

ADITYA BIRLA



MONEY

Ref: SECTL/2016 – 23

May 06, 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, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex, Bandra (East)
MUMBAI – 400 051

Fax # 022-26598237/38

Dear Sirs,

Sub: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), 2015
Scrp Code: BSE – 532974; NSE – BIRLA MONEY

Please find enclosed the **Audited Standalone & Consolidated Financial Results** of the Company for the quarter / year ended March 31, 2016 along with the Form – A and Auditors' Report taken on record by the Board of Directors of the Company at its meeting held today.

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 Grems Road,
Chennai 600 006.

ADITYA BIRLA

FINANCIAL SERVICES

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

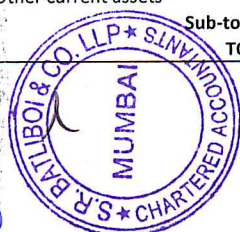


(Rupees in Lakhs) Except per share data

Statement of Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2016						
Sr.No.	Particulars	Quarter Ended			Year Ended	
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015
		(Audited Refer Note 5)	(Unaudited)	(Audited Refer Note 5)	(Audited)	(Audited)
1	Income from Operations					
	(a) Net Sales/Income from Operations	2,245.79	2,270.76	2,757.73	9,744.41	10,639.76
	(b) Other Operating Income	604.47	575.29	366.40	2,220.92	1,267.74
	Total Income from Operations (Net)	2,850.26	2,846.05	3,124.13	11,965.33	11,907.50
2	Expenses					
	(a) Employee Benefits Expense	1,219.62	1,362.22	1,385.48	5,240.53	4,949.80
	(b) Depreciation and Amortisation Expense	92.50	95.55	133.59	396.36	592.66
	(c) Payout to Business Partners	640.08	641.87	821.39	2,854.40	3,423.59
	(d) Other Expenses	821.16	757.82	802.59	3,234.70	2,920.09
	Total Expenses	2,773.36	2,857.46	3,143.05	11,725.99	11,886.14
3	Profit / (Loss) from Operations before Other Income and Finance Costs	76.90	(11.41)	(18.92)	239.34	21.36
4	Other Income	200.59	188.34	205.08	799.71	738.04
5	Profit / (Loss) from ordinary activities before Finance Costs	277.49	176.93	186.16	1,039.05	759.40
6	Finance Costs	215.31	135.40	89.67	637.93	198.63
7	Profit / (Loss) from ordinary activities before tax	62.18	41.53	96.49	401.12	560.77
8	Current Tax Provision/Tax Provision written back related to earlier year	(68.43)	-	-	(68.43)	29.13
9	Net Profit / (Loss) from ordinary activities after tax	(6.25)	41.53	96.49	332.69	589.90
10	Paid-up Equity Share Capital (Face value of Re.1/- each)	554.00	554.00	554.00	554.00	554.00
11	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	1,938.24	1,605.54
12	Earnings Per Share					
	(a) Basic	(0.01)	0.07	0.17	0.60	1.06
	(b) Diluted	(0.01)	0.07	0.17	0.60	1.06
		(Not annualised)	(Not annualised)	(Not annualised)	Annualised	Annualised

Consolidated Statement of Assets and Liabilities as at March 31, 2016

Particulars		As at March 31, 2016	As at March 31, 2015
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,554.00	1,554.00
	(b) Reserves and surplus	1,938.24	1,605.54
	Sub-total - Shareholders' funds	3,492.24	3,159.54
2	Non-current liabilities		
	(a) Other long-term liabilities	81.61	57.05
	(b) Long-term provisions	5.12	13.70
	Sub-total - Non-current liabilities	86.73	70.75
3	Current liabilities		
	(a) Short-term borrowings	7474.94	6,906.31
	(b) Trade payables	1143.03	1,130.56
	(c) Other current liabilities	12949.56	11,300.80
	(d) Short-term provisions	350.24	262.74
	Sub-total - Current liabilities	21,917.77	19,600.41
	TOTAL - EQUITY AND LIABILITIES	25,496.74	22,830.70
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	698.60	805.74
	(b) Non-current investments	0.30	0.66
	(c) Long-term loans and advances	1093.40	710.45
	Sub-total - Non-current assets	1,792.30	1,516.85
2	Current assets		
	(a) Current investments	-	0.08
	(b) Trade receivables	13468.65	9,178.85
	(c) Cash and Bank balance	7245.29	8,934.14
	(d) Short-term loans and advances	1933.67	2,155.36
	(e) Other current assets	1056.83	1,045.42
	Sub-total - Current assets	23,704.44	21,313.85
	TOTAL - ASSETS	25,496.74	22,830.70




Notes:

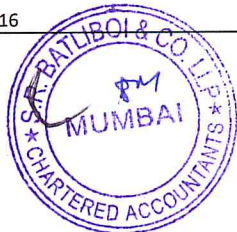
1. The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on May 06, 2016
2. The Consolidated Financial Results for the year ended March 31, 2016 were audited by the Statutory Auditors of the Company.
3. The Company's business 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.
4. Assets in the nature of net trade receivables, advances, other assets etc., aggregating to Rs.1,489.58 lakhs (net of write off in earlier years of Rs. 180.91 lakhs) as on March 31, 2016 are subject matter of an arbitration claim under a share purchase agreement entered into between Aditya Birla Nuvo Limited ('ABNL'), the Company's ultimate parent company and its erstwhile Promoters, PCR Investments Limited and Others. On May 17, 2014, the Arbitral Tribunal passed an award allowing claim of Rs. 1024.21 lakhs, which excluded claims pertaining to income tax, service tax, other advances, etc. amounting to Rs. 465.37 lakhs. Further, out of the allowed claim of Rs. 1024.21 lakhs, the Arbitral Tribunal directed the Erstwhile Promoters to pay a sum of Rs. 573.56 lakhs (being 56% of Rs. 1024.21 lakhs, as ABNL has purchased only 56% of shares). On August 23, 2014, ABNL has filed a petition with the High Court of Madras, seeking to set aside the Arbitral award to the extent it entitles ABNL to only 56% of the allowed claim (i.e. 56% of Rs. 1024.21 lakhs). On August 25, 2014, erstwhile promoters have filed a petition with the High Court of Madras, seeking to set aside the Arbitral award and pass such orders as the High Court may deem fit and proper. Further, the company has paid Rs.376.39 lakhs as interest in the current year to SEBI on turnover fee which is also covered under share purchase agreement. The Company holds a provision of Rs. 624.15 lakhs as on March 31, 2016. The Company, based on internal assessments is confident of recovering the Income Tax and Service Tax receivables, from the tax authorities which were excluded by Arbitral Tribunal. Based on legal opinion received and internal assessment, ABNL is confident of recovering the allowed claim through the legal process. Further, ABNL has committed to transfer funds received, if any, on settlement to the Company. Consequently no further adjustments have been made in the financial results for the third quarter ended March 31, 2016.
5. The figures for the quarter ended March 31, 2016 are the balancing figures between the Audited figures in respect of the full financial year ended March 31, 2016 and unaudited published year to date figures up to December 31, 2015 which were subjected to limited review.
6. The Company has provided for current tax as required under section 115JB of Income Tax Act, 1961.
7. Earnings Per Share - Basic and Diluted has been calculated in accordance with Accounting Standard on Earnings Per Share (AS-20).
8. Key Standalone financial information is given below:

Particulars	Quarter Ended			Year Ended	
	31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015
	(Audited Refer Note 5)	(Unaudited)	(Audited Refer Note 5)	(Audited)	(Audited)
Total income from operations	2,627.65	2,648.50	2,926.17	11,155.72	11,200.60
Net Profit / (Loss) before tax	23.14	(37.67)	90.99	188.17	678.59
Net Profit / (Loss) after tax	(45.29)	(37.67)	90.99	119.74	707.72

9. Previous period/year figures have been regrouped or reclassified wherever necessary.

By Order of the Board
For Aditya Birla Money Limited


Gopi Krishna Tulsian
Director
DIN: 00017786
Place: Chennai
Date : May 06, 2016



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

**Board of Directors of
Aditya Birla Money Limited,**

1. We have audited the quarterly consolidated financial results of Aditya Birla Money Limited ('the Company') for the quarter ended March 31, 2016 and the consolidated financial results for the year ended March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The consolidated financial results for the quarter ended March 31, 2016 and year to date ended March 31, 2016 have been prepared on the basis of the consolidated financial results for the nine-month period ended December 31, 2015, the audited annual consolidated financial statements as at and for the year ended March 31, 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the nine-month period ended December 31, 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated financial statements as at and for the year ended March 31, 2016; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:
 - i. include the quarterly financial results and year-to-date results of the following entities:

1	Aditya Birla Money Limited
Subsidiary	
2	Aditya Birla Commodities Broking Limited
 - ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - iii. give a true and fair view of the net loss and net profit for the quarter ended March 31, 2016 and for the year ended March 31, 2016 respectively and other financial information for such periods.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Aditya Birla Money Limited

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4. We draw attention to Note No. 4 to the statement relating to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs. 1,865.97 lakhs 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.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Chennai

Date: May 6, 2016





(Rupees in Lakhs) Except per share data

Statement of Standalone Audited Financial Results for the Quarter and Year ended March 31, 2016

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015
		(Audited Refer Note 5)	(Unaudited)	(Audited Refer Note 5)	(Audited)	(Audited)
1	Income from Operations					
	(a) Net Sales/Income from Operations	2,023.74	2,073.88	2,560.09	8,937.12	9,934.27
	(b) Other Operating Income	603.91	574.62	366.08	2,218.60	1,266.33
	Total Income from Operations (Net)	2,627.65	2,648.50	2,926.17	11,155.72	11,200.60
2	Expenses					
	(a) Employee Benefits Expense	1,105.19	1,311.86	1,317.22	4,963.54	4,573.98
	(b) Depreciation and Amortisation Expense	88.03	91.03	129.20	378.35	572.47
	(c) Payout to Business Partners	583.48	585.10	748.51	2,628.04	3,181.57
	(d) Other Expenses	776.93	720.07	737.56	3,041.82	2,665.63
	Total Expenses	2,553.63	2,708.06	2,932.49	11,011.75	10,993.65
3	Profit / (Loss) from Operations before Other Income and Finance Costs	74.02	(59.56)	(6.32)	143.97	206.95
4	Other Income	164.60	157.37	187.20	682.67	671.00
5	Profit / (Loss) from ordinary activities before Finance Costs	238.62	97.81	180.88	826.64	877.95
6	Finance Costs	215.48	135.48	89.89	638.47	199.36
7	Profit / (Loss) from ordinary activities before tax	23.14	(37.67)	90.99	188.17	678.59
8	Current Tax Provision/Tax Provision written back related to earlier year	(68.43)	-	-	(68.43)	29.13
9	Net Profit / (Loss) from ordinary activities after tax	(45.29)	(37.67)	90.99	119.74	707.72
10	Paid-up Equity Share Capital (Face value of Re.1/- each)	554.00	554.00	554.00	554.00	554.00
11	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	2,162.60	2,042.85
12	Earnings Per Share					
	(a) Basic	(0.08)	(0.07)	0.16	0.22	1.28
	(b) Diluted	(0.08)	(0.07)	0.16	0.22	1.28
		(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)

Standalone Statement of Assets and Liabilities as at March 31, 2016

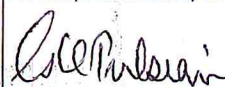
Particulars	As at March 31, 2016	As at March 31, 2015
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1,554.00	1,554.00
(b) Reserves and surplus	2,162.60	2,042.85
Sub-total - Shareholders' funds	3,716.60	3,596.85
2 Non-current liabilities		
(a) Other long-term liabilities	78.15	54.60
Sub-total - Non-current liabilities	78.15	54.60
3 Current liabilities		
(a) Short-term borrowings	7,474.94	6,906.31
(b) Trade payables	1,057.05	1,036.44
(c) Other current liabilities	11,032.28	9,404.26
(d) Short-term provisions	298.18	247.23
Sub-total - Current liabilities	19,862.45	17,594.24
TOTAL - EQUITY AND LIABILITIES	23,657.20	21,245.69
B ASSETS		
1 Non-current assets		
(a) Fixed assets	672.20	761.34
(b) Non-current investments	550.30	525.66
(c) Long-term loans and advances	743.07	512.51
Sub-total - Non-current assets	1,965.57	1,799.51
2 Current assets		
(a) Trade receivables	13,421.51	9,140.84
(b) Cash and Bank balances	5,924.37	7,937.10
(c) Short-term loans and advances	1,978.34	2,000.14
(d) Other current assets	367.41	368.10
Sub-total - Current assets	21,691.63	19,446.18
TOTAL - ASSETS	23,657.20	21,245.69



Notes:

1. The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on May 06, 2016
2. The Standalone Financial Results for the year ended March 31, 2016 were audited by the Statutory Auditors of the Company.
3. 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.
4. Assets in the nature of net trade receivables, advances, other assets etc., aggregating to Rs.1457.28 lakhs (net of write off in earlier years of Rs. 180.91 lakhs) as on March 31, 2016 are subject matter of an arbitration claim under a share purchase agreement entered into between Aditya Birla Nuvo Limited ('ABNL'), the Company's ultimate parent company and its erstwhile Promoters, PCR Investments Limited and Others. On May 17, 2014, the Arbitral Tribunal passed an award allowing claim of Rs. 991.91 lakhs, which excluded claims pertaining to income tax, service tax, other advances, etc. amounting to Rs. 465.37 lakhs. Further, out of the allowed claim of Rs. 991.91 lakhs, the Arbitral Tribunal directed the Erstwhile Promoters to pay a sum of Rs. 555.47 lakhs (being 56% of Rs 991.91 lakhs, as ABNL has purchased only 56% of shares). On August 23, 2014, ABNL has filed a petition with the High Court of Madras, seeking to set aside the Arbitral award to the extent it entitles ABNL to only 56% of the allowed claim (i.e. 56% of Rs. 991.91 lakhs). On August 25, 2014, erstwhile promoters have filed a petition with the High Court of Madras, seeking to set aside the Arbitral award and pass such orders as the High Court may deem fit and proper. Further, the company has paid Rs.376.39 lakhs as interest in the current year to SEBI on turnover fee which is also covered under share purchase agreement. The Company holds a provision of Rs. 609.51 lakhs as on March 31, 2016. The Company, based on internal assessments is confident of recovering the Income Tax and Service Tax receivables, from the tax authorities which were excluded by Arbitral Tribunal. Based on legal opinion received and internal assessment, ABNL is confident of recovering the allowed claim through the legal process. Further, ABNL has committed to transfer funds received, if any, on settlement to the Company. Consequently no further adjustments have been made in the financial results for the quarter ended March 31, 2016.
5. The figures for the quarter ended March 31, 2016 are the balancing figures between the Audited figures in respect of the full financial year ended March 31, 2016 and unaudited published year to date figures up to December 31, 2015 which were subjected to limited review.
6. The Company has provided for current tax as required under section 115JB of Income Tax Act, 1961.
7. Earnings Per Share - Basic and Diluted has been calculated in accordance with Accounting Standard on Earnings Per Share (AS-20), specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
8. Previous period/year figures have been regrouped or reclassified wherever necessary.

By Order of the Board
For Aditya Birla Money Limited.



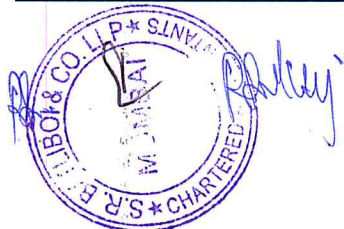
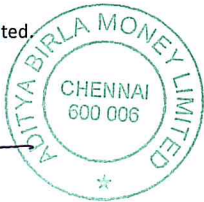
Gopi Krishna Tulsian

Director

DIN: 00017786

Place: Chennai

Date : May 06, 2016



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Board of Directors of
Aditya Birla Money Limited

1. We have audited the quarterly financial results of Aditya Birla Money Limited ('the Company') for the quarter ended March 31, 2016 and the financial results for the year ended March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, being the date of the end of the third quarter of the current financial year, which were subject to limited review by us. The financial results for the quarter and year ended March 31, 2016 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2015, the audited annual financial statements as at and for the year ended March 31, 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2016; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2016 and for the year ended March 31, 2016.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Aditya Birla Money Limited
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4. We draw attention to Note No. 4 to the statement relating to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs. 1,833.67 lakhs 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.

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

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership Number: 102102
Place of Signature: Chennai
Date: May 6, 2016



FORM A

<p>Name of the Company Annual financial statements for the year ended Type of Audit observation</p>	<p>Aditya Birla Money Limited March 31, 2016</p> <p>In the audit report dated May 06, 2016 on the annual financial statements for the year ended March 31, 2016, the auditors have included an Emphasis of Matter in respect of the following matter.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Pending the final outcome of the arbitration proceedings, the Company has identified all such receivables, assets etc. which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the Company as at March 31, 2015 aggregating Rs. 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.</p> <p>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.</p> <p>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.</p> <p>Arguments in rebuttal by the Claimant were completed on 25 October 2013 and written submissions were filed by 29 October 2013. The tribunal has reserved the award.</p> <p>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), along with interest @ 14% from the date of award. This award was received by ABNL on 27th May 2014.</p> <p>Subsequently, 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.</p> <p>In respect of such receivables, which exclude premature claims pertaining to income tax, service tax, etc., the Company has</p>
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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 confirm 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.

Fifth time (FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 & FY 2015-16)

Frequency of observation
To be signed by-

Mr. Gopi Krishna Tulsian
Director

Ms. Sumathy Ravichandran
Chief Financial Officer

Mr. P. Sudhir Rao
Audit Committee Chairman

Auditor of the Company
(Mr. Shrawan Jalan)

