

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

ANNUAL ACCOUNTS FOR THE F.Y. ENDED 2008-09

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

COMPLIANCE CERTIFICATE

Corporate Identity No. : U67120MH2007PTC175014

Nominal Capital : Rs. 2.10 Crores.

To,
The Members,
ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED
Mumbai.

We have examined the registers, records, books and papers of **ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED**, (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder.
3. The Company being a Private Limited Company has the minimum prescribed Paid-Up Capital and its maximum number of members during the said Year ended March 31, 2009 were 3 excluding its present and past employees and the Company during the year under scrutiny:
 - (i) has not invited Public to subscribe for its shares or debentures, and;
 - (ii) has not invited or accepted any Deposits from Persons other than its Members, Directors or their Relatives.
4. The Board of Directors duly met 7 times respectively on 23/06/2008, 07/07/2008, 24/10/2008, 04/11/2008, 05/11/2008, 10/11/2008 and 28/01/2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Circular Resolutions, if any, passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the Year ended March 31, 2009.
6. The Annual General Meeting for the Financial Year ended on March 31, 2008 was held on August 1, 2008 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Books maintained for the purpose.

7. No Extra Ordinary General Meeting was held during the Year ended March 31, 2009.
8. The Company has not advanced any loan to Directors or persons or firms or companies, referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the Year ended March 31, 2009.
13. The Company
 - (i) has delivered all the certificates on lodgement for transfer and on allotment of securities in accordance with the provisions of the Act.
 - (ii) has not deposited any amount in a separate Bank Account as no Dividend was declared during the Year ended March 31, 2009.
 - (iii) was not required to post warrants to any member of the Company as no Dividend was declared during the Year ended March 31, 2009.
 - (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a year of seven years to Investor Education and Protection Fund.
 - (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the year ended March 31, 2009.
15. Since the paid up capital of the Company is less than Rs. 5 Crores, the provisions of Section 269 of the Act with regard to appointment of Managing Director/Whole Time Director/ Manager are not applicable.
16. The Company has not appointed any Sole Selling Agents during the year ended March 31, 2009.
17. As informed by the officers, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the Year ended March 31, 2009.

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ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

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| <p>18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.</p> <p>19. The Company has issued 20,50,000 Equity Shares during the year ended March 31, 2009 and complied with the provisions of the Act.</p> <p>20. The Company has not bought back any shares during the Year ended March 31, 2009.</p> <p>21. There was no redemption of Preference Shares or Debentures during the Year ended March 31, 2009.</p> <p>22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.</p> <p>23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Year ended March 31, 2009.</p> <p>24. The Company has complied with the provisions of Section 293(1)(d) of the Act, so far as it is applicable to the Company.</p> <p>25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.</p> <p>26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under Scrutiny.</p> | <p>27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under Scrutiny.</p> <p>28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under Scrutiny.</p> <p>29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under Scrutiny.</p> <p>30. The Company has not altered its Articles of Association during the Year ended March 31, 2009.</p> <p>31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the Year ended March 31, 2009 for offences under the Act.</p> <p>32. The Company has not received any money as security from its employees during the Year ended March 31, 2009.</p> <p>33. The provisions of Section 418 of the Companies Act, 1956 are not applicable to the Company and therefore comments pursuant to Section 418 is not applicable.</p> |
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for **DILIP BHARADIYA & ASSOCIATES**

S/d

DILIP BHARADIYA

Place : Mumbai

Date : April 24, 2009

A.C.S.19085., C.P.6740

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY

A. STATUTORY REGISTERS:

1. Register of Investments u/s.49(7).
2. Register of Charges u/s.143.
3. Register of Members u/s.150.
4. Register and Returns u/s.163
5. Minutes Books of Board/General Meetings u/s.193.
6. Books of Accounts u/s.209.
7. Register of Particulars of Contracts in which Directors are interested u/s. 301.
8. Register of Companies, Firms etc., in which Directors are interested u/s.301.
9. Register of Directors, Managing Director, Manager, Secretary u/s.303.
10. Register of Directors' Shareholdings u/s.307.

B. OTHER REGISTERS:

1. Register of Transfers.
2. Register of Fixed Assets.

ANNEXURE "B"

FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES, REGIONAL DIRECTOR, CENTRAL GOVERNMENT OR OTHER AUTHORITIES DURING THE YEAR ENDED 31st MARCH, 2009.

Sr. No.	Form No. / Return	Filed u/s	For	SRN No. and Date of Filing	Whether filed Within time Yes / No	Whether additional fee paid Yes / No / N.A.
1.	Form 23 AC and 23 ACA	220	Filing of Balance Sheet and P & L A/c	P20751129 27.08.08	Yes	N.A.
2.	Form 20B	159	For filing of Annual Return	P21530316 22.09.08	Yes	N.A.
3.	Form 2	75(1)	Return of Allotment	A49444458 07.11.08	Yes	N.A.
4.	Form 22B	187C	Disclosure of beneficial interest	A51824639 08.12.08	Yes	N.A.

for **DILIP BHARADIYA & ASSOCIATES**

S/d

DILIP BHARADIYA
A.C.S.19085., C.P.6740

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ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

<p>MEMORANDUM</p> <p>To the Members,</p> <p>ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED</p> <p>1. We have audited the attached Balance Sheet of Aditya Birla Financial Services Private Limited (the 'Company') as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.</p> <p>2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.</p> <p>3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.</p> <p>4. Further to our comments in the Annexure referred to above, we report that:</p> <p style="margin-left: 20px;">i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;</p> <p style="margin-left: 20px;">ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;</p>	<p style="margin-left: 20px;">iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;</p> <p style="margin-left: 20px;">iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;</p> <p style="margin-left: 20px;">v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;</p> <p style="margin-left: 20px;">vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:</p> <p style="margin-left: 40px;">a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;</p> <p style="margin-left: 40px;">b) in the case of the profit and loss account, of the profit for the year ended on that date; and</p> <p style="margin-left: 40px;">c) in the case of cash flow statement, of the cash flows for the year ended on that date.</p> <p style="text-align: right; margin-right: 20px;">For S.R. Batliboi & Co. Chartered Accountants</p> <p style="text-align: right; margin-right: 20px;">S/d</p> <p style="text-align: right; margin-right: 20px;">per Shrawan Jalan Partner Membership No.: 102102</p> <p>Mumbai, Date : April 24, 2009</p>
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ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

<p>Annexure referred to in paragraph [3] of our report of even date</p> <p>Re: Aditya Birla Financial Services Private Limited (the 'Company')</p> <p>(i) The Company does not have any fixed assets. Hence, the provisions of Clause 4(i)(a), (b) and (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.</p> <p>(ii) The Company does not have any inventory. Hence, the provisions of Clause 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.</p> <p>(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause 4 (iii) (a), (b) (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.</p> <p>(b) As informed, the Company has not taken any loans from a Company covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause 4 (iii) (e) and (f) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.</p> <p>(v) (a) According to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements with the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(vi) The Company has not accepted any deposits from the public.</p> <p>(vii) Provisions related internal audit are not applicable to the Company for the current year.</p> <p>(viii) To the best of our knowledge and as informed to us, Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 to the Company.</p> <p>(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues applicable to it. Provisions related to provident fund, investor education and protection fund, employees'</p>	<p>state insurance, customs duty, excise duty are not applicable to the Company.</p> <p>(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.</p> <p>(c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, , customs duty, excise duty and cess which have not been deposited on account of any dispute.</p> <p>(x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.</p> <p>(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company does not have any dues to a financial institution, bank or debenture holders.</p> <p>(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.</p> <p>(xiv) In our opinion and according to the information and explanations given to us, the Company has not dealt/ traded in shares, securities, debentures and other investments. Therefore provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.</p> <p>(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.</p> <p>(xvi) As informed to us, the Company has not raised any term loans during the year. Hence provision of clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.</p> <p>(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of</p>
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ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

<p>the Company, we report that no funds raised on short-term basis have been prima facie used for long-term investment.</p> <p>(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures during the year and hence provision (xix) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.</p> <p>(xx) As informed to us, the Company has not raised any money by way of public issues during the year. Hence, the provision of clause (xx) of the Companies (Auditors'</p>	<p>Report) Order, 2003 (as amended) is not applicable to the Company.</p> <p>(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.</p> <p style="text-align: right;">For S.R. Batliboi & Co. Chartered Accountants S/d per Shrawan Jalan Partner Membership No.: 102102</p> <p>Mumbai Date : April 24, 2009</p>
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ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2009				Profit and Loss Account for the year ended 31st March 2009			
	Schedule	(Amounts in Rupees)			Schedule	Year ended	Period ended
		As at	As at			March 31, 2009	March 31, 2008
		31st March 2009	31st March 2008			(Rs. '000)	(Rs. '000)
Equity and Liabilities				Income			
Share capital	1	20,600,000	100,000	Interest on fixed deposit-			
Reserves & Surplus	2	153,513	-	(a) From Barclays Bank PLC		703,122	-
				{ Tax Deducted at Source of Rs. 1,59,327/-			
				(Previous year- Rs. Nil)			
				(b) From Standard Chartered Bank		76,108	-
				{ Tax Deducted at Source of Rs. 17,246/-			
				(Previous year- Rs. Nil)			
Total		20,753,513	100,000	Total		779,230	-
Investments				Special loss			
	3	460,650	-	Bank charges		-	506
Current Assets, Loans and Advances				Interest on unsecured loan		36,247	-
Accrued Interest		50,862	-	Rates and taxes		22,520	-
Cash and Bank balances	4	42,513,533	49,284	Printing & Stationary		520	-
Loans and Advances	5	1,784,971	-	Legal and Professional fees		1,000	-
	(A)	44,357,366	49,284	Loss on sale of shares		250	-
Less: Current Liabilities and Provisions				Auditors Remuneration		-	16,854
Current liabilities	6	24,064,503	229,854	- Audit fees		55,150	-
				- Certification fees		34,376	-
				Miscellaneous expenses		84	617
				Preliminary expenses		-	262,593
				Total		150,147	280,570
Net current assets	(A-B)	20,292,863	(180,570)	Profit/(Loss) before tax		629,083	(280,570)
Debit balance in Profit and Loss Account		-	280,570	Less: Provision for tax		-	-
				- Current tax		195,000	-
				- Deferred tax		-	-
				- Fringe benefit tax		-	-
Total		20,753,513	100,000	Net Profit/(loss) after tax		434,083	(280,570)
				Add: Balance brought forward		(280,570)	-
				Surplus/(Deficit) carried to Balance Sheet		153,513	(280,570)
Notes to Accounts	7			Basic/ Diluted Earnings Per Share (EPS)		0.52	(28.06)
				(Refer Note 6 of Schedule 7)			
				(Nominal value per share Rs. 10)			
The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.				The schedules referred to above and notes to accounts form an integral part of the Profit and Loss account			
As per our report of even date				As per our report of even date			
For S. R. Batliboi & Co. Chartered Accountants		For and on behalf of the Board of Directors of Aditya Birla Financial Services Private Limited		For S. R. Batliboi & Co. Chartered Accountants		For and on behalf of the Board of Directors of Aditya Birla Financial Services Private Limited	
per Shrawan Jalan Partner Membership No. 102102 Place : Mumbai Date : April 24, 2009	Shriram Jagetiya Director Place : Mumbai Date : April 24, 2009	Anil Chirania Director Place : Mumbai Date : April 24, 2009		per Shrawan Jalan Partner Membership No. 102102 Place : Mumbai Date : April 24, 2009	Shriram Jagetiya Director Place : Mumbai Date : April 24, 2009	Anil Chirania Director Place : Mumbai Date : April 24, 2009	

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

(Amounts in thousands of Indian Rupees)	As at 31st March, 2009	As at 31st March, 2008
Authorised Capital		
21,00,000 (Previous year: 21,00,000)		
Equity Shares of Rs. 10/- each	21,000,000	21,000,000
Total	21,000,000	21,000,000
Issued, Subscribed and Paid-up		
2,060,000 (Previous year - 10,000)		
equity shares of Rs. 10/- each fully paid up	20,600,000	100,000
(Out of the above, 2,000,000 (previous year: Nil) shares are held by the Holding Company: viz. Aditya Birla Nuvo Limited)		
Total	20,600,000	100,000
Profit & Loss Account Balance	153,513	-
Total	153,513	-
Long term - Non trade		
Unquoted - Fully paid up		
Equity Shares of subsidiary companies		
Aditya Birla Capital Advisors Private Limited (30,000 (Previous year - Nil) equity shares of Rs. 10/- each fully paid up)	300,250	-
Aditya Birla Trustee Company Private Limited (10,000 (Previous year - Nil) equity shares of Rs. 10/- each fully paid up)	100,250	-
Aditya Birla Customer Services Private Limited (6,000 (Previous year - Nil) equity shares of Rs. 10/- each fully paid up)	60,150	-
Aditya Birla Securities Private Limited (30,000 (Previous year: Nil) equity shares of Rs. 10/- each fully paid up purchased and sold during the year)	-	-
Total	460,650	-
Cash and bank		
Cash on hand	356	1,340
Balance with scheduled bank:		
- on current account	22,713,177	47,944
- on fixed deposit account	19,800,000	-
Total	42,513,533	49,284
Advances		
(Unsecured, considered good except otherwise stated)		
Advance income tax (not of provision for tax)	16,573	-
Advances recoverable in cash or kind received	1,768,398	-
Total	1,784,971	-
Sundry creditors (Refer Note 8 of Schedule 7)		
(a) total outstanding dues of micro enterprises and small enterprises		
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	23,858,463	229,854
Other liabilities	206,040	-
Total	24,064,503	229,854

SCHEDULE 7: Significant Accounting Policies and Notes to Accounts

(i) BACKGROUND :

Aditya Birla Financial Services Private Limited (the 'Company') was incorporated on October 15, 2007 under the provisions of Companies Act, 1956. The main object of the Company is to carry on investment business. The Company has submitted an application with the Reserve Bank of India dated November 14, 2008 for registration as a "Non-Banking Financial Institution (Not Accepting Public Deposits)" under sub-section (1) of Section 45-IA of the Reserve Bank of India Act, 1934. The said application is presently under consideration by the RBI and the management is hopeful of receiving the registration in due course.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

The financial statements have been prepared to comply in all material respects in respects with the notified Accounting Standards Rules 2006 and the relevant provision of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

(ii) Use of estimate

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(iii) Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised 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 realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

(iv) Preliminary Expenses

Preliminary expenses are charged to profit and loss account in the year in which it is incurred.

(v) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(vi) Provisions

Provision is recognized when the 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 their 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.

3. CAPITAL COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account and not provided for amounts (net of advances) to Rs. 2,00,52,931/- (Previous year: Rs. Nil)

4. CONTINGENT LIABILITIES

Contingent liabilities as at March 31, 2009 - Rs. Nil (Previous year - Rs Nil)

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Annexure-1						
Transaction with related parties during the year ended March 31, 2009						
During the year following transactions were carried out with the related parties in the ordinary course of business:-						
(Amount in Rs.)						
Transaction/Nature of Relationship	Holding Company	Subsidiary Companies	Joint Venture of Holding Company	Fellow Subsidiaries	Key Management Personnel	Grand Total
Issue of Equity Shares:-						
Aditya Birla Nuvo Limited	20,000,000	-	-	-	-	20,000,000
Laxminarayan Investment Limited	(-)	(-)	-	500,000	-	500,000
Mr. Shrinani Jagetiya	(-)	(-)	-	-	(50,000)	(50,000)
Mr. Anil Chirania	(-)	(-)	-	-	(50,000)	(50,000)
	20,000,000	-	-	500,000	-	20,500,000
	(-)	(-)	-	-	(100,000)	(100,000)
Purchase of Equity Shares of Aditya Birla Capital Advisors Private Limited, Aditya Birla Securities Private Limited, Aditya Birla Trustee Company Private Limited and Aditya Birla Customer Services Private Limited from :-						
Mr. Shrinani Jagetiya	(-)	(-)	-	-	200,000	200,000
Mr. Anil Chirania	(-)	(-)	-	-	160,000	160,000
	(-)	(-)	-	-	360,000	360,000
	(-)	(-)	-	-	-	-
Subscription to Equity Shares of						
Aditya Birla Capital Advisors Private Limited	-	200,000	-	-	-	200,000
Aditya Birla Securities Private Limited	(-)	200,000	-	-	-	200,000
	(-)	400,000	-	-	-	400,000
	(-)	(-)	-	-	-	-
Contribution against expenses to be incurred towards joint development of office premises						
Birla Global Finance Company Limited	-	-	-	4,008,000	-	4,008,000
Birla Insurance Advisory & Broking Services Limited	(-)	(-)	-	1,772,000	-	1,772,000
Birla Sun Life Asset Management Company Limited	(-)	(-)	8,876,000	-	-	8,876,000
Birla Sun Life Distribution Company Limited	(-)	(-)	-	2,680,000	-	2,680,000
Birla Sun Life Insurance Company Limited	(-)	(-)	-	17,800,000	-	17,800,000
	(-)	(-)	8,876,000	26,260,000	-	35,136,000
	(-)	(-)	-	-	-	-
Allocation of payment made to vendor towards joint development of office premises:-						
Birla Global Finance Company Limited	(-)	(-)	-	1,292,084	-	1,292,084
Birla Insurance Advisory & Broking Services Limited	(-)	(-)	-	571,250	-	571,250
Birla Sun Life Asset Management Company Limited	(-)	(-)	2,861,410	-	-	2,861,410
Birla Sun Life Distribution Company Limited	(-)	(-)	-	863,968	-	863,968
Birla Sun Life Insurance Company Limited	(-)	(-)	-	5,738,295	-	5,738,295
	(-)	(-)	2,861,410	8,465,597	-	11,327,007
	(-)	(-)	-	-	-	-
Payment against reimbursement of expenses to:-						
Mr. Anil Chirania	-	-	-	-	268,000	268,000
	(-)	(-)	-	-	(43,593)	(43,593)
	-	-	-	-	268,000	268,000
	(-)	(-)	-	-	(43,593)	(43,593)
Outstanding balances as at 31.03.2009						
Investments (as detailed in Schedule 3 to Balance Sheet)	-	460,650	-	-	-	460,650
Amount Payable to fellow subsidiaries: (net of contribution against expenses to be incurred towards joint development of office premises from allocation of payment for the purpose)	-	-	6,014,510	17,794,402	-	23,808,992
Equity Shares held by holding company	20,000,000	-	-	-	-	20,000,000
Equity Shares held by fellow subsidiary	-	-	-	500,000	-	500,000

Notes:
1. Figures in brackets represent corresponding amount of previous period.

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2009

Amount in Rupees

PARTICULARS	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/(Loss) before tax	629,083
Adjustment for :	
Loss/ (Profit) on sale of Equity Shares	250
Interest on unsecured loan	36,247
Operating profit before working capital changes	665,580
Increase/(Decrease) in Current Liabilities	23,834,649
Decrease/(Increase) in Accrued Interest	(58,862)
Decrease/(Increase) in Loans and Advances	(1,768,398)
Cash Generated from Operations	22,672,969
Income taxes paid (including TDS)	(211,573)
NET CASH(USED IN)/ FROM OPERATING ACTIVITIES	22,461,396
B. CASH FLOW FROM INVESTING ACTIVITIES	
Investment in Subsidiaries	(760,900)
Proceeds from sale of Investment in Subsidiaries	300,000
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(460,900)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Share Capital	20,500,000
Proceeds from Borrowings	750,000
Repayment of Borrowings	(750,000)
Interest on Unsecured Loan	(36,247)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	20,463,753
Net Increase/(Decrease) in Cash and Cash equivalent	42,464,249
Cash and Cash equivalent at beginning of the period	49,284
Cash and Cash equivalent at end of the period	42,513,533
Net Increase/(Decrease) in Cash and Cash equivalent	42,464,249

Notes :

- Cash and Cash Equivalents include:

Cash in hand	356
Balance with Banks (including Fixed Deposits)	42,513,177
Total	42,513,533
- This is the first year of applicability of Accounting Standard-3 "Cash Flow Statements", hence there are no previous period comparative figures.

As per our Report of even date

For S. R. Battiboi & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
Aditya Birla Financial Services Private Limited

per Sharwan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date : April 24, 2009

Shriram Jagetiya
Director
Place : Mumbai
Date : April 24, 2009

Anil Chirania
Director

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