	-	144337	0.2605

Sl. No.	Venkataraman S K	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	At the beginning of the year 01-Apr-2015	140203	0.2530	-	-
	At the end of the year 31-Mar-2016	-	-	140203	0.2530

Sl. No.	R Wadiwala Securities Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	At the beginning of the year 01-Apr-2015	127500	0.2301	-	-
	Sale 10-Apr-2015	-500	0.0009	127000	0.2292
	Sale 12-Jun-2015	-200	0.0003	126800	0.2288
	Sale 26-Jun-2015	-500	0.0009	126300	0.2279
	Sale 31-Jul-2015	-300	0.0005	126000	0.2274
	Sale 18-Sep-2015	-126000	0.2274	0	0.0000
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000

Sl. No.	R Wadiwala Securities Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	At the beginning of the year 01-Apr-2015	28842	0.0520	-	-
	Sale 03-Apr-2015	-1667	0.0030	27175	0.0490
	Purchase 10-Apr-2015	600	0.0010	27775	0.0501
	Purchase 17-Apr-2015	98476	0.1777	126251	0.2278
	Purchase 24-Apr-2015	1000	0.0018	127251	0.2296
	Purchase 08-May-2015	450	0.0008	127701	0.2305
	Purchase 15-May-2015	700	0.0012	128401	0.2317
	Sale 22-May-2015	-200	0.0003	128201	0.2314
	Purchase 29-May-2015	86	0.0001	128287	0.2315
	Sale 05-Jun-2015	-2808	0.0050	125479	0.2264

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	R Wadiwala Securities Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sale 12-Jun-2015	-479	0.0008	125000	0.2256
	Sale 19-Jun-2015	-124565	0.2248	435	0.0007
	Sale 26-Jun-2015	-435	0.0007	0	0.0000
	Purchase 31-Jul-2015	1500	0.0027	1500	0.0027
	Sale 07-Aug-2015	-200	0.0003	1300	0.0023
	Purchase 14-Aug-2015	10411	0.0187	11711	0.0211
	Sale 21-Aug-2015	-327	0.0005	11384	0.0205
	Sale 28-Aug-2015	-9884	0.0178	1500	0.0027
	Sale 04-Sep-2015	-1000	0.0018	500	0.0009
	Purchase 25-Sep-2015	817	0.0014	1317	0.0023
	Purchase 30-Sep-2015	1213	0.0021	2530	0.0045
	Sale 09-Oct-2015	-2530	0.0045	0	0.0000
	Purchase 27-Nov-2015	261	0.0004	261	0.0004
	Purchase 04-Dec-2015	320	0.0005	581	0.0010
	Sale 11-Dec-2015	-581	0.0010	0	0.0000
	Purchase 25-Dec-2015	1357	0.0024	1357	0.0024
	Purchase 28-Dec-2015	1006	0.0018	2363	0.0042
	Sale 31-Dec-2015	-2363	0.0042	0	0.0000
	Purchase 15-Jan-2016	3500	0.0063	3500	0.0063
	Purchase 22-Jan-2016	200	0.0003	3700	0.0066
	Sale 29-Jan-2016	-3500	0.0063	200	0.0003
	Sale 05-Feb-2016	-200	0.0003	0	0.0000
	Purchase 12-Feb-2016	300	0.0005	300	0.0005
	Sale 19-Feb-2016	-12	0.0000	288	0.0005
	Sale 04-Mar-2016	-288	0.0005	0	0.0000
	Purchase 25-Mar-2016	200	0.0003	200	0.0003
	Sale 31-Mar-2016	-200	0.0003	0	0.0000
	At the beginning of the year 01-Apr-2015	-	-	0	0.0000

Sl. No.	R Wadiwala Securities Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	At the beginning of the year 01-Apr-2015	548	0.0009	-	-
	Purchase 03-Apr-2015	1667	0.0030	2215	0.0039
	Sale 10-Apr-2015	-2215	0.0039	0	0.0000
	Purchase 03-Jul-2015	1000	0.0018	1000	0.0018
	Sale 10-Jul-2015	-1000	0.0018	0	0.0000
	Purchase 31-Jul-2015	100	0.0001	100	0.0001
	Sale 07-Aug-2015	-100	0.0001	0	0.0000
	Purchase 14-Aug-2015	489	0.0008	489	0.0008
	Purchase 21-Aug-2015	11	0.0000	500	0.0009

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	R Wadiwala Securities Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sale 28-Aug-2015	-294	0.0005	206	0.0003
	Purchase 04-Sep-2015	911	0.0016	1117	0.0020
	Sale 11-Sep-2015	-942	0.0017	175	0.0003
	Sale 18-Sep-2015	-175	0.0003	0	0.0000
	Purchase 25-Sep-2015	450	0.0008	450	0.0008
	Sale 30-Sep-2015	-450	0.0008	0	0.0000
	Purchase 09-Oct-2015	53	0.0000	53	0.0000
	Purchase 16-Oct-2015	1219	0.0022	1272	0.0022
	Sale 23-Oct-2015	-280	0.0005	992	0.0017
	Sale 30-Oct-2015	-45	0.0000	947	0.0017
	Sale 06-Nov-2015	-696	0.0012	251	0.0004
	Purchase 13-Nov-2015	587	0.0010	838	0.0015
	Sale 20-Nov-2015	-838	0.0015	0	0.0000
	Purchase 27-Nov-2015	1564	0.0028	1564	0.0028
	Sale 04-Dec-2015	-1564	0.0028	0	0.0000
	Purchase 28-Dec-2015	25200	0.0454	25200	0.0454
	Sale 31-Dec-2015	-25200	0.0454	0	0.0000
	Purchase 01-Jan-2016	400	0.0007	400	0.0007
	Sale 08-Jan-2016	-400	0.0007	0	0.0000
	Purchase 25-Mar-2016	2000	0.0036	2000	0.0036
	Sale 31-Mar-2016	-2000	0.0036	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
Sl. No.	R Wadiwala Securities Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	At the beginning of the year 01-Apr-2015	100	0.0001	-	-
	Sale 10-Apr-2015	-100	0.0001	0	0.0000
	Purchase 04-Sep-2015	185	0.0003	185	0.0003
	Sale 11-Sep-2015	-185	0.0003	0	0.0000
	Purchase 30-Oct-2015	1286	0.0023	1286	0.0023
	Sale 06-Nov-2015	-1286	0.0023	0	0.0000
	Purchase 13-Nov-2015	393	0.0007	393	0.0007
	Sale 20-Nov-2015	-393	0.0007	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
Sl. No.	Shobhadevi Sandh	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	At the beginning of the year 01-Apr-2015	100000	0.1805	-	-
	Sale 31-Dec-2015	-25000	0.0451	75000	0.1353
	Sale 08-Jan-2016	-25000	0.0451	50000	0.0902
	At the end of the Year 31-Mar-2016	-	-	50000	0.0902

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Shobhadevi Sandh	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	At the beginning of the year 01-Apr-2015	0	0.0000	-	-
	Purchase 19-Jun-2015	125000	0.2256	125000	0.2256
	Purchase 18-Sep-2015	126000	0.2274	251000	0.4530
	Sale 28-Dec-2015	-25000	0.0451	226000	0.4079
	Sale 08-Jan-2016	-20000	0.0361	206000	0.3718
	At the end of the Year 31-Mar-2016	-	-	206000	0.3718

Sl. No.	Marwadi Shares and Finance Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	At the beginning of the year 01-Apr-2015	88550	0.1598	-	-
	Sale 24-Apr-2015	-30000	0.0541	58550	0.1056
	Sale 05-Jun-2015	-500	0.0009	58050	0.1047
	Sale 30-Jun-2015	-58050	0.1047	0	0.0000
	Purchase 31-Dec-2015	12786	0.0230	12786	0.0230
	Sale 08-Jan-2016	-728	0.0013	12058	0.0217
	Purchase 15-Jan-2016	2673	0.0048	14731	0.0265
	Sale 22-Jan-2016	-316	0.0005	14415	0.0260
	Sale 29-Jan-2016	-746	0.0013	13669	0.0246
	At the end of the Year 31-Mar-2016	-	-	13669	0.0246

Sl. No.	Marwadi Shares and Finance Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	At the beginning of the year 01-Apr-2015	450	0.0008	-	-
	Sale 03-Apr-2015	-188	0.0003	262	0.0004
	Sale 10-Apr-2015	-12	0.0000	250	0.0004
	Sale 08-May-2015	-250	0.0004	0	0.0000
	Purchase 06-Nov-2015	12351	0.0222	12351	0.0222
	Purchase 13-Nov-2015	6343	0.0114	18694	0.0337
	Purchase 20-Nov-2015	1654	0.0029	20348	0.0367
	Purchase 27-Nov-2015	1969	0.0035	22317	0.0402
	Sale 04-Dec-2015	-1808	0.0032	20509	0.0370
	Sale 11-Dec-2015	-5149	0.0092	15360	0.0277
	Purchase 18-Dec-2015	426	0.0007	15786	0.0284
	Sale 31-Dec-2015	-10586	0.0191	5200	0.0093
	Purchase 01-Jan-2016	699	0.0012	5899	0.0106
	Purchase 08-Jan-2016	5079	0.0091	10978	0.0198
	Sale 15-Jan-2016	-422	0.0007	10556	0.0190
	Sale 22-Jan-2016	-5356	0.0096	5200	0.0093
	Purchase 05-Feb-2016	1739	0.0031	6939	0.0125
Sale 12-Feb-2016	-1145	0.0020	5794	0.0104	

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Marwadi Shares and Finance Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sale 19-Feb-2016	-594	0.0010	5200	0.0093
	Purchase 18-Mar-2016	2324	0.0041	7524	0.0135
	Purchase 25-Mar-2016	5316	0.0095	12840	0.0231
	Purchase 31-Mar-2016	327	0.0005	13167	0.0237
	At the end of the Year 31-Mar-2016	-	-	13167	0.0237

Sl. No.	Marwadi Shares and Finance Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	At the beginning of the year 01-Apr-2015	146	0.0002	-	-
	Sale 10-Apr-2015	-46	0.0000	100	0.0001
	Purchase 17-Apr-2015	400	0.0007	500	0.0009
	Sale 22-May-2015	-400	0.0007	100	0.0001
	Sale 12-Jun-2015	-100	0.0001	0	0.0000
	Purchase 03-Jul-2015	100	0.0001	100	0.0001
	Sale 10-Jul-2015	-100	0.0001	0	0.0000
	Purchase 17-Jul-2015	300	0.0005	300	0.0005
	Sale 18-Sep-2015	-300	0.0005	0	0.0000
	Purchase 06-Nov-2015	1225	0.0022	1225	0.0022
	Purchase 13-Nov-2015	1250	0.0022	2475	0.0044
	Sale 20-Nov-2015	-1452	0.0026	1023	0.0018
	Purchase 27-Nov-2015	787	0.0014	1810	0.0032
	Purchase 04-Dec-2015	1021	0.0018	2831	0.0051
	Purchase 11-Dec-2015	706	0.0012	3537	0.0063
	Purchase 18-Dec-2015	695	0.0012	4232	0.0076
	Sale 31-Dec-2015	-3715	0.0067	517	0.0009
	Purchase 01-Jan-2016	1738	0.0031	2255	0.0040
	Purchase 08-Jan-2016	2345	0.0042	4600	0.0083
	Sale 15-Jan-2016	-2500	0.0045	2100	0.0037
	Purchase 05-Feb-2016	1984	0.0035	4084	0.0073
	Purchase 12-Feb-2016	836	0.0015	4920	0.0088
	Sale 19-Feb-2016	-2199	0.0039	2721	0.0049
	Purchase 26-Feb-2016	3355	0.0060	6076	0.0109
	Purchase 04-Mar-2016	157	0.0002	6233	0.0112
	Sale 11-Mar-2016	-1913	0.0034	4320	0.0077
	Sale 18-Mar-2016	-2220	0.0040	2100	0.0037
	Purchase 31-Mar-2016	1302	0.0023	3402	0.0061
	At the end of the Year 31-Mar-2016	-	-	3402	0.0061

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Marwadi Shares and Finance Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	At the beginning of the year 01-Apr-2015	0	0.0000	-	-
	Purchase 30-Jun-2015	16050	0.0289	16050	0.0289
	Sale 03-Jul-2015	-16050	0.0289	0	0.0000
	Purchase 06-Nov-2015	51	0.0000	51	0.0000
	Sale 13-Nov-2015	-51	0.0000	0	0.0000
	Purchase 20-Nov-2015	2786	0.0050	2786	0.0050
	Sale 27-Nov-2015	-2786	0.0050	0	0.0000
	Purchase 04-Dec-2015	594	0.0010	594	0.0010
	Purchase 11-Dec-2015	292	0.0005	886	0.0015
	Sale 18-Dec-2015	-886	0.0015	0	0.0000
	Purchase 31-Dec-2015	50	0.0000	50	0.0000
	Sale 01-Jan-2016	-50	0.0000	0	0.0000
	Purchase 08-Jan-2016	1854	0.0033	1854	0.0033
	Purchase 15-Jan-2016	1068	0.0019	2922	0.0052
	Sale 22-Jan-2016	-2922	0.0052	0	0.0000
	Purchase 29-Jan-2016	2910	0.0052	2910	0.0052
	Sale 05-Feb-2016	-2910	0.0052	0	0.0000
	Purchase 12-Feb-2016	866	0.0015	866	0.0015
	Sale 19-Feb-2016	-603	0.0010	263	0.0004
	Sale 26-Feb-2016	-263	0.0004	0	0.0000
	Purchase 11-Mar-2016	1269	0.0022	1269	0.0022
	Purchase 18-Mar-2016	687	0.0012	1956	0.0035
Sale 25-Mar-2016	-316	0.0005	1640	0.0029	
Sale 31-Mar-2016	-1629	0.0029	11	0.0000	
At the end of the Year 31-Mar-2016	-	-	11	0.0000	

Sl. No.	Maneesh Dangl	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	At the beginning of the year 01-Apr-2015	50000	0.0902	-	-
	Sale 15-Jan-2016	-50000	0.0902	0	0.0000
	At the end of the Year 31-Mar-2016	-	-	0	0.0000

Sl. No.	Swarnalatha S	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	At the beginning of the year 01-Apr-2015	70000	0.1263	-	-
	Sale 16-Oct-2015	-70000	0.1263	0	0.0000
	At the end of the Year 31-Mar-2016	-	-	0	0.0000

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Prashant Rathi JT1 : PreetiRathi	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10	At the beginning of the year 01-Apr-2015	66970	0.1208	-	-
	Purchase 10-Apr-2015	3600	0.0064	70570	0.1273
	Sale 07-Aug-2015	-1600	0.0028	68970	0.1244
	Purchase 18-Sep-2015	4500	0.0081	73470	0.1326
	Purchase 25-Sep-2015	3060	0.0055	76530	0.1381
	Purchase 09-Oct-2015	4500	0.0081	81030	0.1462
	Purchase 16-Oct-2015	2237	0.0040	83267	0.1503
	Purchase 30-Oct-2015	13	0.0000	83280	0.1503
	Sale 27-Nov-2015	-2700	0.0048	80580	0.1454
	Sale 04-Dec-2015	-4900	0.0088	75680	0.1366
	Sale 22-Jan-2016	-2500	0.0045	73180	0.1320
	Sale 29-Jan-2016	-2450	0.0044	70730	0.1276
	Sale 05-Feb-2016	-10000	0.0180	60730	0.1096
	Sale 12-Feb-2016	-5600	0.0101	55130	0.0995
	Sale 26-Feb-2016	-4000	0.0072	51130	0.0922
	Sale 04-Mar-2016	-5030	0.0090	46100	0.0832
Sale 18-Mar-2016	-75	0.0001	46025	0.0830	
At the end of the Year 31-Mar-2016	-	-	46025	0.0830	

Sl. No.	Pratap Khimchand Shah JT1 : Vinodini Pratap Shah	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11	At the beginning of the year 01-Apr-2015	61666	0.1113	-	-
	Purchase 01-May-2015	1701	0.0030	63367	0.1143
	Purchase 08-May-2015	4500	0.0081	67867	0.1225
	Purchase 17-Jul-2015	2400	0.0043	70267	0.1268
	Purchase 28-Aug-2015	2000	0.0036	72267	0.1304
	Purchase 25-Sep-2015	2000	0.0036	74267	0.1340
	Purchase 30-Sep-2015	129	0.0002	74396	0.1342
	Purchase 09-Oct-2015	5000	0.0090	79396	0.1433
	Purchase 23-Oct-2015	4000	0.0072	83396	0.1505
	Purchase 05-Feb-2016	2000	0.0036	85396	0.1541
	At the end of the Year 31-Mar-2016	-	-	85396	0.1541

Sl. No.	Vinodini Pratap Shah JT1: Pratap Khimchand Shah	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12	At the beginning of the year 01-Apr-2015	46779	0.0844	-	-
	Purchase 08-May-2015	9000	0.0162	55779	0.1006
	Purchase 28-Aug-2015	1000	0.0018	56779	0.1024
	Purchase 30-Sep-2015	837	0.0015	57616	0.1040
	Purchase 23-Oct-2015	2000	0.0036	59616	0.1076
	Purchase 30-Oct-2015	70	0.0001	59686	0.1077
	Purchase 06-Nov-2015	4000	0.0072	63686	0.1149
	Purchase 31-Dec-2015	1000	0.0018	64686	0.1167
	At the end of the Year 31-Mar-2016	-	-	64686	0.1167

## ANNEXURE IV TO DIRECTOR'S REPORT

Sl. No.	Ashwin Chhaganbhai Ahir	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
13	At the beginning of the year 01-Apr-2015	59000	0.1064	-	-
	Purchase 14-Aug-2015	1000	0.0018	60000	0.1083
	At the end of the Year 31-Mar-2016	-	-	60000	0.1083

Sl. No.	Suresh Gupta	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
13	At the beginning of the year 01-Apr-2015	58536	0.1056	-	-
	At the end of the Year 31-Mar-2016	-	-	58536	0.1056

### v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-2015) / End of the year (31-03-2016)	% of total shares of the company				No. of Shares	% of total shares of the company
A.	<b>DIRECTORS:</b>							
1.	Mr. Sudhakar Ramasubramanian	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-
2.	Mr. Gopi Krishna Tulsian	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-
3.	Mr. Shriram Jagetiya	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-
4.	Ms. Pinky A Mehta	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-
5.	Mr. P Sudhir Rao	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-
6.	Mr. G Vijayaraghavan	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-
B.	<b>KEY MANAGERIAL PERSONNEL</b>							
1.	Mr. Vikashh K Agarwal	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-
2.	Mr. Srinivas Subudhi	-	-	01-04-2015	-	NA	-	-
		-	-	31-03-2016	-		-	-



## ANNEXURE IV TO DIRECTOR'S REPORT

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2015				
i. Principal Amount	-	700,000,000	-	700,000,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	700,000,000	-	700,000,000
Change in Indebtedness during the financial year				
- Addition	1,518,373,234	4,450,000,000	-	5,968,373,234
- Reduction	1,465,033,019	4,450,000,000	-	5,915,033,019
Net Change	53,340,215	-	-	53,340,215
Indebtedness at the end of the financial year i.e. 31.03.2016				
i. Principal Amount	53,340,215	700,000,000	-	753,340,215
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	53,340,215	700,000,000	-	753,340,215

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	**Mr. Sudhakar Ramasubramanian, Managing Director				Total Amount
1.	Gross Salary a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of Salary under Section 17(3) Income-tax Act, 1961					
2.	Stock Option*					
3.	Sweat Equity					
4.	Commission					
5.	Others					
6.	Total (A)					
	Ceiling as per the Act					

\* During the year, 329,670 stock options are outstanding in the name of Mr. Sudhakar Ramasubramanian and out of which 25% has been vested during the year 2015-16 but no stock option has been exercised during the year.

\*\* Mr. Sudhakar Ramasubramanian has resigned from the Company with effect from 30.04.2016.

#### B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration			Total Amount
1.	Independent Directors	Mr. P. Sudhir Rao	Mr.G.Vijayaraghavan	
	- Fee for attending board committee meetings	3,20,000	3,00,000	6,20,000
	- Commission	-	-	-
	- Others	-	-	-
	Total (1)	3,20,000	3,00,000	6,20,000
2.	Other Non-Executive Directors			
	- Fee for attending board committee meetings	-	-	-
	- Commission	-	-	-
	- Others	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	3,20,000	3,00,000	6,20,000

## ANNEXURE IV TO DIRECTOR'S REPORT

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Vikashh K Agarwal, Company Secretary	**Srinivas Subudhi, Chief Financial Officer	Total
1.	Grosssalary	<b>NOT APPLICABLE</b>	(in lakhs)		
	– Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		34.98	21.03	56.01
	– Value of perquisitesu/s 17(2)Income-tax Act, 1961		-	-	-
	– Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2.	*StockOption		-	-	-
3.	SweatEquity		-	-	-
4.	Commission		-	-	-
5.	Others	-	-	-	
6.	Total	34.98	21.03	56.01	

\* During the year, 32,967 stock options are outstanding in the name of Mr. Vikashh K Agarwal and out of which 25% has been vested during the year 2015-16 but no stock option has been exercised during the year.

\*\* Mr. Srinivas Subudhi has resigned from the company with effect from 31.03.2016.

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made, If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

## ANNEXURE V TO DIRECTOR'S REPORT

### Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

All transactions entered into by the Company during the year with related parties were on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

- a) Name(s) of the related party and nature of relationship:  
Aditya Birla Money Mart Limited, Fellow subsidiary
- b) Nature of contracts/arrangements/transactions:  
Availing and Rendering of Services [Section 188(1)(d) of Companies Act, 2013]
- c) Duration of the contracts / arrangements/transactions  
On-going transaction by virtue of Aditya Birla Money Mart Limited being an Authorised Person of the Company
- d) Salient terms of the contracts or arrangements or transactions including the value, if any Aditya Birla Money Mart Limited was appointed as an Authorised Person for broking operations by the Company pursuant to SEBI Circular MIRSD / DR-1 / Cir-16 / 09 dated November 06, 2009, for which the Company has entered into an agreement for sharing of brokerage and commission from ABMML in relation to client introduction and wealth management services at an agreed ratio.

In the course of such activities, the Company also renders various services to ABMML in relation to the following for which the actual costs incurred are recovered:

- (i) Data confirmation and information dissemination including customer awareness about the products and services
- (ii) All support services in relation to client acquisition and post servicing assistance in Planning, Reporting, People & Relationship management and Compliance management.

The transaction value for the financial year 2015-16 with ABMML was Rs.14.70 Crores.

- e) Date(s) of approval by the Board, if any  
Though the transaction is on arm's length basis, the Company had sought the approval of the Board of Directors on May 04, 2015 with the prior approval of the Audit Committee dated May 04, 2015.
- f) Amount paid as advances, if any – Nil

For and on behalf of the Board of Directors,

Date : May 06, 2016  
Place : Chennai

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

## ANNEXURE VI TO DIRECTOR'S REPORT

### REPORT ON CSR ACTIVITIES / INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs

For us in the Aditya Birla Group, reaching out to underserved communities is part of our DNA. We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

*Our vision is - "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the country's human development index"*

- Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development.

#### Implementation process:

Identification of projects - All projects are identified in consultation with the community in a participatory manner, literally sitting with them and gauging their basic needs. We recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, and other stakeholders, projects are prioritized.

Arising from this our focus areas that have emerged are Education, Health care, Sustainable livelihood, Infrastructure development, and espousing social causes. All of our community projects/programmes are carried out under the aegis of The Aditya Birla Centre for Community Initiatives and Rural Development. Our activities are in line with Schedule VII of the Companies Act, 2013.

Your Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 which is accessible from our Company's website. ([www.adityabirlamoney.com](http://www.adityabirlamoney.com)).

#### 2. The Composition of the CSR Committee.

- a) Mr. G. Vijayaraghavan - Chairman of the Committee
- b) Mr. Gopi Krishna Tulsian - Director
- c) Ms. Pinky A Mehta - Director

#### Permanent Invitees:

- a) Mrs. Rajshree Birla – Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development;
- b) Dr.(Mrs.)Pragnya Ram – Group Executive President, Corporate Communications and CSR;
- c) Mr. Tusar Shah – Director

3. Average net profit of the company for last three financial years: Rs.(4,69,46,214/-)

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) – NIL

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year –NIL

This is due to non-fulfilment of the average net profit criteria, being 2 % of the average net profits of the Company made during the three immediately preceding financial years.

## ANNEXURE VI TO DIRECTOR'S REPORT

Particulars	Amount in Rs.
Net Profit Before Tax (PBT) for the immediately preceding three years	
FY 2014-15	6,78,59,114
FY 2013-14	(8,20,41,851)
FY 2012-13	(12,66,55,904)
Total PBT for the immediately preceding three years	(14,08,38,641)
Average PBT for the immediately preceding three years	(4,69,46,214)
Amount to be budgeted @ 2% towards CSR for FY 16	NIL

(b) Amount unspent, if any – NIL

(c) Manner in which the amount spent during the financial year is detailed below - NA

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. NA
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The company is committed for the implementation and monitoring of CSR Policy in compliance with CSR objectives and Policy of the Company.

## ANNEXURE VII TO DIRECTOR'S REPORT

### Policy on Remuneration to Directors, Key Managerial Personnel and Other Employees

The Nomination and Remuneration Committee has recommended to the Board a policy on remuneration for the Directors, Key Managerial Personnel and other employees. The key highlights of the policy are reproduced herein below:

#### Objectives of the Executive Remuneration Program:

Our executive compensation program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

#### Our executive compensation program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. Emphasise "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

#### Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size.

#### Executive Pay-mix

Our executive pay-mix aims to strike the appropriate balance between key components:

- (i) Fixed Cash compensation (Basic Salary + Allowances)
- (ii) Annual Incentive Plan
- (iii) Long-Term Incentives
- (iv) Perks and Benefits

#### Performance Goal Setting

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

#### Performance Measurement & Executive Benefits

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for other benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

## ANNEXURE VIII TO DIRECTOR'S REPORT

### Form No.MR-3

#### SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
**ADITYA BIRLA MONEY LIMITED**  
Indian Rayon Compound,  
Veraval - 362266.  
Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Aditya Birla Money Limited** (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and subject to our separate letter attached as Annexure I; we hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter..

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) Securities and Exchange Board of India (Stock Brokers & Sub-Brokers) Regulations 1992 except the guidelines, circulars, master circulars and directions issued by the Securities and Exchange Board of India or the Stock Exchanges and applicable to the Company as stock broker relating to its day to day operations in the ordinary course of business;
- (vi) Securities and Exchange Board of India (Depositories and Participants) Regulations 1996 except the guidelines, circulars, master circulars and directions issued by the Securities and Exchange Board of India or the Stock Exchanges and applicable to the Company as Depository Participant relating to its day to day operations in the ordinary course of business.
- (vii) Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 except the guidelines, circulars, master circulars and directions issued by the Securities and Exchange Board of India or the Stock Exchanges and applicable to the Company as a Portfolio Managers relating to its day to day operations in the ordinary course of business;

## ANNEXURE VIII TO DIRECTOR'S REPORT

(viii) Securities and Exchange Board of India (Research Analysts) Regulations, 2014 except the guidelines, circulars, master circulars and directions issued by the Securities and Exchange Board of India or the Stock Exchanges and applicable to the Company as Research Analysts relating to its day to day operations in the ordinary course of business.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, provisions of the following Act / Regulations were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

**We further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Proper notice is given to all Directors to schedule the Board meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**We further report that -**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, there was no specific event /action having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc. referred to above.

For BNP & Associates  
Company Secretaries  
(Firm Regn. No.P2014MH037400)

B. Narasimhan  
Partner  
FCS 1303 / CP No.10440

Place : Mumbai  
Date : May 06, 2016



## ANNEXURES VIII TO DIRECTOR'S REPORT

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2016

To,  
The Members,  
Aditya Birla Money Limited

Our secretarial audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

For BNP & Associates  
Company Secretaries  
(Firm Regn. No.P2014MH037400)

B. Narasimhan  
Partner  
FCS 1303 / CP No.10440

Place : Mumbai  
Date : May 06, 2016

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to the adoption of best governance practices and its adherence. Your Company aligns itself with Aditya Birla Group values and governance norms and strive for excellence through adoption of good Corporate and disclosure practices. The Company's philosophy on Corporate Governance is to practice transparency, accountability and maintain professional approach in dealing with all its stakeholders. Your Company believes in fair dealing, strengthening the disclosure practices, timely and appropriate compliance of the applicable regulations, strategic guidance and monitoring by the Board.

## 2. BOARD OF DIRECTORS

### Composition, Category, Size of the Board

As on 31st March, 2016, your Company has 6 (six) Directors on the Board; which include 2 (two) Independent Directors; 3 (three) Non-Executive Directors and 1 (one) Managing Director. The Chairman of the Board is a Non-Executive Director who is not the promoter or related to the promoter of the Company or a person occupying management position at the Board level or one level below the Board. The composition of your Board is in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") as well as the Companies Act, 2013.

None of the Directors of the Board are members of more than 10 Committees or is a Chairman of more than 5 Committees across all the Companies in which they hold directorships. All Directors have made necessary disclosures regarding their Directorship and Committee positions occupied by them in other Companies. The Independent Directors of the Company have given the declarations that they meet the criteria of independence as laid down under Section 146(6) of the Companies Act, 2013. The Board of Directors do not have any relationships inter-se with each other.

The details of the Directors with regards to their other Directorships and positions held either in Committees are as follows:

Name of the Director	Category	Directors held in other Indian public limited Companies <sup>1</sup>	Committee Membership held in other Companies <sup>2</sup>	
			Member	Chairperson
Mr. Sudhakar Ramasubramanian <sup>3</sup>	Managing Director	3	-	-
Mr. P. Sudhir Rao	Independent Director	5	1	-
Mr. G. Vijayaraghavan	Independent Director	-	-	-
Mr. Gopi Krishna Tulsian	Non-Executive Director	7	-	-
Mr. Shriram Jagetiya	Non-Executive Director	4	3	-
Ms. Pinky A Mehta	Non-Executive Director	4	-	-

1. Excludes Directorships in Foreign, private and Section 8 Companies of Companies Act, 2013.
2. Includes only Chairmanship/membership of Audit Committees and Stakeholders' Relationship Committee.
3. Mr. Sudhakar Ramasubramanian ceased to be a Director of the Company with effect from April 30, 2016
4. No Director is related to any other Director on Board

The Non-Executive Directors of the Company do not hold any shares in the Company.

The details of programme for familiarisation of the Independent Directors of the Company are available on the Company's website viz. [www.adityabirlamoney.com](http://www.adityabirlamoney.com).

### Number of Board Meetings

The Board of Directors met 4 (four) times during the year ended March 31, 2016 i.e. on May 04, 2015, July 23, 2015, October 28, 2015 and January 27, 2016. The maximum gap between the two Board Meetings was not more than one hundred and twenty days.

## CORPORATE GOVERNANCE REPORT

The details of attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) are as follows

Name of the Director	Category	No. of Board Meetings		Attended Last AGM
		Held	Attended	
Mr. Sudhakar Ramasubramanian <sup>1</sup>	Managing Director	4	4	Yes
Mr. P. Sudhir Rao	Independent Director	4	4	Yes
Mr. G. Vijayaraghavan	Independent Director	4	4	No
Mr. Gopi Krishna Tulsian	Non-Executive Director	4	4	No
Mr. Shriram Jagetiya	Non-Executive Director	4	3	No
Ms. Pinky A Mehta	Non-Executive Director	4	3	No

1. Mr. Sudhakar Ramasubramanian ceased to be a Director of the Company with effect from April 30, 2016

### Selection of Agenda Items and Information supplied to the Board

Agenda of Board/Committee meetings are prepared in consultation with key functions so as to include relevant items for Board review and discussion. Detailed agenda notes are sent to each Director well in advance before the Board and Committee meetings.

The Company Secretary co-ordinates with the all departments concerned well in advance, particularly matters requiring discussion / approval / decision in the Board / Committee meetings. The agenda items inter-alia include noting of minutes of the previous Board & Committee meetings, noting of minutes of the subsidiary company, review of important issues impacting business, review of quarterly compliance reports & compliance certificate, internal audit reports and regulatory audit/inspection reports and other secretarial & legal compliance matters, business matters and financial reporting.

A business review presentation is made at each Board Meeting to apprise the Directors and the Senior Management team about the performance of the Company. The Board provides strategic direction and approach in improving the performance of the Company. Business plans, annual operating and capital expenditure budgets, are also placed and reviewed by the Board along with the senior management team of the Company.

Independent Directors are briefed about the important agenda items and complete explanations and information are provided to them well in advance to ensure effective and informative participation and decision making process.

The quarterly, half yearly and annual financial results are first placed before the Audit Committee for their review and thereafter the same is placed before the Board of Directors for their approval.

At each Board Meeting, apart from financial results, the Board reviews the reports submitted to stock exchanges under the listing agreement, compliance submissions / status report as a stock broker and depository participant and also the financial results of the subsidiary company.

A structured process has been put in place for post meeting follow up, review and reporting for action item / decisions taken at the Board / Committee meetings. The Company Secretary liaisons with the respective department / functions, Internal Audit team and status update report on the follow up action items are presented at each Board / Committee meeting.

### Code of Conduct

The Board of Directors of the Company have laid a Code of Conduct for the Directors and Senior Management Personnel of the Company. The Code has been posted on the Company's website at the link - <http://www.adityabirlamoney.com/about-us/investor>. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2016. A declaration to this effect signed by the Director forms part of this report.

# CORPORATE GOVERNANCE REPORT

## Compliance Structure

The Board also periodically reviews the status of compliance of all laws applicable to the Company and the initiatives taken to improve the standards of compliance adherence. A Compliance Certificate / Status Report / Status update report with respect to regulations as applicable to each of the department concerned is collected duly certified by the respective functional head and based on the compliance status report from departments a consolidated compliance certificate / report is placed both before the Board and the Audit Committee at each quarterly meeting for its review.

The Audit Committee of the Board is also updated on regulatory inspection and audits which are undertaken pursuant to Stock Broking and Depositories Regulations

## 2. BOARD COMMITTEES

### AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and in accordance with the provisions of SEBI Listing Regulations, the Company has a qualified and independent Audit Committee at the Board level. All the members of the Audit Committee are financially literate possessing accounting and related financial management expertise.

The Audit Committee performs the functions and role in accordance with SEBI Listing Regulations. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process.

### Composition

The Audit Committee consists of the following three Directors, out of which two are Independent Directors.

1. Mr. P. Sudhir Rao — Chairman
2. Mr. G. Vijayaraghavan — Member
3. Mr. Shriram Jagetiya — Member

The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as Secretary to the Committee.

The Chairman of the Audit Committee was also present at the previous Annual General Meeting, as mandated under the SEBI Listing Regulations, to answer shareholder queries.

### Meetings and Attendance

During the year, the Audit Committee met four times i.e. on May 04, 2015, July 23, 2015, October 28, 2015 and January 27, 2016. The details of the attendance of the Committee members are as follows:

Sl. No.	Name of the Member	Category / Status	No. of Meetings Held	No. of Meetings Attended
1.	Mr. P. Sudhir Rao	Chairman - Independent	4	4
2.	Mr. G. Vijayaraghavan	Member - Independent	4	4
3.	Mr. Shriram Jagetiya	Member - Non-Executive	4	3

At every Audit Committee Meeting, Statutory Auditors and Internal Auditors attend and provide their presentation on the financial statements and internal audit reports respectively. The Audit Committee reviews the financial results and recommends the same to the Board for approval. At each meeting, the Audit Committee also reviews the statement of related party transactions as well as the financial results of the subsidiary company. The Audit Committee extensively deliberates on various audit reports and the action plan as well as key risk issues and areas. These are put on a follow up tracker and monitored closely and status update report is placed before each Audit Committee meeting until the action is closed / implemented.

# CORPORATE GOVERNANCE REPORT

The Chief Financial Officer and other functional heads are present at the meeting. Respective department functional head is also invited to attend the Audit Committee meeting to respond to queries and observations pertaining to their department, arising out of the internal audit report.

## Terms of Reference

The terms of reference for the Audit Committee basically follows and covers all the areas as stipulated under SEBI Listing Regulations. This inter-alia includes the following:

### Powers

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

### Role

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions (All Related Party Transactions shall require prior approval of the Audit Committee.)
  - Qualifications in the draft audit report
3. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
4. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
5. Reviewing the Management discussion and analysis of financial condition and results of operations
6. Approval or any subsequent modification of transactions of the company with related parties
7. Scrutiny of inter-corporate loans and investments
8. Valuation of undertakings or assets of the company, wherever it is necessary
9. Evaluation of internal financial controls and risk management systems
10. Discussion with internal auditors of any significant findings and follow up there on

## CORPORATE GOVERNANCE REPORT

11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
12. Reviewing Internal audit reports relating to internal control weaknesses; and
13. Management letters / letters of internal control weaknesses issued by the statutory auditors
14. Recommendation for appointment, remuneration and terms of appointment of auditors of the company
15. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
16. Review and monitor the auditor's independence and performance, and effectiveness of audit process
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
18. Reviewing the adequacy and structure of the internal audit function, including the credentials of a third party firm appointed if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
19. In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit
20. The appointment, removal and terms of remuneration of the Internal auditor
21. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems
22. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
23. To review the functioning of the Whistle Blower mechanism
24. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

### NOMINATION AND REMUNERATION COMMITTEE

#### Composition

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the provisions of SEBI Listing Regulations, the Company has a Nomination and Remuneration Committee consisting of following three Non-Executive Directors, of which two are Independent Directors, including the Chairman.

- |                          |   |          |
|--------------------------|---|----------|
| 1. Mr. P. Sudhir Rao     | — | Chairman |
| 2. Mr. G. Vijayaraghavan | — | Member   |
| 3. Mr. Shriram Jagetiya  | — | Member   |

The Company Secretary of the Company acts as the Secretary to the Committee. The Nomination and Remuneration Committee of the Company did not meet during the year.

#### Terms of Reference

The terms of reference / charter of the Committee include the following:

#### Executive Remuneration:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and Senior Managers of the quality required to run the Company successfully;

## CORPORATE GOVERNANCE REPORT

- b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) The remuneration provided to directors and Senior Managers includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### Executive Talent:

- a) Formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal from time to time.
- b) Review and Implement succession and development plans for Managing Director, Executive Directors and Senior Managers.
- c) Devise a policy on Board diversity.
- d) Formulate the criteria for determining qualifications, positive attributes and independence of directors.

### Board Performance and Rewards

- a) Establish evaluation criteria and conduct the process of performance evaluation of each Director in a structured manner.
- b) Establish evaluation criteria of Board and Board Committees.
- c) Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or shareholder approval (including broad-based plans).

### Criteria for Performance Evaluation

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, Committees thereof, individual directors and the Chairman of the Board. The evaluation is based on a criterion which includes, among others, providing strategic perspective, chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees

### REMUNERATION OF DIRECTORS

The Independent Directors of the Company are paid sitting fees for attending the meetings of the Board and Committees thereof.

Meeting Type	Sitting Fees
Board	50,000
Audit Committee	25,000
Nomination and Remuneration Committee	20,000
Stakeholders Relationship Committee	20,000
Risk Governance Committee	20,000
Preference Shares Allotment Committee	20,000

The details of sitting fees paid to the Independent Directors during financial year 2015-16 are as under:

Name of Director	Category	Sitting Fees Paid
Mr. P. Sudhir Rao	Independent Director	Rs.3,20,000/-
Mr. G. Vijayaraghavan	Independent Director	Rs.3,00,000/-

During the year, the Non – Executive Directors did not have any pecuniary relationship or transactions with the Company.

No sitting fee is paid to the Managing Director and other Non-Executive Directors. No other fees or compensation has

## CORPORATE GOVERNANCE REPORT

been paid to Non-Executive Directors. During the year 2015-16, the Managing Director was not paid any remuneration from the Company.

The Non-Executive Directors of the Company do not hold any shares in the Company.

No stock options as on date have been granted to the Directors of the Company, except the Managing Director of the Company. The Nomination and Remuneration Committee of the Company through a resolution passed through circulation on December 02, 2014, granted 329,670 options to Mr. Sudhakar Ramasubramanian, Managing Director of the Company as a part of the Aditya Birla Money Limited – Employee Stock Option Scheme 2014 at an exercise price of Rs.34.25 exercisable over five years from the date of vesting.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the provisions of SEBI Listing Regulations, the Company has an independent Stakeholders' Relationship Committee to consider and resolve grievances of the Shareholders' / Investors'.

#### Composition

The following is the composition of the Stakeholders' Relationship Committee as reconstituted by the Board of Directors at its meeting dated May 06, 2016.

- |    |                          |   |          |
|----|--------------------------|---|----------|
| 1. | Mr. P. Sudhir Rao        | — | Chairman |
| 2. | Mr. Gopi Krishna Tulsian | — | Member   |
| 3. | Mr. Tushar Shah          | — | Member   |

The Company Secretary of the Company, Mr. Vikashh K Agarwal acts as the Secretary to the Committee as well as Compliance Officer for matters relating to Investor grievances as stipulated under the SEBI Listing Regulations.

#### Roles & Responsibilities

1. To review the redressal of Investors' complaints like transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividend, delays in transfer of shares, dematerialisation / rematerialisation of shares etc.
2. To act on behalf of the Board, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares etc.
3. To oversee performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services.
4. To review, analyse, recommend and monitor plan of action & activities and put in place proper procedures, policies and effective mechanism to address complaints and grievances arising out of the service issues as a broker / trading member / depository participant including litigation and arbitration matters.
5. To review issues arising out of alleged fraud / forgery / misappropriation / mis-selling / breach / deviations from standard processes and procedures.
6. To frame policies and procedures to protect the interest of Clients / Customers and for ensuring compliances under the applicable statutory framework.
7. To look into other issues including systems and procedures followed to track Investor / Customer / Client complaints and suggest measures for improvement from time to time.
8. To monitor implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.
9. To review the process of complaint and grievance handling mechanism at periodic intervals.
10. Ensure adequacy of disclosure of "material information" to the investors / customers / clients.
11. Review the status of complaints / grievances / litigations / arbitration cases at periodic intervals.



## CORPORATE GOVERNANCE REPORT

12. To invite the external experts to attend the meetings of the Committee, without the right to vote, whenever it deems necessary.
13. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
14. To undertake such other matters as deemed fit and proper for effective discharge of the above responsibilities.

### Investor Grievance Redressal

Details of Shareholders queries / complaints and other correspondence received and replied during 2015-16

Nature of Queries	No. of Queries
Pending Queries as on April 01, 2015	NIL
Queries received during the year relating to issue of duplicate share certificate / new share certificate / bonus share certificate / change of address / transmission of shares etc.	14
Queries redressed	14
Pending Queries as on March 31, 2016	NIL

There were no pending complaints as on March 31, 2016.

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 has informed that investor complaints shall be processed in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies would be electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. The Company has registered itself with the SEBI Complaints Redress System (SCORES) platform for redressal of complaints against the Company.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility (CSR), the Board has constituted a CSR Committee with the following constitution.

Mr. G. Vijayaraghavan	—	Chairman
Mr. Gopi Krishna Tulsian	—	Member
Ms. Pinky A Mehta	—	Member

#### Permanent Invitees:

1. Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development;
2. Dr. (Mrs.) Pragnya Ram - Group Executive President, Corporate Communications & CSR, Aditya Birla Group.
3. Mr. Tushar Shah, Director

The Company Secretary of the Company shall act as the Secretary to the Committee.

#### Roles & Responsibilities

1. The Committee shall annually review and approve the CSR Policy and associated frameworks, processes and practices of the Company.
2. The Committee shall ensure that the Company is taking the appropriate measures to implement the CSR projects successfully.
3. The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
4. The Committee will coordinate with the necessary agencies for implementing programs and executing initiatives as per CSR policy and shall review the performance of the agencies periodically.

## CORPORATE GOVERNANCE REPORT

5. The Committee may form and delegate authority to sub-committees when appropriate.
6. The Committee shall regularly report to the Board.
7. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
8. The Committee shall have access to any internal information necessary to fulfil its role.
9. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

### RISK GOVERNANCE COMMITTEE

The Board of Directors of the Company have constituted a Risk Governance Committee, to review, develop and approve appropriate policies, procedure and systems for improving Company's Risk Management framework.

#### Composition

The Board at its meeting dated May 06, 2016 has reconstituted the Risk Governance Committee of the Company with the following constitution:

1. Mr. P. Sudhir Rao
2. Mr. Gopi Krishna Tulsian
3. Mr. Tushar Shah

#### Terms of Reference

The terms of reference of the Committee include:-

- (i) Reviewing and approving the risk management policy.
- (ii) Approving the product approval process and reviewing the product risk assessment over and above the threshold limit
- (iii) Evaluating significant risk exposure of the Company and assessing Management's action to mitigate the exposure in timely manner
- (iv) Reviewing the risk mitigation plan and assess its effectiveness at a periodic level
- (v) Approving the implementation of the Enterprise Risk Management Framework for the Company
- (vi) Reviewing Product and Operational risk management strategies and meeting risk/reward objectives.

During the year under review, Risk Governance Committee met once on March 16, 2016 and all the members of the Committee as on that date attended the meeting.

### FINANCE COMMITTEE

The Company has constituted a Finance Committee of Directors to review and provide approvals and authorisations arising out of day-to-day business operations and financial matters of the Company. The role of the Committee includes approving matters relating to opening / closing of Bank Accounts, approving signatories for the operation of bank accounts, appointment of service providers and other agencies, availing overdraft facility from Banks, borrowing within the limits approved by the Board and other routine operational matters.

#### Composition

The Board at its meeting dated May 06, 2016 has reconstituted the Finance Committee of the Company with the following constitution:

1. Mr. Gopi Krishna Tulsian
2. Mr. Shriram Jagetiya
3. Mr. Tushar Shah

## CORPORATE GOVERNANCE REPORT

The Committee met once during the year ended March 31, 2016 on June 30, 2016 and all the members of the Committee as on that date attended the meeting.

### PREFERENCE SHARES ALLOTMENT COMMITTEE

The following is the composition of the Preference Shares Allotment Committee as reconstituted by the Board of Directors at its meeting dated May 06, 2016.

1. Mr. Gopi Krishna Tulsian
2. Mr. Tushar Shah
3. Mr. G. Vijayaraghavan

### 4. CEO / CFO CERTIFICATION

Mr. Tushar Shah, Director of the Company and Ms. Sumathy Ravichandran, Chief Financial Officer of the Company have provided to the Board the quarterly certification on the financial results of the Company in terms of the provisions of the SEBI Listing Regulations. The CEO / CFO certification for the Annual Financial Statements for the year ended March 31, 2016 Forms part of this report.

### 5. MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Chapter IV of SEBI Listing Regulations, a meeting of the Independent Directors of your Company was held on January 27, 2016 without the presence of the Non-Independent Directors and the members of the management. The Independent Directors discussed the matters interalia including, the performance / functioning of the non-independent directors and the Board as a whole, performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors and flow of information to the Board & Board Committees, etc.

### 6. PERFORMANCE EVALUATION

A formal evaluation mechanism has been adopted by the Board for evaluating its performance as well as performance of its Committees and the individual Directors of the Company. Performance of all Directors of the Company has been carried out by way of structured evaluation process. Criteria for evaluation included attendance at the meetings, contribution at the meetings, preparedness for meetings, effective decisions making ability etc.

The Board acknowledged the significant contribution of the Independent Directors and therefore is of the view that the term of appointment of Independent Directors shall continue.

### 7. SUBSIDIARY COMPANY

The Company has a wholly owned subsidiary company - Aditya Birla Commodities Broking Limited ("ABCBL"). ABCBL is not a material subsidiary as prescribed under SEBI Listing Regulations.

The Audit Committee reviews the financial statements of ABCBL as part of the process of approval of annual financial statements of the Company. The minutes of the Board meeting of ABCBL as well as statement of all significant transactions and arrangements of the unlisted subsidiary company are placed in the Board meeting.

### 8. OTHER DISCLOSURES

- i. The details of Related party transactions entered into during the year have been disclosed in Note No. 30 of the Notes forming part of Annual Accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. There were no materially significant related party transactions with Directors /Promoters/Management, which has a potential conflict with the interest of public at large.

All Related Party Transactions ('RPT') entered into during the financial year were on an arm's length basis and in the ordinary course of business. The Company has formulated a policy on materiality of Related Party Transactions and dealing with such transactions. The policy is available on the website of the Company at <http://www.adityabirlamoney.com/about-us/investor>.

## CORPORATE GOVERNANCE REPORT

- ii. The Company has implemented a whistle blower policy / vigil mechanism for Directors / Employees and every Director / employee has the right to report to the Value Standards Committee (VSC) genuine concerns or grievances about unprofessional conduct, malpractices, wrongful conduct, fraud, violation of the Company's policies & values, violation of law without any fear of reprisal. The Company Secretary of the Company acts as the Secretary to the Values Standard Committee. On a quarterly basis, an update on the issues reported under this policy is placed before the Audit Committee of the Board of Directors, for its review and perusal.
- iii. The Company is engaged in the business of Equity Broking and Depository Services. No penalties / strictures were imposed on the company by Stock Exchange or SEBI or any statutory authority relating to Capital Markets, except penalties aggregating to Rs.1,64,000/- which were paid in respect of the observations made during the course of regular inspections and internal audit reports relating to routine Broking and Depositories operations, during the last three financial years, as a Trading Member and Depository Participant.
- iv. The Policy for determining material subsidiaries may be accessed on the Company's website at <http://www.adityabirlamoney.com/about-us/investor>.
- v. The Company has complied with all the mandatory requirements of SEBI Listing Regulations.
- vi. The Company has also complied with the following discretionary requirements as prescribed in Part E of Schedule II of SEBI Listing Regulations.
  - a. There were no qualifications on the financial statements of the Company during the period under review
  - b. The Company has appointed separate persons to the post of Chairperson and the Managing Director during the period under review.
  - c. The Internal Auditor directly reports to the Audit Committee.

### DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed the applicable guidelines of Accounting Standards laid down by "The Institute of Chartered Accountants of India" in preparation of its financial statements.

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report in terms of the provisions of SEBI Listing Regulations is a part of the Annual Report.

### RISK MANAGEMENT FRAMEWORK

The Company has a well-defined risk management framework, policies and procedure in place. The details are included in the Management Discussion and Analysis Report. The Company has also constituted Risk Governance Committee to oversee the Risk management programme of the Company, if any in addition to oversight by the Audit Committee.

### RE-APPOINTMENT OF DIRECTORS

The details of Director(s) seeking re-appointment in the Annual General Meeting has been provided in the Notice of the Annual General Meeting attached with the Annual Report along with a brief profile

## 9. GENERAL BODY MEETINGS

Details of General Meetings

Location and time, where Annual General Meetings (AGMs) were held in the last three years

Year	Day & Date	Venue	Time
2012 – 2013	Saturday, August 10, 2013	Indian Rayon Compound, Veraval - 362 266, Gujarat	10.30 A.M.
2013 – 2014	Tuesday, September 09, 2014	Indian Rayon Compound, Veraval - 362 266, Gujarat	11.00 A.M.
2014 – 2015	Friday, August 28, 2015	Indian Rayon Compound, Veraval - 362 266, Gujarat	11.00 A.M.

# CORPORATE GOVERNANCE REPORT

The details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

Annual General Meeting	Subject
August 28, 2015	Approval of Related Party Transactions with Aditya Birla Money Mart Limited for the year 2015-16
	Approval of Related Party Transactions with Aditya Birla Money Mart Limited for the year 2014-15
September 09, 2014	Approval of appointment of Mr. Sudhakar Ramasubramanian as the Managing Director of the Company
	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
	Approval under Section 180(1)(c) of the Companies Act, 2013 for borrowings upto Rs. 300 Crores
	Approval of Aditya Birla Money Limited - Employee's Stock Option Scheme -2014'.

No special resolution was passed through postal ballot during the Financial Year 2015-16.

## CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The code of conduct provide that the Directors and the Senior Management will maintain highest degree of corporate governance practises, will act in utmost good faith and exercise due care, diligence and integrity in performing their duties. A copy of the said Code of Conduct is available on the website of the Company at the link <http://www.adityabirlamoney.com/about-us/investor>. As provided under SEBI Listing Regulations, the Board members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2015-16.

## COMPLIANCE

A certificate from Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations forms part of this Annual Report.

## MEANS OF COMMUNICATION

The unaudited quarterly, half yearly and audited annual financial results were disseminated to the Stock Exchanges where the shares of the Company are listed through electronic mode. The results were also published in all editions of "Business Line", national daily and "Jai Hind", regional language newspaper circulating in the district where Company's registered office is situated.

The unaudited quarterly, half yearly and audited annual results were also posted in the company's website [www.adityabirlamoney.com](http://www.adityabirlamoney.com)

## 10. GENERAL SHAREHOLDER'S INFORMATION

Financial Year: April 2015 to March 2016

AGM date, time and venue: As per notice to the AGM

### Financial Calendar for 2016-17

Financial reporting for the quarter ending June 30, 2016	July / August, 2016
Financial reporting for the quarter ending September 30, 2016	October / November, 2016
Financial reporting for the quarter ending December 31, 2016	January / February, 2017
Financial reporting for the quarter ending March 31, 2017	April / May, 2017

Date of Book Closure	:	Refer Notice to the AGM
Dividend Payment Date	:	N.A.
Registered Office	:	Indian Rayon Compound, Veraval - 362 266, Gujarat.
Website	:	<a href="http://www.adityabirlamoney.com">www.adityabirlamoney.com</a>

# CORPORATE GOVERNANCE REPORT

## Listing on Stock Exchanges

National Stock Exchange of India Limited, (NSE) "Exchange Plaza", C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Bombay Stock Exchange Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Tel No: (022) 26598100	Tel No: (022) 22721233 / 4
Fax No:(022) 26598120	Fax No:(022) 22721919
Stock Code – BIRLAMONEY	Stock Code – 532974 / ABML

ISIN for Equity Shares (NSDL & CDSL) - INE865C01022

Note: Listing fees for the year 2016-17 have been paid to NSE & BSE within the due dates.

## Stock Price Data: Monthly High & Low during FY 2015-16 in BSE & NSE

(Rs.)

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April 2015	33.30	25.40	33.20	23.90
May 2015	31.40	25.00	31.45	25.05
June 2015	27.00	22.00	28.80	21.55
July 2015	28.35	23.00	29.00	22.00
August 2015	25.65	18.85	25.65	18.25
September 2015	27.55	19.00	24.50	18.75
October 2015	29.95	21.00	29.75	21.65
November 2015	27.00	24.00	28.75	23.55
December 2015	35.00	24.00	35.00	23.40
January 2016	36.10	23.50	35.95	22.65
February 2016	26.35	19.20	26.25	19.50
March 2016	24.15	19.15	24.70	19.00



## Registrar and Share Transfer Agent

Cameo Corporate Services Limited  
SEBI Registration No. INR000003753  
Subramanian Building, No.1, Club House Road,  
Chennai – 600 002  
Phone: 044 – 28460390 (5 Lines)  
Fax : 044 – 28460129  
Email: investor@cameoindia.com

## Share Transfer System

The Company's shares are compulsorily traded in dematerialised form. Transfer of shares in physical form, which are lodged at the Registered / Corporate Office or Registrar & Share Transfer Agent's Office, are processed within a period of 15 days from the date of receipt.

## CORPORATE GOVERNANCE REPORT

### History of Paid-up Equity Share Capital of the Company

Date of Allotment	No. of Shares	Face Value (Rs.)	Cumulative No. of Shares
04-07-1995	700	10/-	700
07-08-1995	10,09,300	10/-	10,10,000
30-11-2000	12,60,000	10/-	22,70,000
03-06-2001	5,00,000	10/-	27,70,000
26-07-2006	27,70,000@	10/-	55,40,000
18-07-2008#	—	1/-	5,54,00,000

@ Allotment on Issue of Bonus Shares in the ratio of 1:1

# Split of face value of 55,40,000 shares from Rs.10/- to Re.1/- each

### Details of Paid-up Preference Share Capital of the Company

Date of Allotment	No. of Shares	Face Value (Rs.)	Cumulative No. of Shares
28-03-2005	200,000*	100/-	200,000 *
31-03-2011	800,000++	100/-	800,000
30-09-2013	100,000++	100/-	900,000
29-03-2014	200,000++	100/-	1,000,000

\* Preference Shares were redeemed on 26.07.2006.

++ The preference shares are in the nature of Redeemable Non-Convertible Non-Cumulative and are not intended for listing and were issued on a private placement basis to Aditya Birla Financial Services Ltd. (Holding Company)

During the year, the rights of the 8,00,000 Redeemable Non-Convertible Non-Cumulative Preference shareholders were varied pursuant to Section 106 of the Companies Act, 1956. For details, refer Note 3(2) of the Financial Statements.

### Distribution of Shareholdings as on March 31, 2016:

Equity Shares	Shares				Shareholders			
	Physical		Electronic		Physical		Electronic	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%
1 - 5000	810676	81.82	3671159	6.75	1337	98.82	7775	97.32
5001 - 10000	70460	7.11	894001	1.64	9	0.67	120	1.50
10001 - 20000	86904	8.77	730694	1.34	6	0.44	51	0.64
20001 - 30000	22800	2.30	401302	0.74	1	0.07	16	0.20
30001 - 40000	0	0.00	292963	0.54	0	0.00	8	0.10
40001 - 50000	0	0.00	143025	0.26	0	0.00	3	0.04
50001 - 100000	0	0.00	718016	1.32	0	0.00	11	0.14
100001 & above	0	0.00	47558000	87.41	0	0.00	5	0.06
Total	990840	100	54409160	100	1353	100	7989	100
Grand Total	55,400,000				9342			

### The Shareholding Pattern of the Company as on March 31, 2016

Category	No. of Shares	%
Promoter / Promoter Group	41,550,000	75.00
Bodies Corporate	749,714	1.35
Individuals - holding up to Rs.2 Lakh	6,845,367	12.36
Individuals - holding excess of Rs.2 Lakh	5,723,460	10.33
Clearing Members	16,366	0.03
HUF	259,721	0.47
NRI's & OCB's	255,372	0.46
TOTAL	55,400,000	100.00

# CORPORATE GOVERNANCE REPORT

## Dematerialisation of Shares and Liquidity

As on March 31, 2016, 98.21% of the Company's Paid-up Equity Share Capital was held in dematerialised form. The shares of the Company are frequently traded on BSE /NSE.

## Useful Information for Shareholders

### Unclaimed Dividend

1. Pursuant to Section 205A & 205C of the Companies Act, 1956 Unpaid/unclaimed dividend upto the financial year 2007-08 (Final Dividend) has been transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government.

### Other General Information

1. Shareholders holding shares in physical form are requested to notify to the Company, change in their address / PIN Code Number and Bank Account details promptly by written request under the signature of sole / first joint holder.
2. Beneficial owner of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney etc., directly to their DP.
3. Section 72 of the Companies Act, 2013 extends the nomination facility to individuals holding shares in the physical mode. Shareholders, in particular, those holding shares in single name may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be obtained from the Company / RTA by sending a written request.

### Address for Correspondence

Ali Centre, No. 53, Greaves Road,  
Chennai – 600 006  
Ph. No. : 044 – 3919 0002/3  
Fax No. : 044 – 2829 0835  
E-mail : [abml.investorgrievance@adityabirla.com](mailto:abml.investorgrievance@adityabirla.com)

### Registered Office

Indian Rayon Compound,  
Veraval – 362 266, Gujarat  
Ph. No. : 02876 – 245711  
Fax No. : 02876 – 243257  
Website : [www.adityabirlamoney.com](http://www.adityabirlamoney.com)



# CORPORATE GOVERNANCE REPORT

## CEO/CFO CERTIFICATION

To  
The Board of Directors,  
Aditya Birla Money Limited.

1. We have reviewed the financial results of Aditya Birla Money Limited for the period ended 31st March, 2016 and that to the best of our knowledge and belief:
  - I. These statements do not contain any materially untrue statement or omit any material act or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31st March, 2016 are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - I. Significant changes in the Company's internal control over financial reporting during the period;
  - II. Significant changes in accounting policies during the period; and
  - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or other employees having a significant role in the company's internal control system over financial reporting.

Date : May 06, 2016  
Place : Chennai

Tushar Shah  
Director  
DIN : 07504267

Sumathy Ravichandran  
Chief Financial Officer

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## DECLARATION ON CODE OF CONDUCT

As provided under the provisions of SEBI Listing Regulations, I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2016.

Date : May 06, 2016  
Place : Chennai

Tushar Shah  
Director  
DIN : 07504267

# INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Money Limited

## Report on the Financial Statements

We have audited the accompanying standalone financial statements of Aditya Birla Money Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2016, its profit and its Cash Flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note No. 21 of the Notes to the Financial Statements relating to the recoverability of assets in the nature of trade receivables, advances, and other assets etc. aggregating to Rs.183,368,483 grouped under advances recoverable in cash or kind, which is subject matter of claim and more fully described therein. Our opinion is not qualified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT

## 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 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 has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 33(ii) to the Financial Statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

Date : May 06, 2016  
Place : Chennai

## INDEPENDENT AUDITOR'S REPORT

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 Money Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the company except for immovable properties aggregating Rs. 15 lacs for which the title is in dispute and the matter is sub judice. Also refer Note No. 9A to the Financial Statements.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to or from companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 the Act and hence 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 Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a two cases amounting to Rs. 3,525. The provisions relating to duty of customs and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, value added 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 of duty of customs and excise duty are not applicable to the Company.  
  
As more fully discussed in Note No. 22 to the Financial Statements, stamp duties collected by the Company in respect of States wherein the manner of payment has not been notified from July 2011 onwards and remaining unpaid as of 31 March 2016 is Rs. 7,916,843. As the manner of payment of the same has not been notified, we are not in a position to comment if any portion of the stamp duties collected has become due and outstanding for more than six months as at the Balance Sheet date.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, provident fund, wealth-tax, service-tax, value added tax and cess on account of any dispute, are as follows:

## INDEPENDENT AUDITOR'S REPORT

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

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

The provisions of duty of customs and excise duty are not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of commercial paper for the purposes for which those were raised.
- (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 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 177 and 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.
- (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

Date : May 06, 2016

Place : Chennai

# INDEPENDENT AUDITOR'S REPORT

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADITYA BIRLA MONEY LIMITED

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

To the Members of Aditya Birla Money Limited

We have audited the internal financial controls over financial reporting of Aditya Birla Money Limited ("the Company") as of 31 March 2016 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 ('the Act').

### 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 Act, to the extent applicable to an audit of internal financial controls, both 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.

# INDEPENDENT AUDITOR'S REPORT

## 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.

## 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 31st March 2016, 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.

## Explanatory paragraph

We also have audited, 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, the standalone financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016 and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 06, 2016 expressed an unqualified opinion.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

Partner

Membership Number: 102102

Date : May 06, 2016

Place : Chennai

## BALANCE SHEET AS AT MARCH 31, 2016

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

	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' Funds</b>			
Share Capital	3	155,400,000	155,400,000
Reserves and Surplus	4	216,260,041	204,285,295
	Sub-Total (A)	<u>371,660,041</u>	<u>359,685,295</u>
<b>(B) Non-Current Liabilities</b>			
Other Long-term Liabilities	5A	7,814,879	5,460,437
	Sub-Total (B)	<u>7,814,879</u>	<u>5,460,437</u>
<b>(C) Current Liabilities</b>			
Short-term Borrowings	6	747,494,369	690,631,345
Trade Payables	7	105,705,019	103,643,576
Other Current Liabilities	5B	1,103,228,444	940,425,833
Short-term Provisions	8	29,818,278	24,722,297
	Sub-Total (C)	<u>1,986,246,110</u>	<u>1,759,423,051</u>
	<b>TOTAL (A)+(B)+(C)</b>	<u><b>2,365,721,030</b></u>	<u><b>2,124,568,783</b></u>
<b>ASSETS</b>			
<b>(D) Non-Current Assets</b>			
Fixed Assets			
Property Plant and Equipment	9A	44,994,977	46,578,940
Intangible Assets	9B	22,225,284	28,770,654
Intangible Assets under Development		-	784,500
		<u>67,220,261</u>	<u>76,134,094</u>
Non-Current Investments	10A	55,030,050	52,565,750
Long-term Loans and Advances	11A	74,306,821	51,250,792
	Sub-Total (D)	<u>196,557,132</u>	<u>179,950,636</u>
<b>(E) Current Assets</b>			
Trade Receivables	12	1,342,151,798	914,083,719
Cash and Bank Balances	13	592,436,795	793,710,729
Short-term Loans and Advances	11B	197,834,287	200,013,658
Other Current Assets	14	36,741,018	36,810,041
	Sub-Total (E)	<u>2,169,163,898</u>	<u>1,944,618,147</u>
	<b>TOTAL (D)+(E)</b>	<u><b>2,365,721,030</b></u>	<u><b>2,124,568,783</b></u>
Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016  
Place : Chennai



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

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

Revenue	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Operations	15	1,115,571,960	1,120,059,974
Other Income	16	68,267,106	67,100,665
<b>Total Revenue</b>		<b>1,183,839,066</b>	<b>1,187,160,639</b>
<b>Expenses</b>			
Employee Benefits Expenses	17	496,354,413	457,397,482
Finance Cost	18	63,846,632	19,936,345
Depreciation and Amortisation Expenses	19	37,835,273	57,247,547
Business Partners Payout		262,803,528	318,157,444
Other Expenses	20	304,181,675	266,562,707
<b>Total Expenses</b>		<b>1,165,021,521</b>	<b>1,119,301,525</b>
<b>Profit Before Tax</b>		<b>18,817,545</b>	<b>67,859,114</b>
Tax Expenses			
- Current Tax		6,842,798	-
- Write Back of Excess Provision for Tax / Income			
Tax Refund Related to Earlier Years (Net)		-	(2,912,943)
<b>Profit for the Year</b>		<b>11,974,747</b>	<b>70,772,057</b>
Earnings / (Loss) per share (Basic and Diluted)	27	0.22	1.28
(Face Value of Re.1/- each)			

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

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016  
Place : Chennai

## CASH FLOW STATEMENT AS AT MARCH 31, 2016

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

Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
<b>Cash Flow from Operating Activities</b>		
Profit before tax from discontinuing operations		
<b>Profit / (Loss) Before Tax</b>	<b>18,817,545</b>	<b>67,859,114</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / Amortization	37,835,273	57,247,547
Depreciation/ amortization on discontinuing operation		
Loss / (Profit) on sale of fixed assets	(1,133,389)	(967,731)
Provision for doubtful debts made / (written back)	11,507,113	5,117,058
Provision for doubtful deposits and advances	3,217,754	13,287,016
Provision for diminution in value of investments (current plus other long term)		
Net (gain) / loss on sale of current investments	(7,846,006)	(12,106,216)
Net (gain)/ loss on sale of non current investments	(685,229)	-
Interest expense	63,540,466	19,846,741
Interest (income)	(52,898,885)	(52,787,560)
Dividend (income)	(19,725)	(19,800)
<b>Operating Profit Before Working Capital Changes</b>	<b>72,334,917</b>	<b>97,476,169</b>
<b>Movements in Working Capital :</b>		
Increase / (decrease) in trade payables	2,061,443	46,027,607
Increase / (decrease) in short-term provisions	(1,746,817)	16,104,696
Increase / (decrease) in other current liabilities	162,802,611	(476,566,678)
Increase / (decrease) in other long-term liabilities	2,354,442	1,360,813
Decrease / (increase) in trade receivables	(439,575,192)	(35,426,474)
Decrease / (increase) in long-term loans and advances	(16,142,626)	(1,490,885)
Decrease / (increase) in short-term loans and advances	(1,038,383)	125,748,695
Decrease / (increase) in other current assets	(2,155,781)	10,580,378
Decrease / (increase) in other non-current assets		
<b>Cash generated from / (used in) Operations</b>	<b>(221,105,386)</b>	<b>(216,185,679)</b>
<b>Direct Taxes paid (net of refunds)</b>	<b>6,913,403</b>	<b>-</b>
<b>Cash Flow before Exceptional Items</b>	<b>(228,018,789)</b>	<b>(216,185,679)</b>
<b>Exceptional Item</b>	<b>-</b>	<b>-</b>
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>(228,018,789)</b>	<b>(216,185,679)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(29,532,314)	(12,515,048)
Proceeds from sale of fixed assets	1,744,263	1,072,801
Proceeds of non-current investments	-	6,062
Intercompany Deposit given to Subsidiary Company	(24,000,000)	(1,400,000)
Intercompany Deposit repaid by Subsidiary Company	24,000,000	1,400,000
Purchase of Mutual Fund	(24,552,616,171)	(3,362,500,000)
Proceeds from Sale of Mutual Fund	24,560,462,177	3,374,600,404
Proceeds from Sale of Investments	720,929	-
Investment in Subsidiaries	(2,500,000)	(2,500,000)

## CASH FLOW STATEMENT AS AT MARCH 31, 2016

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

Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
Investments in bank deposits (having original maturity of more than three months) and lien deposits	-	(641,995,804)
Maturity of bank deposits (having original maturity of more than three months) and lien deposits	172,722,411	277,805,908
Interest received	55,123,689	36,476,246
Dividends received	19,725	19,800
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>206,144,709</b>	<b>(329,529,631)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Short-term borrowings	1,518,373,234	956,637,112
Repayment of Short-term borrowings	(1,465,033,020)	(956,637,112)
Intercorporate Loan Given to Subsidiary Company	24,000,000	1,400,000
Intercorporate Loan received from Subsidiary Company	(24,000,000)	(1,400,000)
Proceeds from Issue of Commercial Paper	4,450,000,000	1,391,907,458
Repayment of Commercial Paper	(4,450,000,000)	(800,000,000)
Interest paid	(60,017,657)	(19,846,741)
<b>Net Cash Flow from / (used in) in Financing Activities (C)</b>	<b>(6,677,443)</b>	<b>572,060,717</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A +B +C)</b>	<b>(28,551,523)</b>	<b>26,345,408</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency		
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>118,230,398</b>	<b>91,884,990</b>
<b>Cash and Cash Equivalents at the year ended</b>	<b>89,678,875</b>	<b>118,230,398</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	10,860	964
Cheques/ Drafts on Hand		
With Banks		
- On Deposit Account	-	-
- Current Accounts	89,668,015	118,177,703
- Unpaid Dividend Accounts*	-	51,731
<b>Total Cash and Cash Equivalents (Note 13)</b>	<b>89,678,875</b>	<b>118,230,398</b>

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

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016  
Place : Chennai

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 1. Nature of operations

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

### 2. Statement of Significant Accounting Policies

#### a) Basis of preparation

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

#### b) Use of Estimates

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

#### c) Property Plant and Equipment and Depreciation

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

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

### Leasehold Assets

Leasehold Improvements	Period of Lease ranging from 4 to 5 years
------------------------	---

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

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

### d) Intangible assets

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

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

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

### e) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### f) Leases

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

### g) Investments

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

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

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

### h) Revenues

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

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

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

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

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

Portfolio management fees are recognised on an accrual basis in accordance with the Portfolio Management Agreements entered into with the respective clients

### i) Employee Benefits

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.
- iv. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

### j) Employee stock compensation cost

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

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

### k) Income Tax

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period

### l) Earnings Per Share

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

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

### m) Contingent Liability and Provisions

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

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

### n) Segment Reporting

The Company's business is to provide brokerage service and portfolio management services ('PMS') to its clients in the capital markets within India. All other activities of the Company revolve around these activities. PMS does not qualify as a Reportable Segment since it does not meet the criteria as mentioned in Para 27 of Accounting Standard on Segment Reporting (AS-17) and hence it is not disclosed separately

### o) Cash and Cash Equivalents

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

### p) Sharing of costs

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 3</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
150,000,000 (Previous year : 150,000,000) Equity Shares of Re.1/- each	150,000,000	150,000,000
1,000,000 (Previous Year : 1,000,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each	100,000,000	100,000,000
	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
<b>EQUITY SHARE CAPITAL</b>		
55,400,000 (Previous Year : 55,400,000) Equity Shares of Re.1/- each Fully paid	55,400,000	55,400,000
	<b>55,400,000</b>	<b>55,400,000</b>
<b>PREFERENCE SHARE CAPITAL</b>		
1,000,000 (Previous Year 1,000,000) 8% Redeemable Non convertible Non Cumulative Preference Shares of Rs.100/- each fully paid	100,000,000	100,000,000
	<b>100,000,000</b>	<b>100,000,000</b>

### 1A Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the period

Sl. No.	Description	As at March 31, 2016		As at March 31, 2015	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the year	55,400,000	55,400,000	55,400,000	55,400,000
2	Issued during the year	-	-	-	-
3	Outstanding at the end of the year	55,400,000	55,400,000	55,400,000	55,400,000

### 1B Reconciliation of the number of Preference Shares outstanding at the beginning and at the end of the period

Sl. No.	Description	As at March 31, 2016		As at March 31, 2015	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the year	1,000,000	100,000,000	1,000,000	100,000,000
2	Issued during the year	-	-	-	-
3	Outstanding at the end of the year	1,000,000	100,000,000	1,000,000	100,000,000

## 2 Term / right attached to Equity Shares

The Company has only one class of Equity shares having at par value of Re.1/- each per share. Each holder of Equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 3 Term / right attached to Preference Shares

Preference shares carry a non-cumulative dividend of 8% per annum. Dividend amounts, declared if any, will be paid in Indian rupees.

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

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

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

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

### 4 Shares held by Holding Company

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

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

#### i) Equity Share Capital

Sl. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		Number of Shares held	% of total paid-up equity share capital	Number of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Limited	41,550,000	75.00	41,550,000	75.00
2	Sucharitha P. Reddy	5,517,460	9.96	5,517,460	9.96

#### ii) Preference Share Capital

Sl. No	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		Number of Shares held	% of total paid-up Preference Share capital	Number of Shares held	% of total paid-up Preference Share capital
1	Aditya Birla Financial Services Limited	1,000,000	100	1,000,000	100

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

Sl. No	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		Number of Shares held	% of total paid-up Preference Share capital	Number of Shares held	% of total paid-up Preference Share capital
1	Aditya Birla Financial Services Limited	1,000,000	100	1,000,000	100

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>As at March 31, 2016</u>	<u>As at March 31, 2015</u>
<b>NOTE: 4</b>		
<b>RESERVES AND SURPLUS</b>		
1) Capital Reserves	11,538,863	11,538,863
2) Securities Premium Account		
Balance as per last audited Financial Statement	200,000,000	200,000,000
3) General Reserve		
Balance as per last audited Financial Statement	261,376,777	261,376,777
4) Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last audited Financial Statement	(268,630,346)	(255,274,581)
Addition:		
Profit of the year	11,974,747	70,772,057
Depreciation one time written off as per Sch. II	-	(84,127,822)
	<u>(256,655,599)</u>	<u>(268,630,346)</u>
<b>Total</b>	<u><u>216,260,041</u></u>	<u><u>204,285,295</u></u>

**NOTE: 5A**  
**OTHER LONG-TERM LIABILITIES**

Rent Equalization Liability	7,814,879	5,460,437
	<u>7,814,879</u>	<u>5,460,437</u>

**NOTE: 5B**  
**OTHER CURRENT LIABILITIES**

Income Received in advance	91,478	24,315
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	-	51,731
Other Payables		
Payable to customers	898,096,073	805,101,423
Payable to exchanges	133,178,316	68,851,882
Book Overdraft	32,116	4,620,984
Statutory Dues	26,309,955	19,438,473
Deposits	44,998,878	40,198,984
Rent Equalization Liability	521,628	2,138,041
	<u><u>1,103,228,444</u></u>	<u><u>940,425,833</u></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 6</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
Loan Repayable on Demand		
Banks #	53,340,215	-
 <b>UNSECURED</b>		
Commercial Papers* ^	<u>694,154,154</u>	<u>690,631,345</u>
	<u><u>747,494,369</u></u>	<u><u>690,631,345</u></u>

\* Maximum balance outstanding during the year 1,350,000,000 690,631,345

^ Repayable in 30 to 90 days from the date of draw down. The interest on this loan ranges from 7.6% to 10.70%.

# The bank borrowing is secured against pledge of fixed deposits.

### NOTE: 7 TRADE PAYABLES

Salaries, wages, bonus and other employee benefits payable	45,903,288	58,071,487
Trade Payables (Others)	<u>59,801,731</u>	<u>45,572,089</u>
	<u><u>105,705,019</u></u>	<u><u>103,643,576</u></u>

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

### NOTE: 8 SHORT-TERM PROVISIONS

Provisions for Employee Benefits:		
Leave Encashment	13,907,362	15,825,649
Gratuity (Funded) (Refer Note no. 29)	9,068,118	8,896,648
Taxation	6,842,798	-
	<u><u>29,818,278</u></u>	<u><u>24,722,297</u></u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Note 9A - Property Plant and Equipment					Note 9B - Intangible Asset				
	Freehold Land*	V SAT Equipments	Furniture & Fixtures	Office Equipment	Computers	Vehicles	TOTAL		Computer Software
<b>Gross Block</b>								<b>Gross Block</b>	
As at 1st April 2014	1,500,000	95,445,027	69,021,063	69,061,602	211,578,715	1,215,397	447,821,804	As at 1st April 2014	207,916,622
Additions	-	-	515,177	3,700,359	3,219,939	2,195,613	9,631,088	Additions	2,099,460
Deletions	-	864,345	1,206,548	3,641,167	4,700,160	-	10,412,220	Deletions	-
<b>As at 31st March 2015</b>	<b>1,500,000</b>	<b>94,580,682</b>	<b>68,329,692</b>	<b>69,120,794</b>	<b>210,098,494</b>	<b>3,411,010</b>	<b>447,040,672</b>	<b>As at 31st March 2015</b>	<b>210,016,082</b>
<b>Cost</b>								<b>Cost</b>	
As at 1st April 2015	1,500,000	94,580,682	68,329,692	69,120,794	210,098,494	3,411,010	447,040,672	As at 1st April 2015	210,016,082
Additions	-	-	299,381	2,291,970	19,412,468	500,000	22,503,819	Additions	7,812,995
Deletions	-	792,229	8,989,093	6,534,110	43,506,589	-	59,822,021	Deletions / Adjustment	888,750
<b>As at 31st March 2016</b>	<b>1,500,000</b>	<b>93,788,453</b>	<b>59,639,980</b>	<b>64,878,654</b>	<b>186,004,373</b>	<b>3,911,010</b>	<b>409,722,470</b>	<b>As at 31st March 2016</b>	<b>216,940,327</b>
<b>Accumulated Depreciation</b>									
As at 1st April 2014	-	46,569,850	36,991,297	30,494,814	169,885,987	433,161	284,375,109	As at 1st April 2014	166,263,830
For the year	-	8,454,162	9,255,498	13,339,860	10,810,837	405,593	42,265,950	For the year	14,981,598
Deletions	-	864,349	1,196,329	3,546,309	4,700,161	-	10,307,148	Deletions	-
Adjustment	-	39,861,415	7,460,467	20,744,141	16,061,800	-	84,127,822	Adjustment	-
<b>As at 31st March 2015</b>	<b>-</b>	<b>94,021,078</b>	<b>52,510,932</b>	<b>61,032,505</b>	<b>192,058,463</b>	<b>838,754</b>	<b>400,461,732</b>	<b>As at 31st March 2015</b>	<b>181,245,428</b>
<b>Depreciation</b>								<b>Depreciation</b>	
As at 1st April 2015	-	94,021,078	52,510,932	61,032,505	192,058,463	838,754	400,461,732	As at 1st April 2015	181,245,428
For the year	-	492,022	6,365,976	5,865,224	9,974,424	772,767	23,470,413	For the year	14,358,365
Deletions	-	792,244	8,416,741	6,489,078	43,506,589	-	59,204,652	Deletions	888,750
<b>As at 31st March 2016</b>	<b>-</b>	<b>93,720,856</b>	<b>50,460,167</b>	<b>60,408,651</b>	<b>158,526,299</b>	<b>1,611,521</b>	<b>364,727,493</b>	<b>As at 31st March 2016</b>	<b>194,715,043</b>
<b>Net block as at 31st March 2015</b>	<b>1,500,000</b>	<b>559,604</b>	<b>15,818,760</b>	<b>8,088,289</b>	<b>18,040,031</b>	<b>2,572,256</b>	<b>46,578,940</b>	<b>Net block as at 31st March 2015</b>	<b>28,770,654</b>
<b>Net block as at 31st March 2016</b>	<b>1,500,000</b>	<b>67,597</b>	<b>9,179,813</b>	<b>4,470,003</b>	<b>27,478,075</b>	<b>2,299,489</b>	<b>44,994,977</b>	<b>Net block as at 31st March 2016</b>	<b>22,225,284</b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>As at March 31, 2016</u>	<u>As at March 31, 2015</u>
<b>NOTE: 10</b>		
<b>INVESTMENTS: NON-CURRENT (UNQUOTED)</b>		
<b>Non Trade Investments (Unquoted, valued at cost less provision)</b>		
Investments in Equity Shares		
3,005 (Previous year: 6,575) Equity Share of Rs.10/- each fully paid in Apollo Sindoori Hotels Limited.	84,014	183,824
Less: Provision for diminution in value of investment	(53,964)	(118,074)
<b>In Subsidiary Company (Unquoted, at cost)</b>		
5,500,000 (Previous year : 5,250,000) Equity Shares of Rs.10/- each fully paid in subsidiary -Aditya Birla Commodities Broking Limited	55,000,000	52,500,000
	<u>55,030,050</u>	<u>52,565,750</u>
<b>NOTE: 11A</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits	33,069,534	28,683,190
Margins with Exchange	19,025,000	7,700,000
Other Loans and Advances		
Advance Tax Net of Provision	21,724,406	14,811,003
Prepaid Expenses	487,881	56,599
	<u>74,306,821</u>	<u>51,250,792</u>
<b>NOTE: 11B</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 21)		
Considered Good	127,599,439	93,568,210
Considered Doubtful	64,784,299	61,566,545
	192,383,738	155,134,755
Less: Provision for Doubtful	(64,784,299)	(61,566,545)
	127,599,439	93,568,210
Security Deposits		
Considered Good	2,037,355	5,308,399
Considered Doubtful	508,590	-
	2,545,945	5,308,399
Less: Provision for Doubtful	(508,590)	-
	2,037,355	5,308,399
Margins with Exchange	14,323,002	56,748,002
Other Loans & Advances		
Loans & Advances to Related Parties #	13,379,012	2,964,384
Balances with Government Authorities	4,386,214	3,599,544
Advances to Suppliers	21,637,847	23,221,119
Prepaid Expenses	11,511,976	11,865,345
Advances to Employees	2,959,442	2,738,656
Considered Good		
Considered Doubtful	101,033	101,033
Less: Provision for Doubtful	(101,033)	(101,033)
	<u>197,834,287</u>	<u>200,013,659</u>

# Also, refer Note 30

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>As at March 31, 2016</u>	<u>As at March 31, 2015</u>
<b>NOTE: 12</b>		
<b>TRADE RECEIVABLES ^</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Secured, Considered Good	81,991,736	62,750,359
Unsecured, Considered Doubtful	35,981,147	25,240,357
Less: Provision for Doubtful	(35,981,147)	(25,240,357)
Others		
Secured, Considered Good	1,189,919,822	784,377,835
Unsecured, Considered Good	70,240,240	66,955,524
Unsecured, Considered Doubtful	1,536,956	770,633
Less: Provision for Doubtful	(1,536,956)	(770,633)
	<u><b>1,342,151,798</b></u>	<u><b>914,083,718</b></u>

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

### NOTE: 13

#### CASH AND BANK BALANCES

##### Cash and Cash Equivalents

##### Balances with Banks

Current Accounts	89,668,015	118,177,703
Unpaid Dividend	-	51,731

##### Cash on Hand

	10,860	964
(A)	<u>89,678,875</u>	<u>118,230,398</u>

##### Other Bank Balances

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

	502,757,920	675,480,331
(B)	<u>502,757,920</u>	<u>675,480,331</u>
(A) + (B)	<u><u>592,436,795</u></u>	<u><u>793,710,729</u></u>

\* Fixed deposits have been placed under lien towards bank guarantees Rs.288,740,560 (Previous year: Rs.242,306,172), as margins with exchange Rs.208,847,360 (Previous year : Rs.430,333,474) and as General a/c Rs.5,170,000 (Previous year : Rs.2,840,685)

### NOTE: 14

#### OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

Accrued Income (from operations)	7,580,056	5,424,275
Interest Accrued on Fixed Deposits	29,160,962	31,385,766
Insurance Claim Receivables *		
Considered Doubtful	-	2,991,592
	-	2,991,592
Less: Provision for Doubtful	-	(2,991,592)
	-	-
	<u>36,741,018</u>	<u>36,810,041</u>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>Year Ended March 31, 2016</u>	<u>Year Ended March 31, 2015</u>
<b>NOTE: 15</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>A. Income from services</b>		
Brokerage income	837,924,563	945,351,396
Income from transaction charges	2,130,804	2,096,666
Account opening charges	2,301,247	2,619,520
Income from Protfolio Management Services	10,644,753	-
Income from depository services	40,710,151	43,359,339
	<u>893,711,518</u>	<u>993,426,921</u>
<b>B. Other operating income</b>		
V-sat rent / other charges	1,017,592	1,190,810
Interest and finance charges	220,842,850	125,442,243
	<u>221,860,442</u>	<u>126,633,053</u>
	<u>1,115,571,960</u>	<u>1,120,059,974</u>
<b>NOTE: 16</b>		
<b>OTHER INCOME</b>		
Interest Income		
Interest on bank deposits	52,764,007	52,769,131
Other interest income	134,878	18,429
Dividends Income on Investments		
Long-term	19,725	19,800
Net Gain on Sale of Investments	8,531,235	12,106,216
Profit on Sale of Fixed Assets (Net)	1,133,389	967,731
Insurance Claims Received	1,966,265	-
Advertisement Income	2,125,000	-
Miscellaneous Income	1,592,607	1,219,358
	<u>68,267,106</u>	<u>67,100,665</u>
<b>NOTE: 17</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	452,559,413	423,119,138
Contribution to Provident and Other Funds (Refer Note 29)	33,319,746	25,788,516
Staff Welfare Expenses	10,475,254	8,489,828
	<u>496,354,413</u>	<u>457,397,482</u>
<b>NOTE: 18</b>		
<b>FINANCE COST</b>		
Interest Expenses	63,540,466	19,846,741
Other Borrowing Costs	306,166	89,604
	<u>63,846,632</u>	<u>19,936,345</u>
<b>NOTE: 19</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of Tangible Assets	23,476,761	42,265,949
Amortisation of Intangible Assets	14,358,512	14,981,598
	<u>37,835,273</u>	<u>57,247,547</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>Year Ended</u> <u>March 31, 2016</u>	<u>Year Ended</u> <u>March 31, 2015</u>
<b>NOTE: 20</b>		
<b>OTHER EXPENSES</b>		
Rent (Refer Note 28)	58,842,824	51,151,210
Repairs and Maintenance of:		
Buildings	1,388,657	1,196,634
Others	24,412,632	19,917,076
Insurance	16,589,637	14,969,565
Rates and Taxes	11,716,004	12,190,723
Bandwidth Charges	25,269,885	21,342,103
Advertisement	2,847,639	2,649,994
Legal and Profession Expenses	21,943,897	17,660,198
Provision for Doubtful Debts	11,507,113	5,117,058
Provision for Doubtful Deposits and Advances	3,217,754	13,287,016
Printing and Stationery	5,303,837	5,785,452
Travelling and Conveyance	21,862,229	18,262,361
Communication Expenses	16,380,628	14,853,219
Bank, Collateral and Clearing Charges	11,032,057	9,888,565
Auditors' Remuneration*	3,260,915	2,499,330
Directors' Fees	620,000	430,000
Postage Expenses	1,897,760	3,611,001
Electricity Charges	13,501,824	11,461,436
Information Technology and Software Expenses	40,083,393	34,168,976
Miscellaneous Expenses	12,502,990	6,120,790
	<u>304,181,675</u>	<u>266,562,707</u>
 * Auditors' Remuneration includes payments to auditors as under:		
As auditor:		
Audit fee	1,350,000	1,000,000
Limited Reviews	750,000	750,000
Tax audit fee	100,000	250,000
Certification fee	250,000	23,156
Reimbursement of expenses	810,915	476,174
	<u>3,260,915</u>	<u>2,499,330</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

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

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

Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2016 aggregating Rs. 183,368,483 (previous year: Rs 145,730,179) and disclosed the same in Short Term Loans & Advances under Note 11B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

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

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

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

During FY 2014-15, Arbitral Tribunal has passed an award, allowing claim of Rs.99,190,697/-, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of Rs. 55,546,790/- (being 56% of Rs.99,190,697/-, as ABNL has purchased only 56% of shares), alongwith interest @ 14% from the date of award. This award was received by ABNL on 27<sup>th</sup> May 2014.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Further in the month of October 2015, Supreme Court dismissed the appeal filed by the Company against SAT order directing the company to pay a sum of Rs.1,65,96,652/- together with interest thereon. Consequently SEBI served a notice of demand on the Company seeking payment of a sum of Rs.1,65,96,652/- towards turnover fee and a sum of Rs.3,76,38,304/- towards interest thereon from the respective due dates of payment of the said Turnover Fee.

As the erstwhile promoters have agreed to indemnify ABNL to the extent of any losses resulting from or consequent upon the civil appeal pending before Supreme Court vide Civil Appeal No. 3441/2007 in the SPA, the demand was communicated to the erstwhile promoters and the erstwhile promoters have paid the total turnover fee of Rs.1,65,96,652/- to the Company against the payment made by the Company to SEBI.

The request of the Company to SEBI seeking waiver of the interest was not considered favourably and the review petition filed by the Company in Supreme Court was also dismissed. In the meanwhile SEBI issued a Recovery Certificate dated 12.01.2016 seeking to recover the interest amount and the Company remitted the above mentioned interest amount with SEBI under intimation to erstwhile promoters.

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

### 22) Stamp duty

Hitherto, the Company had been collecting and remitting stamp duties with respect to states wherein the manner of payment of the same has been prescribed by the respective state governments. From July 2011, the Company had started collecting stamp duty on contract notes for all states, including the states wherein the manner of payment has not yet been notified. The Company is evaluating various options of remitting the same, including remitting those amounts in the State of Tamil Nadu, as all the contract notes are executed at Tamil Nadu. Pending, the final determination of the manner of remittance, amount of Rs.7,916,843/-(Previous year: Rs.5,171,148/-)collected till March 31, 2016 has been disclosed under Statutory Dues under Other Current Liabilities.

### 23) Capital and other commitment

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 24) Contingent Liabilities

Particulars	March 31, 2016	March 31, 2015
<b>Disputed tax and other statutory liabilities not provided for:</b>		
(a) Income tax & Interest on Tax - for various assessment years in respect of which Company has gone on appeal. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	45,545,425	45,545,425
(b) Service tax - for various assessment years in respect of which Company has gone on appeal. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	7,957,873	7,957,873
(c) Provident fund – for the period from March 2009 to May 2011 for non-inclusion of certain components like allowances etc. while computing and remitting the employer and employees' contribution to provident fund. (Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities).	14,036,578	14,036,578
(d) Karnataka Stamp duty for the period from 2003 - 2008. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities	9,060,000	9,060,000

<b>Contingent liability not provided for on account of:</b>		
(a) Disputed claim of SEBI towards turnover fees contested by the Company at Hon'ble Supreme Court.	-	27,656,667
(b) Claims against the Company not acknowledged as debts*	57,491,055	83,122,581

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

### 25) Managerial Remuneration

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

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

During the year the Company has filed a civil suit in the High Court of Judicature at Madras vide C.S. No. 53/2016 seeking recovery of the excess remuneration paid to Mr. P.B. Subramaniyan. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 26) Classified under Loans and advances include (Running Account):

Amounts receivable from Subsidiary	Balance as at March 31, 2016	Balance as at March 31, 2015	Maximum amount outstanding at any time during the year ended March 31, 2016	Maximum amount outstanding at any time during the year ended March 31, 2015
Aditya Birla Commodities Broking Limited (Repayable on Demand on account of regular running account balance)	12,726,614	416,680	12,726,614	1,109,600

### 27) Earning Per Share

Particulars		March 31, 2016	March 31, 2015
Net profit (after tax) as per Statement of Profit and Loss	A	11,974,749	70,772,057
Weighted average number of Equity Shares - Basic and diluted	B	55,400,000	55,400,000
Earnings per Share - Basic and Diluted	A/B	0.22	1.28
Nominal value of equity share (in Rs.)		Re.1/-	Re.1/-

### 28) Lease disclosures

#### Operating leases for premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2016 amounts to Rs.5,49,88,785/-(Previous Year Rs.46,787,739).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2016 amounts to Rs.195,563,389/-(Previous Year Rs. 199,862,731). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2016	March 31, 2015
Within one year	39,965,937	42,634,389
Later than one year and not later than five years	118,133,395	115,644,852
Later than five years	37,464,057	41,583,490

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

#### Operating leases for computers:

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

Lease rentals in respect of computers taken on operating lease during the year ended March 31, 2016 amounts to Rs.3,854,039 (Previous Year Rs.4,363,471).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2016 amounts to Rs.5,128,016. Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2016	March 31, 2015
Within one year	2,627,062	2,051,991
Later than one year and not later than five years	2,500,954	-
Later than five years	-	-

### 29) Employment Benefit disclosures

The amounts charged to the Statement of profit and loss during the year for Provident fund contribution aggregates to Rs.20,903,826 (Previous year – Rs.16,147,817) and employees' state insurance contribution aggregates to Rs.795,644 (Previous year – Rs.1,038,349).

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

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

#### Amounts recognized in the Balance Sheet in respect of Gratuity

Particulars	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	39,819,206	29,188,092
Fair value of plan assets	30,751,088	20,291,443
Liability/(Asset) recognized in the balance sheet	9,068,118	8,896,648

#### Amounts recognized in the Statement of Profit and Loss in respect of gratuity

Particulars	March 31, 2016	March 31, 2015
Current service cost	6,694,979	4,175,843
Interest cost on benefit obligation	2,590,301	1,569,730
Expected return on plan assets	(2,162,620)	(1,547,158)
Net actuarial (gain) / loss recognized in the year	3,471,113	3,920,591
Past service costs – vested benefits	-	-
Net gratuity cost	10,593,773	8,119,006

#### Actual return on plan assets:

Particulars	March 31, 2016	March 31, 2015
Expected return on plan assets	2,162,620	1,547,158
Actuarial gains / (losses) on plan assets	(599,626)	1,009,882
Actual return on plan assets	1,562,994	2,557,040

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Particulars	March 31, 2016	March 31, 2015
Opening defined benefit obligation	29,188,092	12,763,006
Interest cost	2,590,301	1,569,730
Acquisition Adjustment	-	6,282,164
Current service cost	6,694,979	4,175,843
Actuarial (gains) / losses on obligation	2,871,487	4,930,473
Benefits paid	(1,525,653)	(533,124)
<b>Closing defined benefit obligation</b>	<b>39,819,206</b>	<b>29,188,092</b>

### Change in fair value of plan assets

Particulars	March 31, 2016	March 31, 2015
Opening fair value of plan assets	20,291,443	17,734,403
Expected return	2,162,620	1,547,158
Actuarial gains / (losses) on plan assets	(599,626)	1,009,882
Contributions by employer	10,422,304	533,124
Benefits paid	(1,525,653)	(533,124)
<b>Closing fair value of plan assets</b>	<b>30,751,088</b>	<b>20,291,443</b>

### Details of plan assets

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

Particulars	March 31, 2016	March 31, 2015
Government of India securities	21%	27%
Corporate Bonds	1%	1%
Insurer managed funds	55%	51%
Deposit Scheme	2%	2%
Others	21%	19%
	<b>100%</b>	<b>100%</b>

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

### Experience adjustments

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Experience adjustments (loss) / gain	1,735,811	(274,235)	(387,351)

Particulars	March 31, 2013	March 31, 2012	March 31, 2011
Experience adjustments (loss) / gain	641,862	2,584,420	3,041,066

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

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

Particulars	March 31, 2016	March 31, 2015
Discount rate (per annum)	7.60%	8.00%
Expected rate of return on assets (per annum)	8.50%	8.50%
Salary Growth Rate (per annum)	10.00%	7.00%

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 30) Related Party Transactions

#### List of Related Parties

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

Related Parties under AS 18 with whom transactions have taken place during the year	
Fellow Subsidiary	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Money Insurance Advisory Services Limited

Key Management Personnel	Mr. Sudhakar Ramasubramanian, Managing Director
	Mr. Srinivas Subudhi, (ceased to be the Chief Financial Officer with effect from March 31, 2016)
	Mr. Vikashh K Agarwal, Company Secretary

Sr. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016*	Closing Balance as on March 31, 2015	Transactions 2014 - 2015*
<b>I.</b>	<b>Aditya Birla Nuvo Ltd.</b>				
1	Reimbursement of Cost	-	12,312	-	11,236
2	Outstanding Balances - Payables	-	-	-	-
<b>II.</b>	<b>Aditya Birla Financial Services Ltd.</b>				
1	Reimbursement of Cost - Manpower Cost	-	7,002,653	-	4,844,088
2	Contribution to Fund	-	459,683	-	129,350
3	Other Transaction - Directors appointment Refundable deposit	-	1,00,000	-	-
4	Reimbursement of Cost - Electricity, Rent, Staff welfare and other expenses	-	2,629,572	-	1,387,698
5	Outstanding Balances - Payables	(192,361)	-	(1,968,933)	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Sr. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016*	Closing Balance as on March 31, 2015	Transactions 2014 - 2015*
<b>III.</b>	<b>Aditya Birla Finance Ltd.</b>				
1	Recovery of Cost - Rent & Other expenses	-	252,000	-	304,747
2	Recovery of Cost - Manpower cost	-	299,250	-	283,824
3	Referral Fee	-	3,728,398	-	-
4	Custodian - Fee	-	5,952,245	-	-
5	Outstanding Balances - Receivables - Payables	478,317 (264,521)	- -	- -	400,870 -
<b>IV.</b>	<b>Aditya Birla Money Mart Ltd.</b>				
1	Expenses - Commission - Management Fees	-	67,080,910	-	103,568,045
2	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	-	71,368,786	-	46,385,949
3	Reimbursement of Cost - Rent, Electricity, Staff welfare and other expenses	-	5,582,379	-	-
4	Other Transaction- Gratuity/Leave Encashment liability	-	1,262,635	-	8,161,581
5	Other Transaction- Gratuity/Leave Encashment receivable	-	585,014	-	-
6	Other Transaction- Rental advances	-	1,053,440	-	-
7	Other Transaction- Rental advances recovery	-	41,492	-	-
8	Outstanding Balances - Receivables - Payables	(1,405,037)	-	1,747,007	-
<b>V.</b>	<b>Aditya Birla Financial Shared Services Ltd.</b>				
1	Reimbursement of Cost - Rent, Electricity and other expenses	-	12,134,767	-	7,367,463
2	Reimbursement of Cost - Manpower	-	6,325,970	-	5,456,464
3	Contribution to Fund	-	566,823	-	353,994
4	Outstanding Balances - Payables	(279,177)		(1,338,403)	
<b>VI.</b>	<b>Birla Sun Life Insurance Co Ltd.</b>				
1	Income	-	9,205,718	-	13,154,258
2	Other Transaction- Advertisement income	-	2,125,000	-	-
3	Other Transaction- GTL Insurance payment	-	112,830	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Sr. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016*	Closing Balance as on March 31, 2015	Transactions 2014 - 2015*
4	Reimbursement of Cost - Lodging & Boarding	-	5,430	-	-
5	Recovery of Cost - Staff Training	-	100,000	-	-
6	Other Transaction- Gratuity/Leave Encashment liability	-	2,309,116	-	-
7	Outstanding Balances - Receivables	-	-	198,633	-
<b>VII.</b>	<b>Aditya Birla Insurance Brokers Ltd.</b>				
1	Recovery of Cost - Rent expenses & Other Expenses	-	1,230,272	-	813,714
2	Other Transaction- Variable-Pay Liability/Gratuity/Leave Encashment liability	-	82,725	-	-
3	Outstanding Balances - Receivables	555,936	-	133,484	-
<b>VIII.</b>	<b>Aditya Birla Customer Services Ltd.</b>				
1	Expenses - Commission, - Management Fees	-	2,093,403	-	-
2	Recovery of Cost - IT Support, Rent Expenses recovery	-	987,750	-	1,073,794
3	Recovery of Cost - Manpower expenses	-	4,050,013	-	2,323,338
4	Reimbursement of Cost - Rent expenses	-	3,835,596	-	1,075,791
5	Other Transaction- Gratuity/Leave Encashment liability	-	299,045	-	-
6	Income	-	12,349	-	-
7	Outstanding Balances - Receivables (Loans & Advances) - Payables (Trade payable) - Payables (Advances from Customer)	- (214,179) (341,518)	67,710 - -	- - -	- - -
<b>IX.</b>	<b>Aditya Birla Housing Finance Ltd.</b>				
1	Recovery of Cost - Rent	-	218,656	-	-
2	Outstanding Balances - Receivables	80,391	-	-	-
<b>X.</b>	<b>Aditya Birla Money Insurance Advisory Services Limited</b>				
1	Other Transaction- Gratuity/Leave Encashment liability	-	16,071	-	-
2	- Receivables	16,071	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Sr. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016*	Closing Balance as on March 31, 2015	Transactions 2014 - 2015*
<b>XI.</b>	<b>Aditya Birla Commodities Broking Ltd.</b>				
1	Recovery of Cost - Rent, Electricity, Staff welfare and other expenses	-	7,154,067	-	17,296,257
2	Recovery of Cost - Manpower	-	13,099,200	-	-
3	Reimbursement of Cost - Manpower	-	2,054,500	-	-
4	Other Transaction- Gratuity/Leave Encashment liability	-	939,209	-	1,636,872
5	Capital investment	2,500,000	2,500,000	2,500,000	2,500,000
6	Inter corporate loan given	-	24,000,000	-	1,400,000
7	Inter corporate loan receipt	-	24,000,000	-	1,400,000
8	Interest on Inter corporate loan receivable	-	11,781	-	247
9	Interest receivable on running account	-	5,729	-	4,253
10	Interest payable on running account	-	53,766	-	72,939
11	Rental advances transfer to ABCBL	-	-	-	4,367,920
12	Outstanding Balances - Receivables	12,726,614	-	416,680	1,029,050
<b>XII.</b>	<b>Mr. P. Sudhir Rao</b>				
1	Directors Sitting Fee	-	320,000	-	235,000
2	Reimbursement of expenses	-	60,692	-	67,383
<b>XIII.</b>	<b>Mr. G. Vijayaraghavan</b>				
1	Directors Sitting Fee	-	300,000	-	195,000
<b>XIV</b>	<b>Mr. Sudhakar Ramasubramanian</b>				
1	Brokerage Income	-	83,663	-	90,072
2	Outstanding Balances - Payable	-	-	(411,014)	-
<b>XV</b>	<b>Mr. Ajay Srinivasan</b>				
1	Brokerage Income	-	1,570	-	7,000
2	PMS Management fees	-	86,851	-	-
2	Outstanding Balances - Payable	-	-	(727)	-
<b>XVI</b>	<b>Mr. Srinivas Subudhi</b>				
1	Remuneration	-	21,03,380	-	1,964,712
2	Reimbursement of expenses	-	17,334	-	51,684
<b>XVII</b>	<b>Mr. Vikashh K Agarwal</b>				
1	Remuneration	-	34,98,284	-	916,670
2	Reimbursement of expenses	-	116,421	-	5,618

\*Amounts excluding service tax

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 31) Foreign currency transactions

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

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

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

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the market price of the Company and the market price of the shares under ESOP being more than the exercise price of the option. As per the ABML ESOP Scheme - 2014, 25% of the stock option granted got vested at the end of 12 month from the date of grant of option but none of the employees exercised the vested option till 31<sup>st</sup> March 2016.

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

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

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

Options granted on December 02, 2014	2,509,341
Options outstanding as on April 01, 2015	24,48,901
No. of options granted during the year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (Rs. per share)	34.25/-
Market price as on the date of the grant	34.25/-(previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the year	469,781 (due to resignation of employees)
Options exercised during the year	Nil
Options outstanding as on March 31, 2016	1,979,120

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

No. of Share vested during the year on 2<sup>nd</sup> December 2015 is 612,225 and none of the employees have exercised the vested options.

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

### Fair Valuation:

The fair value of the options on the date of grant (Rs.19.28) has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

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

Had the company used the fair value model to determine compensation, its Profit after Tax and Earnings Per Share as reported would have changed to the amounts indicated below:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Net profit (As reported)	11,974,747	70,772,057
Less: Impact of Incremental cost under Fair value approach	16,649,387	8,084,728
Adjusted Net Profit	(4,674,640)	62,687,329
Number of Equity Shares	55,400,000	55,400,000
Basic earnings per share (as reported) (in Rs.)	0.22	1.28
Basic earnings per share (as adjusted) (in Rs.)	(0.08)	1.13
Diluted earnings per share (as reported) (in Rs.)	0.22	1.28
Diluted earnings per share (as adjusted) (in Rs.)	(0.08)	1.13

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

ii) The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax and other statutory authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. Refer note 24 for details on contingent liabilities. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of Rs.12,314,612 as at 31st March 2016.

### 34) Portfolio Management Scheme

The Company holds several accounts under Portfolio Management Scheme (PMS). These accounts are held by the company under fiduciary capacity and all services are rendered as per PMS Guidelines issued by the Security & Exchange Board of India (SEBI). In return for PMS services the Company is entitled to professional fee. The accounts of each PMS client is maintained by the company and is annually audited by an independent Chartered Accountant. Since the company renders PMS services under fiduciary capacity, the financials of each PMS clients does not form part of the financials of the Company. This has been done based on the opinion obtained from the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI). A brief summary of the aggregated quantum of the funds received, funds invested, services fee charged and the balance available in the PMS accounts are produced below.

For the year ended 31st March 2016	
Total quantum of funds received during the year under PMS Scheme	360,909,440
Accretion	869,255
Payable to Exchange(obligation)	10,646,470
Service charges received by the company	-15,050,132
	<b>357,375,033</b>
Funds Invested	344,828,633
Closing Bank Balance	12,546,400
	<b>357,375,033</b>

### 35) Disclosure required under Sec 186(4) of the Companies Act 2013 For the year ended 31<sup>st</sup> March, 2016

Name of the loanee	Rate of Interest	Loan Amount	Secured/ unsecured	31 March 2016 Rs.	31 March 2015 Rs.
ABCBL	11%	5,000,000	Unsecured	-	-
ABCBL	11%	15,000,000	Unsecured	-	-
ABCBL	10.5%	4,000,000	Unsecured	-	-
				-	-

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

For the year ended 31<sup>st</sup> March, 2015

Name of the loanee	Rate of Interest	Loan Amount	Secured/ unsecured	31 March 2016 Rs.	31 March 2015 Rs.
ABCBL	9%	14,000,000	Unsecured	-	-

### 36) Previous year figures

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

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016  
Place : Chennai

# INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Aditya Birla Money Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Aditya Birla Money Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

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

## Auditor's Responsibility

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note No. 21 of the Notes to the Financial Statements relating to the recoverability of assets in the nature of trade receivables, advances, and other assets etc. aggregating to Rs. 186,598,383 grouped under advances recoverable in cash or kind, which is subject matter of claim and more fully described therein. Our opinion is not qualified in respect of this matter.



# INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required bylaw relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company and the Subsidiary Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and Subsidiary Company respectively, none of the directors of the Holding Company and Subsidiary Company, incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, incorporated in India, refer to our separate report in "Annexure 1" 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer Note No. 33(ii) to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

Date : May 06, 2016  
Place : Chennai

# INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADITYA BIRLA MONEY LIMITED

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

To the Members of Aditya Birla Money Limited

In conjunction with our audit of the consolidated financial statements of Aditya Birla Money Limited as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Aditya Birla Money Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Act.

#### 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

# INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

## 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 Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained 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, 2016 based on the internal control over financial reporting criteria established by the Holding 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.

We also have audited, 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, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 6 May 2016 expressed an unqualified opinion.

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

**per Shrawan Jalan**  
Partner  
Membership Number: 102102

Date : May 06, 2016  
Place : Chennai

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

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

	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Shareholders' Funds</b>			
Share Capital	3	155,400,000	155,400,000
Reserves and Surplus	4	193,824,052	160,554,008
	Sub-Total (A)	<u>349,224,052</u>	<u>315,954,008</u>
<b>(B) Non-Current Liabilities</b>			
Other Long-term Liabilities	5A	8,161,407	5,705,605
Long-term Provisions	6A	511,769	1,369,696
	Sub-Total (B)	<u>8,673,176</u>	<u>7,075,301</u>
<b>(C) Current Liabilities</b>			
Short-term Borrowings	7	747,494,369	690,631,345
Trade Payables	8	114,303,039	113,006,384
Other Current Liabilities	5B	1,294,955,735	1,130,129,089
Short-term Provisions	6B	35,023,772	26,274,112
	Sub-Total (C)	<u>2,191,776,915</u>	<u>1,960,040,930</u>
	<b>TOTAL (A)+(B)+(C)</b>	<u><u>2,549,674,143</u></u>	<u><u>2,283,070,239</u></u>
<b>ASSETS</b>			
<b>(D) Non-Current Assets</b>			
Fixed Assets			
Property Plant and Equipment	9A	47,634,360	51,019,071
Intangible Assets	9B	22,225,284	28,770,654
Intangible Assets under Development		-	784,500
		<u>69,859,644</u>	<u>80,574,225</u>
Non-Current Investments	10A	30,050	65,750
Long-term Loans and Advances	11A	109,339,934	71,044,695
	Sub-Total (D)	<u>179,229,628</u>	<u>151,684,670</u>
<b>(E) Current Assets</b>			
Current Investments	10B	-	8,341
Trade Receivables	12	1,346,864,537	917,885,088
Cash and Bank Balances	13	724,529,347	893,414,352
Short-term Loans and Advances	11B	193,367,489	215,535,458
Other Current Assets	14	105,683,142	104,542,330
	Sub-Total (E)	<u>2,370,444,515</u>	<u>2,131,385,569</u>
	<b>TOTAL (D)+(E)</b>	<u><u>2,549,674,143</u></u>	<u><u>2,283,070,239</u></u>

Summary of Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016

Place : Chennai

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>Note No.</u>	<u>Year Ended March 31, 2016</u>	<u>Year Ended March 31, 2015</u>
<b>Revenue</b>			
Revenue from Operations	15	1,196,532,701	1,190,750,620
Other Income	16	79,971,494	73,803,610
<b>Total Revenue</b>		<u><u>1,276,504,195</u></u>	<u><u>1,264,554,230</u></u>
<b>Expenses</b>			
Employee Benefits Expenses	17	524,052,611	494,980,230
Finance Cost	18	63,792,904	19,863,406
Depreciation and Amortisation Expenses	19	39,636,021	59,265,658
Business Partners Payout		285,440,202	342,359,130
Other Expenses	20	323,469,620	292,009,172
<b>Total Expenses</b>		<u><u>1,236,391,358</u></u>	<u><u>1,208,477,596</u></u>
<b>Profit / (Loss) Before Tax</b>		40,112,837	56,076,634
<b>Tax Expenses</b>			
- Current Tax		10,454,703	-
- MAT Credit		(3,611,905)	-
- Write Back of Excess Provision for Tax / Income Tax Refund Related to Earlier Years (Net)		-	(2,912,943)
<b>Profit / (Loss) for the Year</b>		<u><u>33,270,039</u></u>	<u><u>58,989,577</u></u>
Earnings / (Loss) per share (Basic and Diluted) (Face Value of Re.1/- each)	27	0.60	1.06
Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016  
Place : Chennai

## CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2016

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

Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
<b>Cash Flow from Operating Activities</b>		
Profit / (Loss) before Tax	40,112,843	56,076,634
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	39,636,021	59,265,658
Loss/ (profit) on sale of fixed assets	(1,133,389)	(967,731)
Provision for doubtful debts made/(written back)	11,938,443	5,456,570
Provision for doubtful deposits and advances	5,211,801	14,068,698
Net (gain)/ loss on sale of current investments	(4,708,836)	(14,108,602)
Net (gain)/ loss on sale of non current investments	(685,229)	-
Interest expense	63,557,975	19,773,802
Interest (income)	(60,870,926)	(57,250,192)
Dividend (income)	(19,725)	(19,800)
<b>Operating Profit before Working Capital Changes</b>	<b>93,038,978</b>	<b>82,295,037</b>
<b>Movements in Working Capital :</b>		
Increase/ (decrease) in trade payables	1,296,655	47,570,941
Increase / (decrease) in long-term provisions	(857,927)	(850,740)
Increase / (decrease) in short-term provisions	(1,705,043)	15,807,090
Increase/ (decrease) in other current liabilities	177,136,579	(458,287,598)
Increase/ (decrease) in other long-term liabilities	2,455,802	(911,902)
Decrease / (increase) in trade receivables	(440,917,892)	(37,833,427)
Decrease / (increase) in long-term loans and advances	(30,166,266)	3,325,528
Decrease / (increase) in short-term loans and advances	4,646,235	127,436,196
Decrease / (increase) in other current assets	(2,342,816)	13,830,744
<b>Cash generated from /(used in) operations</b>	<b>(197,415,695)</b>	<b>(207,618,131)</b>
Direct taxes paid (net of refunds)	4,517,068	-
<b>Cash flow before exceptional items</b>	<b>(201,932,763)</b>	<b>(207,618,131)</b>
Exceptional item	-	-
<b>Net cash from/ (used in) operating activities ( A )</b>	<b>(201,932,763)</b>	<b>(207,618,131)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(29,532,314)	(12,515,048)
Proceeds from sale of fixed assets	1,744,263	1,072,801
Proceeds of non-current investments	-	6,062
Purchase of Mutual Fund	(34,125,261,681)	(3,977,500,000)
Proceeds from Sale of Mutual Fund	34,129,978,858	3,991,594,449
Proceeds from Sale of Investments	720,929	-
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(13,911,993)	(665,743,597)
Maturity of bank deposits (having original maturity of more than three months) and lien deposits	172,722,411	277,955,908
Interest received	62,072,930	37,809,839
Dividends received	19,725	19,800
<b>Net cash flow from/ (used in) investing activities ( B )</b>	<b>198,553,128</b>	<b>(347,299,786)</b>

## CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2016

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

Particulars	March 31,2016 Rs	March 31,2015 Rs
<b>Cash flows from financing activities</b>		
Proceeds from Short-term borrowings	1,518,373,234	1,001,637,112
Repayment of Short-term borrowings	(1,465,033,020)	(1,001,637,112)
Proceeds from Issue of Commercial Paper	4,450,000,000	1,391,907,458
Repayment of Commercial Paper	(4,450,000,000)	(800,000,000)
Interest paid	(60,035,166)	(19,851,241)
Net cash flow from/ (used in) in financing activities ( C )	<u>(6,694,952)</u>	<u>572,056,217</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<u>(10,074,587)</u>	<u>17,138,301</u>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<u>150,934,015</u>	<u>133,795,714</u>
<b>Cash and Cash Equivalents at the year ended</b>	<u>140,859,428</u>	<u>150,934,015</u>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	10,860	964
With Banks		
- Current Accounts	140,848,568	150,881,320
- Unpaid Dividend Accounts*	-	51,731
<b>Total Cash and Cash Equivalents (Note 14)</b>	<u>140,859,428</u>	<u>150,934,015</u>

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

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016  
Place : Chennai

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 1) Principles of consolidation

- i) The Consolidated Financial Statements ('CFS') relate to Aditya Birla Money Limited ('the Company') and its 100% (Previous year 100%) wholly owned subsidiary Aditya Birla Commodities Broking Limited ('ABCBL'). Aditya Birla Commodities Broking Limited is incorporated in India.
- ii) The financial statements of the subsidiary have been drawn for the same reporting period as that of the Company i.e. year ended March 31, 2016.
- iii) The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealized profits/losses.
- iv) There is no excess / shortage of cost to the Company of its investment in the subsidiary over its proportionate share in the equity as at the date of the investment. Accordingly no goodwill / capital reserve is recognized in the CFS.
- v) The CFS have been prepared using uniform accounting policies, except as stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements..

### 2) Statement of Significant Accounting Policies

#### a) Basis of Preparation

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

#### b) Use of Estimates

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

#### c) Property, Plant & Equipment and Depreciation

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

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

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

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

### Leasehold Assets

Leasehold Improvements	Period of Lease ranging from 4 to 5 years
------------------------	---

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

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

### **d) Intangible Assets**

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

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

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

### **e) Impairment**

1) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

- 2) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### **f) Leases**

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

### **g) Investments**

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

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

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

### **h) Revenues**

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

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

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

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

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

Portfolio management fees are recognized on an accrual basis in accordance with the Portfolio Management Agreements entered into with the respective clients.

### **i) Employee Benefits**

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.
- iv. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

### **j) Employee Stock Compensation Cost**

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

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

### **k) Income Tax**

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### **l) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

### **m) Contingent Liability and Provisions**

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

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

### **n) Segment Reporting**

The Company is principally engaged in the business of Broking and related activities. The operations are entirely in India

### **o) Cash and Cash Equivalents**

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

### **p) Sharing of costs**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 3</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
150,000,000 (Previous year 150,000,000) Equity Shares of Re.1/- each	150,000,000	150,000,000
1,000,000 (Previous Year 1,000,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs. 100/- each	100,000,000	100,000,000
	250,000,000	250,000,000
<b>Issued, Subscribed and Paid-up</b>		
<b>EQUITY SHARE CAPITAL</b>		
55,400,000 (Previous Year - 55,400,000) Equity Shares of Re.1/- each Fully paid	55,400,000	55,400,000
	55,400,000	55,400,000
<b>PREFERENCE SHARE CAPITAL</b>		
1,000,000 (Previous Year 1,000,000) 8% Redeemable Non Convertible Non Cumulative Preference Shares of Rs.100/- each fully paid	100,000,000	100,000,000
	100,000,000	100,000,000

### 1A Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the period

Sl. No.	Description	As at March 31, 2016		As at March 31, 2015	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the year	55,400,000	55,400,000	55,400,000	55,400,000
2	Issued during the year	-	-	-	-
3	Outstanding at the end of the year	55,400,000	55,400,000	55,400,000	55,400,000

### 1B Reconciliation of the number of Preference Shares outstanding at the beginning and at the end of the period

Sl. No.	Description	As at March 31, 2016		As at March 31, 2015	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the year	1,000,000	100,000,000	1,000,000	100,000,000
2	Issued during the year	-	-	-	-
3	Outstanding at the end of the year	1,000,000	100,000,000	1,000,000	100,000,000

## 2 Term / right attached to Equity Shares

The Company has only one class of Equity shares having at par value of Re.1/- each per share. Each holder of Equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend amounts, if any, will be paid in Indian rupees.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 3 Term / right attached to Preference Shares

Preference shares carry a non-cumulative dividend of 8% per annum. Dividend amounts, declared if any, will be paid in Indian rupees.

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

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

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

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

### 4. Shares held by Holding Company

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

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

#### i) Equity Shares Capital

Sl. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		Number of Shares held	% of total paid-up equity share capital	Number of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Limited	41,550,000	75.00	41,550,000	75.00
2	Sucharitha P. Reddy	5,517,460	9.96	5,517,460	9.96

#### ii) Preference Share Capital

Sl. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		Number of Shares held	% of total paid-up equity share capital	Number of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Limited	1,000,000	100	1,000,000	100

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders.

Sl. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		Number of Shares held	% of total paid-up preference share capital	Number of Shares held	% of total paid-up preference share capital
1	Aditya Birla Financial Services Limited	1,000,000	100	1,000,000	100

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>As at</u> <u>March 31, 2016</u>	<u>As at</u> <u>March 31, 2015</u>
<b>NOTE: 4</b>		
<b>RESERVES AND SURPLUS</b>		
1) Capital Reserves	11,538,863	11,538,863
2) Securities Premium Account		
Balance as per last audited Financial Statement	200,000,000	120,000,000
3) General Reserve		
Balance as per last audited Financial Statement	261,376,777	261,376,777
4) Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last audited Financial Statement	(312,361,627)	(287,035,773)
Addition:		
Profit / (Loss) of the year	33,270,039	58,989,577
Less: Appropriations		
Depreciation one time written off as per Sch. II	-	(84,315,431)
	<u>(279,091,588)</u>	<u>(312,361,627)</u>
	<u>193,824,052</u>	<u>160,554,008</u>

### NOTE: 5A

#### OTHER LONG-TERM LIABILITIES

Rent Equalization Liability	<u>8,161,407</u>	<u>5,705,605</u>
	<u>8,161,407</u>	<u>5,705,605</u>

### NOTE: 5B

#### OTHER CURRENT LIABILITIES

Income Received in Advance	91,478	24,315
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	-	51,731
Other Payables		
Payable to Customers	1,083,739,423	987,977,102
Payable to Exchanges	136,873,386	71,577,487
Book Overdraft	158,785	6,009,498
Statutory Dues	27,343,194	20,581,402
Deposits	46,227,841	41,435,518
Rent Equalization Liability	521,628	2,138,041
Others (Due to Related Parties)	-	333,995
	<u>1,294,955,735</u>	<u>1,130,129,089</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 6A</b>		
<b>LONG-TERM PROVISIONS</b>		
Provisions for Employee Benefits:		
Gratuity (Unfunded) (Refer Note no. 29)	511,769	1,369,696
	<u>511,769</u>	<u>1,369,696</u>
<b>NOTE: 6B</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provisions for Employee Benefits:		
Leave Encashment	14,172,851	16,517,355
Gratuity (Unfunded) (Refer Note no. 29)	488,210	20,219
Gratuity (Funded) (Refer Note no. 29)	9,068,118	8,896,648
Taxation (Net of Advance Tax Rs.16,060,110/- (Previous Year Rs.61,647,167/-))	11,294,593	839,890
	<u>35,023,772</u>	<u>26,274,112</u>
<b>NOTE: 7</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
Loan Repayable on Demand		
Banks #	53,340,215	-
<b>UNSECURED</b>		
Commercial Papers * ^	694,154,154	690,631,345
	<u>747,494,369</u>	<u>690,631,345</u>
* Maximum balance outstanding during the year	1,350,000,000	690,631,345
^ Repayable in 30 to 90 days from the date of draw down. The interest on this loan ranges from 7.6% to 10.70%.		
# The bank borrowing is secured against pledge of fixed deposits.		
<b>NOTE: 8</b>		
<b>TRADE PAYABLES</b>		
Salaries, wages, bonus and other employee benefits payable	47,284,857	61,677,662
Trade Payables (Others)	67,018,182	51,328,722
	<u>114,303,039</u>	<u>113,006,384</u>

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Note 9A - Property Plant and Equipment										Note 9B - Intangible Assets		
	Freehold Land*	V SAT Equipments	Furniture & Fixtures	Office Equipment	Computers	Vehicles	TOTAL			Computer Software		
<b>Gross Block</b>								<b>Gross Block</b>				
As at 1st April 2014	1,500,000	95,729,009	79,512,703	69,585,238	211,703,705	1,215,397	459,246,052	As at 1st April 2014	232,021,850			
Additions	-	-	515,177	3,700,359	3,219,939	2,195,613	9,631,088	Additions	2,099,460			
Deletions	-	864,345	1,206,548	3,641,167	4,700,160	-	10,412,220	Deletions	-			
<b>As at 31st March 2015</b>	<b>1,500,000</b>	<b>94,864,664</b>	<b>78,821,332</b>	<b>69,644,430</b>	<b>210,223,484</b>	<b>3,411,010</b>	<b>458,464,920</b>	<b>As at 31st March 2015</b>	<b>234,121,310</b>			
<b>Cost</b>								<b>Cost</b>				
As at 1st April 2015	1,500,000	94,864,664	78,821,332	69,644,430	210,223,484	3,411,010	458,464,920	As at 1st April 2015	234,212,310			
Additions	-	-	299,381	2,291,970	19,412,468	500,000	22,503,819	Additions	7,812,995			
Deletions	-	792,229	8,989,093	6,534,110	43,506,589	-	59,822,021	Deletions	888,750			
<b>As at 31st March 2016</b>	<b>1,500,000</b>	<b>94,072,435</b>	<b>70,131,620</b>	<b>65,402,290</b>	<b>186,129,363</b>	<b>3,911,010</b>	<b>421,146,718</b>	<b>As at 31st March 2016</b>	<b>241,045,555</b>			
<b>Accumulated Depreciation</b>								<b>Accumulated Amortization</b>				
As at 1st April 2014	-	46,722,326	41,198,437	30,788,601	170,010,977	433,161	289,153,502	As at 1st April 2014	190,369,058			
For the year	-	8,454,162	11,190,654	13,422,814	10,810,837	405,593	44,284,061	For the year	14,981,598			
Deletions	-	864,349	1,196,329	3,546,309	4,700,161	-	10,307,148	Deletions	-			
Adjustment	-	39,992,920	7,466,641	20,794,074	16,061,800	-	84,315,435	Adjustment	-			
<b>As at 31 March 2015</b>	<b>-</b>	<b>94,305,059</b>	<b>58,659,403</b>	<b>61,459,180</b>	<b>192,183,453</b>	<b>838,754</b>	<b>407,445,850</b>	<b>As at 31 March 2015</b>	<b>205,350,655</b>			
<b>Depreciation</b>								<b>As at 1st April 2015</b>	<b>205,350,655</b>			
As at 1st April 2015	-	94,305,060	58,659,403	61,459,180	192,183,453	838,754	407,445,850	For the year	14,358,365			
For the year	-	492,022	8,105,901	5,926,047	9,974,424	772,767	25,271,161	Deletions/Adjustment	888,750			
Deletions	-	792,244	8,416,741	6,489,078	43,506,589	-	59,204,652					
<b>As at 31st March 2016</b>	<b>-</b>	<b>94,004,838</b>	<b>58,348,562</b>	<b>60,896,149</b>	<b>158,651,289</b>	<b>1,611,521</b>	<b>373,512,359</b>	<b>As at 31st March 2016</b>	<b>218,820,270</b>			
<b>Net book amount as at 31st March 2015</b>	<b>1,500,000</b>	<b>559,605</b>	<b>20,161,929</b>	<b>8,185,250</b>	<b>18,040,031</b>	<b>2,572,256</b>	<b>51,019,070</b>	<b>Net book amount as at 31st March 2015</b>	<b>28,770,655</b>			
<b>Net book amount as at 31st March 2016</b>	<b>1,500,000</b>	<b>67,597</b>	<b>11,783,058</b>	<b>4,506,141</b>	<b>27,478,074</b>	<b>2,299,489</b>	<b>47,634,360</b>	<b>Net book amount as at 31st March 2016</b>	<b>22,225,284</b>			

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>As at</u> <u>March 31, 2016</u>	<u>As at</u> <u>March 31, 2015</u>
<b>NOTE: 10A</b>		
<b>INVESTMENTS : NON-CURRENT</b>		
<b>Unquoted</b>		
Non Trade Investments (Unquoted, as valued at cost less provision)		
Investments in Equity Shares		
3,005 (Previous year: 6,600) Equity Share of Rs.10/- each fully paid in		
Apollo Sindhoori Hotels Limited		
	84,014	183,824
Less: Provision for diminution in value of investment	(53,964)	(118,074)
	<u>30,050</u>	<u>65,750</u>
Note :		
1. Aggregate amount of unquoted investments	65,750	65,750
2. Aggregate amount of diminution in value of investment	118,074	118,074
 <b>NOTE: 10B</b>		
<b>INVESTMENTS: CURRENT</b>		
<b>Quoted</b>		
Investments in		
Mutual Funds	-	8,341
	<u>-</u>	<u>8,341</u>
 <b>NOTE: 11A</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
Security Deposits	37,042,340	32,217,356
Margins with Exchange	40,910,000	16,000,000
Considered Doubtful	1,875,000	-
	<u>42,785,000</u>	<u>16,000,000</u>
Less: Provision for Doubtful	(1,875,000)	-
	<u>40,910,000</u>	<u>16,000,000</u>
Advance Tax (Net of Provision Rs.6,640,873/- (Previous year : Rs.6,640,873/-))	27,287,808	22,770,740
MAT Credit Entitlement	3,611,905	-
Prepaid Expenses	487,881	56,599
	<u>109,339,934</u>	<u>71,044,695</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>As at</u> <u>March 31, 2016</u>	<u>As at</u> <u>March 31, 2015</u>
<b>NOTE: 11B</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good, except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 21)		
Advances recoverable in cash or kind		
Considered Good	129,974,784	95,938,872
Considered Doubtful	66,317,568	62,980,767
	<u>196,292,352</u>	<u>158,919,639</u>
Less: Provision for Doubtful	<u>(66,317,568)</u>	<u>(62,980,767)</u>
	<u>129,974,784</u>	<u>95,938,872</u>
Security Deposits	2,066,355	5,784,039
Considered Doubtful	366,500	366,500
	<u>2,432,855</u>	<u>6,150,539</u>
Less: Provision for Doubtful	<u>(366,500)</u>	<u>(366,500)</u>
	<u>2,066,355</u>	<u>5,784,039</u>
Loans & Advances to Related Party #	652,398	2,547,704
Margins with Exchange	15,696,553	66,823,002
Balances with Govt. Authorities	6,546,005	4,008,214
Advances to Suppliers	23,159,843	24,959,276
Prepaid Expenses	12,308,075	12,724,364
Advances to Employees	2,963,476	2,749,988
Considered Doubtful	191,715	191,715
	<u>3,155,191</u>	<u>2,941,703</u>
Less: Provision for Doubtful	<u>(191,715)</u>	<u>(191,715)</u>
	<u>2,963,476</u>	<u>2,749,988</u>
	<u>193,367,489</u>	<u>215,535,458</u>

# Also, refer Note 30

### NOTE: 12

#### TRADE RECEIVABLES<sup>^</sup>

Out Standing for a period exceeding 6 months from the date they are due for payment

Secured, Considered Good	82,666,869	63,718,609
Unsecured, Considered Doubtful	39,495,910	28,455,818
Less: Provision for doubtful	<u>(39,495,910)</u>	<u>(28,455,818)</u>
	<u>82,666,869</u>	<u>63,718,609</u>
Others		
Secured, Considered Good	1,193,612,614	787,108,743
Unsecured, Considered Good	70,585,054	67,057,735
Unsecured, Considered Doubtful	1,642,864	776,973
Less: Provision for Doubtful	<u>(1,642,864)</u>	<u>(776,973)</u>
	<u>1,264,197,668</u>	<u>854,166,479</u>
	<u>1,346,864,537</u>	<u>917,885,088</u>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 13</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
Current Accounts	140,848,568	150,881,320
Unpaid Dividend	-	51,731
Cash on Hand	10,860	964
(A)	<u>140,859,428</u>	<u>150,934,015</u>
<b>Other Bank Balances</b>		
Deposit Accounts (with original maturity more than three months)*	583,669,919	742,480,337
(B)	<u>583,669,919</u>	<u>742,480,337</u>
(A) + (B)	<u>724,529,347</u>	<u>893,414,352</u>

\* Fixed deposits have been placed under lien towards bank guarantees Rs.329,357,559 (Previous year : Rs.281,431,178), as margin with exchanges Rs.249,142,360 (Previous year : Rs.458,208,474) and as General A/c Rs.5,170,000 (Previous year : Rs.2,840,685).

### NOTE: 14

#### OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

Accrued Income (from operations)	8,203,291	5,748,950
Interest Accrued on Fixed Deposits	31,970,804	33,172,808
Receivable from Exchange	65,509,047	65,620,572
Insurance Claim Receivables	-	-
Considered Doubtful	-	2,991,592
	-	2,991,592
Less: Provision for Doubtful	-	(2,991,592)
	-	-
	<u>105,683,142</u>	<u>104,542,330</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>Year Ended March 31, 2016</u>	<u>Year Ended March 31, 2015</u>
<b>NOTE: 15</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>A. Income from Services</b>		
Brokerage Income	913,655,863	1,011,520,631
Income from Transaction Charges	6,984,874	6,287,216
Account Opening Charges	2,445,621	2,808,924
Income from Portfolio Management Services	10,644,753	-
Income from depository services	40,710,151	43,359,339
	<u>974,441,262</u>	<u>1,063,976,110</u>
<b>B. Other Operating Income</b>		
V-sat Rent	1,248,589	1,332,267
Interest and Finance Charges	220,842,850	125,442,243
	<u>222,091,439</u>	<u>126,774,510</u>
	<u>1,196,532,701</u>	<u>1,190,750,620</u>
<b>NOTE: 16</b>		
<b>OTHER INCOME</b>		
Interest Income		
Interest on bank deposits	59,917,020	57,236,263
Other interest income	882,669	13,929
Dividends Income on Investments		
Long-term	19,725	19,800
Net Gain on Sale of Investments	11,668,405	14,108,602
Profit on Sale of Fixed Assets (Net)	1,133,389	967,731
Insurance Claims Received	1,966,265	-
Advertisement Income	2,125,000	-
Miscellaneous Income (Net)	2,259,021	1,457,285
	<u>79,971,494</u>	<u>73,803,610</u>
<b>NOTE: 17</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	479,273,760	458,725,781
Contribution to Provident & Other Funds (Refer Note 29)	33,943,985	27,215,721
Staff Welfare Expenses	10,834,866	9,038,728
	<u>524,052,611</u>	<u>494,980,230</u>
<b>NOTE: 18</b>		
<b>FINANCE COST</b>		
Interest Expenses	63,486,738	19,773,802
Other Borrowing Costs	306,166	89,604
	<u>63,792,904</u>	<u>19,863,406</u>
<b>NOTE: 19</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of Tangible Assets	25,277,509	44,284,059
Amortisation of Intangible Assets	14,358,512	14,981,599
	<u>39,636,021</u>	<u>59,265,658</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	<u>Year Ended March 31, 2016</u>	<u>Year Ended March 31, 2015</u>
<b>NOTE: 20</b>		
<b>OTHER EXPENSES</b>		
Rent (Refer Note 28)	63,312,106	55,937,074
Repairs and Maintenance of:		
Buildings	1,529,903	1,331,564
Others	25,053,896	20,686,178
Insurance	17,420,769	16,903,898
Rates and Taxes	12,817,775	13,511,071
Bandwidth Charges	26,589,548	23,399,912
Advertisement	2,962,425	2,957,979
Legal and Profession Expenses	23,101,062	19,015,895
Provision for Doubtful Debts	11,938,443	5,456,570
Provision for Doubtful Deposits and Advances	5,211,801	14,068,698
Printing and Stationery	5,896,425	6,133,734
Travelling and Conveyance	22,472,020	19,452,452
Communication Expenses	16,655,638	15,635,706
Bank, Collateral and Clearing Charges	12,170,516	10,685,843
Auditors' Remuneration*	3,874,053	2,909,350
Directors' Fees	660,000	470,000
Postage Expenses	1,083,612	3,626,067
Electricity Charges	14,552,628	13,079,303
Information Technology & Software Expenses	42,879,714	40,010,767
Miscellaneous Expenses	13,287,286	6,737,111
	<u>323,469,620</u>	<u>292,009,172</u>
* Auditors' Remuneration includes payments to auditors as under:		
As auditor:		
Audit fee	1,750,000	1,300,000
Limited Reviews	750,000	750,000
Tax Audit fee	200,000	350,000
Certification fee	250,000	23,156
Reimbursement of expenses	924,053	486,194
	<u>3,874,053</u>	<u>2,909,350</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

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

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

Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2016 aggregating Rs186,598,383 (previous year: Rs148,960,079) and disclosed the same in Short Term Loans & Advances in Note No 11B of the Balance Sheet, as these amounts would be paid directly to the Company by the Erstwhile Promoters at the direction of ABNL as and when the settlement happens.

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

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

During the FY 2014-15, Arbitral Tribunal has passed an award, allowing claim of Rs.102,395,606/-, which excluded premature claims pertaining to income tax, service tax, etc. Further, such award directed the Erstwhile Promoters to pay a sum of Rs.57,341,539/- (being 56% of Rs.102,395,606/-, as ABNL has purchased only 56% of shares), alongwith interest @ 14% from the date of award. This award was received by ABNL on 27th May 2014.

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

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

Further in the month of October 2015, Supreme Court dismissed the appeal filed by the Company against SAT order directing the company to pay a sum of Rs.1,65,96,652/- together with interest thereon. Consequently SEBI served a notice of demand on the Company seeking payment of a sum of Rs.1,65,96,652/- towards turnover fee and a sum of Rs. 3,76,38,304/- towards interest thereon from the respective due dates of payment of the said Turnover Fee.

As the erstwhile promoters have agreed to indemnify ABNL to the extent of any losses resulting from or consequent upon the civil appeal pending before Supreme Court vide Civil Appeal No. 3441/2007 in the SPA, the demand was communicated to the erstwhile promoters and the erstwhile promoters have paid the total turnover fee of Rs.1,65,96,652/- to the Company against the payment made by the Company to SEBI.

The request of the Company to SEBI seeking waiver of the interest was not considered favourably and the review petition filed by the Company in Supreme Court was also dismissed. In the meanwhile SEBI issued a Recovery Certificate dated 12.01.2016 seeking to recover the interest amount and the Company remitted the above mentioned interest amount with SEBI under intimation to erstwhile promoters.

Based on legal opinion received by the Company in the previous year and internal assessment, the ultimate company is confident of recovering the allowed claim through the legal process. Further, we conform that ABNL has committed to

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

transfer any funds received on settlement of arbitration order to the company. Accordingly in our opinion there is no uncertainty in recovery of such amounts and no additional provision is necessary.

### 22) Stamp duty

Hitherto, the Company had been collecting and remitting stamp duties with respect to states wherein the manner of payment of the same has been prescribed by the respective state governments. From July 2011, the Company had started collecting stamp duty on contract notes for all states, including the states wherein the manner of payment has not yet been notified. The Company is evaluating various options of remitting the same, including remitting those amounts in the State of Tamil Nadu, as all the contract notes are executed at Tamil Nadu. Pending, the final determination of the manner of remittance, amount of Rs.7,916,843/- (Previous Year: Rs.5,341,423) collected till March 31, 2016 has been disclosed under statutory dues in other current liabilities.

### 23) Capital and other commitments

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

### 24) Contingent Liabilities

Particulars	March 31, 2016	March 31, 2015
<b>Disputed tax and other statutory liabilities not provided for:</b>		
(a) Income tax & interest tax - for various assessment years in respect of which Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	45,653,877	45,653,877
(b) Service tax - for various assessment years in respect of which the Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	7,989,907	7,989,907
(c) Provident fund – for the period from March 2009 to May 2011 for non-inclusion of certain components like allowances etc. while computing and remitting the employer and employees' contribution to provident fund. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	14,036,578	14,036,578
(d) Karnataka Stamp duty for the period from 2003-2008. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities	9,060,000	9,060,000
(e) VAT - for various assessment years in respect of which Company has gone on appeal. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities.	1,061,025	1,061,025

<b>Contingent Liability not provided for on account of:</b>		
(a) Disputed claim of SEBI towards turnover fees contested by the Company at Hon'ble Supreme Court.	-	27,656,667
(b) Claims against the Company not acknowledged as debts*	58,733,175	84,364,701

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 25) Managerial Remuneration

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

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

During the year the Company has filed a civil suit in the High Court of Judicature at Madras vide C.S. No. 53/2016 seeking recovery of the excess remuneration paid to Mr. P.B. Subramaniyan. Pending the recovery of the same, it has been shown as advances recoverable by the Company in the Balance Sheet.

### 26) Foreign currency transactions

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

### 27) Earnings Per Share

Particulars		March 31, 2016	March 31, 2015
Net Profit / after tax as per Statement of Profit and Loss	A	33,270,047	58,989,577
Weighted Average number of Equity Shares - Basic and Diluted	B	55,400,000	55,400,000
Earnings / (Loss) per share - Basic and Diluted	A/B	0.60	1.06
Nominal value of Equity Share (in Rs.)		Re 1/-	Re 1/-

### 28) Lease disclosures

#### Operating leases for premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2016 amounts to Rs.59,458,067 (Previous Year Rs.51,573,603).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2016 amounts to Rs. 201,454,916 (Previous Year Rs. 208,418,830). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2016	March 31, 2015
Within one year	41,743,365	44,766,451
Later than one year and not later than five years	121,519,311	120,710,820
Later than five years	38,192,240	42,941,559

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

#### Operating leases for computers:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Lease rentals in respect of computers taken on operating lease during the year ended March 31, 2016 amounts to Rs.3,854,039 (Previous Year Rs.43,63,471).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2016 amounts to Rs.5,128,016 (Previous Year – Rs.2,051,991). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2016	March 31, 2015
Within one year	2,627,062	2,051,991
Later than one year and not later than five years	2,500,954	-
Later than five years	-	-

### 29) Employment Benefit disclosures

The amounts charged to the Statement of Profit and Loss during the year for Provident fund contribution aggregates to Rs.21,495,873 (Previous year – Rs.17,472,222) and employees' state insurance contribution aggregates to Rs.827,836 (Previous year – Rs.1,141,013).

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

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

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

Particulars	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	39,819,206	29,188,092
Fair value of plan assets	30,751,088	20,291,443
<b>Liability / (Asset) recognized in the balance sheet</b>	<b>9,068,118</b>	<b>8,896,648</b>

#### Amounts recognized in the Statement of Profit and Loss in respect of gratuity

Particulars	March 31, 2016	March 31, 2015
Current service cost	6,694,979	4,175,843
Interest cost on benefit obligation	2,590,301	1,569,730
Expected return on plan assets	(2,162,620)	(1,547,158)
Net actuarial (gain) / loss recognized in the year	3,471,113	3,920,591
Past service costs – vested benefits	-	-
<b>Net gratuity cost</b>	<b>10,593,773</b>	<b>8,119,006</b>

#### Actual return on plan assets:

Particulars	March 31, 2016	March 31, 2015
Expected return on plan assets	2,162,620	1,547,158
Actuarial gains / (Losses) on plan assets	(599,626)	1,009,882
<b>Actual return on plan assets</b>	<b>1,562,994</b>	<b>2,557,040</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Particulars	March 31, 2016	March 31, 2015
Opening defined benefit obligation	29,188,092	12,763,006
Interest cost	2,590,301	1,569,730
Acquisition Adjustment	-	6,282,164
Current service cost	6,694,979	4,175,843
Actuarial (gains)/ losses on obligation	2,871,487	4,930,473
Benefits paid	(1,525,653)	(533,124)
<b>Closing defined benefit obligation</b>	<b>39,819,206</b>	<b>29,188,092</b>

### Change in fair value of plan assets

Particulars	March 31, 2016	March 31, 2015
Opening fair value of plan assets	20,291,443	17,734,403
Expected return	2,162,620	1,547,158
Actuarial gains / (losses) on plan assets	(599,626)	1,009,882
Contributions by employer	10,422,304	533,124
Benefits paid	(1,525,653)	(533,124)
<b>Closing fair value of plan assets</b>	<b>30,751,088</b>	<b>20,291,443</b>

### Details of plan assets

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

Particulars	March 31, 2016	March 31, 2015
Government of India securities	21%	27%
Corporate Bonds	1%	1%
Insurer managed funds	55%	51%
Deposit Scheme	2%	2%
Others	21%	19%

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

### Experience adjustments

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Experience adjustments (loss) / gain	1,735,811	(274,235)	(387,351)

Particulars	March 31, 2013	March 31, 2012	March 31, 2011
Experience adjustments (loss) / gain	641,862	2,584,420	3,041,066

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

Particulars	March 31, 2016	March 31, 2015
Discount rate (per annum)	7.60%	8.00%
Expected rate of return on plan assets (per annum)	8.50%	8.50%
Salary Growth Rate (per annum)	10.00%	7.00%

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

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the balance sheet for the gratuity plan of the ABCBL which is unfunded.

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

Particulars	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	999,979	1,389,915
Fair value of plan assets	-	-
<b>Liability / (Asset) recognized in the Balance Sheet</b>	<b>999,979</b>	<b>1,389,915</b>

### Amounts recognized in the Statement of Profit and Loss in respect of gratuity

Particulars	March 31, 2016	March 31, 2015
Current service cost	152,153	264,225
Interest cost on benefit obligation	68,901	146,401
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	113,711	(25,666)
Past service costs – vested benefits	-	-
<b>Net gratuity cost</b>	<b>334,765</b>	<b>384,960</b>

### Reconciliation of present value of the obligation

Particulars	March 31, 2016	March 31, 2015
Opening defined benefit obligation	1,389,915	2,263,827
Acquisition Adjustment	-	(1,103,034)
Interest cost	68,901	146,401
Current service cost	152,153	264,225
Actuarial (gains) / losses on obligation	113,711	(25,666)
Benefits paid	(724,701)	(155,838)
<b>Closing defined benefit obligation</b>	<b>999,979</b>	<b>1,389,915</b>

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

Particulars	March 31, 2016	March 31, 2015
Discount rate (per annum)	7.60%	8.00%
Salary Growth Rate (per annum)	10.00%	7.00%

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 30) Related Party transactions

#### List of Related Parties

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

#### Related parties under AS 18 with whom transactions have taken place during the year

Fellow Subsidiaries	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Money Insurance Advisory Services Limited
Key Management Personnel	Mr. Sudhakar Ramasubramanian, Managing Director
	Mr. Srinivas Subudhi, Chief Financial Officer (ceased to be the Chief Financial Officer with effect from March 31, 2016)
	Mr. Vikashh K Agarwal, Company Secretary (w.e.f. 28-01-2015)

Sl. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016	Closing Balance as on March 31, 2015	Transactions 2014 - 2015
I	<b>Aditya Birla Nuvo Ltd.</b>				
1	Reimbursement of Cost (Service Tax: 1,724)	-	12,312	-	11,236
2	Outstanding Balances				
	- Payables	-	-	-	-
II	<b>Aditya Birla Financial Services Ltd.</b>				
1	Reimbursement of Cost - Manpower Cost	-	7,002,653	-	4,844,088
2	Contribution to Fund	-	459,683	-	129,350
3	Other Transaction - Directors appointment Refundable deposit	-	100,000	-	-
4	Reimbursement of Cost - Electricity, Rent, Staff welfare and other expenses (Service Tax: 13,85,532/- SBC : Rs.21,293/-)	-	2,629,572	-	1,387,698
5	Outstanding Balances				
	- Payables	(192,361)	-	(1,968,933)	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Sl. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016	Closing Balance as on March 31, 2015	Transactions 2014 - 2015
<b>III</b>	<b>Aditya Birla Finance Ltd.</b>				
1	Recovery of Cost - Rent & Other expenses (Service tax 34,592/- SBC:525/- )	-	252,000	-	304,747
2	Recovery of Cost - Manpower cost (Service tax 41,116/- SBC:669/- )	-	299,250	-	283,824
3	Referral Fee (Service tax 497376/- SBC:10780/- )	-	3,728,398	-	-
4	Custodian - Fee	-	5,952,245	-	-
5	Outstanding Balances				
	- Receivables	478,317	-	400,870	-
	- Payables	(264,521)	-	-	-
<b>IV</b>	<b>Aditya Birla Money Mart Ltd.</b>				
1	Expenses - Commission, - Management Fees (s.tax 13,43,038/-, SBC Rs.13065/-)	-	68,169,438	-	103,568,045
2	Recovery of Cost - Manpower, Rent, Electricity, Staff welfare and other expenses (s.tax 98,23,209/-, SBC Rs.105381/-)	-	71,368,786	-	46,385,949
3	Reimbursement of Cost - Rent, Electricity, Staff welfare and other expenses (s.tax 781533/-, SBC Rs. 10663/-)	-	5,582,379	-	-
4	Other Transaction - Gratuity/Leave Encashment & Incentive liability	-	1,847,649	-	8,161,581
5	Other Transaction - Short term Loans & Advances	-	1,094,932	-	-
8	Outstanding Balances				
	- Receivables	-	-	1,747,007	-
	- Payables	(1,463,249)	-	-	-
<b>V</b>	<b>Aditya Birla Financial Shared Services Ltd.</b>				
1	Reimbursement of Cost - Rent, Electricity and other expenses (service tax Rs.2,661,726/-)	-	12,134,767	-	7,367,463
2	Reimbursement of Cost - Manpower	-	6,325,970	-	5,456,464
3	Contribution to Fund	-	566,823	-	353,994
4	Outstanding Balances				
	- Receivables		-		
	- Payables	(279,177)		(1,338,403)	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Sl. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016	Closing Balance as on March 31, 2015	Transactions 2014 - 2015
VI	<b>Birla Sunlife Insurance Co. Ltd.</b>		-		
1	Income (Exclusive of Service tax)	-	9,205,718	-	13,154,258
2	Other Transaction- Advertisement income (Service tax: 297,500/-)	-	2,125,000	-	-
3	Other Transaction- GTL Insurance payment	-	112,830	-	-
4	Reimbursement of Cost - Lodging & Boarding	-	5,430	-	-
5	Recovery of Cost - Staff Training (Service tax: 14,500/-)	-	100,000	-	-
6	Other Transaction- Gratuity/Leave Encashment liability	-	2,309,116	-	-
7	Outstanding Balances				
	- Receivables	-	-	198,633	-
VII	<b>Aditya Birla Insurance Brokers Ltd.</b>		-		
1	Recovery of Cost - Rent expenses & Other Exp (Service tax: 172847/-)	-	1,230,272	-	813,714
2	Other Transaction- Variable-Pay liability/Gratuity/Leave Encashment liability		82,725	-	-
3	Outstanding Balances				
	- Receivables	555,936		133,484	-
VIII	<b>Aditya Birla Customer Services Ltd.</b>				
1	Expenses - Commission, - Management Fees (Exclusive S. tax 303273/-)	-	2,141,414	-	-
2	Recovery of Cost - IT Support, Rent Expenses (Exclusive S. tax 149884/-)	-	1,068,750	-	1,073,794
3	Recovery of Cost - Manpower expenses (Exclusive S. Tax. 560053/-)	-	3,969,013	-	2,323,338
4	Reimbursement of Cost - Rent expenses (Exclusive S. Tax.533965/-)	-	3,835,596	-	1,075,791
5	Other Transaction- Gratuity/Leave Encashment liability	-	299,045	-	-
6	Income	-	12,349	-	-
7	Outstanding Balances				
	- Receivables (Loans & Advances)	16,385	-	67,710	-
	- Payables (Trade payable)	(214,179)	-	-	-
	- Payables (Advances from Customer)	(341,518)	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Sl. No.	Particulars	Closing Balance as on March 31, 2016	Transactions 2015 - 2016	Closing Balance as on March 31, 2015	Transactions 2014 - 2015
<b>IX</b>	<b>Aditya Birla Housing Finance Limited</b>				
1	Recovery of Cost - Rent (Exclusive S. Tax.31707/-)	-	218,656	-	-
2	Outstanding Balances				
	- Receivables	80,391	-	-	-
<b>X</b>	<b>Aditya Birla Money Insurance Advisory Services Limited</b>				
1	Other Transaction- Gratuity/Leave Encashment liability	-	16,071	-	-
2	- Receivables	16,071		-	-
<b>XI</b>	<b>Mr. P. Sudhir Rao</b>				
1	Directors Sitting Fee		360,000		275,000
2	Reimbursement of expenses	-	60,692		67,383
<b>XII</b>	<b>Mr. G. Vijayaraghavan</b>				
1	Directors Sitting Fee		300,000		195,000
<b>XIII</b>	<b>Mr. Sudhakar Ramasubramanian</b>				
1	Brokerage Income		83,663		90,072
2	Outstanding Balances				
	- Payable	-		(411,014)	
<b>XIV</b>	<b>Mr. Ajay Srinivasan</b>				
1	Brokerage Income		1,570		7,000
2	PMS Management fees		86,851		-
3	Outstanding Balances				
	- Payable	-		(727)	
<b>XV</b>	<b>Mr. Srinivas Subudhi</b>				
1	Remuneration	-	21,03,380	-	1,964,712
2	Reimbursement of expenses	-	17,334	-	51,684
<b>XVI</b>	<b>Mr. Vikashh K Agarwal</b>				
1	Remuneration	-	34,98,284	-	916,670
2	Reimbursement of expenses	-	116,421	-	5,618



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the Company for this purpose since the exercise price at which the options have been granted by the Company to eligible employees are at the market price of the Company and the market price of the shares under ESOP being less than the exercise price of the option. As per the ABML ESOP 2014, 25% of the stock option granted got vested at the end of twelve month from the date of grant of option but none of the employees exercised the vested option till 31st March 2016.

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

In the previous year, the Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014. The Scheme provides that the total number of options granted there under will be 2,770,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of Rs. 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on December 2, 2014 has granted 25,09,341 stock options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of Rs. 34.25/-. The Exercise Price was based on the latest available closing price, prior to the December 2, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognized stock exchanges on which the shares of the Company are listed with the highest trading volume.

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

Options granted on December 02, 2014	2,509,341
Options outstanding as on April 01, 2015	2,448,901
No. of options granted during the year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (Rs. per share)	34.25/-
Market price as on the date of the grant	34.25/- (previous day closing price on the recognized stock exchange)
Options forfeited/lapsed during the year	469,781 (due to resignation of employees)
Options exercised during the year	Nil
Options outstanding as on March 31, 2016	1,979,120

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

No. of Share vested during the year on 2nd December 2015 is 612,225 and none of the employees have exercised the vested options.

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

**Fair Valuation:** The fair value of the options on the date of grant (Rs.19.28) has been done by an independent valuer using Black-Scholes Formula.

The key assumptions are as under:

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

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
Net Profit (As reported)	33,270,047	58,989,577
Less: Impact of Incremental cost under Fair value approach	16,649,387	8,084,728
Adjusted Net Profit	16,620,660	50,904,849
Basic earnings per share (as reported) (in Rs.)	0.60	1.06
Basic earnings per share (as adjusted) (in Rs.)	0.30	0.92
Diluted earnings per share (as reported) (in Rs.)	0.60	1.06
Diluted earnings per share (as adjusted) (in Rs.)	0.30	0.92

- 32) i) The Company has a process whereby periodically all long term contracts, if any, are assessed for material foreseeable losses. As at the balance sheet date, there were no long term contracts (including derivative contracts).
- ii) The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax and other statutory authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. Refer note 24 for details on contingent liabilities. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of Rs.12,314,612 as at 31st March 2016

### 33) Portfolio Management Scheme

The Company holds several accounts under Portfolio Management Scheme (PMS). These accounts are held by the company under fiduciary capacity and all services are rendered as per PMS Guidelines issued by the Security & Exchange Board of India (SEBI). In return for PMS services the Company is entitled to professional fee. The accounts of each PMS client is maintained by the company and is annually audited by an independent Chartered Accountant. Since the company renders PMS services under fiduciary capacity, the financials of each PMS clients does not form part of the financials of the Company. This has been done based on the opinion obtained from the Expert Advisory Committee

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

of the Institute of Chartered Accountants of India (ICAI). A brief summary of the aggregated quantum of the funds received, funds invested, services fee charged and the balance available in the PMS accounts are produced below.

For the year ended 31st March 2016	
Total quantum of funds received during the year under PMS Scheme	360,909,440
Accretion	869,255
Payable to Exchange (obligation)	10,646,470
Service charges received by the company	(15,050,132)
	<b>357,375,033</b>
Funds Invested	344,828,633
Closing Bank Balance	12,546,400
	<b>357,375,033</b>

### 35) Segment reporting:

The Company's business is to provide brokerage service and portfolio management services ('PMS') to its clients in the capital markets within India. All other activities of the Company revolve around these activities. PMS does not qualify as a Reportable Segment since it does not meet the criteria as mentioned in Para 27 of Accounting Standard on Segment Reporting (AS-17) and hence it is not disclosed separately.

### 36) Previous year figures

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

As per our report of even date

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

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

Gopi Krishna Tulsian  
Director  
DIN : 00017786

Shriram Jagetiya  
Director  
DIN : 01638250

per Shrawan Jalan  
Partner  
Membership No.: 102102

Sumathy Ravichandran  
Chief Financial Officer  
PAN : AQZPS5845C

Vikashh K Agarwal  
Company Secretary  
PAN : ACXPA6332J

Date : May 06, 2016  
Place : Chennai

