



Good things come to those who *innovate.*
To those who weather the storm,
who challenge the norms,
who stay true to their vision, values and beliefs.

To those who follow their *passion,*
stick to their commitments and keep
their heads up high in times of difficulty.

As we continue on our path to growth & success
we will tackle setbacks and difficulties with the same focus,

persistence
strength
that we believe in.

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Directors' Report

for the year ended 31st March, 2013

Dear Shareholders,

On behalf of your Board of Directors, I present the thirteenth Annual Report, together with the Audited Statement of Accounts, of Birla Sun Life Insurance Company Limited ("the Company/BSLI") for the year ended 31st March, 2013.

1. BUSINESS & FINANCIAL PERFORMANCE

We are pleased to share that the Company delivered a satisfactory performance given the uncertain environment the industry is operating under.

Business Performance

Macro-economic uncertainty and changing regulatory environment especially on the product front continued to impact the life insurance industry adversely leading to growth challenges. Keeping this context in view, the Company recorded new business premium of ₹ 1,837 crores in FY13 a decrease of 5% as against the Industry decline of 15%. In FY13, while Group business witnessed a growth of 17% in new business premium, individual life business de-grew by -16%.

Our business performance has been affected, to some degree, by a number of external factors including regulatory uncertainty and general market conditions (high-interest/high-inflation) which has also impacted customer sentiments. Over the last 3 years, including the year under review, we have seen significant new regulations, which created challenges for us. FY13 again witnessed a slew of new regulations including new product regulations for Traditional products and revised unit-linked product regulations. Our rank amongst the private players for the period under review is 5th (Total Individual & Group) and we are positioned 6th in Individual Life. Most of the players ahead of us are bank owned or have a significant bank tie-up.

Financial Performance

Table 1: Business & Financial Performance of our Company

(₹ in Crores)

Particulars	Current Year FY 2012-13	Previous Year FY 2011-12	Inc. (%)
Business Performance			
New Business Premium	1,837	1,926	-5%
Renewal Premium	3,380	3,959	-15%
Total Premium	5,216	5,885	-11%
Financial Performance			
Income			
Gross premium income	5,216	5,885	-11%
Reinsurance (net)	-165	-138	20%
Total premium income (net)	5,051	5,747	-12%
Income from investments			
Policyholders	2,070	-163	-1368%
Shareholders	116	80	45%
Investment Income	2,186	-83	-2734%
Other Income	37	30	23%
Total Income	7,274	5,694	28%
Less:			
Commission	300	325	-8%
Expenses (including depreciation)	1,161	1,217	-5%
Benefits paid (net)	3,659	2,705	35%
Provisions for actuarial liability (net)	1,612	987	63%
Provision for Taxation			
Profit for the Current Year	542	461	18%
Share Capital	1,969	1,969	
Reserve & Surplus	520	480	
Net Worth	1,248	1,073	

The Company recorded satisfactory performance in FY13 across a range of key financial parameters:

- We continued our journey of profitable growth for the third consecutive year. The Company registered Net Profit of ₹ 542 crores for the year against ₹ 461 crores in the previous year. Net profit growth has improved through better management of inforce book, optimisation of expenses and focusing on efficiencies in distribution.

Directors' Report

for the year ended 31st March, 2013

- Renewal premium at ₹ 3,380 crores saw de-growth of 15% in line with our expectations. The impact on renewal premium growth is primarily attributed to lower new business sales in the corresponding period last year. We believe that the impact on renewal premium is a temporary phenomenon which will be arrested once the new business growth picks up. Managing our substantial back books and focusing on improving persistency levels will increase the value from our existing customer base.
- The Company focused on increasing its Non-Linked portfolio with a view to broad-base its customer mix and to penetrate semi-urban and rural areas. The proportion of Non-Linked portfolio increased from 46% in FY12 to 55% in FY13.
- Overall Commission ratio saw an increase to 5.8% as against 5.5% due to change in product mix towards traditional products which have higher commission payouts.
- Opex to total premium ratio increased marginally in FY13 to 22.2% against 20.6% for FY12 primarily given the lower premium revenues.
- Strong solvency margin at 2.95 for the year ended March'13 against the regulatory requirement of 1.5 indicates the Company's stable financial position.
- Given the robust financial performance, there has been no capital infusion for the past 3 years.
- During the year, the Company declared an interim dividend of 10% amounting to ₹ 197 crores and further announced a final dividend of 6% of share capital amounting to ₹ 118 crores.

The Company is well positioned to meet the challenges and also tap into the opportunities of the life insurance industry. We believe that we have a robust operating platform, strong trusted brand, long-term commitment towards insurance business and management team focused on long-term objectives. All these factors provide the Company with the platform to continue to build a value creating enterprise for all stakeholders.

2. BUSINESS REVIEW

Industry Scenario

The external market environment has been difficult in the year under review especially for the private players. The Regulations introduced in FY11 has altered the competitive landscape of the Indian life insurance industry and seen an increased concentration across Top players. The share of LIC has increased from 54% in FY11 to 62% in FY'13 for Individual life business. Top 7 companies (excluding LIC) have witnessed a decline in their market share over the years and in FY13 contributed to 30% of the Industry weighted new business for individual life as against 34% in FY11. Remaining 16 private players have been further marginalised and with contribution at around 9% of industry new business premium.

FY13 saw a renewed focus of insurers towards improvement of key operating metrics which includes operating expenses, quality of business, productivity and focus on improving overall distribution efficiencies.

The new business premium figures are summarised below for FY13, segregated into 9M and last quarter of the year. Private players saw some traction in the last quarter in Individual life business:

Table 1: New Business (@10% SP) Premium for Private Players FY13 – 9M & Q4

Particulars		Weighted New Business @10% Single premium (INR Crores)		Growth Rates (YoY)	
		9MFY13 (Apr-Dec'12)	Q4FY13 (Jan'13-Mar'13)	9MFY13 (Apr-Dec'12)	Q4FY13 (Jan'13-Mar'13)
Total	Pvt. Players	14,111	8,642	-2%	-7%
	Total	37,598	19,841	-11%	-23%
Individual	Pvt. Players	11,209	6,621	1%	3%
	Total	31,221	15,780	8%	-17%

Trends for the Life Insurance Industry

- FY13 saw Insurers proactively transitioning to a more balanced product mix & reviewing their distribution strategies. The mix at the industry level is currently skewed towards traditional products.
- Most private life insurers have taken steps to balance their channel mix by focusing on improving efficiencies in the agency channel in its current form. The industry saw a decline in its distribution capacities with the total number of agents declining from 3 Mn as on Mar'10 to 2.2 Mn in Dec'12.
- The bancassurance channel has been able to adapt better to the new regulations regime. Their contribution to new business has increased from 21% in FY10 to 34% in FY12.
- Focus on persistency and operating efficiency continues to be one of the highest priorities for the industry players.

Summary of Operations and Business

- The Company achieved **total gross premium** amounting to ₹ 5,216 crores. It includes New Business Premium of ₹ 1,836 and **Renewal premium** at ₹ 3,380 crores. The Company garnered a growth of (5%) **against the industry growth** of (15%) for the period ended 2012-13. We **maintained our rank** at no. 5 for total business. Post the regulatory changes in Sep'10, we have changed our focus from selling largely unit-linked products to a balanced mix of unit-linked and traditional products with higher focus on higher sum assured, long-term tenure and offering value-added features.

Directors' Report

for the year ended 31st March, 2013

- BSLI continues to follow a **successful multi-channel distribution** strategy with over 600 branches, 4 key bank partners and over 150 third-party distributors.
- **Agency channel** continues to be the Company's largest distribution channel contributing to over two third of our individual business. Going forward, the Agency channel's prime focus will be ensuring optimal geographical coverage in terms of breadth and depth and using customer & distributor segmentation to drive higher efficiencies.
- The year under review saw our **Bancassurance channel** deliver annualised premium equivalent to about one sixth of individual sales. With a strong existing bancassurance model to leverage, we are confident that we will be making further in-roads in this channel in the years to come. Further, the recent regulatory guidelines on bancassurance are further expected to provide opportunities to the Company for additional tie-ups. Our priorities for the channel moving forward will be to harvest existing partners growing customer base while focusing on long-term business and sales practices.
- Over the past few years, a strong franchise network has been created in the **Corporate Agent and Broker (CAB)** segment. This business, currently contributes a sixth of new business sales. Our new CAB partners have contributed significantly to new business in FY13 due to addition of new capacities. The endeavour going forward will be to add new capacities while further improving quality of business.
- The year also saw **Group Business** increase its share in new business premium. Our performance was driven by improvement in product lines and focus on increasing our penetration. This helped us achieve 3rd rank amongst private insurers as on FY13. Group Business received the first ever 'Special Recognition for Outstanding Contribution to the Indian Pension Fund Industry' at the Indian Pension Fund Awards 2012.
- During the year under review, the Company filed several new products with the Regulator to focus on under-penetrated segments and to broad-base its product mix.
 - ✧ We have launched Aspire Life and Wealth Assure, both of which will further complement the ULIP range.
 - ✧ BSLI launched 3 Traditional (Vision Plans) in the month of January on Participating platform i.e., 'BSLI Vision Income Plan', 'BSLI Vision Endowment Plan' and 'BSLI Vision Regular Returns Plan'.
 - ✧ Following regulatory changes in Pension, BSLI launched the 'BSLI Empower Pension Plan' in Jan'13.
 - ✧ Our plan includes:
 - The Company's first priority will be to build a full suite of traditional products by launching straight forward, need-based products aimed at providing consumers simple solutions.
 - Launching variants of our existing products on traditional platform to tap new customer segments.
 - New products with innovative funds.
- **Assets under Management (AUM)** grew from ₹ 21,100 crores in FY12 to ₹ 22,929 crores for the year ended 31st March, 2013. For all its unit-linked funds, the Company delivered superior fund performance across the board, consistently beating its benchmark targets. 95% of the funds outperformed their respective benchmark over long-term (across 3-5 yrs.).
- The Company has been meeting its target for rural and social sectors since inception. As in the previous years, the Company complied with both rural and social obligations as mandated by the IRDA and wrote 123,147 policies in FY13. In addition to this, the group insurance cover under social obligations was written for 41,899 lives.
- The Company undertook several measures to further improve the health metrics for the business. Maintaining a high level of persistency is important to our financial results, as a large block of in-force policies provides us with regular revenues in the form of renewal premiums. In addition, our ability to convert first year premiums into renewal premiums—thereby increasing the number of in-force policies. As per IRDA disclosures, the Company is among the top 3 companies (across top 7 players) in terms of 13 month persistency. For improving our persistency, we have undertaken various initiatives including pre-issuance verification calls, regular revival and renewal campaigns, improving customer engagement and restricting premium size to drive the right sales behaviour and reduce first premium lapse.
- The Company continues to leverage technology and improve customer centricity for achieving its business goals and creating a robust customer service platform to differentiate on customer service. The Company has laid the foundation for creating digital footprint by improving customer self-service and creating enablers for our distributors. The focus of the Company is to move Information technology towards customer-facing processes including customer service and distribution support. The Company developed an online customer enrollment application and enabled more self-servicing options. To improve distributors' performance, the Company leveraged technology to provide on-demand tracking of information related to sales activity and performance.
- Proactive measures have been undertaken to strengthen compliance and risk management function given the Company's focus to maintain robust internal controls, mitigate risks and improve sales and in spirit and thereby maintain the reputation of being one of most compliant insurance company in an environment of increasing regulatory oversight.
- Our investment in branding yielded good results with both Branch as well as consideration scores (i.e., likelihood of prospective customers to purchase a policy) showing improvements. In FY 2012-13, the Company has been focusing on Wealth with protection campaigns throughout the year and also focused on retirement solutions in Q4 to aid new product launch. Going forward strength of BSLI brand is expected to become more important and we continue to strengthen our brand performance through an optimal mix of above-the-line and below-the-line activities.

Directors' Report

for the year ended 31st March, 2013

Outlook for the Industry and Company

Since the introduction of significant regulatory changes, there has been a perceptible slowdown in the industry. However, this has given an opportunity to the existing insurance players to review their operating models to drive higher efficiencies and focus on more balanced growth objectives.

The Company continues to be optimistic on the future potential of the life insurance sector over the medium to long-term. India has several structural advantages in terms of favourable demographics and high rate of financial savings. Greater certainty of regulation, improving macro-economic environment, increasing product offerings and evolving distribution channels would further enhance growth and profitability.

The Company has identified the following key areas to strengthen its competitive and financial position in the coming years:

- Sales Growth through a balanced channel mix, optimal capacities & better distribution management
- Optimal product mix and diversified product portfolio
- Creating a differentiation in customer service and brand
- Focus on customer retention and improving quality of business

3. RESERVES

During the year, the Company has generated a profit after tax of ₹ 542 crores, which has resulted in accumulated losses reducing by the same amount.

4. DIVIDEND

During the year under review your Board of Directors declared an interim dividend @ 10% (₹ 1 per equity share of ₹ 10 each) of the paid-up share capital of the Company of ₹ 196.95 crores and recommended a final dividend @ 6% (0.6 per equity share of ₹ 10 each) of the paid-up capital of the Company of ₹ 118.17 crores.

5. BSLI CLAIMS MISSION FOR ITS POLICYHOLDERS:

To provide hassle-free, seamless and speedy claim settlement services to our Customers and ensure prompt payment of valid claims.

In the recently published IRDA Annual Report for 2011-12, BSLI has once again emerged as one of the best insurance companies in claim processing as can be noted from below.

Key Claims Parameters – Individual Life	BSLI's Performance	Avg. Private Industry-Performance
Death Claims decided	99.72%	97.15%
*Outstanding Claims	0.28%	2.82%
Claims Payment ratio	90.94%	89.34%
Overall Claims Repudiation Ratio	8.78%	7.82%
% of Claims settled within 30 days of Claim Intimation	91.68%	74.66%

Customer focus, as exemplified by this claims performance, reinforces the faith reposed by our Customers and partners in us. When it comes to moments of truth like Claims, BSLI continues to live up to its promise of being the preferred life insurer.

6. SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 3,750 crores. The Issued, Subscribed and Paid-up Capital of the Company was ₹ 1,970 crores as on March 31, 2013. There was no requirement of fresh capital infusion during the year under review.

7. CORPORATE GOVERNANCE

Your Directors reaffirm their commitment to the corporate governance standards to the extent they are applicable to the Company. A detailed Corporate Governance Report is annexed to and forms an integral part of this Annual Report.

8. SUBSIDIARIES

Your Company does not have any subsidiary.

9. PUBLIC DEPOSITS

During FY 2012-13 the Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

10. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to the conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956 ("the Act"), is set out in a separate statement attached to this report as Annexure to this Report.

Directors' Report

for the year ended 31st March, 2013

Details of Employees

In pursuance of the Company's aspirations to maintain its position as the most preferred employer in the insurance industry, the Company continued to invest in creating a pool of talent for the growing business needs. The Company's total work-force stood at 11604 as at March 31, 2013 against 12867 in the previous year. Structured initiatives around talent management, learning & development and long-term retention plan for talent pool across levels were implemented for skill development to enhance productivity & performance of workforce.

In accordance with the provisions of Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and relevant particulars of employees are set out as an Annexure to the Directors' Report.

11. DIRECTORS

As on March 31, 2013, your Board of Directors comprises of eleven Directors including three Independent Directors.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. B. N. Puranmalka, Ms. Tarjani Vakil and Mr. Suresh Talwar, Directors, retire by rotation at the ensuing Annual General Meeting (AGM) of the Company, and being eligible, offer themselves for re-appointment except Mr. Suresh Talwar.

Besides the above, there is no change in the directorship of the Company during the FY 2012-13.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and the Insurance Act, 1938.

A detailed profile of the directors seeking re-appointment/co-option at the ensuing Annual General Meeting of the Company is given in the Corporate Governance Report, forming a part of this Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to assure the members that the Financial Statements, for the year under review, conform in their entirety to the requirements of the Companies Act, 1956 and the regulations of IRDA.

The Directors further confirm that, to the best of their knowledge and belief:

- the annual accounts have been prepared in accordance with applicable accounting standards, and there have been no material departures from the same;
- they have selected accounting policies and applied them consistently and made 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 the end of the financial year March 31, 2013 and of the profit of the Company for the said period ending March 31, 2013;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- they have prepared the accounts of the Company on a going concern basis, and other accounting policies are stated in the notes to the Accounts, which form an integral part of the annual accounts;
- proper systems are in place to ensure compliance of all laws applicable to the Company;
- all related party transactions are disclosed in Annexure 2 to Schedule 16 in terms of Accounting Standard 18.

13. AUDITORS AND AUDITORS' REPORT

Statutory Auditors

As per the Circular no. 36/7/F&A/EMPL/74/July/05 dated 25th July, 2005 of the Insurance Regulatory Development Authority, every insurance company is required to have two statutory auditors for a joint audit.

The Joint Statutory Auditors M/s. Fraser & Ross (Registration No. 000829S) and M/s. S. R. Batliboi & Associates (Registration No. 101049W), appointed at 12th AGM, hold office upto the ensuing 13th AGM of the Company. The Board proposes to appoint M/s. Khimji Kunverji & Co. in place M/s. Fraser & Ross, retiring Auditor and re-appoint M/s. S. R. Batliboi & Associates LLP as the Joint Statutory Auditor (being eligible for appointment and re-appointment) on recommendation of the Audit Committee of the Company.

The Company has received certificates from the proposed auditors confirming their eligibility and willingness for their appointment/re-appointment pursuant to Section 224(1B) of the Companies Act, 1956 and as per the requirement stipulated by IRDA. The auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI.

The observations, if any, made by the Statutory 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.

Internal Audit Framework

The Company has in place a robust internal audit framework developed with a risk based audit approach that is commensurate with the nature of the business and the size of its operations. The internal audit plan covers process audits at head office and across various branches of the Company. The audits are carried out by independent firms of Chartered Accountants, in-house internal audit team and by audit team of the two promoters.

Directors' Report

for the year ended 31st March, 2013

Internal auditing, at BSLI, involves the utilisation of a systematic methodology for analysing business processes or organisational problems and recommending solutions to add value and improve the organisation's operations. The audit approach verifies compliance with the regulatory, operational and system related procedures and controls. Key audit observations and recommendations made by the Auditors are reported to the Audit Committee of the Company and the implementation of these recommendations are actively monitored by the internal audit team and periodically reported to the Audit Committee. The audit observations 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 risk-based audit approach.

Internal Audit Process followed by the Company is as follows:

- Establish and communicate the scope and objectives for the audit to appropriate management
- Develop an understanding of the business area under review. This involves review of documents and interviews
- 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 problems identified and negotiate action plans with management to address the problems
- Follow-up on reported findings at appropriate intervals. Internal audit departments maintain a follow-up database for this purpose

Ongoing monitoring is performed as an integral part of the day to day supervision, review and measurement of internal audit activity.

14. RISK MANAGEMENT FRAMEWORK

The Company has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. A detailed ERM report is annexed to and forms an integral part of this Annual Report.

15. CUSTOMER GRIEVANCE REDRESSAL

The Grievance Redressal Guidelines issued by IRDA has established uniformity in the insurance industry in terms of definitions, timeframes for complaint resolution and classifications of complaints. In accordance with the Grievance Redressal Guidelines, BSLI's Grievance Redressal Policy has been approved by the Board and filed with the IRDA. Grievance Officers have been appointed at each branch and at HO of the Company.

We have in place a Policyholders' Grievances Redressal Committee (PGRC) which is chaired by an independent Chairman Mr. N. N. Jambusaria (ex Chairman, LIC). PGRC meets at least once a month and decides on various requests/complaints from policyholders' which need to be treated with exceptions. Representatives of the concerned sales channels along with customer services team are invited to the meetings. The decisions of PGRC are implemented before its subsequent meeting.

In accordance with IRDA's Corporate Governance Guidelines, BSLI has formed a committee called the Policyholders' Protection Committee which is again chaired by Mr. Jambusaria. This Committee looks into the broad aspects of protection of policyholders' interests, ensuring adequacy of and adherence to the Company's Grievance Redressal framework as well as ensuring adequate and correct disclosures to customers.

Additionally, initiatives to spread awareness among employees/sales force as well as customers have been undertaken through e-modules/functional trainings and through the BSLI website respectively.

BSLI has implemented the 'Integrated Grievance Redressal Management System' (IGMS) in accordance and furtherance to the Grievance Redressal Guidelines which came into effect in FY12 by the IRDA.

IGMS is a portal launched by IRDA which primarily plays a role of seamless exchange of Grievances received by BSLI into IGMS and vice versa. IGMS was implemented in two phases. Phase I being exchange of data via a 'Batch upload'. BSLI launched its 1st Phase in June'11.

BSLI has launched its Phase II i.e., 'Real Time upload' in Nov'11. Grievances received by BSLI are now exchanged with IGMS online and a reverse feed also gets downloaded for complaints registered by customers on IGMS for BSLI.

To create customer awareness on the Grievance Redressal Mechanism; we have placed pamphlets at every front-office/customer walk-in area with all our BSLI branches; indicating the Guideline and the Escalation Matrix which the customer can adopt in case if he/she is not satisfied with the resolution provided.

16. AWARDS/RECOGNITIONS

In addition to recognitions that Company's claims department has received, BSLI has also won the following awards during FY13:

- Birla Sun Life Insurance bagged the 'Golden Peacock Award' for HR Excellence in the year 2011-12.
- BSLI has won a Gold Shield under the 'ICAI Awards for Excellence in Financial Reporting' for their Annual Report for the year 2011-12.
- Birla Sun Life Group Life & Pensions is the first life insurance company to receive the 'Special Recognition for Outstanding Contribution to the Indian Pension Fund Industry' at the Indian Pension Fund Awards 2012.
- BSLI's Annual Report was adjudged as the recipient of 'Certificate of Merit' in the category 'Insurance Sector' by SAFA for Best Presented Annual Report Awards 2011-12.
- BSLI bagged a GOLD in the BEST USE OF MEDIUM in Direct Marketing category for Birla Sun Life Insurance – Saptapadi.
- BSLI won a Bronze in 'Best Use of Ambient Media' category for Birla Sun Life Insurance – Drill Of Unforeseen in 2012.

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for the year ended 31st March, 2013

- Goafest Creative & Media Abby Awards 2012 recognised BSLI with a GOLD in the 'Integrated Campaign – Financial Services' category for Birla Sun Life Insurance – Wealth with Protection campaign.
- Goafest Creative & Media Abby Awards 2012 recognised BSLI with a GOLD in the 'Non Fiction Branded Content' category for Birla Sun Life Insurance – Zindagi Abhi Baki Hai series tie-up with GEC channel Colours.

17. OTHER STATUTORY INFORMATION

IRDA License

The Insurance Regulatory and Development Authority has renewed the Certificate of Registration of the Company to sell life insurance products in India for the Financial Year 2013-14 vide its Certificate of Renewal of Registration dated February 15, 2013. The renewed registration is with effect from April 01, 2013 and is valid upto March 31, 2014.

Statutory Disclosure of Particulars

Particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as applicable, are given in the Annexure forming part of this Report.

Management Report

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2000, the Management Report forms a part of this Annual Report.

Appointed Actuary's Certificate

The certificate of the Appointed Actuary is attached to the Financial Statements.

Certificate from Compliance Officer (under the IRDA Corporate Governance Guidelines)

In compliance with "Guidelines on Corporate Governance for the Insurance Sector" (CG Guidelines) issued by IRDA, a Compliance Certificate issued by the Company Secretary, designated as the Compliance Officer under CG Guidelines, is attached to and forms part of the Corporate Governance Report.

Solvency Margin

The Directors are pleased to report that the assets of the Company are higher than the liabilities of the Company and the assets are more than sufficient to meet the minimum solvency margin level of 1.50 times, as specified in Section 64VA of the Insurance Act, 1938 read with the IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

18. ACKNOWLEDGEMENTS

Your Board places on record its heartfelt appreciation to the dedicated efforts put in by the employees at all levels. The results of the year in a tough environment are testimony to their hard work and commitment.

Your Board takes this opportunity to express sincere thanks to its valued customers for their continued patronage.

Your Board also acknowledges the contribution of insurance advisors, banks, corporate brokers/agents and intermediaries, training institutes, bankers and business and technology partners, the Registrars, National Securities Depository Limited /Central Depository Securities Limited, reinsurers, underwriters, who have always supported and helped the Company achieve its objectives.

Your Board would like to thank the Aditya Birla Group and Sun Life Financial, Inc., for their constant support, guidance and co-operation.

Your Board would also like to express its gratitude for the valuable advice, guidance, and support received from time to time from the Insurance Regulatory and Development Authority, the Reserve Bank of India, the Auditors and the other statutory authorities and look forward to their continued support in future.

**By order of the Board of Directors
For Birla Sun Life Insurance Company Limited**

**Sd/-
Kumar Mangalam Birla
Chairman**

Mumbai, 26th April, 2013

Directors' Report

for the year ended 31st March, 2013

ANNEXURE TO THE DIRECTORS' REPORT

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are furnished hereunder:

A. CONSERVATION OF ENERGY	: Not Applicable
B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D)	
1. Specific areas in which R&D is carried out by the Company	<ol style="list-style-type: none"> 1. E-App – Tablet based application for real-time, end-to-end processing of applications, right from acquisition to fulfillment 2. Channel Partner Integration – Integration of BSLI systems with that of our channel partners 3. Lead Management System – Enabling capture, allocation, follow-up and status updates of Leads
2. Benefits derived as a result of the above R&D	<ol style="list-style-type: none"> 1. E-App <ul style="list-style-type: none"> • End-to-end processing of applications from Financial needs analysis to Illustration generation to application Data capture to Underwriting Decisioning, including online payment • Faster TAT of policy issuance • Recommendation of Life Insurance product/s based on customer's risk profiling 2. Channel Partner Integration <ul style="list-style-type: none"> • Secured integration of BSLI systems with that of our channel partners • Customer service by channel partners through their own systems integrated with BSLI systems • Improves stickiness with channel partners 3. Lead Management System <ul style="list-style-type: none"> • Single Repository of all leads generated through various channels • Ability to track leads at various stages • Ability to check effectiveness of Marketing Campaigns • Analytics possible on conversions
3. Future Plan of action	<ol style="list-style-type: none"> 1. E-App project to be developed on multiple technology platforms including iOS and Windows 2. Channel Partner Integration: Identify additional areas of integration such as extending the BSLI Customer Service CRM tool to our channel partners 3. Lead Management: Integration of lead management system with reporting tool and performing analytics
4. Expenditure on R&D	
a) Capital	Approximately ₹ 25 Mn
b) Recurring	Approximately ₹ 1 Mn
c) Total	Approximately ₹ 26 Mn
d) Total R & D expenditure as a percentage of total turnover	0.05%

Directors' Report

for the year ended 31st March, 2013

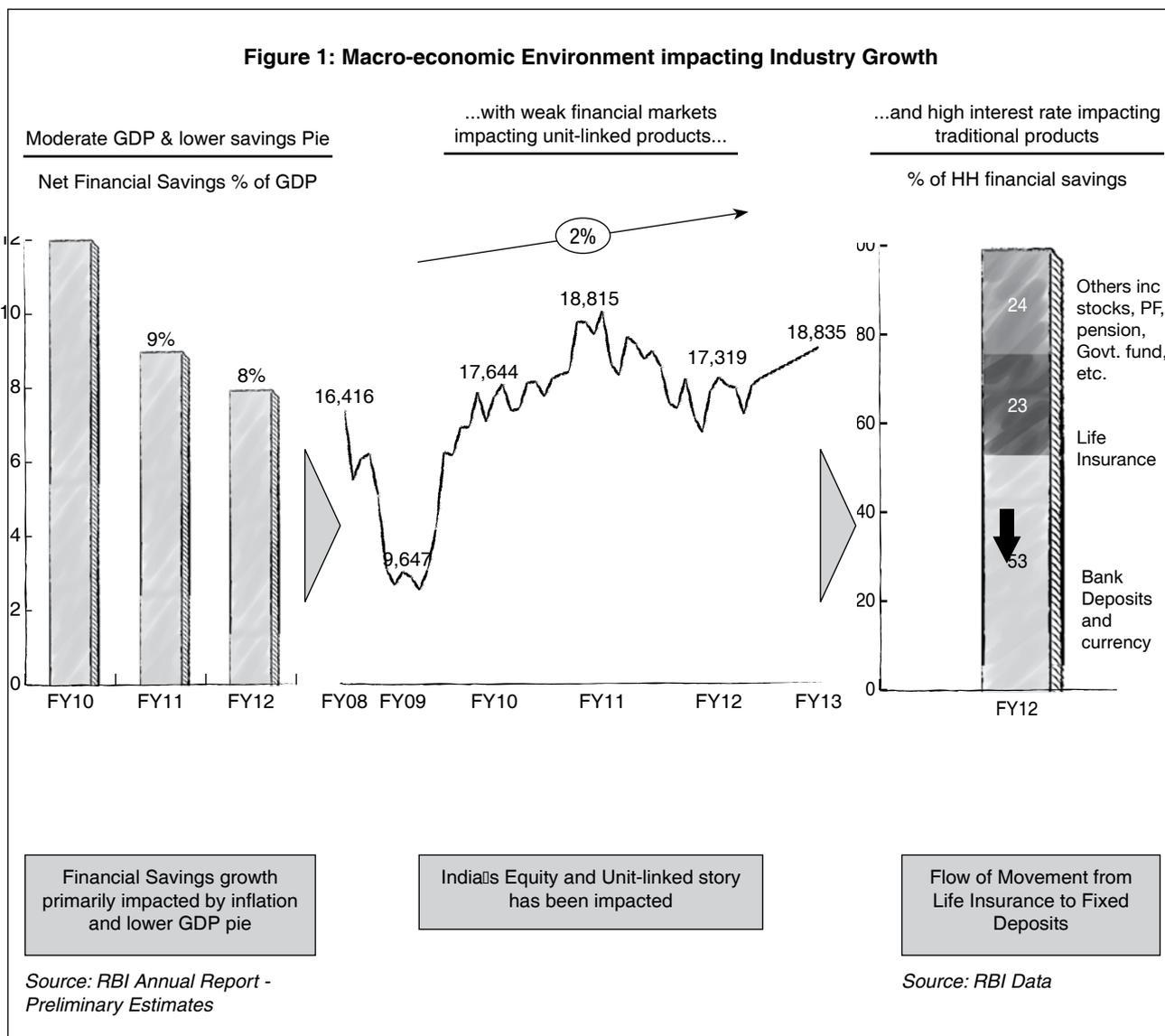
Technology absorption, adaption and innovation	
1. Efforts, in brief, towards technology absorption, adaption and innovation	<ol style="list-style-type: none"> 1. Knowledge Management Portal 2. Mobile-based Activity Tracker 3. IVR Services 4. Self-Service Options Through Website 5. E-Learning 6. Group Sales Management 7. Voluntary Enrolment 8. Disaster Recovery 9. Test Automation 10. Server Virtualisation
2. Benefits derived as a result of the above efforts (e.g., Product improvement, cost reduction, product development, import substitution, etc.)	<p>Benefits derived from major initiatives:</p> <ul style="list-style-type: none"> • Single repository of all customer service related processes and manuals, leading to improved customer satisfaction and enhanced productivity • Input-based tracking & monitoring of activities performed by sales staff, including sales, training, relationships and service • Simpler, faster, and convenient access of policy details to customers and cost saving for the Company due to reduction in call volume and number of FTE's • Automated processing of policy servicing requests by customers • Create greater efficiency through IT enabled learning • Single repository of all leads in pipeline for Group business leading to efficient tracking and closures • Extending enhanced life insurance coverage to members of Group policy through online enrolment • Extension of disaster recovery systems for critical systems such as Oracle Financials, Talisma and APM • Reduction in production issues on core insurance system, improved quality of delivery, and minimising operational losses • Scalability, performance improvement, and cost save through virtualising servers
3. Particulars of imported technology in the last five years (reckoned from beginning of the financial year)	
a) Technology imported	NA
b) Year of import	NA
c) Has technology been fully absorbed	NA
d) If not fully absorbed, areas where this has not taken place, reasons, therefor and future plans of action	NA
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	
1. Earnings	As per the prevailing regulations, the Company is not permitted to do any business outside India and hence there is no foreign exchange inflow during the year
2. Outgo	The Foreign exchange outgo, during the year, has been ₹ 22.99 Mn (previous year ₹ 7.41 Mn)

Management Discussion and Analysis

for the year ended 31st March, 2013

ECONOMIC ENVIRONMENT & OUTLOOK FOR THE LIFE INSURANCE INDUSTRY

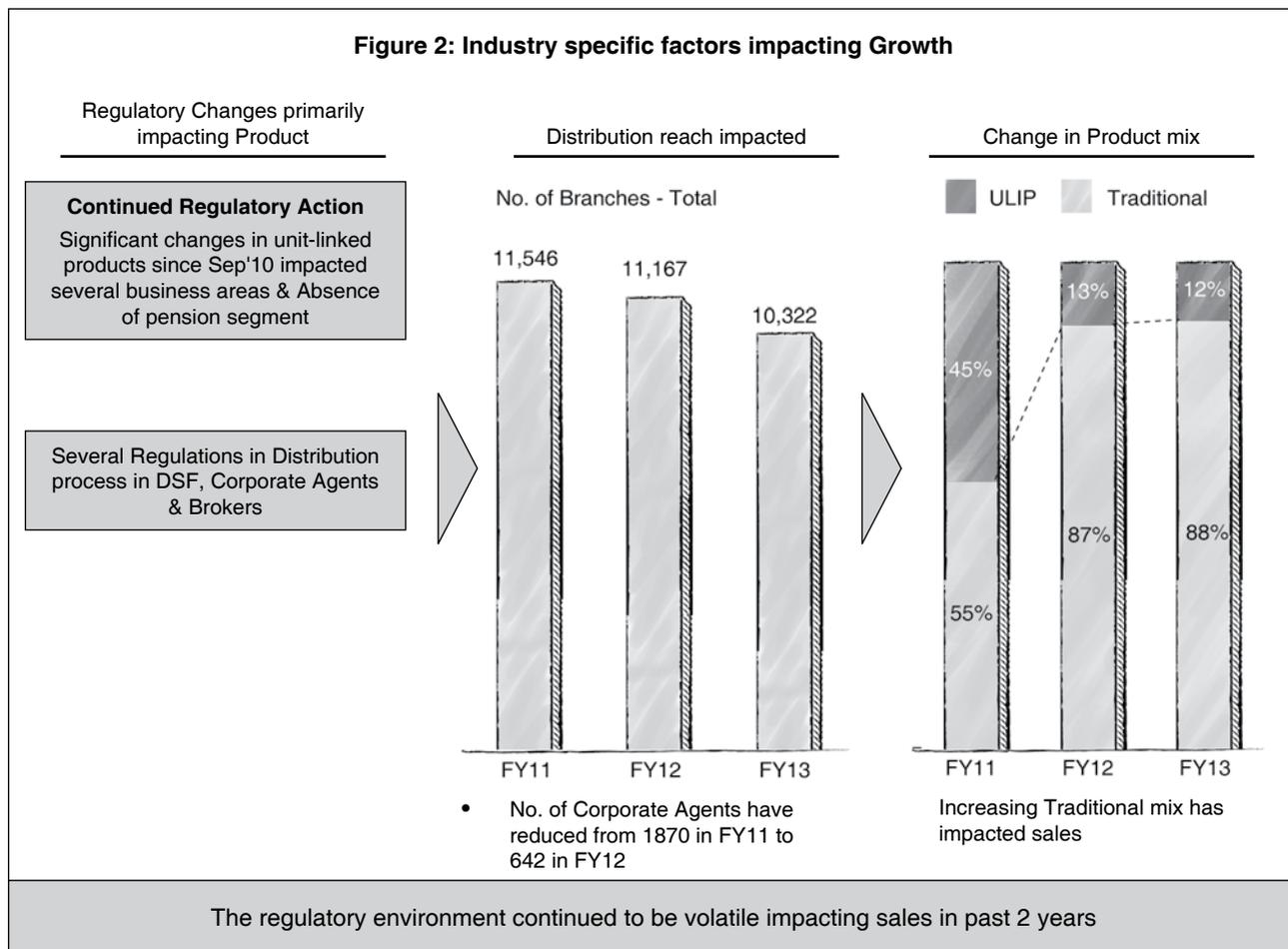
The 2013 economic environment was characterised by persistent high interest rates in the country while GDP growth rate has been declining. The high-interest & high-inflation environment adversely impacted the landscape of the country's life insurance industry. The high interest rates have resulted in the overall reduction in financial savings pie and higher inclination towards term deposits. Further, low consumer confidence along with weak financial markets impacted unit-linked business and the customer's ability to commit for the long-term. The current volatile macro-economic and regulatory environment could continue for some time which will create challenges for us.



Management Discussion and Analysis

for the year ended 31st March, 2013

Figure 2: Industry specific factors impacting Growth



Despite the economic uncertainty, the long-term prospects of the industry remain strong and the industry is expected to recover over the long-term. This growth will be driven by a) robust double digit nominal GDP growth, b) favourable demographic profile, c) high household savings, d) rising income levels and e) increasing urbanisation. The industry should grow at 1x nominal GDP growth over the medium term.

LIFE INSURANCE INDUSTRY STRUCTURE, PERFORMANCE & TREND

Industry Structure and Competitive Position Overview

After 13 years of deregulation, the year 2012-13 saw consolidation of market share of Top 7 Private Players. Competitive landscape has changed significantly as growing market-share of private players has reversed in the past 3 years while market share of the bank-backed players has increased marginally. On the product front, traditional mix increased from 31% in FY11 to 59% in FY12 for the private players. Total branches have reduced from 8,175 in FY11 to 7,712 in FY12. Branch reduction has primarily happened in rural areas which saw a reduction in branches by 22%.

Despite the growth for the industry being muted since the new regulations, LIC has emerged stronger in the last two years on the back of its robust traditional portfolio. The top 7 players' concentration of the total market share increased marginally from 25% to 30% on the basis of total weighted new business premium in FY 2012-13. This clearly indicates that private players, particularly the 7 players, will continue to grow on the back of a wide distribution network and a strong brand, especially the bank-led insurers.

Management Discussion and Analysis

for the year ended 31st March, 2013

Figure 3: Industry New Business Premium – Individual Life (INR Bn)

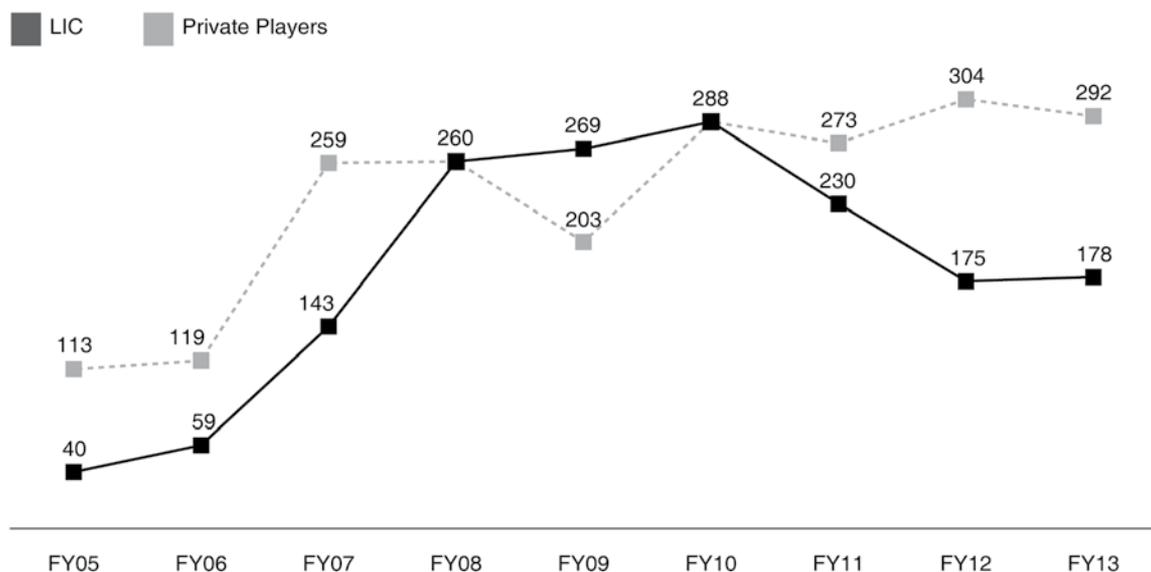
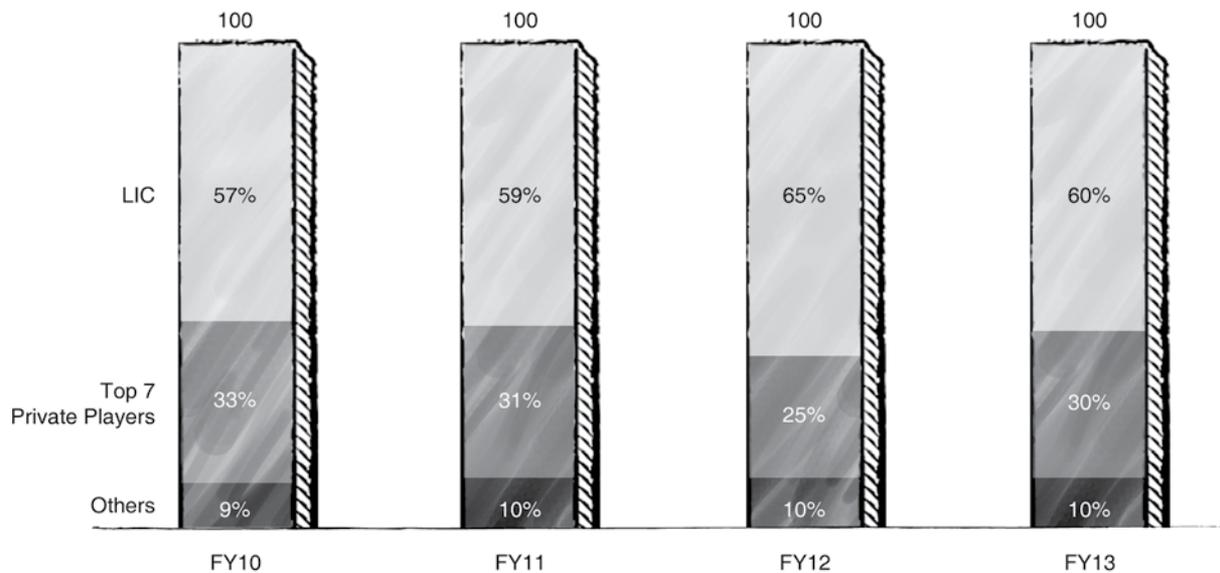


Figure 4: Concentration of LIC, Top 7 Private Players and Others in terms of Percentage of Total Weighted NBP



*Top 7 Private Players including Birla Sun Life, ICICI Prudential Life, HDFC Life, SBI Life, Max New York Life, Bajaj Allianz and Reliance Life basis weighted new business premium at 10% single premium

At the end of the year under review 31st March, 2013, BSLI's market share stood at 3.2% (8.0% among private players, last year: 7.8%). We have strengthened our position as a top rung player in the private sector and maintained our rank both in Individual Business (no. 6) and total new business (no. 5). BSLI has adopted the strategy of balanced growth for the past two years and has undertaken various initiatives around creating a multi-distribution platform, moving to a balanced product mix and improving efficiencies of existing channels. These initiatives will go a long way in increasing its market competitiveness.

Industry Performance for FY13

Following the various regulatory developments, the life insurance premium continued to experience a fall in new business premium during FY13. Life insurance industry recorded a decline of approximately 2% on a weighted new business premium collection for individual business recorded for the year ended 31st March, 2013.

Management Discussion and Analysis

for the year ended 31st March, 2013

The new business premium figures are summarised below for FY13, segregated into 9M and remaining months of the year. Private players saw some traction in the last quarter in Individual life business while total business witnessed a declined.

Table 1: New Business (@10% SP) Premium for Private Players FY 2013 – 9M & Q4

Particulars		Weighted New Business @10% Single premium (INR Crores)		Growth Rates (YoY)	
		9MFY13 (Apr-Dec'12)	Q4FY13 (Jan'13-Mar'13)	9MFY13 (Apr-Dec'12)	Q4FY13 (Jan-Mar'13)
Total	Pvt. Players	14,111	8,642	-2%	-7%
	Total	37,598	19,841	-11%	-23%
Individual	Pvt. Players	11,209	6,621	1%	3%
	Total	31,221	15,780	8%	-17%

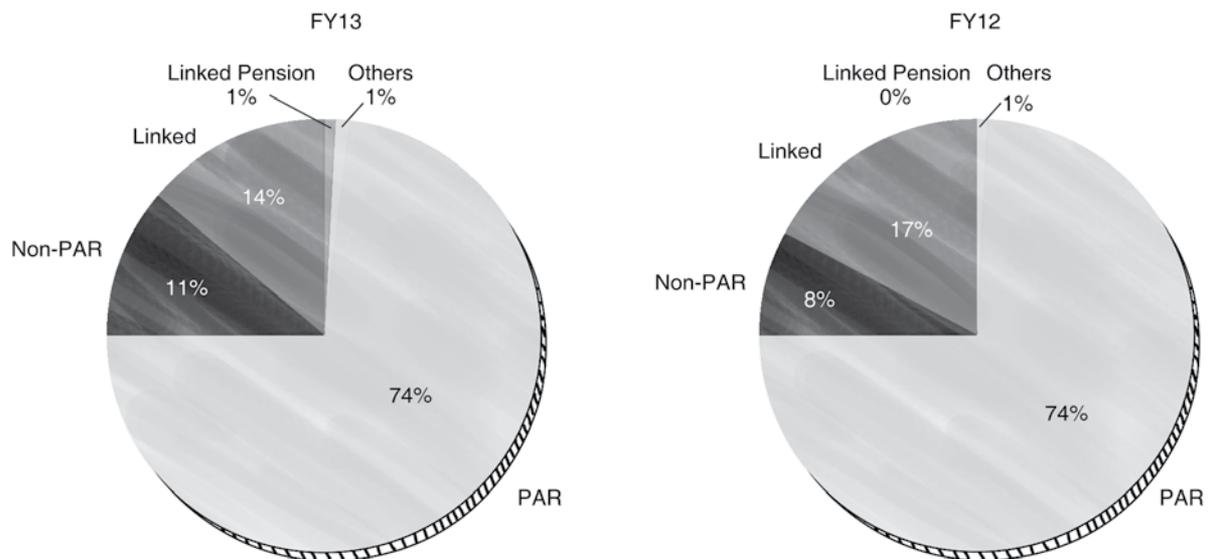
Industry Trend

There have been several trends that are discernible over the last 12 months. This included the product mix, changing channel dynamics, and increasing focus on efficiencies in distribution as well as back office operations.

Movement to a balanced product mix across the industry

Up till FY10, ULIPs constituted more than 85% of new business for private players. However post regulatory changes, the product mix underwent a significant shift as private players focused on traditional products. The industry may continue to focus on Non-Linked (Traditional) products given their higher compensation and focus on guarantees. However, the product mix may shifted marginally towards linked products with the introduction of unit-linked pension products.

Figure 5: Increasing Share of Non-Linked Business



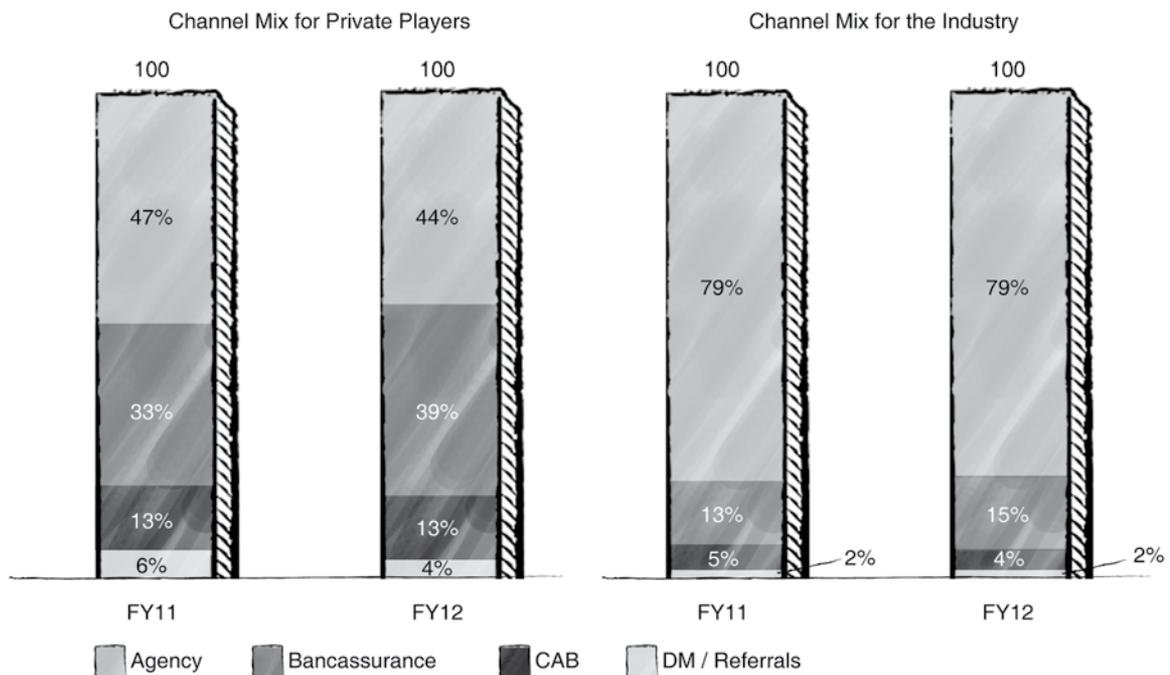
Review of Distribution mix across Private Players

The industry today saw a decline in its distribution capacities with the total number of agents declining from 3.0 Mn as on Mar'10 Mn to 2.2 Mn as on YTD December'12. The total number of branches declined from 12,018 in Mar'10 to 10,322 as on YTD December'12. There was a visible shift in distribution mix for the private players with higher contribution from Bancassurance channel to new business sales.

Management Discussion and Analysis

for the year ended 31st March, 2013

Figure 6: Channel Mix for the Industry



Source: IRDA Annual Report 2010-11/2011-12

Increasing focus on customer

The insurers are looking at further strengthening their selling practices and have taken several initiatives around increasing customer engagement, creation of a multi-channel customer reach and implementation of initiatives to improve the customer experience.

Focus on creating operational efficiencies and renewal premium collection

Operating metrics for the top private life insurers have improved significantly with

- Cost ratios down from around 18% in FY10 to 15% in FY12 driven by increased focus on productivity and cost management
- The focus on technology development is evolving rapidly, creating several opportunities for insurers to create efficiencies in their businesses. Several life insurance players have started focusing on improving business processes, empowering the distributors, improving customer service experience by leveraging technology
- The focus on customer retention continues to occupy a large mind-share for the industry players. Renewal premium contribution increased for the industry to 72% in 9M FY13. Industry has clearly increased its focus on improving various initiatives around customer retention such as creating customer awareness, increased focus on premium collection as well as cross-selling initiatives to improve customer retention.

REGULATORY & STATUTORY CHANGES IMPACTING INDUSTRY

- **Guidelines On Servicing of Orphan Policies (June 2012):** Provides for the procedure and manner of allotment of orphan & lapsed policies (i.e., lapsed policies sourced by agents who are terminated) to other active insurance agents.
- **Investment Regulations, 2013 (Feb. 2013):**
 - ✧ Exposure & prudential norms revised for Life & pension but made restrictive for ULIP.
 - ✧ Investment in promoter group companies reduced from 12.5% to 5% for ULIPs.
 - ✧ No approved investment shall be made in instruments which are capable of being rated, but are not rated. If invested, it will be classified as other investments (unapproved).
 - ✧ The exposure to single investee Infrastructure Company shall stand at 20%.
- **Investment Regulation, 2013 (March 2013):** New Investment Regulations effective 1st April, 2013, except for the following:
 - ✧ Applicability of NAV for applications received on 31st March, 2013
 - ✧ Filing of Internal/Concurrent Auditors' certificate
- **IRDA (Non-Linked Insurance Products) Regulations, 2013 and IRDA (Linked Insurance Products) Regulations, 2013**
 - ✧ Revised Commission capping for Linked and non-linked business linked to premium payment term
 - ✧ Minimum death benefit requirements for single and regular premium products depending on the age of the customer

Management Discussion and Analysis

for the year ended 31st March, 2013

- ✧ Minimum policy term and premium term of five years for individual products
- ✧ Enhanced minimum guaranteed surrender value varying by policy duration
- ✧ Separate category of variable insurance products and governing provisions (for both linked and non-linked products)
- ✧ Provisions for pension and group products (for both linked and non-linked products)
- **IRDA Places of Business Regulations, 2013 (Feb. 2013):**
 - ✧ Filing of the Board Approved Annual Business Plan including the details of proposed offices to be opened
 - ✧ No IRDA approval required for opening of places of business in Tier 2 and below centres subject to compliance with minimum solvency ratio and Expenses management of the Insurer
- **Standard Proposal Form for Life Insurance Regulations, 2013 (Feb. 2013):** Standard Proposal Form for all individual policies. Intermediaries required to obtain consumer's suitability information prior to making recommendation of the product Effective 18th August, 2013.
- **Scheme of Amalgamation and Transfer of Life Insurance Business Regulations, 2013 (Feb. 2013):** Scheme of Amalgamation or Transfer shall not be implemented without final IRDA approval. IRDA Approval Process defined in these regulations.
- **Life Insurance – Reinsurance Regulations, 2013 (Mar. 2013):**
 - ✧ Objectives in making the Reinsurance arrangements Formulation of a Retention policy for each type of product/risk on on-going basis.
 - ✧ Benchmark Retention limits set in the Regulation.
 - ✧ IRDA approval required if retention level as per the Retention Policy of the Insurer is lower than the Benchmark as mentioned in the regulations.

OPPORTUNITIES AND CHALLENGES

The last two years have been challenging for the life insurance industry in terms of new business growth. The Company believes that life insurance will continue to command a large share from retail investors and dominate long-tenure investments. This belief can be substantiated by analysing the challenges and opportunities in the industry.

Challenges

- Regulatory Challenges – The regulatory environment continues to remain uncertain-Transition to new traditional product norms could be a cause of concern for the industry
 - ✧ Impact on index linked non-participating products and 'highest NAV guarantee' products due to transition at field-level for distributors incl. training required for new products
- Driving efficiencies from existing capacities especially DSF channel, which has a high fixed cost to variable cost ratio
- Acquiring new distribution including Bancassurance tie-ups has been challenging as the cost of creating new distribution/ new partnerships has increased
- Perception of the Insurance Industry in the mind of consumer needs to change
- Focus on customer retention and persistency to increase in force profit and farming existing customers to increase revenues

We believe that the insurance industry has shown resilience in light of tapering growth, by focusing on product innovation, distribution efficiency and strengthening back-office operations. In the past two years, the players have taken up the opportunity to bring in productivity improvements and have aligned their business models to focus on a more balanced growth objective. Innovation and discipline in execution skills will play a key role going forward in helping insurance companies create substantial differences.

Opportunities

We believe that the following trends characterise the Indian economy that augurs well for the life insurance industry:

- Long-term factors are still intact

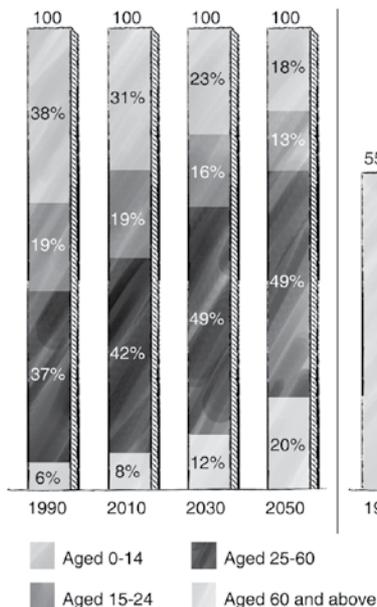
Strong long-term growth drivers for the industry remain intact and will be primarily driven by a favourable GDP growth, a favourable demographic profile, high household savings, rising income levels and increasing urbanisation. The industry should grow at 1x nominal GDP growth over the medium to long-term.

Management Discussion and Analysis

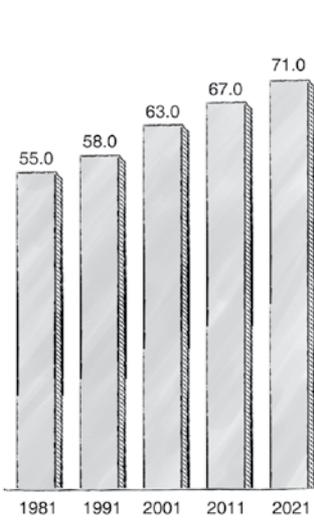
for the year ended 31st March, 2013

Figure 7: Demographic/Other parameters indicating future life insurance opportunity

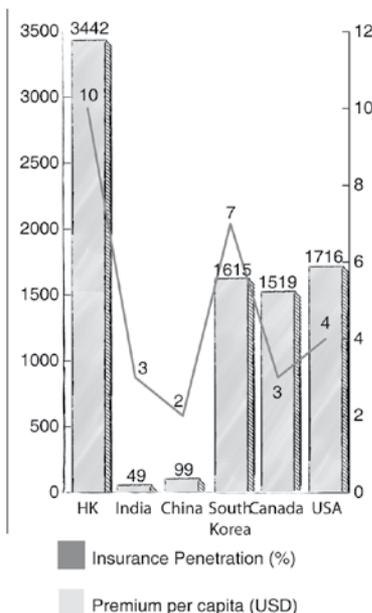
Increasing working age population leading to demand for Protection



Improving Life Expectancy (Years) in India



Relatively Lower Life Insurance penetration and density



Source: Census of India/UN Population Division/IRDA Annual Report/Swiss Re Sigma Report, 2012

In some of the developed countries, life insurance penetration (insurance premium/GDP) stands at over 5%. Over the next 3-5 years, we believe life insurers are well positioned to realise penetration levels of 5.0 – 5.5%.

- Focus on pension and protection business**

Many life insurance companies have begun re-launching unit-linked pension products. Unit linked pension products had been a significant contributor of growth before September 2010 and once contributed to 17% of industry APE for a few private players.

- Focus on Increasing Bancassurance & Other Alternate channels**

The increased alliances between banks and insurance companies position the selling of insurance products by banks as an opportunity to leverage their extensive branch network and broaden their income base to include more fee based business. There is significant opportunity to increase the distribution reach within the country. Also, brokers and other alternative channels (tele-sales and online) are still at a developing phase in India. These channels will bring in new opportunity and drive higher share of spending on insurance products by existing customers.

BSLI is well positioned to meet the challenges and also tap into the opportunities of the life insurance industry. The Company is expected to emerge stronger on the back of its wide distribution franchisee, a long history of product innovations & operational efficiencies.

SUMMARY OF OPERATIONS

Sales Performance Review & Market Share Movement

The Company has focused on a multi-distribution strategy to offer its wide range of life insurance products to numerous customer segments. The Company has been able to maintain a constant channel mix for the past 3 years with >30% business Non-Agency channel.

As of March 31, 2013, BSLI's nationwide reach encompassed over 600 branches, an agency force of over 105,000 empanelled agents, tie-ups with around 150 non-bank corporate agents & brokers and 4 key bank partners.

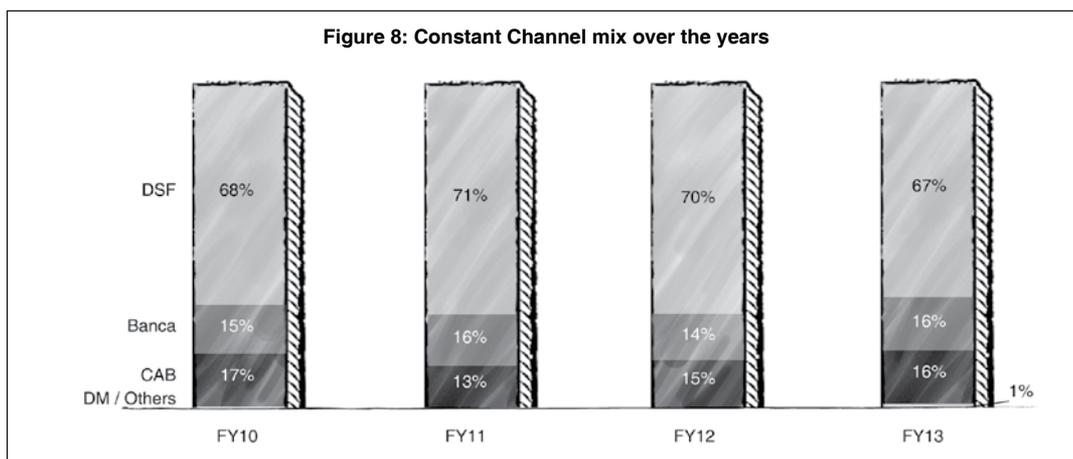
- Agency** continues to be the Company's largest distribution channel contributing to 67% of the individual life business and achieving Annualised Premium Equivalent (APE) of ₹ 808 crores. Going forward, the Agency channel's prime focus will be ensuring optimal geographical coverage in terms of breadth and depth and using customer & distributor segmentation to drive higher efficiencies.
- Bancassurance channel** delivered annualised premium equivalent of ₹ 190 crores contributing to 16% of individual sales. With a strong existing bancassurance model to leverage, we are confident that we will be making further in-roads in this channel in the years to come. Further, the recent regulatory guidelines on bancassurance are further expected to provide opportunities to the Company for additional tie-ups. Our priorities for the channel moving forward will be to harvest existing partners for sustainability while focusing on long-term business and sales practices.

Management Discussion and Analysis

for the year ended 31st March, 2013

- **Over the past few years**, a strong franchise network has been created in the Corporate Agent, Broker (CAB) segment. This business, which currently contributes to 16% of sales, registered sales of ₹ 188 crores in FY13. Our new CAB partners have contributed significantly to new business in FY13 due to addition of sales of new capacities. The endeavour going forward will be to add new capacities while further improving quality of business.
- This year saw **Group Business increase its share** in new business premium. Our performance was driven by improvement in product lines and focus on increasing our penetration. This helped us achieve 3rd rank amongst private insurers as on FY13. The new segmentation and organisation structure yielded strong and positive results, and we achieved a growth of as of the period. Both Term and Fund segments have registered YoY growth of 33% and 40% respectively. Group Business received the first ever 'Special Recognition for Outstanding Contribution to the Indian Pension Fund Industry' at the Indian Pension Fund Awards 2012.

Additionally, we enhanced and diversified our distribution and sale management capabilities, implementing best practices in such areas as agent recruitment training, and further expanding alternate channels such as direct marketing, distance marketing, etc.

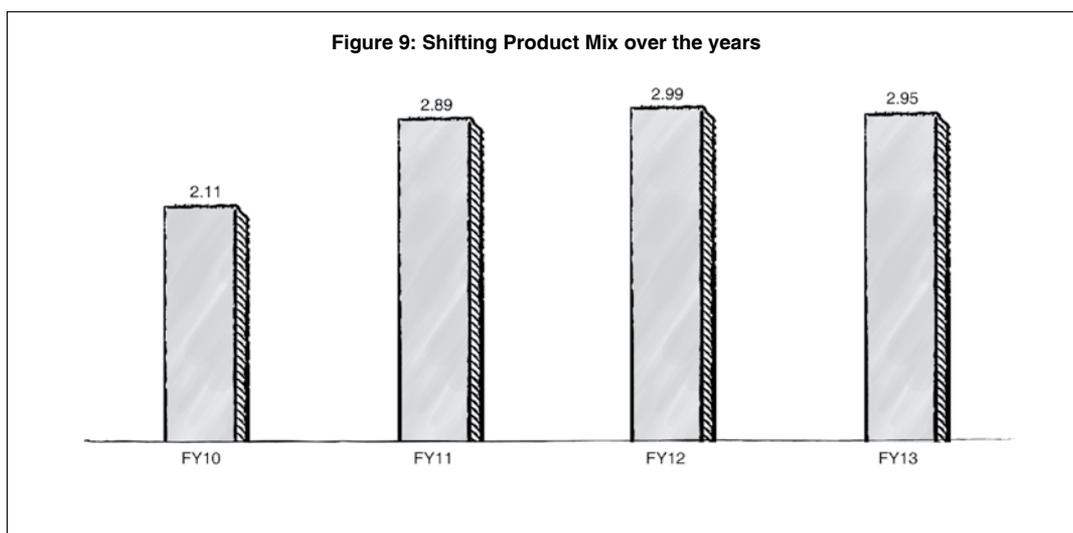


PRODUCT STRATEGY & PERFORMANCE

The mix at the industry level is currently skewed towards traditional products. The industry may continue to focus on Traditional products given their higher compensation and expense absorbency. Our traditional portfolio has increased from 5% in FY10 to 55% in FY13.

During the year under review, the Company launched several new **products**

- In unit-linked category, we have launched Aspire Life and Wealth Assure, both of which will further complement the ULIP range.
- BSLI launched 3 Traditional (Vision Plans) in the month of January on Participating platform i.e., 'BSLI Vision Income Plan', 'BSLI Vision Endowment Plan' and 'BSLI Vision Regular Returns Plan'.



We will continue to focus on regularly launching products with new features and benefits that keep pace with evolving customer needs and also drive sales force activities.

- The Company's first priority will be to build a full suite of traditional products
- Balanced product mix between Traditional endowment and unit-linked products to cater to various customer segments and focus on improving profitability

Management Discussion and Analysis

for the year ended 31st March, 2013

FINANCIAL PERFORMANCE

Table 6: BSLI's Financial Performance

(in INR Crores)

Particulars	FY13	FY12	Inc. (%)
Business Performance			
New Business Premium	1,837	1,926	-5%
Renewal Premium	3,380	3,959	-15%
Total Premium	5,216	5,885	-11%
Financial Performance			
Income			
Gross premium income	5,216	5,885	-11%
Reinsurance (net)	-165	-138	20%
Total premium income (net)	5,051	5,747	-12%
Income from investments			
Policyholders	2,070	-163	-1368%
Shareholders	116	80	45%
Investment Income	2,186	-83	-2734%
Other Income	37	30	23%
Total Income	7,274	5,694	28%
Less:			
Commission	300	325	-8%
Expenses (including depreciation)	1,161	1,217	-5%
Benefits paid (net)	3,659	2,705	35%
Provisions for actuarial liability (net)	1,612	987	63%
Provision for Taxation			
Profit for the Current Year	542	461	18%
Share Capital	1,969	1,969	
Reserve & Surplus	520	480	
Net Worth	1,248	1,073	

Our Company registered a net profit of ₹ 542 crores in FY 2013, compared to ₹ 461 crores in FY 2012

Our assets under management rose 9% over the same period to ₹ 22,929 crores from ₹ 21,100 crores

The Company recorded new business premium of ₹ 1,837 crores which was in line with previous year given the context of the industry performance over the year. Our rank amongst the private players for the period under review is 5th (Total Individual & Group) & we are positioned 6th in Individual Life. While total premium has witnessed a decline due to regulatory changes and uncertain market environment, our focus remains on robust financial performance as seen from our rising profits and decreasing operating expenses.

We continued our journey of profitable growth for the third consecutive year. Our Net Profit was ₹ 542 crores (LY: 461 crores) for the year ended 31st March, 2013. The Company declared an interim dividend of 10% amounting to ₹ 197 crores and has further announced a final dividend of 6% of share capital amounting to ₹ 118 crores. Going forward, the Company is confident of funding business growth through internal accruals will look at formulating a stable dividend policy to optimise its surplus solvency capital.

We believe that the Company's profitable journey is sustainable as these profits are primarily driven by in force business, declining expense ratios and changes in product structures. The Company took several steps to rationalise expenses, improve efficiencies and productivity across its operations.

Premium Income

Table 7: Premium Break-Up

Particulars (INR Crores)	FY13	FY12	% Growth
First year premium	1,837	1,926	-5%
Individual Life	1,048	1,250	-16%
Group Business	788	676	17%
Renewal Premium	3,380	3,959	-15%
Total Premium	5,216	5,885	-11%

Management Discussion and Analysis

for the year ended 31st March, 2013

While the total premium amounted to ₹ 5,216 crores registered de-growth of 11%, the renewal premium of ₹ 3,380 de-grew by 15% YoY. The impact on renewal premium growth is primarily attributed to lower new business sales in the corresponding period last year. Our premium from group business grew 17% over FY12. As an insurer with long-established track record, a significant portion of our business is on a regular premium basis, which has provided us with a stream of renewal premiums.

Investment Income

The Company continued excellence in investment performance for its policyholders. For all its ULIPs, the Company delivered excellent fund performance across the board, consistently beating benchmarks overall and as well as across all the funds as evident from the below table.

Table 8: Percentage of funds beating benchmarks as on 31st March, 2013

	1 yr	2 yr	3 yr
Funds beating benchmark	100%	95.5%	95.5%

BSLI investment's philosophy has been to build a sound investment portfolio within the external and internal guidelines, to ensure liquidity, while maximising policyholders' wealth consistently on a long-term basis.

Commissions

The new regulations have impacted distributor compensation on ULIPs. To ensure attractive returns to distributors, the Company has taken several initiatives including driving higher productivity and driving the right product mix mapped with appropriate customer segments. Additionally enhanced training of the sales team to move towards a balanced product mix in favour of traditional products had led to increase in the commission rates. The commission rates for total business and new business is provided in the table below:

Table 9: Commission Ratios

Individual Life	FY13	FY12
Total Commission/Total Premium – Ind. Life	6.9%	6.4%
New Business Commission/NB Premium – Ind. Life	17.3%	14.2%

Operating Expenses

Operating expenses for FY13 was ₹ 1,160 crores compared to operating expenses of ₹ 1,215 crores for the same period last year. Our Company's cost structure is line with expectations given the new business growth, product structures and our focus on long-term products. Going forward, we will continue to create higher efficiency in the agency channel, other cost overheads and productivity/performance of our people. The Company has been focusing on disciplined expense management as a result of which other expenses and overheads reduced by 5%.

Opex to premium ratio has marginally increased from 20.6% to 22.2% due to the impact on total premium growth. We will continue to review our expense structure in line with the business growth.

Table 10: Operating Expenses Break-Up

Particulars (INR Crores)	FY13	FY12	% Growth
Salary	533	579	-8%
Other Expenses	628	638	-2%
Total Expenses	1,161	1,217	-5%
Expense as % of total premium	22.2%	20.6%	

Excluding shareholders expenses

BENEFITS & RESERVES

Benefits – Surrenders & Maturities

Our profitability depends primarily on our ability to retain existing customers and to manage our underwriting and claims effectively. Hence, managing risks around claims and increase in surrenders will be the key to help us achieving our overall desired profitability objectives. Surrenders/partial withdrawals have increased to ₹ 3,450 crores for FY13 which in line with expectations as most products have a minimum lock-in of 3 years & surrender experience coincides with the sales trend 3 years prior.

BSLI has taken number of initiatives to reduce surrenders which are highlighted below:

- Distribution initiatives such as claw backs on commission and rewards and recognition of new business which has been through induced surrenders.
- Segmented approach towards Managing surrenders by focusing on advisory-driven approach for HNI customers.
- Top branches across the country trained on surrender retention resulting in increase in retention at branches.

Management Discussion and Analysis

for the year ended 31st March, 2013

NET PROFIT

The net profit for the year at ₹ 542 crores has shown a considerable improvement over last year profit of ₹ 461 crores. The increase in profits is on account of rising profit from in force business, declining operating expenses and changes in product mix. We will continue to focus on our core strategy to focus on a profitable product mix while providing value-added proposition to our customers.

The Company has now reported profits for three consecutive years. We delivered strong performance in a year of uncertain regulatory and economic environment. This performance demonstrates the success of our strategy to focus on the most profitable growth.

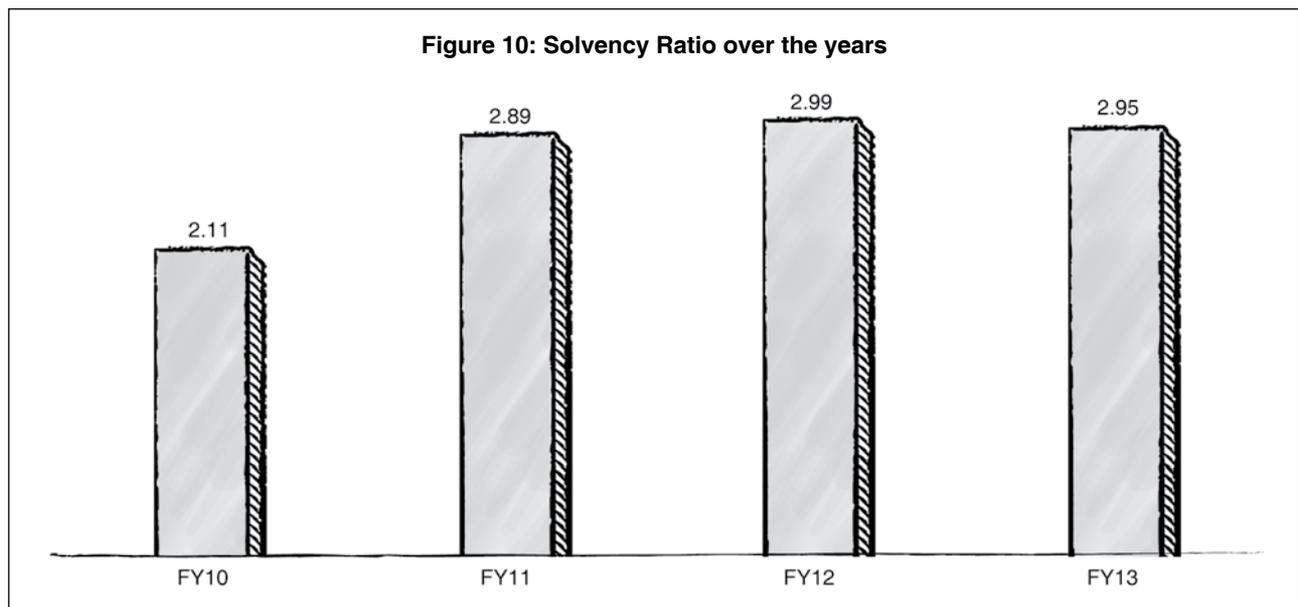
Some of the key priorities to manage net income, set by the Company for FY14, are as follows:

- Sales Growth through a balanced channel mix, optimal capacities, complete product range & improved distribution efficiencies
- Balanced Product Mix of ULIPs and Traditional
- Higher focus on customer satisfaction through need-based selling and better customer service
- Increasing efforts towards retaining customers through maintaining higher persistency
- Improve distribution efficiencies & higher engagement of distributors by improving productivity and reducing attrition
- Develop new Bancassurance partnership and leverage existing partnerships
- Leveraging the full potential of the brand

FINANCIAL CONDITIONS & ASSET UNDER MANAGEMENT

Share Capital, Dividend and Solvency position

The Company is capitalised at ₹ 2,490 crores (incl. share premium & reserves). Given the robust financial performance, there has been no capital infusion for the last three years.



Solvency refers to the minimum surplus that an insurance company needs to keep aside in the form of additional capital to meet any unprecedented increase in claims and to meet any adverse losses. As solvency needs to be maintained over very long periods for which policies are written it is necessary to ensure that the assets exceed liabilities and are invested in risk-free assets. The Regulations prescribes that each insurance company must have free assets equal to 1.5 times of the required solvency margin. Our solvency margin is at a level which is in excess of 2.95 times is well above the regulatory requirements of 1.5 times. It also ensures that the company's stakeholders and customers can have confidence in the company's long-term financial strength.

After considering the Company's cash flow and capital position, first dividend was paid out at 10% of share capital amounting to ₹ 197 crores (excluding Dividend Distribution Tax) in Q4 FY13 and has announced a final dividend at 6% of share capital amounting to ₹ 118 crores in Q4 FY13. Going forward, the Company will look at formulating a stable dividend policy to optimise its surplus solvency capital.

Assets under Management

Assets under Management (AUM) grew from ₹ 21,110 crores in FY12 to ₹ 22,929 crores in FY13. In FY13, we did not witness a major change in our allocation of assets between debt and equity. Proportion of equity has remained stable for the Company over the years.

Management Discussion and Analysis

for the year ended 31st March, 2013

Figure 11: Asset under Management (INR Crores)

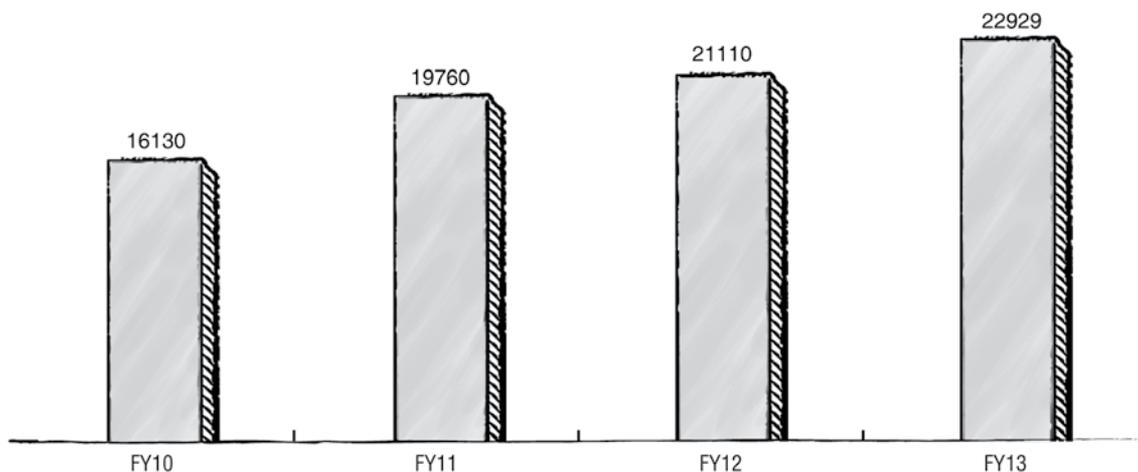
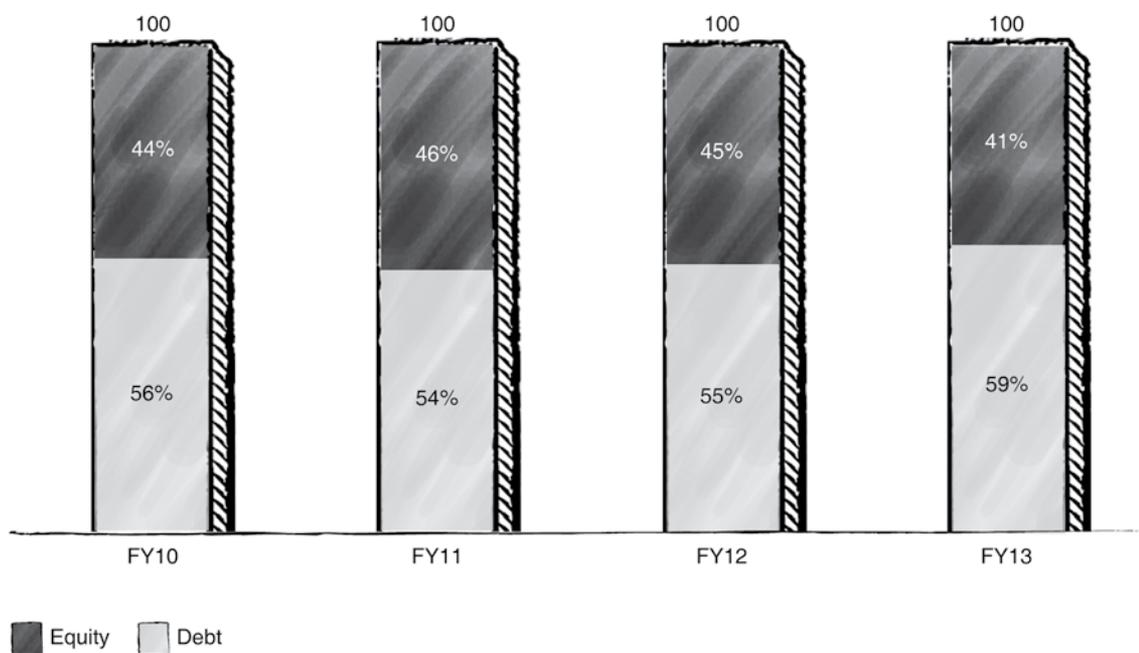


Figure 12: Equity & Debt Component



Human Resources – Our strength

Employee Engagement – BSLI engages effectively with its employees critical to building and sustaining a high-performing business and retaining talent. Engagement initiative schemes were introduced in over 600 branches across the country which included celebrations, festivals, recreational and sport activities, recognitions, etc. Additionally, Rewards and Recognition programme was initiated which was aimed at creating a culture of recognising and celebrating performance at multiple levels across the organisation & group in addition to as well as across for individuals & teams.

Training & Development – The Sales & Corporate Training Cell provides training architecture for structured and systematic learning from trainer, supervisor and by self, improve retention, application of learning and improve discipline in participation.

Management Discussion and Analysis

for the year ended 31st March, 2013

BRAND PERFORMANCE

We believe that the “Birla” brand is one of the most recognised brands in India which provides us with significant competitive advantage, particularly towards attracting new customers and talent.

The Company continued its efforts towards improving its brand image in FY13. Our Brand consideration score improved over the period from 24% in FY12 to 36% in March'13. We believe that going forward the strength of our brand is expected to become more important. We will continue to strengthen our efforts further to improve our brand performance through an optimal mix of above-the-line and below-the-line activities.

Our brand continues to act as an impetus for employee engagement and insightful decision making. For employees, it means positive difference for our customers, it means reaching across the country to build on our reputation as a strong and stable company. From television advertising to our sponsorships and expanded web and social media presence, our focus was on deepening the understanding of our brand promise.

CUSTOMER MANAGEMENT

Customer Service Capabilities

The Company continues to strengthen its customer-centric delivery capabilities in addition to leverage the use of technology for achieving business goals.

- Our customers will continue to be our priority. We have proactively been investing in the essential building blocks of customer centricity for the past 3 years. The management team of the Company has taken many steps towards achieving a strong position in this area. Our approach has been built around (a) listening to our customers, (b) understanding their feedback and point of view and (c) using the same in our decision making. We have taken several initiatives which includes:
 - The Company has a fully functional IT infrastructure and has recently enhanced its network bandwidth, business process management to enable workflow of documents and scanned images, etc., for all branches.
 - Exploring new technologies for policy issuance. The Company has launched E-application pilots for bring in efficiencies in policy issuance and improve customer convenience.
 - The Company has revamped its website to enable more self-servicing features for customers. The Company has also revamped its IVR features where fund value is now made available to the customer on the go.
 - Segmenting customers based on propensity to renew/default and using a combination of pro-active and re-active customer reach-out techniques using multiple channels (e-mail, call-centre, SMS).
- We have focused on improving customer service through a combination of capabilities and initiatives which include our dedicated claim assistance cell has helped us settle claims faster and in a customer friendly way. For the third year in a row, we have achieved 0% claim outstanding ratio at the end of the year, a testimony to our effort of doing what is in the best interest of the customer.
- The Company has launched Customer Connect initiative where employees are required to understand the experience the customer has had with BSLI & suggest improvement.

OUTLOOK FOR THE COMPANY

The industry has been under a changing, volatile and uncertain regulatory and macro-economic environment. In this context, we believe that the Company is well-positioned to take advantages of the opportunities arising from these challenges. Also, the industry in the long-term will benefit from some of the robust structural and demographics drivers that Indian life insurance industry offer. The Company has identified the following focus areas to strengthen its competitive and financial position in the future years.

- Sales Growth through a balanced channel mix, optimal capacities, complete product range & improved distribution efficiencies
- Balanced Product Mix of ULIPs and Traditional
- Higher focus on customer satisfaction through need-based selling and better customer service
- Increasing efforts towards retaining customers through maintaining higher persistency
- Improve distribution efficiencies & higher engagement of distributors by improving productivity and reducing attrition
- Develop new Bancassurance partnership and leverage existing partnerships
- Leveraging the full potential of the brand
- Grow digital footprint to increase customer empowerment and enhanced customer experience to be a key driver for profitability and growth
- Attract, develop and engage highly talented employees, ready and able to contribute to the full extent of their potential

Corporate Governance Report

for the year ended 31st March, 2013

Philosophy of Corporate Governance

Corporate Governance involves a set of relationships between a Company's Management, its Board, its Shareholders and other Stakeholders with a objective of 'enhancement of long-term shareholder value, while at the same time protecting the interest of all stakeholders (investors, customers, employees, vendors, government and society-at-large).

Good Corporate Governance consists of a system of structuring, operating and controlling a Company such as to achieve the following:

- a culture based on a foundation of sound business ethics
- fulfilling the long-term strategic goal of the owners while taking into account the expectations of all the key stakeholders, and in particular:
 - ✧ consider and care for the interests of employees, past, present and future
 - ✧ work to maintain excellent relations with both customers and suppliers
 - ✧ take account of the needs of the environment and the local community
- maintaining proper compliance with all the applicable legal and regulatory requirements under which the Company is carrying out its activities.

The philosophy and objective of Corporate Governance at Birla Sun Life Insurance Company Limited (BSLI) is "about working ethically and finding a balance between economic and social goals including the ability to function profitably while complying with the applicable laws, rules and regulations".

BSLI is committed to uphold the core values of transparency, integrity, honesty and accountability. This commitment lays the foundation for further development of superior governance practices, which are vital for growing a successful business, creating sustainable long-term shareholder value and balancing it with the interests of other stakeholders in the Company. It is not a discipline necessarily imposed by a regulator rather a culture that guides the Board, the Management and employees to function towards the best interest of the various stakeholders.

Structure:

This Report is divided into three sections, as follows:

- A. Reporting under Clause 49 of the Listing Agreement;
- B. Reporting under IRDA Corporate Governance Guidelines (IRDA CG Guidelines); and
- C. Reporting under MCA Guidelines (MCA Guidelines).

SECTION A

REPORTING UNDER CLAUSE 49 OF THE LISTING AGREEMENT

BSLI is an unlisted company and hence the clause 49 of the listing agreement is not applicable. Yet BSLI, on a suo moto basis, has taken all necessary initiatives to comply with the provisions of the said clause to the maximum extent possible and endeavours, in true spirit, to go well beyond the mandatory provisions.

I. BOARD OF DIRECTORS ("BOARD")

At BSLI, the Directors are elected by shareholders of the Company with a responsibility to set strategic objectives for the Management and to ensure that the long-term interests of all stakeholders are served by adhering to and enforcing the principles of sound Corporate Governance.

BSLI's Board members have diverse areas of knowledge and expertise, which is necessary in providing an independent and objective view on business issues and assess them from the stand-point of the stakeholders of the Company. At BSLI, the Board is independent of the Management.

I.A. Composition of the Board

The Board comprised of eleven Directors as on 31st March, 2013, ten being Non-Executive Directors (of which three were Independent) and a Managing Director.

The current Chairman of the Board, Mr. Kumar Mangalam Birla, is a Non-Executive Director.

The changes in the chairmanship/directorship of the Company during the Financial Year (FY) 2012-13 are given in Table 01:

Name of the Directors	Particulars
Mr. Dikran Ohannessian	Ceased to be a director w.e.f. June 20, 2012
Mr. Kevin Strain	Appointed as a director w.e.f. June 20, 2012

Table 01

Corporate Governance Report

for the year ended 31st March, 2013

I.B. Details of Directorships/Committee membership

The composition of our Board, their Directorships/Committee memberships and Chairmanships (excluding the Company) as on March 31, 2012 is given in Table 02:

Name of the Directors	Designation	No. of Directorship(s) in other Public Companies*	No. of Committee Membership**	Chairmanship in Committees**
Mr. Kumar Mangalam Birla	Non-executive Director (Chairman)	9	Nil	Nil
Mr. Ajay Srinivasan	Non-Executive Director	3	4	Nil
Mr. Bishwanath N. Puranmalka	Non-Executive Director	2	2	Nil
Mr. Dikran Ohannessian***	Non-Executive Director	1	Nil	Nil
Mr. Donald A. Stewart	Non-Executive Director	1	Nil	Nil
Mr. Gian P. Gupta	Non-Executive Director (Policyholders' representative, Independent)	8	6	5
Mr. Jayant Dua	Managing Director	2	Nil	Nil
Mr. Kevin Strain#	Non-Executive Director	1	Nil	Nil
Dr. Rakesh Jain	Non-Executive Director	5	Nil	Nil
Mr. Suresh N. Talwar	Non-Executive Director (Independent)	13	9	4
Ms. Tarjani Vakil	Non-Executive Director (Independent)	5	4	3
Mr. Venkatesh Mysore	Non-Executive Director	2	0	Nil

Table 02

*Excluding alternate directorships and directorships in foreign companies and companies under Section 25 of the Companies Act, 1956.

**Only Audit Committee and Shareholders' Grievance Committee of all public limited companies (whether listed or not) have been considered for the purpose of the Committee positions (membership and chairmanship), as per Clause 49 of listing agreement.

***Resigned w.e.f. June 20, 2012

#Appointed w.e.f. June 20, 2012

I.C. Non-Executive Directors' compensation and disclosures

As stated earlier, ten of our Directors are Non-Executive Directors. Of these, seven Directors are representatives of the two shareholders i.e., Aditya Birla Nuvo Limited (04) and Sun Life Financial (03) and the rest three are Independent. As decided by the Board, no remuneration of whatsoever nature is paid to these Non-Executive Directors, except for a sitting fee to the three Independent Directors, as detailed hereunder.

The Company pays sitting fees of ₹ 20,000 to the Independent Directors for attending each Board Meeting and, Board Committee meetings.

The details of sitting fees paid to these Independent Directors during the FY 2012-13 are given in Table 03:

(Amount in ₹)

Name of the Directors	Sitting Fees for the meetings of			Total
	Board	Audit Committee	Risk Management Committee	
Mr. Gian Prakash Gupta	80,000	80,000	80,000	2,40,000
Mr. Suresh Narsappa Talwar	60,000	NA	NA	60,000
Ms. Tarjani Vakil	60,000	60,000	80,000	2,00,000

Table 03

I.D. Board Meetings

Agenda and Minutes

The Company Secretary receives details on matters which require the approval of the Board/ Board Committees, from various departments of the Company well in advance, so that they can be included in the Board/Board Committee agenda(s). All material information is incorporated, in detail, in the agenda papers for facilitating meaningful and focussed discussions at the meetings.

Board Meetings and attendance of Directors

As a good practice, a yearly meetings calendar is prepared and circulated to all the Directors in the month of November/December every year, relevant for the next calendar year, so that they can adequately plan their schedule. This ensures optimum presence of the Directors/Committee Members at each meeting.

During FY 2012-13, four Board meetings were held as below:

- i) April 28, 2012
- ii) July 24, 2012
- iii) October 23, 2012
- iv) February 2, 2013

Corporate Governance Report

for the year ended 31st March, 2013

During FY 2012-13 the time gap between two successive board meetings did not exceed 4 months.

The attendance of the Directors at the above Board meetings and at the last Annual General Meeting is given in Table 04:

Name of the Directors	No. of Board meetings held during FY 2012-13		Attendance in the last AGM dated 20th June, 2012
	Held	Attended	
Mr. Kumar Mangalam Birla	4	1	No
Mr. Ajay Srinivasan	4	4	No
Mr. Bishwanath N. Puranmalka	4	4	Yes
Mr. Dikran Ohannessian*	4	1	No
Mr. Donald A. Stewart	4	4	No
Mr. G. P. Gupta	4	4	Yes
Mr. Jayant Dua	4	4	Yes
Mr. Kevin Strain**	4	2	No
Dr. Rakesh Jain	4	4	No
Mr. S. N. Talwar	4	3	No
Ms. Tarjani Vakil	4	3	Yes
Mr. Venkatesh Mysore	4	2	Yes

Table 04

*Resigned w.e.f. June 20, 2012

**Appointed w.e.f. June 20, 2012

I.E. Code of Conduct

The Company has designed and implemented a Code of Conduct for all the employees of the Company. The senior management of the Company is also governed by this Code of Conduct. All the employees confirm their adherence to this Code on an annual basis.

II. BOARD COMMITTEE

For ensuring smooth business activities, the Company has constituted certain Board Committees with well-defined charters. The prominent Board Committees are as under:

II.1. Asset Liability Management Committee

Pursuant to the nature of products sold by the Company it is crucial to have an Asset Liability Committee to manage the various risk and arising on account of product guarantees, interest rates movements, duration mismatches, cash flow mismatch, capital market, market liquidity, etc.

As per IRDA CG Guidelines constitution of "Asset Liability Management Committee" is mandatory for life insurance companies. In view of the foregoing provision, BSLI's Board had constituted an "Asset Liability Management Committee" at its meeting held on November 10, 2009.

Asset Liability Management Committee will set policy framework and operating guidelines for asset liability matching to safeguard the interest of Shareholders and Policyholders. This Committee will insure that the assets are created in line with the liabilities. The Committee will monitor, review & evaluate all possible variant that can have an impact on the ALM and will insure requisites measures are placed to manage risk arising out of these variants.

II.1.A. Composition

The composition of the Asset Liability Management Committee as on 31st March, 2013 is given in Table 05:

Name of the Committee Members	Designation
Mr. Ajay Srinivasan	Member & Non-Executive Director
Mr. Anil Kumar Singh*	Member, Chief Actuarial Officer & Appointed Actuary
Mr. Jayant Dua	Member & Managing Director
Ms. Keerti Gupta	Member & Head – Risk
Mr. Lalit Vermani	Member & Sr. VP & Head – Compliance, Risk, Internal Audit, Legal & Secretarial
Mr. Mayank Bathwal	Member & Chief Financial Officer & Head-Institutional Sales
Mr. Niall O'Hare**	Member & Chief Actuarial Officer
Dr. Rakesh Jain	Member & Non-Executive Director
Mr. Sashi Krishnan	Member & Chief Investment Officer
Mr. Venkatesh Mysore	Member & Non-Executive Director

Table 05

*Appointed w.e.f. January 14, 2013

**Ceased w.e.f. January 14, 2013

Corporate Governance Report

for the year ended 31st March, 2013

II.1.B. Meetings and attendance

During FY 2012-13, the Asset Liability Management Committee members met four times viz:

- i) April 25, 2012;
- ii) July 27, 2012;
- iii) October 19, 2012; and
- iv) January 29, 2013.

The attendance of the Asset Liability Management Committee members at the Asset Liability Management Committee meetings during FY 2012-13 is given in Table 06:

Name of the Committee Member	No. of Asset Liability Management Committee meetings held during FY 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	04	04
Mr. Anil Kumar Singh*	04	01
Mr. Jayant Dua	04	04
Ms. Keerti Gupta	04	04
Mr. Lalit Vermani	04	04
Mr. Mayank Bathwal	04	03
Mr. Niall O'Hare**	04	03
Dr. Rakesh Jain	04	00
Mr. Sashi Krishnan	04	04
Mr. Venkatesh Mysore	04	01

Table 06

*Appointed w.e.f. January 14, 2013

**Ceased w.e.f. January 14, 2013

II.2. AUDIT COMMITTEE

The provisions of Section 292A of the Companies Act, 1956, prescribes that every public company having paid-up capital of not less than ₹ 5 crores shall constitute a committee of the Board known as "Audit Committee". The Company had constituted its Audit Committee on 31st January, 2001 with well defined objectives, roles and responsibilities.

II.2.A. Composition

The composition of the Audit Committee as on 31st March, 2013 is given in Table 07:

Name of the Committee Members	Designation
Mr. Gian Prakash Gupta	Chairman, Non-Executive & Independent Director
Mr. Ajay Srinivasan	Member & Non-Executive Director
Mr. Bishwanath N. Puranmalka	Member & Non-Executive Director
Mr. Jayant Dua	Member & Managing Director
Mr. Kevin strain	Member & Non-Executive Director
Ms. Tarjani Vakil	Member, Non-Executive & Independent Director
Mr. Venkatesh Mysore	Member & Non-Executive Director

Table 07

The Company Secretary acts as the Secretary to the Committee.

All members of the Audit Committee are financially literate and have the necessary accounting and related financial management expertise.

The Chief Executive Officer, the Chief Financial Officer, the Appointed Actuary, the Senior VP – Compliance, Risk Management, Internal Audit, Legal & Secretarial, the Statutory Auditors and the Internal Auditors attend each Audit Committee Meeting. The special auditors of both the promoters (viz. Aditya Birla Nuvo Limited & Sun Life Financial Inc.) of the Company also conduct certain process audits during the year and they are invited to present their reports at the Audit Committee meeting of the Company.

II.2.B. Meetings and attendance

During FY 2012-13, the Audit Committee met four times viz.

- i) April 28, 2012;
- ii) July 24, 2012;
- iii) October 23, 2012; and
- iv) February 2, 2013.

Corporate Governance Report

for the year ended 31st March, 2013

The attendance of the Audit Committee members at the Audit Committee meetings during FY 2012-13 is given in Table 08:

Name of the Committee Member	No. of Audit Committee meetings held during FY 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	04	04
Mr. Bishwanath N. Puranmalka	04	04
Mr. Dikran Ohannessian*	04	01
Mr. Gian Prakash Gupta	04	04
Mr. Jayant Dua	04	04
Mr. Kevin Strain**	04	02
Ms. Tarjani Vakil	04	03
Mr. Venkatesh Mysore	04	02

Table 08

*Resigned w.e.f. June 20, 2012

**Appointed w.e.f. June 20, 2012

II.3. INVESTMENT COMMITTEE

Pursuant to Section 292 of the Companies Act 1956, the Board has the power to invest the Funds of the Company and delegate the same to any Committee or to any officials of the Company on any such conditions as may be prescribed by the Board.

The role of Investment Committee is to set policy framework for investment and ensuring to safeguard the interest of Shareholders and Policyholders Funds. Investment committee ensures that all investment activities are conducted as per the framework defined by IRDA and Board.

II.3.A. Composition

The composition of the Investment Committee as on 31st March 2013 is given in Table 09:

Name of the Committee Members	Designation
Mr. Ajay Srinivasan	Member & Non-Executive Director
Mr. Anil Kumar Singh*	Member, Chief Actuarial Officer & Appointed Actuary
Mr. Jayant Dua	Member & Managing Director
Ms. Keerti Gupta	Member & Head – Risk
Mr. Lalit Vermani	Member & Sr. VP & Head – Compliance, Risk, Internal Audit, Legal & Secretarial
Mr. Mayank Bathwal	Member & Chief Financial Officer & Head-Institutional Sales
Mr. Niall O'Hare**	Member & Chief Actuarial Officer
Dr. Rakesh Jain	Member & Non-Executive Director
Mr. Sashi Krishnan	Member & Chief Investment Officer
Mr. Venkatesh Mysore	Member & Non-Executive Director

Table 09

*Appointed w.e.f. January 14, 2013

**Ceased w.e.f. January 14, 2013

II.3.B. Meetings and attendance

During FY 2012-13, the Investment Committee members met four times viz:

- i) April 25, 2012;
- ii) July 27, 2012;
- iii) October 19, 2012; and
- iv) January 29, 2013.

The attendance of the Investment Committee members at the Investment Committee meetings during FY 2012-13 is given in Table 10:

Name of the Committee Member	No. of Investment Committee meetings held during FY 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	04	04
Mr. Anil Kumar Singh*	04	01
Mr. Jayant Dua	04	04
Ms. Keerti Gupta	04	04
Mr. Lalit Vermani	04	04
Mr. Mayank Bathwal	04	03
Mr. Niall O'Hare**	04	02
Dr. Rakesh Jain	04	00
Mr. Sashi Krishnan	04	04
Mr. Venkatesh Mysore	04	01

Table 10

*Appointed w.e.f. January 14, 2013

**Ceased w.e.f. January 14, 2013

Corporate Governance Report

for the year ended 31st March, 2013

II.4. POLICYHOLDERS' PROTECTION COMMITTEE

IRDA places significant emphasis on the protection of policyholders' interests and on the adoption of sound and healthy market conduct practices by insurers. IRDA regulations and guidelines are in place with respect to protection of policyholders' interests, advertisement and disclosures, advertisement and promotion & publicity.

As per IRDA CG Guidelines constitution of "Policyholders' Protection Committee" is mandatory for life insurance companies. In view of the foregoing provision, BSLI's Board had constituted the "Policyholders' Protection Committee" at its meeting held on November 10, 2009 to address various compliance issues relating to protection of the interests of policyholders, as also relating to keeping the policyholders well informed of and educated about insurance products as well as complaint-handling procedures and shall directly report to the Board.

III.4.A. Composition

The composition of the Policyholders' Protection Committee as on 31st March, 2013 is given in Table 11:

Name of the Committee Members	Designation
Mr. N. N. Jambusaria	Member & Chairman
Mr. Amitabh Verma	Member & Chief Operational Officer
Mr. Anil Kumar Singh	Member, Chief Actuarial Officer and Appointed Actuary
Mr. Jayant Dua	Member & Managing Director
Mr. Lalit Vermani	Member & Senior VP – Compliance, Risk Management, Internal Audit, Legal & Secretarial
Mr. Mayank Bathwal	Member & Chief Financial Officer & Head – Institutional Sales
Mr. Puneet Bansall	Member & Head – Legal & Secretarial (ABFS)
Mr. Vikas Seth	Member & Head – Sales – DSF

Table 11

II.4.B. Meetings and attendance

During FY 2012-13, the Policyholders' Protection Committee members met four times viz:

- i) July 4, 2012;
- ii) October 8, 2012;
- iii) January 16, 2013; and
- iv) April 16, 2013*.

*The meeting of March quarter was held on April 16, 2013

The attendance of the Policyholders' Protection Committee members at the Policyholders' Protection Committee meetings during FY 2012-13 is given in Table 12:

Name of the Committee member	No. of Policyholders' Protection Committee meetings held during FY 2012-13	
	Held	Attended
Mr. N. N. Jambusaria	04	04
Mr. Anil Kumar Singh*	04	01
Mr. Amitabh Verma	04	03
Mr. Jayant Dua	04	04
Mr. Lalit Vermani	04	04
Mr. Mayank Bathwal	04	04
Mr. Niall O'Hare**	04	02
Mr. Puneet Bansall	04	02
Mr. Vikas Seth	04	01

Table 12

*Appointed w.e.f. January 14, 2013

**Ceased w.e.f. January 14, 2013

II.5. RISK MANAGEMENT COMMITTEE

In view of the growing scale of the Company and the regulations becoming more stringent, the Board of the Company at its meeting held on May 24, 2008 constituted the Risk Management Committee (erstwhile Risk Review Meeting) as a sub-committee of the Board, to oversee the risk management and compliance activities of the Company.

Corporate Governance Report

for the year ended 31st March, 2013

II.5.A. Composition

The composition of the Risk Management Committee as on 31st March, 2013 is given in Table 13:

Name of the Committee Members	Designation
Mr. Ajay Srinivasan	Member & Non-Executive Director
Mr. Gian Prakash Gupta	Member, Non-Executive & Independent Director
Mr. Jayant Dua	Member & Managing Director
Ms. Tarjani Vakil	Member, Non-Executive & Independent Director
Mr. Venkatesh Mysore	Member & Non-Executive Director

Table 13

The Company Secretary acts as the Secretary to the Committee.

II.5.B. Meetings and attendance

During FY 2012-13, the Risk Management Committee members met four times viz:

- i) July 7, 2012;
- ii) October 8, 2012;
- iii) January 16, 2013; and
- iv) April 15, 2013*.

*The meeting of March quarter was held on April 15, 2013

The attendance of the Risk Management Committee members at the Risk Management Committee meetings during FY 2012-13 is given in Table 14:

Name of the Committee Members	No. of Risk Management Committee meetings held during FY 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	04	04
Mr. Gian Prakash Gupta	04	04
Mr. Jayant Dua	04	04
Ms. Tarjani Vakil	04	04
Mr. Venkatesh Mysore	04	03

Table 14

II.6. FINANCE COMMITTEE

The Board has constituted a Finance Committee in compliance of the revised clause 41 of the Listing Agreement. As per the Listing Agreement such committee shall consist of not less than one third of the directors, which shall include at least one Independent Director.

II.6.A. Composition

The composition of Finance Committee as on 31st March, 2013 is given in Table 15:

Name of the Committee Members	Designation
Mr. Ajay Srinivasan	Member & Non-Executive Director
Mr. Bishwanath N. Puranmalka	Member & Non-Executive Director
Mr. Gian Prakash Gupta	Member, Non-Executive & Independent Director
Ms. Tarjani Vakil	Member, Non-Executive & Independent Director
Mr. Venkatesh Mysore	Member & Non-Executive Director

Table 15

The Company Secretary acts as the Secretary to the Committee.

II.7. SHARE ALLOTMENT COMMITTEE

To keep pace with the rapid growth of the Company and to smoothen and fasten the process of regular infusion of share capital, the Board of the Company, at its meeting held on 25th April, 2005 had constituted a committee called the Share Allotment Committee. The Share Allotment Committee has been delegated the authority to allot the shares and issue the share certificates.

II.7.A. Composition

The composition of Share Allotment Committee as on 31st March, 2013 is given in Table 16:

Name of the Committee Members	Designation
Mr. Bishwanath N. Puranmalka	Member & Non-Executive Director
Mr. Gian Prakash Gupta	Member, Non-Executive & Independent Director
Mr. Suresh Narsappa Talwar	Member, Non-Executive & Independent Director
Mr. Venkatesh Mysore	Member & Non-Executive Director

Table 16

The Company Secretary acts as the Secretary to the Committee.

Corporate Governance Report

for the year ended 31st March, 2013

II.7.B. Meetings and attendance

No meeting of Share Allotment Committee was conducted as there was no capital infusion during the entire financial year.

III. SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company of its own. However, the Company is a material non listed Indian subsidiary company of Aditya Birla Nuvo Limited (ABNL), which is holding 74% of the Company's share capital. Mr. Gian Prakash Gupta and Ms. Tarjani Vakil, both independent directors on the Board of ABNL, are also independent directors on the Board of the Company. The Company regularly reports the corporate governance requirements, as applicable to a material non listed Indian subsidiary company, to ABNL, including forwarding of minutes, financial statements, statement of significant transactions and arrangements entered into by the Company.

IV. DISCLOSURES

IV.A. Related Party Transactions

All the related party transactions are strictly done on arm's length basis. The related party transactions of the Company are periodically placed and reviewed by the Audit Committee of the Company and necessary briefing is given to the Board as well. Particulars of related party transactions are listed out in Annexure 2 to Schedule 16 of the Balance Sheet forming part of the Annual Report.

IV.B. Remuneration of Directors

The detailed note on the remuneration of Directors has already been incorporated in this Report earlier. Apart from the details mentioned therein, no other remuneration is paid to any of the Directors.

Only one Director, Mr. Bishwanath N. Puranmalka holds one equity share of ₹ 10/- jointly with Aditya Birla Nuvo Limited in the share capital of the Company. None of the other Directors of the Company have any holding in the share capital of the Company.

IV.C. Whistle Blower Policy

The Company has a Whistle Blower Policy to escalate any issues on integrity/business issues/people issues and gender issues. BSLI Grievances and Disciplinary Committee members, constituted under the Whistle Blower Policy, conduct a proper and unbiased investigation and ascertain the correctness and trueness of the complaint and recommend necessary corrective measures, including punitive actions such as termination of employment/agency/contracts. Summary of cases, as and when reported, along with status is placed before the Policyholders' Protection Committee for their review and discussion.

The Company ensures confidentiality and protection against victimisation. No adverse action is taken against an employee or business associate in 'knowing retaliation' who makes any good-faith disclosure of suspect or wrongful conduct to the BSLI Grievances and disciplinary committee.

IV.D. Management

A detailed Management Discussion and Analysis Report forms part of the Annual Report being sent to the stakeholders (including) shareholders of the Company.

IV.E. Shareholders & General information

i) General Body Meetings

The particulars of the last three Annual General Meetings (AGMs) of the Company are provided in Table 17:

AGM	Financial Year	Date of the AGM	Time	Venue
10th	2009-2010	June 16, 2010	10.30 a.m.	Board Room, 16th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013.
11th	2010-2011	June 16, 2011	10.30 a.m.	Board Room, 16th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013.
12th	2011-2012	June 20, 2012	10.30 a.m.	Board Room, 16th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013.

Table 17

There were no Extraordinary General Meetings (EGMs) of the Company held during FY 2012-13.

There was no special resolution passed by the Company during the last three financial years.

Corporate Governance Report

for the year ended 31st March, 2013

ii) General Shareholder Information

Date, Time and Venue of the 13th Annual General Meeting	July 2, 2013, 10.30 a.m., Board Room, 16th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013.
Financial Year	2012-13
Registrar and Transfer Agents	MCS Limited
Registration no. of the Company as per Companies Act with the Registrar of Companies	11-128110
Registration no. of the Company as per Insurance Act with the Insurance Regulatory and Development Authority	109
ISIN	INE951F01015
Corporate Identification Number (CIN)	U99999MH2000PLC128110
Permanent Account Number (PAN)	AABCB4623J
Registered office*/address for correspondence	One Indiabulls Centre, Tower 1, 16th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013.

Table 18

iii) Means of Communication

As per the IRDA guidelines on public disclosures, the insurance companies are required to disclose their financials (Balance Sheet, Profit & Loss Account, Revenue Account and Key Analytical Ratios) by new paper publication and host the same on their websites within stipulated timelines.

Accordingly, the disclosures are hosted on BSLI's website (www.birlasunlife.com) and adequate steps have been taken to ensure publication of requisite disclosure in newspapers.

SECTION B

REPORTING UNDER IRDA CORPORATE GOVERNANCE GUIDELINES (IRDA CG GUIDELINES)

A detailed report on status of Compliance with the "Corporate Governance" Guidelines (IRDA CG guidelines) as being filed on an annual basis in Compliance with IRDA circular No. IRDA/F&A/CG/081/2011 dated May 2, 2011.

SECTION C

REPORTING UNDER MCA GUIDELINES (MCA GUIDELINES)

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December, 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance.

Some of the provisions of these guidelines are already in place as reported elsewhere in this Report. The other provisions of these guidelines are being evaluated and your Company will strive to adopt the same in a phased manner.

Certification by Compliance Officer

Certification for compliance of the Corporate Governance Guidelines

I, Ashish Lakhtakia, hereby certify that to the best of my knowledge and information available with me, the Company has complied with the Guidelines on Corporate Governance for the Insurance Sector issued by IRDA vide its circular no. IRDA/F&A/CIR/025/2009-10 dated August 05, 2009 as amended vide circular no. IRDA/F&I/CIR/F&A/014/01/2010 dated January 29, 2010 and nothing has been concealed or suppressed.

Ashish Lakhtakia

Company Secretary

Place: Mumbai

Date: April 26, 2013.

Enterprise Risk Management Report

for the year ended 31st March, 2013

Risk Management

A. RISK MANAGEMENT FRAMEWORK

The Company has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, the ERM framework covers all business risks including strategic risk, operational risks, investment risks, insurance risks and catastrophic risks. The key business risks identified are approved by the Board's Risk Management Committee and monitored by the Risk Management team thereafter.

The Company also has in place an Operational Risk Management (ORM) framework that supports excellence in business processes, system and facilitates matured business decisions to move to a proactive risk assessment and is in the process of implementing the key operational risk components.

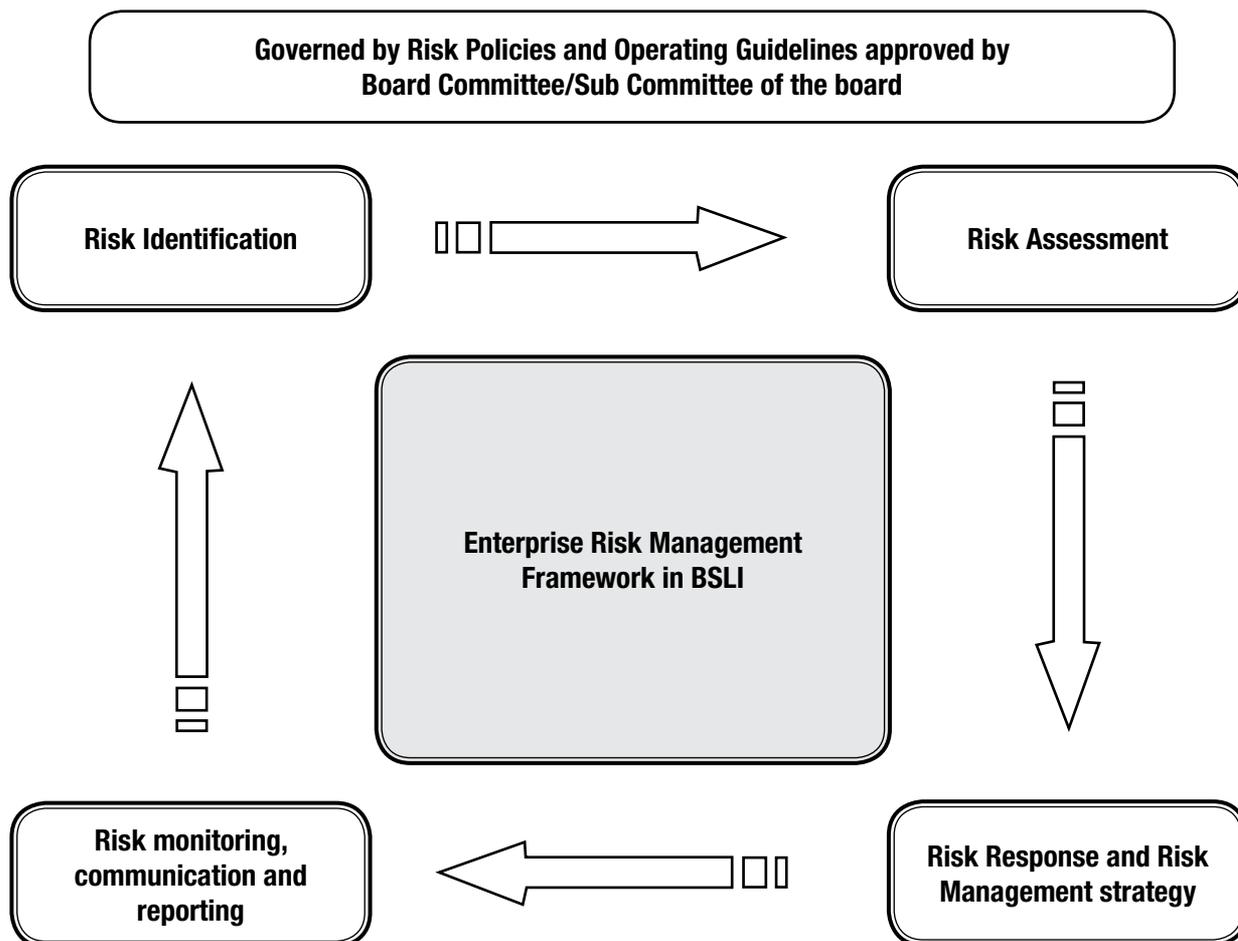
BSLI recognises that information is a critical business asset, and that our ability to operate effectively and succeed in a competitive market depends on our ability to ensure that business information is protected adequately through appropriate controls and proactive measures. Accordingly, BSLI has an information security framework that ensures all the information assets are safeguarded by establishing comprehensive management processes throughout the organisation.

The Company's Investments Function is governed by the Investment Committee and the Asset Liability Management Committee appointed by the Board of Directors. Investment Policy and Operating Guidelines laid down by the Board provide the framework for management and mitigation of the risks associated with investments. Asset Liability Policy and various ALM strategies are adopted to ensure adequate Asset Liability Management. These policies are reviewed at frequent intervals by the respective Board Committees and approved by the Board where required.

BSLI has a robust Business Continuity framework to ensure resumption of time sensitive activities within defined timeframe at defined levels. BSLI was the 1st Insurance Company in India to be certified against the BS25999 standard (Globally accepted standard on Business Continuity).

The Company through its risk management policies has set up systems to continuously monitor its experience with regard to other parameters that affect the value of benefits offered in the products. Such parameters include policy lapses, premium persistency, maintenance expenses and investment returns.

ERM encompasses the following areas:



Enterprise Risk Management Report

for the year ended 31st March, 2013

Risk Policies:

The following risk policies govern and implement effective risk management practices:

Product Design and Pricing Policy, Underwriting and Liability Management Policy, Reinsurance Ceded Policy, Capital Management Policy, Investment Policies, Valuation Policy, Information Security Policies, Business Continuity Policy, Operational Risk Management Policy, Fraud Reporting and Investigating Policy, Asset Liability Management policy, Outsourcing policy.

Risk Mitigation Strategies:

The company is exposed to several risks in the course of its business. The risks on the liabilities front may arise due to more than expected claims. On the assets front, risks could arise due to the possibility of fluctuations in their market value. The Company is also subject to expense risk, since until new business volumes grow significantly, the actual expenses of the Company will exceed the expenses loaded into the product pricing. The Company has implemented adequate safeguards to mitigate these risks. The overall business risks and mitigation strategies are as are described below:

Strategic Risk	<p>Risk to future earnings or capital in terms of failure to achieve the Company's strategic or long-term business plans, either through incorrect choices or improper implementation of those choices.</p> <p><i>Mitigation Strategy:</i> Strategic risks are managed through risk identification and review process through the Enterprise Risk Management framework. Strategic risks and mitigating action plans are monitored by the Risk Management Committee.</p>
Investment Risk	<p>Risk to Investment Performance can be due to Systematic Risks like Markets, Interest Rates, Liquidity, etc. or Unsystematic Risk like the company specific or Industry Specific Risks. These risks can impact the Guarantees, other than hampering the Investment performance on temporary/permanent basis.</p> <p><i>Mitigation Strategy:</i> Robust governance structure (Investment Committee) and well defined investment policies & processes ensure that the risks involved in investments are properly identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis. The company uses systems like MSCI Barra One to evaluate and monitor risks.</p>
Asset Liability Management (ALM) Risk	<p>An asset-liability mismatch occurs when the financial terms of an institution's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc.</p> <p><i>Mitigation Strategy:</i> Robust governance structure (ALM Committee) and well defined Asset Liability Management framework ensures periodic monitoring of the Asset-Liability position of the company. BSLI's Asset Liability Management Techniques aims to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities as a whole so as to attain a predetermined acceptable risk/reward ratio. Strategies are reviewed and revised based on the periodic monitoring. Various analyses are carried out to gauge the impact of the Interest rate movements, market movements and mortality rate assumptions. Further the NAV guarantee products uses proprietary monitoring mechanisms to ensure adequate ALM.</p>
Operational Risk	<p>The uncertainty arising from more than expected losses or damage to finances or reputation resulting from inadequate or failed internal processes, controls, people, systems or external events.</p> <p><i>Mitigation Strategy:</i> Operational risks are governed through Operational Risk Management policy. The Company maintains an operational loss database to track and mitigate risks resulting in financial losses. The company has also initiated a Risk Control Self Assessment process to embed the control testing as a part of day to day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programs is designed to equip staff at all levels to meet the demands of their respective positions. The Company has a Business Continuity Plan in place to manage any business interruption risk. The Company is the first Indian Insurance company to be BS25999 (British Standard 25999) certified. Fraud management is handled through an internal committee and is governed by the Fraud Reporting and Investigation Policy.</p>
Insurance Risk	<p>The uncertainty of product performance due to differences between the actual experience and expected assumptions affecting amount of claims, benefits payments, expenses etc.</p> <p><i>Mitigation Strategy:</i> The Company through its risk management policies has set up systems to continuously monitor its experience with regard to other parameters that affect the value of benefits offered in the products. Such parameters include policy lapses, premium persistency, maintenance expenses and investment returns.</p>

Enterprise Risk Management Report

for the year ended 31st March, 2013

<p>Insurance Risk</p>	<p>A strong underwriting team is in place to review all proposals from clients, supported by comprehensive processes and procedures, and guided by international experts. The objective of the underwriting team is to minimise the risks of abnormal mortality and morbidity by acquiring adequate information, to determine, whether to accept individual lives, and if so, the extra premium if any, to compensate for any additional risk.</p> <p>The operating expenses are monitored very closely. Many products offered by the Company also have an investment guarantee. The Company has set aside additional reserves to cover this risk. Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements</p> <p>Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with RGA and Swiss Re (international reinsurers) for individual life business, RGA and Generali (international reinsurers) for group business and Swiss Re (international reinsurer) for Health business. All reinsurers are specialist international reinsurance companies with excellent reputation and significant financial strength. The Company has entered into a separate agreement with RGA to cover the catastrophic risks under group business.</p>
<p>Information Security Risk</p>	<p>The risk arising from IT systems (Data Leakage, Application Vulnerabilities, Lack of Segregation of Duties and Access Control), Human error, etc., can cause damage to finances or reputation</p> <p><i>Mitigation Strategy:</i> Information Security risks are governed through Information Security policy. The Company has a comprehensive policy designed to comply with privacy and/or data protection legislations as specified in Indian Information Technology Act 2008 and Notification dated 11th April, 2011 on protection of sensitive personal information and it provides direction to Information Security staff as well as management and employees regarding their responsibilities for the Information Security function. We also perform risk assessment before any IT applications. Ongoing training through internal and external programs is designed to equip staff at all levels to meet the demands of their respective positions.</p>

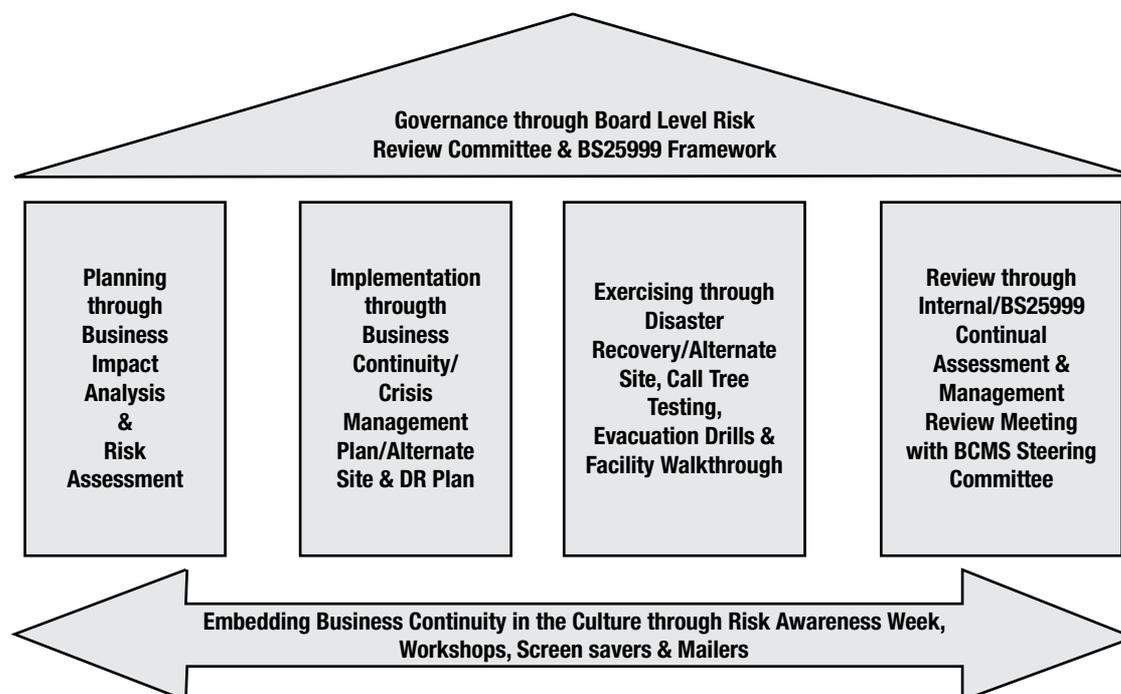
Business Continuity Management Policy:

To have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimising the potential business impact to BSLI. Additionally to create a system that fosters continuous improvement of business continuity management.

Business Continuity Management Objectives:

1. Ensuring a Proactive response to any contingency.
2. Ensuring recovery of identified critical activities within agreed timeframe.
3. Ensuring that we adhere to our clients, contractual, legal & regulatory requirements.

Business Continuity Management Framework:



Enterprise Risk Management Report

for the year ended 31st March, 2013

B. RISK MANAGEMENT COMMITTEE

Governance structure:



Composition, Meeting, attendance and other details of Risk Management Committee is detailed in Corporate Governance Report in Clause 49 reporting.

The risk management structure comprises of the Risk Management Team and Functional Heads governed by Board level Risk Management Committee. Briefly the Roles and Responsibilities of the Committee is summarised below:

<p>Scope & Term of Reference</p>	<p><u>Risk Management Committee</u></p> <p><u>Risk Management</u></p> <ul style="list-style-type: none"> – Requires management to identify and present to the Committee, major areas of risk facing the business activities of the Company and strategies to manage those risks. – Reviews, at least annually, the adequacy of and compliance with the policies implemented for the management and control of risk, including investment policies, asset-liability risk management, operational risk, management of risk to reputation, management of outsourcing arrangements and approves changes to the foregoing as appropriate. <p><u>Compliance</u></p> <ul style="list-style-type: none"> – Reviews at least annually and approves changes to policies or programs that provide for the monitoring of compliance with legal and regulatory requirements including legislative compliance management systems. – Reviews the status of compliance and regulatory reviews and business practice reviews worldwide, including at least annually, compliance with codes of conduct of the Aditya Birla Group and Sun Life Financial. – Reviews market conduct practices. – Reviews procedures for complying with anti-money laundering and suppression of terrorism laws and regulations worldwide and monitors and reviews the effectiveness and compliance with those procedures. <p><u>Other</u></p> <ul style="list-style-type: none"> – Performs such other duties and exercises such other powers as may, from time to time, be assigned to or vested in the Committee by the Board. – In addition to above any such other duties and exercises as may be specified by IRDA by way of notifications or necessary amendments in applicable statutes and/or guidelines, from time to time.
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Auditors' Report

for the year ended 31st March, 2013

INDEPENDENT AUDITORS' REPORT

To The Members Of Birla Sun Life Insurance Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **BIRLA SUN LIFE INSURANCE COMPANY LIMITED** (the "Company") which comprise the Balance Sheet as at 31st March 2013, the Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and the Receipts and Payments Account for the year then ended and a summary of significant accounting policies and other explanatory information, annexed thereto.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the Balance Sheet, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, including the provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders / directions issued by Insurance Regulatory and Development Authority ("IRDA") in this regard, read with Section 211(3C) of the Companies Act, 1956, to the extent applicable. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements are prepared in accordance with the requirements of the Insurance Act, the IRDA Financial Statements Regulations, the IRDA Act and the Companies Act, 1956, to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- ii. in the case of the Revenue Account, of the surplus (before contribution from the shareholders' account) for the year ended at 31st March 2013;
- iii. in the case of the Profit and Loss Account, of the profit for the year ended at 31st March 2013; and
- iv. in the case of the Receipts and Payments Account, of the Receipts and Payments for the year ended at 31st March 2013.

Other Matter

The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on financial statements of the Company as at 31st March 2013 has been duly certified by the Appointed Actuary. The Appointed Actuary has certified to the Company that the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDA and the Institute of Actuaries of India in concurrence with IRDA. We have relied on the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated April 26, 2013 certifying the matters specified in paragraph 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by the IRDA Financial Statements Regulations, read with Section 227(3) of the Companies Act, 1956, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company, so far as appears from our examination of those books;
 - (c) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account;

Auditors' Report

for the year ended 31st March, 2013

- (e) The Balance sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and the Rules framed thereunder to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders / directions issued by IRDA in this regard;
- (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and / or orders / directions issued by IRDA in this regard;
- (g) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and the Rules framed thereunder and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders / directions issued by IRDA in this regard; and
- (h) On the basis of written representations received from the Directors of the Company, as on March 31, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Chartered Accountants
Registration No. 101049W

per **Amit Majmudar**
Partner

Membership No. 36656

For **Fraser & Ross**

Chartered Accountants
Registration No. 000829S

S. Ganesh
Partner

Membership No. 204108

Mumbai, 26th April, 2013

Annexure to the Auditors' Report

for the year ended 31st March, 2013

Independent Auditors' Certificate

[Ref: Certificate in accordance with the Regulation 13 (D) (7) of the IRDA (Investment) (5th Amendment) Regulations, 2013 notified on 16th February, 2013 in the Gazette of India read with subsequent clarification IRDA circular Ref: IRDA/F&I/INV/CIR/062/03/2013 dated March 26, 2013 and IRDA letter dated March 29, 2013 ("the Regulations")]

1. At the request of Birla Sun Life Insurance Company Limited ('the Company'), we have performed the procedures stated in paragraph 2 below, for the purpose of issuing a certificate required by the Regulations, regarding the declaration and application of the Net Asset Value ('NAV') of the schemes of the Company as at March 31, 2013.
2. In this connection, we have performed the following procedures:
 - (a) Obtained representation from the management that the Company has declared March 31, 2013 as a working day based on IRDA circular Ref: IRDA/F&I/INV/CIR/062/03/2013 dated March 26, 2013 for accepting application forms and that it has declared NAV for March 31, 2013;
 - (b) Obtained the list of New Business applications, Renewal applications and applications for Surrender, Free – Look Cancellation, Fund Switches, Partial Withdrawal and Top Ups received towards Unit-Linked Products on 31st March, 2013 (together referred to as "application forms"), from the Management;
 - (c) Selected samples of application forms from listing mentioned in paragraph 2(b) above and for the samples selected verified whether:
 - i) the applications received on Sunday, March 31, 2013, upto 3.00 p.m. have been processed with the NAV of March 31, 2013; and
 - ii) the applications received on Sunday, March 31, 2013, after 3.00 p.m. hours have been processed with the NAV of April 1, 2013.
3. The compliance with conditions stated in the Regulation is the responsibility of the Company's management. Our responsibility is to perform the above-mentioned procedures on the particulars and state our findings. We performed the above-mentioned procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The above-mentioned procedures include examining evidence supporting the particulars on a test basis. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
4. Based on the procedures performed by us, as mentioned in paragraph 2 above, according to the information and explanations provided to us and representation by the Company's management, we confirm that:
 - (a) The Company had declared March 31, 2013 as a business day for accepting applications;
 - (b) The Company has declared NAV for March 31, 2013;
 - (c) The applications received on Sunday, March 31, 2013 upto 3.00 p.m. have been processed with the NAV of March 31, 2013; and
 - (d) The application received on Sunday, March 31, 2013 after 3.00 p.m. have been processed with the NAV of next business day i.e., April 01, 2013
5. This certificate is issued at the request of the Company solely for use of the Company for inclusion in the annual accounts as per Regulation 13 (D) (7) of the Regulations and is not intended to be used or distributed for any other purpose.

For **S. R. Batliboi & Associates LLP**
Chartered Accountants
Firm's Registration No. 101049W

per **Amit Majmudar**
Partner
Membership No. 36656
Mumbai

For **Fraser & Ross**
Chartered Accountants
Firm's Registration No. 000829S

S. Ganesh
Partner
Membership No. 204108
Bangalore

Mumbai, 26th April, 2013

Annexure to the Auditors' Report

for the year ended 31st March, 2013

Independent Auditors' Certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by Birla Sun Life Insurance Company Limited ('the Company') for the year ended March 31, 2013, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2013, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by Insurance Regulatory and Development Authority (IRDA);
3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at March 31, 2013, by actual inspection or on the basis of certificates / confirmations received from the Custodian and/ or Depository Participants appointed by the Company, as the case may be. As at March 31, 2013, the Company does not have reversions and life interests;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the Policyholders' Funds.

This certificate is issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "the IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations and is not intended to be used or distributed for any other purpose.

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

Chartered Accountants
Registration No. 101049W

per **Amit Majmudar**
Partner

Membership No. 36656
Mumbai

For **Fraser & Ross**

Chartered Accountants
Registration No. 000829S

S. Ganesh
Partner

Membership No. 204108
Bangalore

Mumbai, 26th April, 2013

BIRLA SUN LIFE INSURANCE COMPANY LIMITED

Revenue Account

for the year ended 31st March, 2013

BIRLA SUN LIFE INSURANCE COMPANY LIMITED
Registration Number: 109 dated 31st January 2001

Form A-RA

Policyholders' Account (Technical Account) (Amounts in thousands of Indian Rupees)

Particulars	Schedule	Year ended 31st March 2013	Year ended 31st March 2012
Premiums earned - Net			
(a) Premium	1	52,162,991	58,853,594
(b) Reinsurance ceded		(1,645,530)	(1,375,857)
(c) Reinsurance accepted		-	-
Sub-Total		50,517,461	57,477,737
Income from investments			
(a) Interest, Dividend & Rent – Gross		10,940,692	9,567,643
(b) Profit on Sale/Redemption of Investments		11,114,871	5,822,017
(c) (Loss) on Sale/Redemption of Investments		(4,724,259)	(13,458,611)
(d) Transfer/Gain (Loss) on revaluation/Change in Fair value		3,385,269	(3,485,771)
(e) Gain/(Loss) on Amortisation		(16,081)	(77,958)
Sub-Total		20,700,492	(1,632,680)
Other Income			
(a) Contribution from the Shareholders' Account (Refer schedule 16, note 6)		1,994,559	3,287,343
(b) Others (Interest etc.)		366,568	298,060
Sub-Total		2,361,127	3,585,403
Total (A)		73,579,080	59,430,460
Commission	2	3,004,767	3,254,002
Operating Expenses related to Insurance Business	3	11,597,047	12,151,175
Provision for doubtful debts		-	-
Bad Debts written off		-	-
Provision for Tax (including earlier years)		-	-
Provision (other than taxation)		-	-
(a) For diminution in value of investments (net)		-	-
(b) Others		-	-
Total (B)		14,601,814	15,405,177
Benefits paid (Net)	4	36,586,379	27,046,221
Interim Bonuses Paid		-	-
Change in valuation of liability in respect of life policies			
(a) Gross		7,150,889	4,533,945
(b) Fund Reserve		10,394,052	6,340,460
(c) Premium Discontinuance Fund – Linked		1,612,473	431,538
(d) (Amount ceded in Re-insurance)		(1,169,350)	(823,696)
(e) Amount accepted in Re-insurance		-	-
Total (C)		54,574,443	37,528,468
Surplus (D) = (A) - (B) - (C)		4,402,823	6,496,815
Appropriations			
Transfer to Shareholders' Account (Refer schedule 16, note 6)		6,266,015	7,107,686
Transfer to Other Reserve		-	-
(Release from)/Transfer to Funds for Future Appropriation		(1,863,192)	(610,871)
Total (D)		4,402,823	6,496,815
The total surplus as mentioned below :			
(a) Interim Bonuses Paid		-	-
(b) Allocation of Bonus to Policyholders		49,379	-
(c) Surplus shown in the Revenue Account		4,402,823	6,496,815
Total Surplus [(a)+(b)+(c)]		4,452,202	6,496,815
Significant Accounting Policies and Disclosures	16		
The schedules and accompanying notes are an integral part of this Revenue account			

As required by Section 40B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business transacted in India by the Company have been fully debited to the Policyholders' Account.

In terms of our report attached.

For S. R. Battiboi & Associates LLP
Chartered Accountants
Firm Registration No.101049W

per Amit Majmudar
Partner
Membership No. 36656

For Fraser & Ross
Chartered Accountants
Firm Registration No. 000829S

S. Ganesh
Partner
Membership No. 204108

For and on behalf of the Board of Directors

Kumar Mangalam Birla
Chairmen

Donald A. Stewart
Director

Gian P. Gupta
Director

Jayant Dua
Managing Director & CEO

Mayank Bathwal
Chief Financial Officer

Anil Kumar Singh
Chief Actuarial Officer &
Appointed Actuary

Ashish Lakhtakia
Company Secretary

Mumbai, 26th April, 2013

Profit and Loss Account

for the year ended 31st March, 2013

BIRLA SUN LIFE INSURANCE COMPANY LIMITED
Registration Number: 109 dated 31st January 2001

Form A- PL

Profit and Loss Account for year ended 31st March, 2013
(Amounts in thousands of Indian Rupees)

Particulars	Schedule	Year ended 31st March 2013	Year ended 31st March 2012
Amounts transferred from Policyholders' Account (Technical Account) (Refer Schedule 16, Note 6)		6,266,015	7,107,686
Income from Investments			
(a) Interest, Dividend & Rent - Gross		1,131,764	785,703
(b) Profit on sale/redemption of investments		39,372	24,666
(c) (Loss) on sale/redemption of investments		(9,188)	(346)
(d) Gain/(Loss) on Amortisation		(2,045)	(6,397)
Other Income		-	-
Total (A)		7,425,918	7,911,312
Expense other than those directly related to the insurance business		16,328	16,679
Bad debts written off		-	-
Provision (other than taxation)			
(a) For diminution in the value of investment (net)		-	-
(b) Provision for doubtful debts		-	-
(c) Others		-	-
(d) Contribution to the Policyholders' Account (Refer Schedule 16 Note 6)		1,994,559	3,287,343
Total (B)		2,010,887	3,304,022
Profit before tax		5,415,031	4,607,290
Provision for taxation		-	-
Profit after tax		5,415,031	4,607,290
Appropriations			
(a) Balance at the beginning of the period		(13,762,293)	(17,225,082)
(b) Interim dividends during the period		1,969,500	984,750
(c) Proposed final dividend		1,181,700	-
(d) Dividend distribution tax		520,332	159,751
(e) Transfer to reserves/other accounts		406,127	-
Loss carried forward to Balance Sheet		(12,424,921)	(13,762,293)
Earning Per Share (Basic and Diluted), Face Value of ₹ 10 (in ₹)		2.75	2.34
(Refer Schedule 16, Note 11)			

Significant Accounting Policies and Disclosures

16

The schedules and accompanying notes are an integral part of this Profit and Loss Account

In terms of our report attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W

For Fraser & Ross
Chartered Accountants
Firm Registration No. 000829S

For and on behalf of the Board of Directors

per Amit Majmudar
Partner
Membership No. 36656

S. Ganesh
Partner
Membership No. 204108

Kumar Mangalam Birla
Chairman

Donald A. Stewart
Director

Gian P. Gupta
Director

Jayant Dua
Managing Director & CEO

Mayank Bathwal
Chief Financial Officer

Anil Kumar Singh
Chief Actuarial
Officer & Appointed Actuary

Ashish Lakhtakia
Company Secretary

Mumbai, 26th April, 2013

BIRLA SUN LIFE INSURANCE COMPANY LIMITED

Balance Sheet

for the year ended 31st March, 2013

BIRLA SUN LIFE INSURANCE COMPANY LIMITED
Registration Number: 109 dated 31st January 2001

Form A-BS

Balance Sheet as at 31st March, 2013
(Amounts in thousands of Indian Rupees)

Particulars	Schedule	Year ended 31st March 2013	Year ended 31st March 2012
Sources of Funds			
Shareholders' funds:			
Share Capital	5	19,695,000	19,695,000
Reserves and Surplus	6	5,206,127	4,800,000
Credit/(Debit)/Fair Value Change Account		27	47
Sub-Total		24,901,154	24,495,047
Borrowings	7	-	-
Policyholders' Funds:			
Credit/(Debit) Fair Value Change Account		(3,667)	(1,577)
Policy Liabilities		20,300,360	14,318,822
Insurance Reserves		-	-
Provision for Linked Liabilities		187,068,996	180,060,213
Funds for discontinued policies			
(i) Discontinued on account of non-payment of premium		2,050,412	437,939
(ii) Others		-	-
Credit/(Debit) Fair Value Change Account (Linked)		4,251,315	866,046
Total Linked Liabilities		193,370,723	181,364,198
Sub-Total		213,667,416	195,681,443
Funds for Future Appropriation – Linked Liabilities		2,095,678	3,958,870
Total		240,664,248	224,135,360
Application of Funds			
Investments			
Shareholders'	8	13,706,870	10,153,273
Policyholders'	8A	22,214,668	19,583,057
Assets Held to Cover Linked Liabilities	8B	193,370,723	181,364,198
Loans	9	280,690	250,239
Fixed Assets	10	342,351	395,861
Current Assets			
Cash and Bank Balances	11	5,442,434	6,404,658
Advances and Other Assets	12	3,068,528	2,380,549
Sub-Total (A)		8,510,962	8,785,207
Current Liabilities	13	8,574,105	9,561,757
Provisions	14	1,612,832	597,011
Sub-Total (B)		10,186,937	10,158,768
Net Current Assets (C) = (A-B)		(1,675,975)	(1,373,561)
Miscellaneous Expenditure (To the extent not written off or Adjusted)			
Debit Balance in Profit and Loss Account (Shareholders' Account)	15	-	-
Total		240,664,248	224,135,360

Significant Accounting Policies and Disclosures

16

The schedules and accompanying notes are an integral part of this Balance Sheet

In terms of our report attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No.101049W

For Fraser & Ross
Chartered Accountants
Firm Registration No. 000829S

For and on behalf of the Board of Directors

per Amit Majmudar
Partner
Membership No. 36656

S. Ganesh
Partner
Membership No. 204108

Kumar Mangalam Birla
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Mayank Bathwal
Chief Financial Officer

Anil Kumar Singh
Chief Actuarial
Officer & Appointed Actuary

Ashish Lakhtakia
Company Secretary

Mumbai, 26th April, 2013

Schedules

for the year ended 31st March, 2013

Schedule 1

Premium

(Amounts in thousands of Indian Rupees)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
1 First Year Premium	18,101,995	18,434,624
2 Renewal Premium	33,797,861	39,591,916
3 Single Premium	263,135	827,054
Total Gross Premium	52,162,991	58,853,594
Premium Income from Business written :		
In India	52,162,991	58,853,594
Outside India	-	-
Total Premium	52,162,991	58,853,594

Note: Refer Schedule 16 Note 2 (c) (i)

Schedule 2

Commission expenses

(Amounts in thousands of Indian Rupees)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Commission Paid		
Direct - First Year Premium	1,824,484	1,774,394
Renewal Premium	1,175,774	1,463,689
Single Premium	4,509	15,919
Sub-total	3,004,767	3,254,002
Add: Commission on Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	-	-
Others :		
Bonus Commission	-	-
Net Commission	3,004,767	3,254,002
Breakup of Commission		
<u>Particulars</u>		
Individual Agents	1,766,249	1,877,749
Brokers	274,396	342,279
Corporate Agents	962,568	1,032,219
Referral	1,554	1,755
Total	3,004,767	3,254,002

Note: Refer Schedule 16 Note 2 (e)

Schedules

for the year ended 31st March, 2013

Schedule 3

Operating Expenses Related to Insurance Business

(Amounts in thousands of Indian Rupees)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
1 Employees' remuneration, welfare benefits and other manpower costs	5,332,986	5,790,187
2 Travel, conveyance and vehicle running expenses	239,430	249,607
3 Training expenses	67,201	138,251
4 Rents, rates and taxes	805,936	844,854
5 Repairs & maintenance	271,005	274,807
6 Printing and stationery	120,188	240,706
7 Communication expenses	219,630	253,704
8 Legal and professional charges	24,370	187,858
9 Medical fees	56,976	61,572
10 Auditor's fees, expenses, etc.		
(a) i) as auditor	5,400	5,400
ii) out of pocket expenses	322	315
(b) as advisor or in any other capacity, in respect of		
i) Taxation services/matters	-	-
ii) Management services	1,318	284
11 Advertisement and publicity	946,668	807,893
12 Interest and bank charges	99,487	161,800
13 Others:		
1) Distribution expenses	463,232	493,717
2) Agents recruitment, seminar and other expenses	26,628	32,228
3) Recruitment and seminar expenses	113,264	167,020
4) IT expenses (including maintenance)	413,385	346,390
5) Policy stamps	172,829	151,307
6) (Profit)/Loss on sale of assets	7,455	1,033
7) Service Tax expenditure including provision for unutilised credit* [Refer Schedule 16, Note 32]	-	(74,056)
8) Electricity expenses	202,607	179,917
9) Miscellaneous expenses	33,608	30,884
10) Outsourcing expenses	314,469	316,744
14 Depreciation	172,661	252,328
15 Service tax on premium	1,485,992	1,236,425
Total	11,597,047	12,151,175

* Includes reversal of impairment relating to unutilised credit of service tax for earlier years

BIRLA SUN LIFE INSURANCE COMPANY LIMITED

Schedules

for the year ended 31st March, 2013

Schedule 4

Benefits Paid (Net)

(Amounts in thousands of Indian Rupees)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
1 Insurance Claims:		
(a) Claims by Death	3,134,917	2,568,600
(b) Claims by Maturity	263,607	133,217
(c) Annuities/Pension payment	2,118	554
(d) Other benefits (Surrender/Withdrawals/Health)	34,499,503	25,223,183
2 (Amount ceded in reinsurance):		
(a) Claims by Death	(1,310,299)	(871,430)
(b) Claims by Maturity	-	-
(c) Annuities/Pension Payment	-	-
(d) Other benefits (Health)	(3,467)	(7,903)
3 Amount accepted in reinsurance:		
(a) Claims by Death	-	-
(b) Claims by Maturity	-	-
(c) Annuities/Pension Payment	-	-
(d) Other benefits	-	-
Total	36,586,379	27,046,221
Benefits paid to Claimants		
1 In India	36,586,379	27,046,221
2 Outside India	-	-
Total	36,586,379	27,046,221

Note: Refer Schedule 16 Note 2 (d)

Schedule 5

Share Capital

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
1 Authorised Capital 3,750,000,000 Equity Shares of ₹ 10/- each	37,500,000	37,500,000
2 Issued, Subscribed & Paid-up Capital 1,969,500,000 Equity Shares (Previous Year : 1,969,500,000 Equity Shares) of ₹ 10/- each fully paid-up	19,695,000	19,695,000
Less: Preliminary Expenses	-	-
Total	19,695,000	19,695,000

Note: Of the above, 1,457,430,000 Equity Shares (Previous Year: 1,457,430,000 equity shares) of ₹ 10/- each are held by Aditya Birla Nuvo Limited, the holding Company.

Schedules

for the year ended 31st March, 2013

Schedule 5A

Pattern of shareholding (As certified by the Management)

(Amounts in thousands of Indian Rupees)

Shareholder	As at 31st March 2013		As at 31st March 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters:				
Indian	1,457,430,000	74%	1,457,430,000	74%
Foreign	512,070,000	26%	512,070,000	26%
Others	-	-	-	-
Total	1,969,500,000	100%	1,969,500,000	100%

Schedule 6

Reserves and Surplus

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012	As at 31st March 2012
1 Capital Reserve		-		
2 Capital Redemption Reserve		-		
3 Share Premium				
Opening balance	4,800,000		4,800,000	
Add: Additions during the year	-		-	
Less: Utilised during the year	-	4,800,000	-	4,800,000
4 Revaluation Reserve		-		
5 General Reserve		406,127		
6 Catastrophe Reserve		-		
7 Balance of profit in Profit and Loss Account		-		
Total		5,206,127		4,800,000

Schedule 7

Borrowings

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
1 Debentures/Bonds	-	-
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
Total	-	-

Schedules

for the year ended 31st March, 2013

Schedule 8

Investments - Shareholders

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
LONG-TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills (Refer Schedule 16, note 17 (iii))	6,421,097	5,789,609
2 Other Approved Securities	447,260	–
3 Other Investments		
(a) Shares	–	–
(aa) Equity	–	–
(bb) Preference	–	–
(b) Mutual Funds	–	–
(c) Derivative Instruments	–	–
(d) Debentures/Bonds	2,073,403	607,814
(e) Other Securities	99,000	99,000
(f) Subsidiaries	–	–
(g) Investment Properties-Real Estate	–	–
4 Investments in Infrastructure and Social Sector	3,721,416	2,858,861
5 Other than Approved Investments	296,530	296,530
Total (A)	13,058,706	9,651,814
SHORT-TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	85,709	31,391
2 Other Approved Securities		
– Fixed Deposits	–	–
– Others	101,965	68,443
3 Other Investments	–	–
(a) Shares	–	–
(aa) Equity	–	–
(bb) Preference	–	–
(b) Mutual Funds	–	151,447
(c) Derivative Instruments	–	–
(d) Debentures/Bonds	100,000	25,000
(e) Other Securities	–	–
(f) Subsidiaries	–	–
(g) Investment Properties - Real Estate	–	–
4 Investments in Infrastructure and Social Sector	344,631	200,178
5 Outstanding trades	–	–
6 Other than Approved Investments	15,859	25,000
Total (B)	648,164	501,459
TOTAL (A) + (B)	13,706,870	10,153,273

Notes:

- 1 Aggregate amount of Company's investments (other than listed equity securities, mutual fund and derivative instruments) and the market value thereof

Particulars	As at 31st March 2013	As at 31st March 2012
Aggregate amount of Company's investments other than listed equity securities, mutual fund and derivative instruments	13,696,216	10,001,826
Market value of above Investments	13,927,174	9,828,106

- 2 Investments in subsidiary/holding companies, joint ventures and associates at cost is ₹ Nil (Previous year ₹ Nil)
- 3 Investments made out of Catastrophe reserve is ₹ Nil
- 4 Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.
- 5 Historical cost of Mutual Fund included above is ₹ 10,128 (Previous Year: ₹ 151,400) and equity ₹ 12,500 (Previous year: ₹ 12,500)
- 6 Refer Schedule 16 Note 2 (f)

Schedules

for the year ended 31st March, 2013

Schedule 8A

Investments - Policyholders

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
LONG-TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	8,583,326	6,000,603
2 Other Approved Securities	522,640	–
3 Other Investments		
(a) Shares	–	–
(aa) Equity	102,451	73,664
(bb) Preference	–	–
(b) Mutual Funds	–	–
(c) Derivative Instruments	–	–
(d) Debentures/Bonds	3,050,619	2,322,646
(e) Other Securities	435,200	6,000
(f) Subsidiaries	–	–
(g) Investment Properties-Real Estate	–	–
4 Investment in Infrastructure and Social Sector	3,128,592	3,569,947
5 Other than Approved Investments	12,098	–
Total (A)	15,834,926	11,972,860
SHORT-TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	2,672,718	4,005,956
2 Other Approved Securities		
– Fixed Deposits	110,000	348,600
– Others	1,396,760	1,505,969
3 Other Investments		
(a) Shares		
(aa) Equity	–	–
(bb) Preference	–	–
(b) Mutual fund	–	111,612
(c) Derivative Instruments	–	–
(d) Debentures/Bonds	1,061,010	427,046
(e) Other Securities	–	–
(f) Subsidiaries	–	–
(g) Investment Properties - Real Estate	–	–
4 Investment in Infrastructure and Social Sector	1,008,378	1,211,014
5 Other than Approved Investments	130,876	–
Total (B)	6,379,742	7,610,197
TOTAL (A) + (B)	22,214,668	19,583,057

Notes:

- Aggregate amount of Company's investments (other than listed equity securities, mutual fund and derivative instruments) and the market value thereof

Particulars	As at 31st March 2013	As at 31st March 2012
Aggregate amount of company's investments other than listed equity securities, mutual fund and derivative instruments	2,19,76,545	1,93,79,360
Market value of above Investments	2,22,58,143	1,91,89,316

- Investments in subsidiary/holding companies, joint ventures and associates at cost is ₹ Nil (Previous year ₹ Nil)
- Investments made out of Catastrophe reserve is ₹ Nil
- Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.
- Historical cost of Mutual Fund & Equity included above is ₹ 112,841 (Previous Year: ₹ 111,157) and equity ₹ 128,949 (Previous year: 93,696)
- Refer Schedule 16 Note 2 (f)

Schedules

for the year ended 31st March, 2013

Schedule 8B

Assets held to cover linked liabilities

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
LONG-TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	26,742,793	22,360,052
2 Other Approved Securities	942,801	–
3 Other Investments		
(a) Shares	–	–
(aa) Equity	79,891,610	77,069,920
(bb) Preference	–	–
(b) Mutual Funds	–	–
(c) Derivative Instruments	–	–
(d) Debentures/Bonds*	18,655,621	16,964,250
(e) Other Securities	3,251,000	496,000
(f) Subsidiaries	–	–
(g) Investment Properties - Real Estate	–	–
4 Investments in Infrastructure and Social Sector	26,333,100	26,109,378
5 Other than Approved Investments	6,193,609	8,533,233
Total (A)	162,010,534	151,532,833
SHORT-TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	583,757	24,112
2 Other Approved Securities		
– Fixed Deposits	3,740,500	4,248,200
– Others	7,404,330	12,652,313
3 Other Investments		
(a) Shares	–	–
(aa) Equity	–	–
(bb) Preference	–	–
(b) Mutual Funds	0	1,590,568
(c) Derivative Instruments	–	–
(d) Debentures/Bonds	5,650,393	3,771,152
(e) Other Securities	–	–
(f) Application Money	–	–
(g) Subsidiaries	–	–
(h) Investment Properties - Real Estate	–	–
4 Investments in Infrastructure and Social Sector	2,830,832	3,336,708
5 Other than Approved Investments	6,059,901	1,227,575
Total (B)	26,269,713	26,850,628
OTHER ASSETS		
1 Bank Balances	1,776,043	1,140,345
2 Interest Accrued on Investments	2,819,970	2,391,635
3 Fund Charges	0	–
4 Outstanding Contracts (Net)	494,463	(551,243)
Total (C)	5,090,476	2,980,737
TOTAL (A) + (B) + (C)	193,370,723	181,364,198

Notes:

1 Particulars	As at 31st March 2013	As at 31st March 2012
* Investment in Aditya Birla Nuvo Limited (Holding Company)	248,365	248,365

Schedules

for the year ended 31st March, 2013

Schedule 9

Loans

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
1 Security-wise classification		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities, etc.	-	-
(c) Loans against Policies	280,690	250,239
(d) Others	-	-
Unsecured	-	-
Total	280,690	250,239
2 Borrower-wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against Policies	280,690	250,239
(f) Others	-	-
Total	280,690	250,239
3 Performance-wise classification		
(a) Loans classified as standard:		
(aa) In India	280,690	250,239
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	280,690	250,239
4 Maturity-wise classification		
(a) Short-term	-	-
(b) Long-term	280,690	250,239
Total	280,690	250,239

Note: Refer Schedule 16 Note 2 (g)

Schedules

for the year ended 31st March, 2013

Schedule 10
Fixed Assets
(Amounts in thousands of Indian Rupees)

Particulars	Cost/Gross Block			Depreciation			Net Block	
	As on April 1, 2012	Additions	On Sales/ Adjust-ments March 31, 2013	As on April 1, 2012	For the period	On Sales/ Adjust-ments March 31, 2013	As on March 31, 2013	As on March 31, 2012
Goodwill	-	-	-	-	-	-	-	-
Intangibles (Software)	835,053	58,312	893,365	747,029	52,926	799,955	93,410	88,024
Land-Freehold	-	-	-	-	-	-	-	-
Leasehold property	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Furniture & Fittings	123,608	2,403	111,818	115,634	6,448	109,812	2,006	7,974
Information Technology Equipment	635,716	52,816	623,479	554,277	42,352	532,844	90,635	81,439
Vehicles	69,980	2,573	48,931	48,753	11,107	37,639	11,292	21,227
Office Equipment	213,780	23,587	220,922	178,889	19,342	183,174	37,748	34,891
Others (Leasehold Improvements)	416,837	77,501	424,018	345,182	40,487	328,302	95,716	71,655
Total	2,294,974	217,192	2,322,534	1,989,764	172,662	1,991,726	330,807	305,210
Capital Work in Progress (Including Capital Advances)	-	-	-	-	-	-	11,544	90,651
Grand Total	2,294,974	217,192	2,322,534	1,989,764	172,662	1,991,726	342,351	395,861
Previous Year	2,244,307	207,482	2,294,974	1,877,753	252,328	1,989,764	395,861	

Note:

- 1 Refer Schedule 16 Note 2 (h).
- 2 Sale/Adjustments as appearing in gross block includes closure of branches & assets write off thereon.
- 3 Jointly held assets which form part of Schedule 10.

Particulars	Net Block	
	As on March 31, 2013	As on March 31, 2012
Furniture & Fittings	1,639	255
Information Technology Equipment	49	343
Vehicles		6
Office Equipment		4,483
Others (Leasehold Improvements)		498
Total	1,688	5,585
Capital Work in Progress (Including Capital Advances)	-	-
Grand Total	1,688	5,585
Previous Year	5,586	

Schedules

for the year ended 31st March, 2013

Schedule 11

Cash and Bank Balances

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
1 Cash (including cheques on hand ₹ 847,399 Previous year ₹ 821,286) (Stamps on hand ₹ 30,892 Previous year ₹ 6,018)	1,016,176	984,884
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	3,917,213	3,349,701
(bb) Others	-	-
(b) Current Accounts	509,045	2,070,073
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
Total	5,442,434	6,404,658
Balances with non-scheduled banks included in 2 above	-	-
Cash and Bank Balances		
1 In India	5,442,434	6,404,658
2 Outside India	-	-
Total	5,442,434	6,404,658

Schedules

for the year ended 31st March, 2013

Schedule 12

Advances and Other Assets

(Amounts in thousands of Indian Rupees)

Particulars		As at 31st March 2013		As at 31st March 2012
ADVANCES				
1	Reserve deposits with ceding companies	–		–
2	Application money for investments	–		–
3	Prepayments	196,356		186,482
4	Advances to Directors/Officers	–		–
5	Advance tax paid and taxes deducted at source	2,416		12,483
6	Other advances			
	(a) Advance to Suppliers/Contractors	89,028		163,251
	(b) Others	26,372		29,328
Total (A)		314,172		391,544
OTHER ASSETS				
1	Income accrued on Investments	1,139,607		845,630
2	Outstanding Premiums	747,211		408,555
3	Agent's Balances (gross)	27,785	34,171	
	Less: Provision for doubtful debts	–	–	34,171
4	Foreign Agencies Balances	–		–
5	Due from other Entities carrying on insurance business	359		516
6	Due from holding company	–		–
7	Deposit with Reserve Bank of India	–		–
8	Service Tax unutilised credits	355,458	221,762	
	Less: Provision for Service Tax unutilised credits	(107,160)	(107,160)	114,602
9	Others-			
	Deposits & Others	440,948		435,531
	Outstanding Trades	136		–
	Insurance Policies (Leave Encashment)	150,012		150,000
	Application money for Investment	–		–
Total (B)		2,754,356		1,989,005
Total (A + B)		3,068,528		2,380,549

Schedules

for the year ended 31st March, 2013

Schedule 13

Current Liabilities

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
1 Agent's Balance	569,717	561,024
2 Balances due to other insurance companies	175,008	78,048
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	1,876,100	2,008,670
5 Unallocated premiums	2	159
6 Sundry Creditors*	2,621,248	2,984,736
7 Due to holding company	-	-
8 Claims outstanding	46,368	23,660
9 Annuities Due	-	-
10 Due to Officers/Directors	-	-
11 Others		
(a) Policy Application and other Deposits	809,677	694,695
(b) Due to Policyholders	26,698	108,591
(c) Taxes Payable	244,768	116,047
(d) Temporary Overdraft (as per books only)	-	-
(e) Unclaimed amounts of policyholders	2,204,519	2,001,377
(f) Interim dividend payable	-	984,750
Total	8,574,105	9,561,757

* There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2013. This information as required to be disclosed under the Micro, Small & 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.

Schedules

for the year ended 31st March, 2013

Schedule 14

Provisions

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
1 For taxation		
(a) Provision for wealth tax	628	684
2 For proposed dividends	1,181,700	–
3 For dividend distribution tax	200,830	–
4 Others		
(a) Provision for long-term bonus plan [Refer Schedule 16, Note 25(a) & (b)]	83,434	431,297
(b) Provision for renewal bonus [Refer Schedule 16, Note 25(b)]	–	664
(c) Provision for gratuity [Refer Schedule 16, Note 26(a)(i)]	–	2,602
(d) Provision for leave encashment [Refer Schedule 16, Note 26(a)(ii)]	146,240	161,764
Total	1,612,832	597,011

Schedule 15

Miscellaneous Expenditure

(To the extent not written off or adjusted)

(Amounts in thousands of Indian Rupees)

Particulars	As at 31st March 2013	As at 31st March 2012
1 Discount Allowed in issue of shares/debentures	–	–
2 Others	–	–
Total	–	–

Schedules

for the year ended 31st March, 2013

BIRLA SUN LIFE INSURANCE COMPANY LIMITED

Registration Number: 109 dated 31st January 2001

Schedules forming part of the Financial Statements for the year ended 31st March 2013

(Amounts in thousands of Indian Rupees)

Schedule 16

Notes to the Financial Statements

1. Background

Birla Sun Life Insurance Company Limited ("the Company"), headquartered at Mumbai, had commenced operations on 19th March 2001, after receiving the license to transact life insurance business in India from the Insurance Regulatory and Development Authority ('IRDA') on 31st January 2001. The license has been renewed annually and is in force as at 31st March 2013.

The Company is a joint venture between Aditya Birla Nuvo Limited, a Company of the Aditya Birla Group of India (74 percent) and Sun Life Financial (India) Insurance Investments Inc., subsidiary of Sun Life Assurance Company of Canada (26 percent). This business spans across individual and group products and covers participating, non-participating and unit linked lines of businesses. Riders covering additional benefits are offered under these products. These products are distributed through individual agents, corporate agents, banks, brokers and other intermediaries across the country.

2. Significant Accounting Policies

a) Basis of preparation

The accompanying financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the accounting principles generally accepted in India, in compliance with the Accounting Standards ('AS') Rules, 2006, in terms of section 211(3C) of the Companies Act, 1956, to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('the regulations'), the Insurance Regulatory and Development Authority Act, 1999, various circulars issued by IRDA and practices prevailing in the insurance industry in India. The accounting policies have been consistently applied by the Company.

The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') requires that the Company's management make estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as on date of the financial statement. Any revision to accounting estimates is recognised prospectively. Examples of such estimates include valuation of policy liabilities, provision for linked liabilities, funds for future appropriations, provision for doubtful debts, valuation of unlisted securities, if any, valuation of debt securities, future obligations under employee retirement benefits plans and the useful lives of fixed assets, etc. Actual results could differ from these estimates.

c) Revenue recognition

i. Premium Income

Premium is recognised as income when due from policyholders. For unit linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. In case of linked business, top up premium paid by policyholders are considered as single premium and are unitised as prescribed by the regulations. This premium is recognised when the associated units are created.

ii. Income from Investments

Interest income on investments is recognised on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the remaining maturity period on a straight-line basis.

Dividend income is recognised when the right to receive dividend is established.

The realised gain/loss on debt securities held for other than linked business is the difference between the net sale consideration and amortised cost.

The realised gain/loss on debt securities held for linked business and on sale of equity shares/mutual fund units is the difference between the net sale consideration and weighted average cost.

iii. Reinsurance premium

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium are recognised in the year in which they occur.

iv. Income from linked policies

Income from linked policies, which include asset management fees, policy administration charges, mortality charges and other charges, if any, are recovered from the linked funds in accordance with the terms and conditions of the policies and recognised when due.

Interest income on loans is recognised on an accrual basis and disclosed under other income.

Schedules

for the year ended 31st March, 2013

d) Benefits paid (including claims)

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/ Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Reinsurance recoverable thereon, if any, is accounted for in the same period as the related claim. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.

e) Acquisition costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. Acquisition costs mainly consists of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Clawback of the first year commission paid, if any, in future is accounted in the year in which it is recovered.

f) Investments

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, the Insurance Regulatory and Development Authority (Investment) (Amendment) Regulations, 2001 and various other circulars/notifications issued by the IRDA in this context from time to time.

Investments are recorded at cost on the date of purchase, which includes brokerage and stamp duty, taxes, etc, if any, but excludes pre-acquisition interest i.e. (from the previous coupon date to the transaction settlement date), if any, on purchase.

i. Classification

Investments maturing within twelve months from the balance sheet date and investments made with specific intention to dispose off within twelve months are classified as short-term investments.

Investments other than short-term investments are classified as long-term investments.

ii. Debt securities

- Policyholders' non-linked funds and shareholders' investments:

All debt securities, including government securities, are considered as 'held to maturity' and stated at amortised cost. The discount or premium which is the difference between the purchase price and the redemption amount of fixed income securities is amortised and recognised in the revenue account or the profit and loss account, as the case may be, on a straight line basis over the remaining period to maturity of these securities.

- Policyholders' linked funds:

All debt securities, including government securities, are valued using CRISIL Bond Valuer/ CRISIL Gilt Prices, as applicable. The discount or premium on money market instruments (except treasury bills) which is the difference between the purchase price and the redemption amount is amortised and recognised in the revenue account on a straight line basis over the remaining period to maturity of these securities.

iii. Equity shares

Listed equity shares are valued and stated at fair value, using the last quoted closing prices on the National Stock Exchange (NSE), at the balance sheet date. If the equity shares are not traded on the NSE, then closing prices of the Bombay Stock Exchange (BSE) is considered. Equity shares acquired through primary markets and awaiting listing are valued at their issue price. Unlisted equity shares are valued as per the valuation policy of the Company duly approved by Investment Committee.

A provision is made for diminution, if any, in the value of these shares to the extent that such diminution is other than temporary.

iv. Mutual Funds

Mutual fund units are valued at previous day's Net Asset Value.

v. Gain/loss on equity and mutual funds

Unrealised gains/losses are recognised in the respective fund's revenue account as fair value change in case of linked funds.

Unrealised gain/loss due to changes in fair value of listed equity shares and mutual funds are taken to the Fair Value Change account for other than linked business and are carried to the Balance Sheet.

Diminution in the value of investments as at the balance sheet date, other than temporary, is recognised as an expense in the Revenue /Profit & Loss account.

vi. Investment transfer

Transfers of Investments from Shareholders' funds to the Policyholders' funds are affected at the lower of amortised cost or market value in respect of all debt securities including money market instruments and at the market value in case of other securities.

Inter-fund transfer of debt securities relating to Linked Policyholders' Funds is effected at last available market value as per methodology specified in the Inter Fund transfer policy approved by Investment committee. Inter fund transfer of equity are done during market hours at the prevailing market price.

vii. Impairment on Investment

The carrying amounts of investments are reviewed at each balance sheet date, if there is any indicator of impairment based on internal/external factors. An impairment loss is recognised as an expense in Revenue/ Profit or Loss account, to the extent of difference between the re-measured fair value and the acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/ Profit and Loss Account. Any reversal of impairment loss, earlier recognised in revenue/ profit and loss account shall be recognised in revenue/ profit and loss account.

Schedules

for the year ended 31st March, 2013

g) Loans against policies

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalised interest and are subject to impairment, if any.

h) Fixed assets, intangibles and depreciation

i. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on fixed assets is expensed out in the year of expense except where such expenditure increases the future economic benefits from the existing assets.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for its intended use before such date are disclosed under capital work-in-progress.

Assets costing upto ₹ 5 are fully depreciated in the year of acquisition. The rate of depreciation is higher of the management estimate based on useful life or the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on fixed assets is provided using the straight-line method based on the economic useful life of assets as estimated by the management are as below;

Sr No.	Asset Type	Estimated useful life (In years)
1	Leasehold Improvements and Furniture and fittings at leased premises	5 years or the maximum renewable period of the respective leases, whichever is lower
2	Furniture & fittings (other than (1) above)	5
3	Information Technology Equipment	3
4	Vehicles	5
5	Office Equipment	5
6	Mobile Phones (included in office equipment under schedule 10)	2

Any additions to the original fixed assets are depreciated over the remaining useful life of the original asset.

ii. Intangibles

Intangible assets comprise of software licenses which are stated at cost less amortisation. Software expenses exceeding ₹ 1 incurred on customisation of software (other than for maintenance of existing software) are capitalised. Software licenses are amortised using Straight Line Method over a period of 3 years from the date of being ready for use.

iii. Impairment of Assets

At each balance sheet date, management assesses whether there is any indication, based on internal/external factors, that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to maximum of depreciable historical cost.

i) Operating leases

The Company classifies leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term, as Operating Leases. Operating lease rentals are recognised as an expense on a straight line basis over the non cancellable lease period.

j) Employee benefits

i. Short-Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries & bonuses are recognised in the period in which the employee renders the related service.

ii. Long-Term Employment Benefits

The Company has both defined contribution and defined benefit plans. These plans are financed by the Company.

• Defined Contribution Plans:

The Company has established defined contribution schemes for provident fund and superannuation to provide retirement benefits to its employees. Contributions to the provident fund and the superannuation schemes are made on a monthly basis and charged to revenue account when due.

• Defined Benefit Plans:

Gratuity liability is defined benefit obligation and is funded. The Company accounts for liability for future gratuity benefits based on independent actuarial valuation under revised Accounting Standard 15 (AS 15) on 'Employee Benefits'.

iii. Other Employee Benefits

Compensated absences are entitled to be carried forward for future encashment or availment, at the option of the employee during the tenure of the employment, subject to the rules framed by the Company in this regard. Accumulated compensated absences entitlements outstanding at the close of the year are accounted on the basis of an independent actuarial valuation. Accumulated entitlements at the time of separation are entitled to be encashed.

Schedules

for the year ended 31st March, 2013

k) **Renewal bonus**

Renewal bonus is payable to the individual insurance agents and a segment of the sales force. This constitutes a part of the first year commission/incentives against receipt of the first year premium but due and payable at the end of the expiry of two years of the policy and is accrued for in the year of sale of the policy, subject to the intermediaries' and policy's continued persistency.

l) **Foreign Currency Transactions**

Transactions in foreign currency are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the rates existing as at the balance sheet date. The resulting exchange gain or loss for revenue transactions is reflected, in the revenue account or the profit and loss account, as the case may be.

m) **Segment reporting**

As per Accounting Standard 17 (AS 17) on 'Segment Reporting' read with the "Preparation of Financial Statements and Auditor's Report of Insurance Companies, Regulations 2002", the Company is required to report segment results separately for linked, non-linked, health and pension businesses. The business is broadly classified as Participating non-linked, Non Participating Unit Linked and Non Linked businesses, which are further segmented into Individual Life, Group Life, Individual Pension, Group Pension and Individual Health businesses. Accordingly, the Company has prepared the revenue account and balance sheet for these primary business segments separately. Since the business operation of the Company is in India only, the same is considered as one geographical segment.

The following basis has been used for allocation of revenues, expenses, assets and liabilities to the business segments:

- Revenues, expenses, assets and liabilities directly attributable and identifiable to business segments, are allocated on actual basis; and
- Other expenses, assets and liabilities which are not directly identifiable though attributable to a business segment, are allocated on the following basis, as considered appropriate by the management:
 - Cash premium;
 - Renewal premium
 - First year commission;
 - Sum assured;
 - Policy liability;
 - Asset under management; and
 - Death claim

The accounting policies, used in segment reporting, are the same as those used in the preparation of the financial statements.

n) **Taxation**

i. *Direct Taxes*

The Income-Tax Act, 1961 prescribes that profits and gains of life insurance companies will be the surplus or deficit disclosed by the actuarial valuation made in accordance with the Insurance Act, 1938.

Deferred income tax is recognised for future tax consequences attributable to timing differences between income as determined by the financial statements and the recognition for income tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is virtual certainty backed by convincing evidence that such deferred assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realised.

Provision for wealth tax is made at the appropriate rates, as per the applicable provisions of Wealth Tax Act, 1957.

ii. *Indirect Taxes*

The Company claims credit of service tax for input services, which is set off against tax on output services. As a matter of prudence, unutilised credits are deferred for recognition until such time that there is reasonable certainty of utilisation. A provision is created against unutilised credit based on estimated realisation of such unutilised credit.

o) **Provisions and Contingencies**

A provision is recognised when the Company has a present legal obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. A disclosure for contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is neither recognised nor disclosed.

p) **Funds for Future Appropriation**

The balance in the funds for future appropriations account represents funds, the allocation of which, either to participating Policyholders or to Shareholders, has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's Policyholders' fund. In respect of Participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

Schedules

for the year ended 31st March, 2013

Amounts estimated by the Appointed Actuary as Funds for Future Appropriation (FFA) in respect of lapsed Unit Linked Policies are set-aside in the balance sheet and are not available for distribution to shareholders until expiry of the revival period.

q) Earnings Per Share

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

3. Contingent liabilities

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Partly paid-up investments	Nil	Nil
2	Claims, other than against policies, not acknowledged as debts by the Company	25,961	24,414
3	Underwriting commitments outstanding	Nil	Nil
4	Guarantees given by or on behalf of the Company	Nil	Nil
5	Statutory demands/liabilities in dispute, not provided for	Refer Note Below	Refer Note Below
6	Reinsurance obligations to the extent not provided for in the accounts.	Nil	Nil
7	Others *	223,819	153,338

* Represents potential liability to the Company (net of reinsurance) in respect of cases filed against the Company's decision of repudiation of death claims and customer complaints.

Note: The Company has received Show Cause-Cum-Demand notices in earlier year relating to Service Tax demands related to excess utilisation of CENVAT credit against liability on risk premium and payment of reimbursements to agents aggregating to ₹ 309,471 (previous year ₹ 309,471) plus applicable interest and penalty, which is contested.

4. Percentage of Business Sector-wise

Particulars	Current Year			Previous Year		
	Number of Individual life policies	Number of Group lives covered	First year and single premium	Number of Individual life policies	Number of Group lives covered	First year and single premium
Total Business	558,602	798,229	18,365,130	847,278	1,019,852	19,261,677
Rural Sector	123,147	-	5,388	256,226	-	16,813
As a % of Total Business	22.05%	-	0.03%	30.24%	-	0.09%
Social Sector	-	41,899	1,607	-	63,357	2,016

Note: Basis the provisions in the regulation 15 (2) of the IRDA (Micro Insurance) Regulations, 2005; 50,989 customers from the rural policy database meet with the social sector definition and can therefore be reckoned under both rural sector obligation and the social sector obligation for FY 12-13 as specified under the IRDA (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002. Basis the above the total social sector lives covered for the year FY 2012-13 is 92,888 lives.

5. Benefits paid include charges in respect of discount allowed to the policyholders' amounting to ₹ 94,641 (Previous year ₹ 84,675) for advance payment of future premiums subject to prepayment conditions.

6. Contribution from shareholders'/policyholders' account

The net surplus of ₹ 4,271,456 (Previous year: ₹ 3,820,343) based on the actuarial valuation made in accordance with the Insurance Act, 1938 and as certified by the appointed actuary is being transferred from policyholders' account to shareholders' account. The details are tabulated below:

Surplus/(Deficit) of Non Par Business Segments	Current Year	Previous Year
Non Par Linked		
Individual	5,136,003	6,162,405
Group	54,945	(20,981)
Individual Pensions	638,054	654,487
Group Pensions	40,259	72,434
Health	(37,274)	(23,394)
Non Par Non Linked		
Individual	(1,943,010)	(3,172,316)
Group	200,925	(66,142)
Individual Pensions	67,264	(4,510)
Group Pensions	105,739	188,426
Health	22,826	29,934
Par Non Linked		
Individual	(14,275)	-
Net Surplus for Policyholders'	4,271,456	3,820,343

Schedules

for the year ended 31st March, 2013

7. Operating lease commitments

In accordance with Accounting Standard 19 (AS 19) on 'Leases', the details of leasing arrangements entered into by the Company are as under:

The Company has entered into agreements in the nature of cancellable and non-cancellable lease/leave and license agreements with different lessors/licensors for the purpose of establishment of office premises, leasehold improvements, furniture and fixtures, information technology and office equipments. These are generally in the nature of operating leases/ leave and licenses.

The operating lease rentals charged during the year and maximum obligations on operating lease payable at the balance sheet date, as per the rentals stated in the agreements are as follows:

Particulars	Current Year	Previous Year
Total lease rentals charged to Revenue Account	712,438	724,514
Lease obligations for non – cancellable leases		
– Within one year of the balance sheet date	562,704	532,196
– Due in a period between one year and five years	590,438	613,173
– Due after five years	17,491	37,422

8. Foreign exchange gain/(loss)

The Company has recorded foreign exchange loss of ₹ 96 in the Revenue Account and the same is included under "Interest and Bank Charges" in Schedule 3 (Previous Year gain: ₹ 6).

9. Managerial remuneration

The appointment of managerial personnel is in accordance with the requirements of Section 34A of the Insurance Act, 1938 and is approved by the IRDA.

(i) Mr. Jayant Dua has been appointed as Managing Director since 1st July 2010. Below is the tabular presentation of managerial remuneration for current year and previous year;

Particulars	Current Year	Previous Year
Salary	14,256	14,274
Other allowances	5,464	9,708
Contribution to :		
– Provident fund	852	795
– Superannuation fund	1,065	993
Perquisites	450	450
Total*	22,087	26,220

* Of the above, amount of ₹ 7,088 (previous year ₹ 11,220) has been borne by shareholders'. The remuneration stated above excludes gratuity and leave encashment, accrued based on actuarial valuation for the Company's overall liability and performance/long-term bonus estimated and payable based on overall company performance.

(ii) Sitting Fees paid to independent directors in the current year is ₹ 320 (Previous Year: ₹ 480).

10. As required by circular no.067/IRDA/F&A/CIR/MAR-08 dated 28th March 2008. Break up of Operating expenses incurred under the following heads;

(Previous year figures are presented in brackets)

Particulars	Business Development	Outsourcing
Agents recruitment, seminar and other expenses	26,627 (32,228)	
Distribution Expenses	463,231 (493,717)	
Miscellaneous Expenses	27,798 (23,379)	
Recruitment and seminar Expenses	113,263 (167,020)	
Outsourcing expenses		314,469 (316,744)
Total	630,919 (716,344)	314,469 (316,744)

Schedules

for the year ended 31st March, 2013

11. Earnings per Share

Particulars	Current Year	Previous Year
Profit as per profit and loss account	5,415,031	4,607,290
Weighted average number of equity shares	1,969,500,000	1,969,500,000
Earnings per share (Basic and Diluted) #	2.75	2.34
Face Value per share #	₹ 10	₹ 10

Amount in absolute Indian Rupees

12. Actuarial assumptions

The actuarial liabilities are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, Regulations notified by Insurance Regulatory and Development Authority and Practice Standard prescribed by the Institute of Actuaries of India.

Unit Reserves

Unit reserves are computed by multiplying the number of units with the unit price as on the valuation date.

Non Unit Reserves

Prospective gross premium cash flow method is used to compute the non unit liabilities in respect of the policies in force as at March 31, 2013.

The cash flows are projected based on assumptions that reflect the expected future experience and have an appropriate allowance for margins for adverse deviations. The major assumptions relate to mortality, interest, expenses, policy persistency and premium persistency. Additionally, for traditional par policies current year bonus rate, future bonus rates and terminal bonuses (wherever applicable) consistent with the valuation interest rate, transfer to shareholders and tax on the surplus are also taken into account while calculating the policy liability.

Mortality rates are derived based on the Indian Assured Lives Mortality (1994-1996) table after making suitable adjustments depending on the type of the product. Longevity (for Annuity Products) rates are derived based on the LIC Annuitant table (996-98) table after making suitable adjustments and with appropriate mortality improvements. Interest rates used to discount the future cash flows vary from 4.63% to 7.75%. A prudent assumption is made for investment growth on the unit funds. An appropriate allowance is made for future policy maintenance expenses and investment expenses. Policy persistency rates are derived based on expected future policyholder behavior. For unit linked business, the discontinuance of premiums by the policyholders while keeping the benefits in force is allowed for by appropriate premium persistency assumptions varying by product.

Additional provisions are made towards:

- I. Investment guarantees for unit linked business
- II. Substandard lives
- III. Unearned premium/mortality charges (in accordance with IRDA Circular 50/IRDA/ACTL/CIR/GEN/050/03/2010)
- IV. Reserves for free look option given to the policyholders
- V. Lapse policies eligible for revivals (in accordance with IRDA Circular 41/IRDA/ACTL/Mar-2006).
- VI. New Business Closure Reserve
- VII. Cash Surrender Value Deficiency Reserve
- VIII. Premium Waiver Claim Provision
- IX. Incurred But Not Reported Reserve

For yearly renewable group term business, unearned premium method is used to compute the reserves. In addition to the unearned premium reserve, provision is also made for incurred but not reported claims for group business as well.

Schedules

for the year ended 31st March, 2013

13. Disclosure of discontinued linked policies

As required by circular no. IRDA/Reg/2/52/2010 dated 1st July 2010 relating to treatment of discontinued linked insurance policies, the disclosures are as under:-

Particulars	Current Year		Previous Year	
	Sub Total	Total	Sub Total	Total
Opening balance of funds for discontinued policies		437,939		6,401
Add: Fund of policies introduced in PD Fund	2,021,087		494,126	
Less: Fund of policies revived in PD Fund	510,812	1,510,905	74,742	419,384
Add/(Less): Realised & Unrealised gain/loss		101,568		12,154
Closing balance of funds for discontinued policies		2,050,412		437,939
Other disclosures:				
a) Number of policies discontinued during the year		59,553		32,420
b) Percentage of discontinued to total policies (product wise) during the year				
BSLI Foresight Plan		11.2%		0.01%
BSLI Platinum Advantage		20.9%		14.12%
BSLI Classic Endowment 2010 Plan		19.1%		18.17%
BSLI Dream Endowment 2010 Plan		24.1%		21.68%
BSLI Classic Child 2010 Plan		21.2%		14.53%
BSLI Classic Life 2010 Plan		29.7%		19.30%
BSLI Dream Child 2010 Plan		31.1%		16.61%
BSLI Dream Life 2010 Plan		36.7%		15.98%
BSLI Wealth Secure Plan		7.8%		—
c) Number and percentage of the policies revived during the year		10,789		3,420
d) Charges imposed on account of discontinued policies		75,259		30,418

14. Percentage of risk-retained and risk-reinsured

Particulars	Current Year		Previous Year	
	Sum Assured	%	Sum Assured	%
Individual Business				
Risk-retained	566,797,874	40.94%	591,832,042	43.58%
Risk-reinsured	817,744,605	59.06%	766,288,695	56.42%
Total Individual Risk	1,384,542,479	100.00%	1,358,120,737	100.00%
Group Business				
Risk-retained	253,974,443	22.32%	184,304,328	23.88%
Risk-reinsured	883,902,647	77.68%	587,532,447	76.12%
Total Group Risk	1,137,877,090	100.00%	771,836,775	100.00%

15. Encumbrances

As on 31st March 2013, there were no encumbrances (Previous year: ₹ Nil) on the assets of the Company.

16. Commitments made and outstanding on Loans, Investments and Fixed Assets

The commitments made and outstanding for fixed assets by the Company as at 31st March 2013 are ₹ 22,233 (Previous Year: ₹ 30,987) net of advances.

17. Investments

i. Value of contract outstanding

Value of contracts in relation to investments where purchases have been made and deliveries are pending is ₹ 291,518 (Previous year: ₹ 1,639,368) as at the balance sheet date. There are no investment contracts where sales have been made and payments are overdue as at the balance sheet date.

ii. Historical costs

As at 31st March 2013, the aggregate historical cost and market value of Linked investments, which are valued at fair value, is ₹ 183,728,203/- and ₹ 188,280,249/- respectively (Previous Year: ₹ 177,202,046/- and ₹ 178,383,461/- respectively).

Schedules

for the year ended 31st March, 2013

iii. Statutory deposits

As on 31st March 2013, the Company has securities with face value of ₹ 115,000 (Previous Year: ₹ 115,000) in CSGL Account with Deutsche Bank, as required under Section 7 of the Insurance Act, 1938. The market value of these securities as at 31st March 2013 was ₹ 115,920 (Previous Year: ₹ 110,860).

As on 31st March 2013, the Company also has collateral deposit of Government Security with face value of ₹ 260,000 (Previous Year ₹ 260,000) and cash ₹ 25,200 (Previous Year ₹ 25,200) with Clearing Corporation of India Limited.

iv. All investments are performing assets.

18. Allocation of investments and income

The funds of the shareholders and the policyholders are kept separate and records are maintained accordingly. Investments made out of the shareholders' and policyholders' funds are tracked from their inception and the income thereon is also tracked separately. Since the actual funds, investments and income thereon are tracked and reported separately, the allocation of investments and income is not required.

19. Policyholders' liabilities adequately backed by assets

Particulars	Current Year	Previous Year
Policyholders' liabilities (Including funds for future appropriation)	(22,395,751)	(18,277,404)
Investments (As per schedule 8A)*	20,375,363	17,770,960
Loans to policyholders (As per schedule 9)	280,690	250,239
Fixed deposits, bank balances and cheques on hand (As per schedule 11)	1,702,930	469,863
Other receivables under schedule 12 representing "Advances and other assets"	69,226	(206,595)

*Excludes prepayment fund (Liability numbers are presented in brackets)

20. Assets in the Internal Funds

The Company has presented the financial statements of each internal fund to which the policyholders can link their policy in **Annexure 3**. Also additional disclosures as required by the Circular dated 20th February 2007 issued by IRDA are given in **Annexure 3A**.

The industry wise disclosures given in Appendix 3 of Annexure 3A has been made in accordance with IRDA (Investment) (5th Amendment) Regulations, 2013.

21. Assets restructured during the year

Particulars	Current Year	Previous Year
Total amount of loan assets subject to restructuring	Nil	Nil
Total amount of standard assets subject to restructuring	Nil	Nil
Total amount of sub-standard assets subject to restructuring	Nil	Nil
Total amount of doubtful assets subject to restructuring	Nil	Nil

22. Claims

The claims settled and remaining unpaid for a period of more than six months as at the balance sheet date amount to ₹ 27,620 (Previous Year ₹ 16,202). Reinsurance recoverable is netted off against claim expenses incurred.

23. Foreign currency exposure

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:-

Amount payable in foreign currency on account of import of services as follows:

Foreign currency	Current Year		Previous Year	
	INR	Amount in Foreign currency	INR	Amount in Foreign currency
USD	5,966	110	3,432	67
EURO	2,177	31	-	-

Schedules

for the year ended 31st March, 2013

24. Disclosure for Unclaimed Amount of Policyholders

Age-wise analysis of unclaimed amount by Policyholders/ insured as required by circular no. IRDA/F&I/CIR/CMP/174/11/2010 dated 4th November 2010:

Particulars	Total Amount	AGE-WISE ANALYSIS						
		1-6 months*	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims settled but not paid to the policyholders/insureds due to any reasons except under litigation from the insured/policyholders	1,340,138	1,312,518	10,850	4,837	705	–	4,648	6,580
	(1,053,376)	(1,037,174)	(2,170)	(190)	(6,388)	(895)	(2,396)	(4,163)
Sum due to the insured/policyholders on maturity or otherwise	259,638	223,754	6,753	9,077	4,698	6,442	1,144	7,770
	(318,989)	(295,290)	(5,606)	(8,431)	(1,914)	(2,948)	(265)	(4,535)
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
Cheques issued but not encashed by the policyholder/ insured	2,148,432	1,038,090	626,965	122,302	125,080	84,480	45,038	106,477
	(1,811,978)	(1,182,965)	(204,557)	(159,259)	(96,152)	(51,689)	(46,697)	(70,659)
Total	3,748,208	2,574,362	644,568	136,216	130,483	90,922	50,830	120,827
Previous Year	(3,184,343)	(2,515,429)	(212,333)	(167,880)	(104,454)	(55,532)	(49,358)	(79,357)

*Includes amounts outstanding for a period of less than 1 month

Previous year amounts are in brackets

The cheques issued but not encashed by policyholder/insured category includes ₹655,976 pertaining to cheques which are within the validity period but not yet encashed by policyholders as on March 31, 2013 (Previous Year ₹1,182,965). This amount forms a part of bank reconciliation statement and consequently not considered in unclaimed amount of policyholders under Schedule 13 – Current Liabilities.

25. Provisions

(a) Employee Long-term Bonus Plan ('the Plan')

The cost estimate is determined after factoring in assumptions in respect of criteria identified in the Plan which include the following:

1. Units granted to employees under different options under the plan
2. Maximum payout over vesting period per unit
3. Employee attrition rate
4. Performance condition

(b) Long-Term Incentive Plan

The cost estimate determined after the factoring in assumptions in respect of criteria identified in the Plan which include the following

1. Employee attrition rate
2. Performance condition
3. Discount rate

(c) Additional information in respect of provision shown as "Provision for Long-Term Bonus Plan" and "Provision for Renewal Bonus" in Schedule 14:

Particulars	Long-Term Bonus Plan		Long-Term Incentive Plan		Renewal Bonus	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	391,369	257,131	55,835	Nil	664	2,932
Additional provision made	118,169	156,516	64,401	55,835	103	Nil
Incurred and charged	Nil	Nil	(36,801)	Nil	(767)	(1,200)
Unused amounts reversed #	(509,538)	(22,278)	Nil	Nil	Nil	(1,068)
Closing balance	Nil	391,369	83,435	55,835	Nil	664
Nature of obligation	Long-Term Bonus	Long-Term Bonus	Long-Term Incentive	Long-Term Incentive	Renewal Bonus	Renewal Bonus
Expected timing Assumptions	NA Refer note (a) above	Upto 3 Years Refer note (a) above	Upto 3 Years Refer note (b) above	Upto 3 Years Refer note (b) above	Upto 2 years 100%	Upto 2 years 100%

the unused amount of Long-Term Bonus Plan has been credited to "Employees' remuneration, welfare benefit and other manpower cost in Schedule 3"

Schedules

for the year ended 31st March, 2013

26. Employee benefits

(a) Defined benefit plans

i) Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering all employees as at balance sheet date using projected unit credit method. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company. The gratuity benefit payable is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's Gratuity Scheme as mentioned below:

Change in Defined benefit obligations	Current Year	Previous Year
Present value of Defined benefit obligations as at beginning of the year	187,535	142,732
Service cost	43,081	35,545
Interest cost	17,717	13,113
Benefits paid	(15,183)	(15,522)
Past service cost	–	–
Actuarial (gain)/loss due to curtailment	–	–
Actuarial (gain)/loss on obligations	10,131	11,668
Present value of Defined benefit obligations as at end of the year	243,281	187,536
Reconciliation of present value of the obligation and the fair value of the plan assets		
Opening Fair Value of Plan assets	184,933	129,960
Contributions by the employer for the year	55,385	64,157
Benefits paid	(15,183)	(15,522)
Expected Return on Plan Assets	13,238	9,575
Actuarial Gain/(Loss)	7,442	(3,236)
Closing Fair Value of Plan assets	245,815	184,934
Net asset/(liability) as at end of the year	2,534	(2,602)
Cost recognised for the year		
Current service cost	43,081	35,545
Interest cost	17,717	13,113
Expected return on plan assets	(13,238)	(9,575)
Past service cost	–	–
Actuarial (gain)/loss due to curtailment	–	–
Actuarial (gain)/loss	2,689	14,903
Net gratuity cost	50,249	53,986
Transitional Liability expended in Revenue Account		Nil
Investment in Category of Assets (% Allocation)		
Insurer Managed Funds*	100%	100%
Group Stable Fund	0%	0%
Group Short-Term Debt Fund	0%	0%
Actuarial assumptions used		
Discount rate	7.90% p.a	8.35% p.a.
Rate of return on plan assets	7.50% p.a.	7.50% p.a.
Salary escalation rate	6% p.a. thereafter	6% p.a. thereafter

*The amount is invested in Stable fund and Short term debt fund of Birla Sun Life Insurance Limited, Gratuity and Group Unit Linked Product (GULP) scheme. Below is the asset allocation of fund.

Asset allocation	Current Year	Previous Year
Debt securities	91%	94%
Equities and money market	9%	6%
Total	100%	100%

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for the year ended 31st March, 2013

Experience Adjustments

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligation	243,281	187,535	142,732	110,026	87,581
Plan Assets	245,816	184,933	129,960	103,097	84,708
Surplus/(Deficit)	2,534	(2,602)	(12,772)	(6,929)	(2,873)
Experience adjustment on Plan Liabilities	2,578	17,495	3,726	(12,707)	12,288
Experience adjustment on Plan Assets	7,442	(3,236)	3,965	14,675	(2,195)

The contributions expected to be paid to the plan during the annual period beginning after the balance sheet date is ₹45,000 (Previous Year: ₹ 20,000).

(ii) Accumulated Compensated Absences

The liability for accumulated compensated absences as at balance sheet date has been calculated by using projected unit credit method. This method takes into account the pattern of availment of leave while in service and qualifying salary on the date of availment of leave. However in case of short term liability the provision has been made to the extent of 50% of total short term liability.

Present value of obligation for accumulated compensated absences as determined by the Actuary is given below:

Particulars	Current Year	Previous Year
Present value of obligations as at end of the year	146,240	161,764
Fair value of plan assets	-	-
Actuarial assumptions used		
Discount rate	7.90%	8.35%
Salary escalation rate	6.00%	6.00%
Cost recognised during the year	63,967	38,207

(b) Defined contribution plans

The Company has recognised the following amounts as expense in the Revenue account;

Particulars	Current Year	Previous Year
Contribution to Employees Provident Fund	187,976	193,691
Contribution to Superannuation Fund	11,079	15,873
Contribution to ESIC	11,218	12,239

27. Segment reporting

As per Accounting Standard 17 on 'Segment Reporting' read with the "Preparation of Financial Statements and Auditor's Report of Insurance Companies, Regulations 2002", the Company is required to report segment results separately for linked, non-linked, health and pension businesses. The same is disclosed in **Annexure 1**.

28. Related Party Disclosure

During the year ended 31st March 2013, the Company has had transactions with related parties as defined in Accounting Standard 18 on "Related Party Disclosures". Related Parties have been identified by the management on the basis of the information available with the Company. Details of related parties with whom, the Company has had transactions, nature of the relationship, transactions with them and balances at year-end, are detailed in **Annexure 2**.

29. Summary of financial statements

A summary of the financial statements as per the formats prescribed by the IRDA in its circular dated 29th April 2003 is provided in **Annexure 4**.

30. Accounting Ratios

Accounting ratios prescribed by the IRDA in its circular dated 29th April 2003 are provided in **Annexure 5**.

31. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under Section 11 (2) of Insurance Act, 1938:

From 1st April, 2012 to 31st March, 2013

Name : Mr. Jayant Dua

Designation : Managing Director & CEO

Occupation : Service

Directorships Held during the year/ as on 31st March, 2013:

Central Insurance Repository Limited Director

Schedules

for the year ended 31st March, 2013

32. Penalty

As required by circular no. 005/IRDA/F&A/CIR/MAY-09 dated 7th May, 2009, the details of various penal actions taken by various Government Authorities for the financial year 2012-2013 are mentioned below:-

Sr. No.	Authority	Non-Compliance/ Violation	Amount in ₹		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	Violations as noted under Note 1	600	600	Nil
2	Service Tax Authorities		Nil	Nil	Nil
3	Income Tax Authorities		Nil	Nil	Nil
4	Any other Tax Authorities		Nil	Nil	Nil
5	Enforcement Directorate/Adjudicating Authority/ Tribunal or any Authority under FEMA		Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/Department of Corporate Affairs or any Authority under Companies Act, 1956		Nil	Nil	Nil
7	Penalty awarded by any Court/ tribunal for any matter including claim settlement but excluding compensation		Nil	Nil	Nil
8	Securities and Exchange Board of India		Nil	Nil	Nil
9	Competition Commission of India		Nil	Nil	Nil
10	Any other Central/ State/ Local Government/ Statutory Authority		Nil	Nil	Nil

Note 1: A penalty of ₹ 500 and ₹ 100 respectively has been imposed on insurer under section 102(b) of Insurance Act, 1938 as unlicensed entities involved in solicitation of insurance business and on settlement of death claims under non employer-employee group policies, the Company is drawing the cheque in favour of the master policy holder and sent to the master policy holder.

33. Disclosures relating to controlled Fund

As required by circular no. IRDA/F&A/CIR/F&A/045/03/2010 dated 17th March, 2010, the details of controlled fund for the financial year 2012-2013 and 2011-2012 are mentioned below:-

(a) Statement Showing Controlled Fund

Particulars	Current Year	Previous Year
Computation of Controlled fund as per the Balance Sheet		
Policyholders' Fund (Life Fund)		
Participating		
Individual Assurance	10,119	—
Individual Pension	—	—
Any other (Pl. Specify)	—	—
Non-participating		
Individual Assurance	10,869,777	9,454,628
Group Assurance	6,120,132	2,927,515
Individual Annuity	669,597	926,336
Group Pension	2,524,825	954,854
Health	105,910	55,489
Others	—	—
Linked		
Individual Assurance	160,678,057	151,970,072
Group Assurance	16,276,858	13,759,980
Individual Pension	10,844,802	10,673,052
Group Superannuation	5,381,071	4,831,540
Group Gratuity	—	—
Health	189,934	129,555
Funds for Future Appropriations	2,095,678	3,958,870
Total (A)	215,766,760	199,641,891
Shareholders' Fund		
Paid up Capital	19,695,000	19,695,000
Reserves & Surplus	5,206,127	4,800,000
Fair Value Change	27	47
Total (B)	24,901,154	24,495,047
Misc. expenses not written off	—	—
Credit/(Debit) from P&L A/c.	(12,424,921)	(13,762,293)
Total (C)	(12,424,921)	(13,762,293)
Total shareholders' funds (B+C)	12,476,233	10,732,754
Controlled Fund (Total (A+B-C))	228,242,993	210,374,645

Schedules

for the year ended 31st March, 2013

(b) Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account

Particulars	Current Year	Previous Year
Opening Balance of Controlled Fund	210,374,646	197,040,434
Add: Inflow		
Income		
Premium Income	52,162,991	58,853,594
Less: Reinsurance ceded	(1,645,530)	(1,375,857)
Net Premium	50,517,461	57,477,737
Investment Income	20,700,492	(1,632,680)
Other Income	366,568	298,060
Funds transferred from Shareholders' Accounts	1,994,559	3,287,343
Total Income	73,579,080	59,430,460
Less: Outgo		
(i) Benefits paid (Net)	36,586,380	27,046,221
(ii) Change in Valuation of Liability	17,988,064	10,482,247
(iii) Commission	3,004,767	3,254,002
(iv) Operating Expenses	11,597,047	12,151,175
(v) Provision for Taxation	–	–
(a) FBT	–	–
(b) I.T.	–	–
Total Outgo	69,176,258	52,933,644
Surplus of the Policyholders' Fund	4,402,822	6,496,816
Less: Transferred to Shareholders' Account	6,266,015	7,107,686
Net Flow in Policyholders' account	(1,863,193)	(610,870)
Add: Net income in Shareholders' Fund	5,415,031	4,607,290
Less: Interim Dividend & Dividend distribution tax thereon	(3,671,532)	(1,144,501)
Net In Flow/Outflow	(119,695)	2,851,919
Add: Change in valuation Liabilities	17,988,063	10,482,248
Add: Increase in Paid up Capital	–	–
Add: Credit/(Debit)/Fair Value Change Account	(20)	46
Closing Balance of Controlled Fund	228,242,993	210,374,647
As Per Balance Sheet	228,242,993	210,374,646
Difference, if any	–	–

Schedules

for the year ended 31st March, 2013

(c) Reconciliation with Shareholders' and Policyholders' Fund

Particulars	Current Year	Previous Year
Policyholders' Funds		
Policyholders' Funds - Traditional-PAR and NON-PAR		
Opening Balance of the Policyholders' Fund	14,318,822	10,608,571
Add: Surplus of the Revenue Account	-	-
Add: Change in valuation Liabilities	5,981,538	3,710,251
Total	20,300,360	14,318,822
As per Balance Sheet	20,300,360	14,318,822
Difference, if any	-	-
Policyholders' Funds - Linked		
Opening Balance of the Policyholders' Fund	185,323,069	179,161,944
Add: Surplus of the Revenue Account	(1,863,193)	(610,870)
Add: Change in valuation Liabilities	12,006,525	6,771,996
Total	195,466,401	185,323,070
As per Balance Sheet	195,466,402	185,323,069
Difference, if any	-	-
Shareholders' Funds		
Opening Balance of Shareholders' Fund	10,732,754	7,269,919
Add: Net income of Shareholders' account (P&L)	5,415,031	4,607,290
Add: Infusion of Capital	-	-
Add: Credit/(Debit)/Fair Value Change Account	(20)	46
Less: Interim Dividend/Proposed and final & Dividend distribution tax thereon	(3,671,532)	(1,144,501)
Closing Balance of the Shareholders' fund	12,476,233	10,732,754
As per Balance Sheet	12,476,233	10,732,754
Difference, if any	-	-

34. The Board of Directors of the Company have during the year approved an interim dividend aggregating to ₹ 1,969,500/- (Previous year: ₹ 984,750/-)

The total interim dividend appropriation for the year amount to ₹ 2,289,002/- (Previous year: ₹ 1,144,501/-) including corporate dividend tax of ₹ 319,502/- (Previous year ₹ 159,751/-).

The payment of interim dividend of both current and previous year was made during the year.

The Board of Directors has also proposed a final dividend of ₹ 1,181,700/- (Previous year: Nil).

35. Previous year comparatives

Previous year amounts have been reclassified, wherever necessary and to the extent possible, to conform to current year's classification.

Sr. No.	Regrouped from	Amount	Regrouped to	Reason
1.	Sundry creditors	55,835	Provision for Long-term incentive	LTIP amount moved to Provision for Long-term Incentive (Sch 14)

For and on behalf of the Board of Directors

Kumar Mangalam Birla
Chairman

Donald A. Stewart
Director

Gian P. Gupta
Director

Jayant Dua
Managing Director & CEO

Mayank Bathwal
Chief Financial Officer

Anil Kumar Singh
Chief Actuarial
Officer & Appointed Actuary

Ashish Lakhtakia
Company Secretary

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

Form A-RA
Revenue Account for the year ended 31st March 2013
Policyholders' Account (Technical Account)
(Amounts in thousands of Indian Rupees)

Particulars	SCH	Linked Business			Non Linked Business				Par Non Linked Business	Total			
		Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life	Group Life			Pension Individual	Group Pension	Health Individual
Premium earned-Net	1	31,059,354	3,022,158	2,260,924	383,179	161,914	9,537,023	3,894,435	67,885	1,454,655	45,296	276,168	52,162,991
(a) Premium		(769,704)	-	(337)	-	(5,529)	(229,120)	(633,778)	-	-	(6,079)	(983)	(1,645,530)
(b) Reinsurance ceded		-	-	-	-	-	-	-	-	-	-	-	-
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total		30,289,650	3,022,158	2,260,587	383,179	156,385	9,307,903	3,260,657	67,885	1,454,655	39,217	275,185	50,517,461
Income from investments													
(a) Interest, Dividend & Rent-Gross		7,558,561	1,117,386	564,396	369,969	11,050	367,886	692,042	12,093	246,639	489	181	10,940,692
(b) Profit on Sale/Redemption of Investments		9,631,548	476,015	760,898	157,382	13,895	8,580	49,484	282	16,776	11	-	11,114,871
(c) (Loss) on Sale/Redemption of Investments		(4,128,333)	(142,600)	(348,437)	(47,146)	(6,082)	(1,856)	(37,316)	(61)	(12,426)	(2)	-	(4,724,259)
(d) Transfer/Gain (Loss) on revaluation/change in Fair value		3,009,452	155,129	159,970	61,333	(615)	(7,343)	718	(241)	(119)	-	(1)	3,385,269
(e) Gain/(Loss) on Amortisation		(7,950)	(40)	(959)	(24)	(112)	(7,343)	-	-	-	(10)	(1)	(16,081)
Sub-Total		16,063,278	1,605,890	1,135,868	541,514	18,136	367,267	704,928	12,073	250,870	488	180	20,700,492
Other Income													
(a) Contribution from the Shareholders' Account		-	-	-	-	37,274	1,943,010	-	-	-	-	14,275	1,994,559
(b) Others (Interest etc.)		230,683	19,404	14,516	2,460	1,040	61,621	25,004	436	9,340	291	1,773	366,568
Sub-Total		230,683	19,404	14,516	2,460	38,314	2,004,631	25,004	436	9,340	291	16,048	2,361,127
TOTAL (A)		46,583,611	4,647,452	3,410,971	927,153	212,835	11,679,801	3,990,589	80,394	1,714,865	39,996	291,413	73,579,080
Commission	2	1,271,106	-	42,589	874	17,971	1,569,999	22,305	(191)	-	6,913	73,201	3,004,767
Operating Expenses related to Insurance Business	3	4,916,681	75,211	277,006	(2,949)	32,857	5,857,421	212,774	5,203	11,580	3,170	208,093	11,597,047
Provision for doubtful debts		-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts written off		-	-	-	-	-	-	-	-	-	-	-	-
Provision for Tax		-	-	-	-	-	-	-	-	-	-	-	-
Provision (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investment (net)		-	-	-	-	-	-	-	-	-	-	-	-
(b) Others (to be specified)		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)		6,187,787	75,211	319,595	(2,075)	50,828	7,427,420	235,079	5,012	11,580	10,083	281,294	14,601,814
Benefits paid (Net)	4	30,515,506	1,996,748	2,626,081	337,694	15,648	686,888	365,640	3,060	29,320	9,794	-	36,586,379
Interim Bonuses Paid		-	-	-	-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force		-	-	-	-	-	-	-	-	-	-	-	-
(a) Gross		(1,639,662)	2,231	(261,390)	1,744	49,060	4,164,394	3,252,689	5,058	1,568,226	(2,457)	10,996	7,150,889
(b) Fund Reserve		7,095,515	2,516,877	171,750	549,531	60,379	-	-	-	-	-	-	10,394,052
(c) Fund Reserve-PDF		1,612,473	-	-	-	-	-	-	-	-	-	-	1,612,473
(d) (Amount ceded in Re-insurance)		(510,678)	1,440	(408)	-	4,068	(598,901)	(63,744)	-	-	(250)	(877)	(1,169,350)
(e) Amount accepted in Re-insurance		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (C)		37,073,154	4,517,296	2,536,033	888,969	129,155	4,252,381	3,554,585	8,118	1,597,546	7,087	10,119	54,574,443
Surplus/(Deficit) (D) = (A)-(B)-(C)		3,322,670	54,945	555,343	40,259	32,852	-	200,925	67,264	105,739	22,826	-	4,402,823
Appropriations													
Transfer to Shareholders Account		5,136,003	54,945	638,054	40,259	-	-	200,925	67,264	105,739	22,826	-	6,266,015
Transfer to Other Reserves		-	-	-	-	-	-	-	-	-	-	-	-
Balance being Funds for Future Appropriations		(1,813,333)	-	(82,711)	-	32,852	-	-	-	-	-	-	(1,863,192)
TOTAL (D)		3,322,670	54,945	555,343	40,259	32,852	-	200,925	67,264	105,739	22,826	-	4,402,823
The total surplus as mentioned below:													
(a) Interim Bonuses Paid		-	-	-	-	-	-	-	-	-	-	-	-
(b) Allocation of Bonus to Policyholders		-	-	-	-	-	-	-	-	-	-	-	49,379
(c) Surplus/(Deficit) shown in the Revenue Account		3,322,670	54,945	555,343	40,259	32,852	-	200,925	67,264	105,739	22,826	-	4,402,823
(d) Total Surplus : {a+b+c}		3,322,670	54,945	555,343	40,259	32,852	-	200,925	67,264	105,739	22,826	-	4,452,202

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

Form A-RA
Revenue Account for the year ended 31st March 2012
Policyholders' Account (Technical Account)
(Amounts in thousands of Indian Rupees)

Particulars	SCH	Linked Business			Non Linked Business			Total				
		Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Group Pension		Health Individual			
Premium earned-Net	1	41,391,931 (764,637)	4,051,057	3,019,085 (351)	506,069	145,796 (6,707)	6,742,964 (157,191)	1,946,767 (440,444)	109,368	892,562	47,995 (6,527)	58,863,594 (1,375,857)
(a) Premium												
(b) Reinsurance ceded												
(c) Reinsurance accepted												
Sub-Total		40,627,294	4,051,057	3,018,734	506,069	139,089	6,585,773	1,506,323	109,368	892,562	41,468	57,477,737
Income from investments												
(a) Interest, Dividend & Rent-Gross		7,015,106	959,294	572,528	337,423	6,534	203,878	229,205	12,150	230,612	913	9,567,643
(b) Profit on Sale/Redemption of Investments		5,012,997	291,034	386,159	102,206	4,635	5,154	5,794	307	13,708	23	5,822,017
(c) (Loss) on Sale/Redemption of Investments		(11,739,027)	(504,775)	(1,016,043)	(177,245)	(14,473)	(1,047)	(1,177)	(62)	(4,758)	(4)	(13,458,611)
(d) Transfer/(Gain) (Loss) on revaluation/change in Fair value		(3,342,484)	(72,291)	(44,466)	(25,383)	(1,147)	—	—	—	—	—	(3,485,771)
(e) Gain/(Loss) on Amortisation		(43,293)	(151)	(5,085)	(89)	(194)	(12,630)	(14,199)	(753)	(1,508)	(56)	(77,958)
Sub-Total		(3,066,701)	673,111	(106,907)	236,912	(4,645)	195,355	219,623	11,642	238,054	876	(1,632,680)
Other Income												
(a) Contribution from the Shareholders' Account		—	20,981	—	—	23,394	3,172,316	66,142	4,510	—	—	3,287,343
(b) Others (Interest etc.)		47,916	1,707	1,216	219	62	245,376	910	202	386	66	298,060
Sub-Total		47,916	22,688	1,216	219	23,456	3,417,692	67,052	4,712	386	66	3,585,403
TOTAL (A)		37,578,509	4,746,856	2,913,043	743,200	157,900	10,198,820	1,792,998	125,722	1,131,002	42,410	59,430,460
Commission	2	1,725,041	894	45,984	57	18,371	1,442,873	9,613	5,240	—	5,929	3,254,002
Operating Expenses related to Insurance Business	3	5,469,712	79,939	250,523	7,245	12,168	6,079,269	217,438	24,930	7,721	2,230	12,151,175
Provision for doubtful debts		—	—	—	—	—	—	—	—	—	—	—
Bad Debts written off		—	—	—	—	—	—	—	—	—	—	—
Provision for Tax		—	—	—	—	—	—	—	—	—	—	—
Provision (other than taxation)		—	—	—	—	—	—	—	—	—	—	—
(a) For diminution in the value of investment (net)		—	—	—	—	—	—	—	—	—	—	—
(b) Others (to be specified)		—	—	—	—	—	—	—	—	—	—	—
TOTAL (B)		7,194,753	80,833	296,507	7,302	30,539	7,522,142	227,051	30,170	7,721	8,159	15,405,177
Benefits paid (Net)	4	19,643,578	4,940,533	1,205,326	542,376	20,004	442,582	211,223	15,764	18,497	6,338	27,046,221
Interim Bonuses Paid		—	—	—	—	—	—	—	—	—	—	—
Change in valuation of liability against life policies in force		—	—	—	—	—	—	—	—	—	—	—
(a) Gross		(485,085)	4,016	(57,490)	2,791	29,333	2,613,744	1,433,004	79,788	916,358	(2,513)	4,533,946
(b) Fund Reserve		5,648,549	(276,604)	805,057	118,297	45,161	—	—	—	—	—	6,340,460
(c) Fund Reserve-PDF		431,538	—	—	—	—	—	—	—	—	—	431,538
(d) (Amount ceded in Re-insurance)		(369,759)	(1,922)	300	—	5,120	(379,648)	(78,280)	—	—	492	(823,697)
(e) Amount accepted in Re-insurance		—	—	—	—	—	—	—	—	—	—	—
TOTAL (C)		24,868,821	4,666,023	1,953,193	663,464	99,618	2,676,678	1,565,947	95,552	934,855	4,317	37,528,468
Surplus/(Deficit) (D) = (A)-(B)-(C)		5,514,935	—	663,343	72,434	27,743	—	—	—	188,426	29,934	6,496,815
Appropriations												
Transfer to Shareholders Account		6,162,405	—	654,487	72,434	—	—	—	—	188,426	29,934	7,107,686
Transfer to Other Reserves		(647,470)	—	8,856	—	27,743	—	—	—	—	—	(610,871)
Balance being Funds for Future Appropriations		—	—	—	—	—	—	—	—	—	—	—
TOTAL (D)		5,514,935	—	663,343	72,434	27,743	—	—	—	188,426	29,934	6,496,815
The total surplus as mentioned below:												
(a) Interim Bonuses Paid		—	—	—	—	—	—	—	—	—	—	—
(b) Allocation of Bonus to Policyholders		—	—	—	—	—	—	—	—	—	—	—
(c) Surplus/(Deficit) shown in the Revenue Account		5,514,935	—	663,343	72,434	27,743	—	—	—	188,426	29,934	6,496,815

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

Form A-BS
Balance Sheet as at 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Linked Business				Non Linked Business				Par Individual Life	Share-Holders Fund	Total
	Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life	Group Life	Pension Individual			
Sources of Funds											
Shareholders' funds:											
Share Capital	-	-	-	-	-	-	-	-	-	19,695,000	19,695,000
Reserves and Surplus	-	-	-	-	-	-	-	-	-	5,206,127	5,206,127
Credit/(Debit)/Fair Value Change Account	-	-	-	-	-	-	-	-	-	27	27
Sub - Total	-	-	-	-	-	-	-	-	-	24,901,154	24,901,154
Borrowings											
Policyholders' Funds:											
Credit/(Debit) Fair Value Change Account											
Policy Liabilities	4,207,705	28,380	506,674	17,142	100,775	(1,916)	6,662,073	2,507,683	5,135	10,119	(3,667)
Insurance Reserves											
Provision for Linked Liabilities	154,688,354	16,150,547	10,700,233	5,339,313	190,549	-	-	-	-	-	187,068,996
Funds for discontinued policies											
(i) Discontinued on account of non-payment of premium	2,050,412	-	-	-	-	-	-	-	-	-	2,050,412
(ii) Others	-	-	-	-	-	-	-	-	-	-	-
Credit/(Debit) Fair Value Change Account (Linked)	3,939,292	126,311	144,569	41,758	(615)	-	-	-	-	-	4,251,315
Total Linked Liabilities	160,678,058	16,276,858	10,844,802	5,381,071	189,934	-	6,660,157	2,507,683	5,135	10,119	193,370,723
Sub - Total	164,885,763	16,305,238	11,351,476	5,398,213	290,709	6,660,157	6,090,002	2,507,683	5,135	10,119	213,667,416
Funds for Future Appropriation											
- Linked Liabilities	1,817,428	-	206,035	-	72,215	-	-	-	-	-	2,095,678
Total	166,703,191	16,305,238	11,557,511	5,398,213	362,924	6,660,157	6,090,002	2,507,683	5,135	10,119	240,664,248
Application of Funds											
Investments											
Shareholders'											
Policyholders'	7,304,683	28,380	721,219	17,142	172,990	-	6,662,073	2,507,683	5,135	34,469	13,706,870
Assets Held to Cover Linked Liabilities	160,678,058	16,276,858	10,844,802	5,381,071	189,934	-	-	-	-	-	22,214,668
Loans	280,690	-	-	-	-	-	-	-	-	-	280,690
Fixed Assets	203,844	19,835	14,839	2,515	1,063	-	62,592	446	297	1,813	342,351
Current Assets											
Cash and Bank Balances	3,237,940	315,060	235,702	39,946	16,880	994,235	405,995	7,077	4,722	30,558	5,442,434
Advances and Other Assets*	1,284,426	275,649	93,992	15,930	6,731	1,130,583	169,198	9,706	60,473	12,238	3,068,528
Sub - Total (A)	4,522,366	590,709	329,694	55,876	23,611	2,124,817	575,193	16,783	212,121	42,796	8,510,962
Current Liabilities	5,360,180	428,579	616,239	46,628	39,482	820,905	20,771	176,383	(10,532)	43,987	8,574,105
Provisions	959,953	93,406	69,878	11,843	5,004	294,761	120,365	2,098	44,959	8,536	1,612,832
Sub - Total (B)	6,320,132	521,985	686,118	58,471	44,487	1,326,243	22,869	22,342	(9,133)	52,522	10,186,937
Net Current Assets (C) = (A-B)	(1,797,767)	68,723	(356,424)	(2,595)	(20,877)	798,574	(366,077)	(6,086)	(9,221)	(9,726)	(1,675,975)
Miscellaneous Expenditure											
(To the extent not written off or Adjusted)											
Debit Balance in Profit and Loss Account (Shareholders' Account)											12,424,921
Total	166,669,508				343,110	7,523,239		166,166		26,555	13,711,328

Note: Advances and other assets allocated to shareholders' include tax assets.

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

Form A-BS
Balance Sheet as at 31st March 2012
(Amounts in thousands of Indian Rupees)

Particulars	Linked Business				Non Linked Business				Share-Holders Fund	Total			
	Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life	Group Life	Pension Individual			Group Pension	Health Individual	
Sources of Funds													
Shareholders' funds:													
Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	19,695,000
Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	-	-	4,800,000
Credit/(Debit)/Fair Value Change Account	-	-	-	-	-	-	-	-	-	-	-	-	47
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-	24,495,047
Borrowings													
Policyholders' Funds:													
Credit/(Debit)/Fair Value Change Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Policy Liabilities	6,358,048	24,709	768,472	15,397	47,647	(814)	3,096,580	157,864	939,457	7,842	-	-	(1,577)
Insurance Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Linked Liabilities	150,619,814	13,793,776	10,674,808	4,843,407	128,408	-	-	-	-	-	-	-	180,060,213
Provision for PDF	437,939	-	-	-	-	-	-	-	-	-	-	-	437,939
Credit/(Debit)/Fair Value Change Account (Linked)	912,318	(33,796)	(1,756)	(11,867)	1,147	-	-	-	-	-	-	-	866,046
Total Linked Liabilities	151,970,071	13,759,980	10,673,052	4,831,540	129,555	-	-	-	-	-	-	-	181,364,198
Sub-Total	158,328,119	13,784,689	11,441,524	4,846,937	177,202	3,095,766	2,902,043	157,864	939,457	7,842	-	-	195,681,443
Funds for Future Appropriation													
- Linked Liabilities	3,630,761	-	288,747	-	39,363	-	-	-	-	-	-	-	3,958,870
Total	161,958,879	13,784,689	11,730,271	4,846,937	216,565	3,095,766	2,902,043	157,864	939,457	7,842	-	-	224,135,360
Application of Funds													
Investments													
Shareholders'													
Policyholders'	11,407,455	24,709	1,123,089	15,397	87,010	-	3,096,580	169,188	939,457	7,842	-	-	10,153,273
Assets held to Cover Linked Liabilities	151,970,071	13,759,980	10,673,052	4,831,540	129,555	-	-	-	-	-	-	-	19,583,057
Loans	250,239	-	-	-	-	-	-	-	-	-	-	-	250,239
Fixed Assets	278,410	27,248	20,307	3,404	981	45,354	13,094	736	6,004	323	-	-	395,861
Current Assets													
Cash and Bank Balances	3,811,756	373,059	278,026	46,604	13,426	620,955	179,277	10,072	82,195	4,420	-	-	6,404,658
Advances and Other Assets*	1,171,224	112,815	84,552	14,092	4,253	590,729	54,310	19,775	24,854	5,465	-	-	2,380,549
Sub-Total (A)	4,982,980	485,874	362,578	60,696	17,679	1,211,684	233,587	29,847	107,049	9,885	-	-	8,785,207
Current Liabilities	6,896,873	549,781	797,029	68,661	34,199	863,936	265,435	29,122	121,098	(8,542)	-	-	9,617,592
Provisions	380,015	37,158	27,702	4,642	1,341	62,144	17,858	1,004	8,187	441	684	-	541,176
Sub-Total (B)	7,276,888	586,939	824,731	73,303	35,540	926,080	283,293	30,126	129,285	(8,101)	684	-	10,158,768
Net Current Assets (C) = (A-B)	(2,293,908)	(101,065)	(462,153)	(12,607)	(17,861)	(285,604)	(49,706)	(279)	(22,236)	17,986	1,282,664	-	(1,373,561)
Miscellaneous Expenditure (to the extent not written off or Adjusted)													
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	161,612,267	13,710,872	11,354,295	4,837,734	199,685	3,427,538	2,675,718	169,645	923,225	26,151	25,196,230	-	224,135,360

Note: Advances and other assets allocated to shareholders' include tax assets.

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

SCHEDULE 1
Premium for the year ended March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Linked Business				Non Linked Business				Par Non Linked Individual Life	Total		
	Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life	Group Life	Pension Individual			Group Pension	Health Individual
First Year Premiums	4,559,420	3,001,702	198,674	43,699	61,224	5,186,685	3,331,976	(15,276)	1,429,786	27,937	276,168	18,101,995
Renewal Premiums	26,397,724	20,456	2,048,652	339,480	100,690	4,291,560	485,764	71,307	24,869	17,359	-	33,797,861
Single Premiums	102,210	-	13,598	-	-	58,778	76,695	11,854	-	-	-	263,135
Total Gross Premiums	31,059,354	3,022,158	2,260,924	383,179	161,914	9,537,023	3,894,435	67,885	1,454,655	45,296	276,168	52,162,991

Annexure 1

SCHEDULE 1
Premium for the year ended March 2012
(Amounts in thousands of Indian Rupees)

Particulars	Linked Business				Non Linked Business				Total		
	Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life	Group Life	Pension Individual		Group Pension	Health Individual
First Year Premiums	6,710,633	4,030,505	22,476	164,666	68,795	4,829,410	1,632,568	56,339	892,562	26,670	18,434,624
Renewal Premiums	34,059,182	20,552	2,978,851	341,403	77,001	1,772,524	273,854	47,224	-	21,325	39,591,916
Single Premiums	622,116	-	17,758	-	-	141,030	40,345	5,805	-	-	827,054
Total Gross Premiums	41,391,931	4,051,057	3,019,085	506,069	145,796	6,742,964	1,946,767	109,368	892,562	47,995	58,853,594

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

SCHEDULE 2
Commission Expenses for the year ended March 2013
(Amounts in thousands of Indian Rupees)

PARTICULARS	Linked Business				Non Linked Business				Par Individual Life	Total		
	Individual Life	Group Life	Pension Individual	Pension Group	Health Individual	Individual Life	Group Life	Pension Individual			Group Pension	Health Individual
Commission Paid												
Direct - First Year Premiums	306,055	(95)	9,413	857	12,750	1,398,700	18,624	(1,413)	-	6,392	73,201	1,824,484
Renewal Premiums	963,474	95	32,942	17	5,221	170,144	2,179	1,181	-	521	-	1,175,774
Single Premiums	1,577	-	234	-	-	1,155	1,502	41	-	-	-	4,509
Sub - Total	1,271,106	-	42,589	874	17,971	1,569,999	22,305	(191)	-	6,913	73,201	3,004,767
Add: Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,271,106	-	42,589	874	17,971	1,569,999	22,305	(191)	-	6,913	73,201	3,004,767

Annexure 1

SCHEDULE 2
Commission Expenses for the year ended March 2012
(Amounts in thousands of Indian Rupees)

Particulars	Linked Business				Non Linked Business				Total			
	Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life	Group Life	Pension Individual		Group Pension	Health Individual	
Commission Paid												
Direct - First Year Premiums	375,334	875	(3,456)	29	13,723	1,371,220	7,181	4,309	-	5,179	1,774,394	
Renewal Premiums	1,337,648	19	49,113	28	4,648	69,070	1,567	846	-	750	1,463,689	
Single Premiums	12,059	-	327	-	-	2,583	865	85	-	-	15,919	
Sub-Total	1,725,041	894	45,984	57	18,371	1,442,873	9,613	5,240	-	5,929	3,254,002	
Add: Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,725,041	894	45,984	57	18,371	1,442,873	9,613	5,240	-	5,929	3,254,002	

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

SCHEDULE 3
Operating Expenses Related to Insurance Business for the year ended March 2013
(Amounts in thousands of Indian Rupees)

Sr. No.	Particulars	Linked Business			Non Linked Business			Par Non Linked Life	Total		
		Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life			Group Pension	Health Individual
1	Employees' remuneration, welfare benefits and other manpower costs	1,637,995	6,070	83,050	(6,165)	4,757	3,438,901	1,523	2,323	108,265	5,332,986
2	Travel, conveyance and vehicle running expenses	80,057	312	4,411	151	530	144,120	91	257	4,714	239,430
3	Training expenses	(2,777)	(51)	(986)	7	(5)	68,233	(29)	(2)	2,830	67,201
4	Rents, rates and taxes	285,527	616	16,347	96	59	484,411	410	17	17,176	805,936
5	Repairs & maintenance	74,325	116	3,555	19	11	185,970	78	3	6,681	271,005
6	Printing and stationery	45,627	101	2,663	16	10	69,344	70	3	2,026	120,188
7	Communication expenses	105,887	176	7,110	78	32	101,808	200	13	3,298	219,630
8	Legal and professional charges	17,587	535	1,385	325	13	3,756	11	1	(843)	24,370
9	Medical fees	13,918	-	23	-	108	41,215	-	223	677	56,976
10	Auditor's fees, expenses, etc.	3,243	291	239	41	16	978	416	5	22	5,400
	(a) i) as auditor	221	(5)	19	4	1	49	38	-	(5)	322
	ii) out of pocket expenses	-	-	-	-	-	-	-	-	-	-
	(b) as advisor or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-
	i) Taxation services/matters	807	58	61	11	4	233	109	2	2	1,318
	ii) Management services	441,989	1,398	28,137	(354)	114	449,969	876	31	18,381	946,668
11	Advertisement and publicity	62,128	5,457	4,563	950	281	16,157	120	76	340	99,487
12	Interest and bank charges	83,225	-	4,087	-	-	346,848	-	-	29,072	463,232
13	Others	2,102	-	(37)	-	-	22,939	(6)	-	1,630	26,628
	1) Distribution Expenses	45,019	233	2,852	66	12	61,888	64	3	2,825	113,264
	2) Agents recruitment, seminar and other expenses	296,407	926	21,806	141	88	89,409	625	25	2,064	413,385
	3) Recruitment and Seminar expenses	13,804	56	20	-	-	40,917	-	-	615	172,829
	4) IT Expenses (incl. maintenance)	4,114	691	267	40	27	1,469	405	7	114	7,455
	5) Policy Stamps	-	-	-	-	-	-	-	-	-	-
	6) (Profit)/Loss on sale of assets	-	-	-	-	-	-	-	-	-	-
	7) Service Tax expenditure including provision for unutilised credit	53,111	82	2,362	12	8	142,068	122	2	4,746	202,607
	8) Electricity Expenses	20,726	1,379	1,579	279	95	5,911	37	29	13	33,608
	9) Miscellaneous expenses	188,763	173	12,566	33	15	109,493	319	4	2,700	314,469
	10) Outsourcing Expenses	103,519	9,437	7,606	1,301	527	31,335	218	149	750	172,661
14	Depreciation	1,339,357	47,160	73,321	-	26,154	-	-	-	-	1,485,992
15	Service Tax on Premium	4,916,681	75,211	277,006	(2,949)	32,657	5,857,421	212,774	3,170	208,093	11,597,047
	Total										

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

SCHEDULE 3
Operating Expenses Related to Insurance Business for the year ended March 2012
(Amounts in thousands of Indian Rupees)

Sr. No.	Particulars	Linked Business			Non Linked Business			Total			
		Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life		Group Life	Pension Individual	Group Pension
1	Employees' remuneration, welfare benefits and other manpower costs	2,005,018	21,009	67,739	2,922	3,986	94,929	13,485	1,021	1,472	5,790,187
2	Travel, conveyance and vehicle running expenses	81,623	1,245	2,569	98	70	7,903	575	39	26	249,607
3	Training expenses	13,908	(71)	(1,902)	(21)	(5)	372	349	(21)	(2)	138,251
4	Rents, rates and taxes	346,333	956	15,306	122	49	479,360	1,986	206	17	844,853
5	Repairs & maintenance	91,164	180	2,755	23	9	179,897	660	40	2	274,807
6	Printing and stationery	59,026	60	289	6	2	180,551	589	-	1	240,706
7	Communication expenses	137,697	393	8,138	46	29	105,936	571	66	10	253,704
8	Legal & professional charges	89,574	844	4,728	164	18	90,010	420	68	5	187,858
9	Medical fees	23,980	-	-	-	-	36,797	-	-	331	61,572
10	Auditor's fees, expenses, etc.	3,798	372	277	46	13	619	10	82	4	5,400
	(a) (i) as auditor	221	22	16	3	1	36	1	5	-	315
	(ii) out of pocket expenses	-	-	-	-	-	-	-	-	-	-
	(b) as advisor or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-
	(i) Taxation services/matters	200	20	15	2	1	33	1	3	-	284
	(ii) Management services	456,590	3,004	27,858	247	85	305,724	1,792	355	29	807,893
11	Advertisement and publicity	115,107	11,162	8,380	1,567	383	17,378	287	2,313	124	161,800
12	Interest and bank charges	106,047	-	(977)	-	-	387,426	1,221	-	-	493,717
13	Others	10,645	-	319	-	-	21,186	78	-	-	32,228
1	1) Distribution Expenses	87,862	385	5,031	50	53	72,556	379	66	17	167,020
2	2) Agents recruitment, seminar and other expenses	266,400	1,072	18,968	134	56	58,206	751	235	18	346,390
3	3) Recruitment and Seminar expenses	25,363	19	-	-	-	38,919	-	3	-	151,307
4	4) IT Expenses (incl. maintenance)	727	71	53	9	3	118	2	15	1	1,033
5	5) Policy Stamps	(52,084)	(5,097)	(3,799)	(637)	(183)	(8,485)	(138)	(1,123)	(60)	(74,056)
6	6) (Profit)/Loss on sale of assets	54,707	91	1,298	11	5	123,305	434	20	2	179,917
7	7) Service Tax expenditure including provision for unutilised credit	21,719	2,126	1,584	266	77	3,538	57	470	25	30,884
8	8) Electricity expenses	207,748	147	10,572	17	7	97,121	951	30	2	316,744
9	9) Miscellaneous expenses	177,462	17,368	12,944	2,170	625	28,910	469	3,827	206	252,328
10	10) Outsourcing expenses	1,138,877	24,561	68,362	-	6,884	(2,678)	-	-	-	1,236,425
14	Depreciation	5,469,712	79,939	250,523	7,245	12,168	6,079,269	24,930	7,721	2,230	12,151,175
15	Service Tax on Premium										
	Total	5,469,712	79,939	250,523	7,245	12,168	6,079,269	24,930	7,721	2,230	12,151,175

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

SCHEDULE 4
Benefits Paid (Net) for the year ended March 2013
(Amounts in thousands of Indian Rupees)

Sr. No.	Particulars	Linked Business			Non Linked Business			Par Non Linked Individual Life	Total				
		Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life			Group Pension	Health Individual		
1	Insurance Claims:												
	(a) Claims by Death	1,525,972	-	51,217	2,284	475	947,154	607,280	302	233	-	-	3,134,917
	(b) Claims by Maturity	245,443	-	5,781	-	-	12,380	-	3	-	-	-	263,607
	(c) Annuities/Pension Payment	-	103	-	-	-	-	-	2,015	-	-	-	2,118
	(d) Other Benefits (Surrender/ Withdrawals/Health)	29,259,909	1,996,645	2,569,083	335,410	15,252	38,390	244,807	740	29,087	10,180	-	34,499,503
2	(Amount ceded in reinsurance):												
	(a) Claims by Death	(515,153)	-	-	-	-	(308,699)	(486,447)	-	-	-	-	(1,310,299)
	(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-	-	-
	(c) Annuities/Pension Payment	-	-	-	-	-	-	-	-	-	-	-	-
	(d) Other Benefits (Health)	(665)	-	-	-	(79)	(2,337)	-	-	-	(386)	-	(3,467)
3	Amount accepted in reinsurance:												
	(a) Claims by Death	-	-	-	-	-	-	-	-	-	-	-	-
	(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-	-	-
	(c) Annuities/Pension Payment	-	-	-	-	-	-	-	-	-	-	-	-
	(d) Other Benefits	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	30,515,506	1,996,748	2,626,081	337,694	15,648	686,888	365,640	3,060	29,320	9,794	-	36,586,379

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 1

SCHEDULE 4
Benefits Paid (Net) for the year ended March 2012
(Amounts in thousands of Indian Rupees)

Sr. No.	Particulars	Linked Business				Non Linked Business				Total			
		Individual Life	Group Life	Pension Individual	Group Pension	Health Individual	Individual Life	Group Life	Pension Individual		Group Pension	Health Individual	
1	Insurance Claims												
	(a) Claims by Death	1,653,371	6	63,850	2,400	598	514,215	318,899	15,221	40	2,568,600		
	(b) Claims by Maturity	114,808	-	2,360	-	-	16,049	-	-	-	133,217		
	(c) Annuities/Pension Payment	-	-	-	-	-	-	131	423	-	554		
	(d) Other Benefits (Surrender/Withdrawals/Health)	18,400,717	4,940,527	1,139,404	539,976	21,126	17,835	132,497	120	12,484	25,223,183		
2	(Amount ceded in reinsurance):												
	(a) Claims by Death	(525,318)	-	(288)	-	-	(105,517)	(240,304)	-	(3)	(871,430)		
	(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-		
	(c) Annuities/Pension Payment	-	-	-	-	-	-	-	-	-	-		
	(d) Other Benefits (Health)	-	-	-	-	(1,720)	-	-	-	(6,183)	(7,903)		
3	3. Amount accepted in reinsurance:												
	(a) Claims by Death	-	-	-	-	-	-	-	-	-	-		
	(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-		
	(c) Annuities/Pension Payment	-	-	-	-	-	-	-	-	-	-		
	(d) Other Benefits	-	-	-	-	-	-	-	-	-	-		
	TOTAL	19,643,578	4,940,533	1,205,326	542,376	20,004	442,582	211,223	15,764	6,338	27,046,221		

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 2

Disclosures in term of Accounting Standard 18 on Related Party Disclosure for the year ended 31st March, 2013

(Amounts in thousands of Indian Rupees)

(A) Enterprises where control exists

- 1 Aditya Birla Nuvo Limited
- 2 Sun Life Financial (India) Insurance Investments Inc.
- Foreign Partner

(B) Key Management Personnel

- 1 Mr. Jayant Dua (w.e.f. 1st July, 2010)

(C) Disclosures of transaction between the Company and related parties and outstanding balances as at the year end :

Sr. No.	Name of the related Party with whom the transaction has been made	Description of Relationship with the party	Nature of Transaction	Year ended 31st March 2013		Year ended 31st March 2012		Amount Outstanding as recoverable/ (payable) 31st March 2013		Amount Outstanding as recoverable/ (payable) 31st March 2012	
				5	6	7	8				
1	Aditya Birla Nuvo Limited	Holding Company	a) Reimbursement of other expenses b) Recovery of expenses c) Purchase of NCD d) Interest income on NCD e) Discount Income on CP f) Dividend paid (Interim) g) Commercial paper purchase h) Commercial paper Redemption a) Dividend paid (Interim)	16 96 — 19,744 6,058 1,457,430 243,942 250,000 5,12,070	874 — — 68,564 728,715	(3) — 248,365 17,586 —	(41) — 248,365 17,592 (728,715)				
2	Sun Life Financial (India) Insurance Investment	Foreign Promoter	a) Reimbursement of other expenses	129	2,56,035	—	(2,56,035)				
3	Aditya Birla Finance Limited	Fellow Subsidiary	a) Recovery of expenses b) Commercial paper purchase c) Commercial paper Redemption d) Discount on Commercial paper e) Transfer of assets g) Expenses for outsourcing and other activities and IT Services	5,792 100,000 4,136 3,133 95,591	230 90,932 100,000 6,864 — 1,25,877	— 7,935 — — — (15,531)	— 491 90,932 — 4,933 (47,646)				
4	Aditya Birla Minacs Worldwide Limited	Fellow Subsidiary	a) Recovery of Expenses b) Reimbursement of Expenses b) Recovery of expense	1,099 11,935 496	1,279 497	(43)	295				
5	Aditya Birla Money Mart Limited	Fellow Subsidiary	a) Payment of Commission b) Reimbursement of expenses c) Advance against Renewal Commission	80,180 21,000 12,500	70,867 9,576 15,500	(1,162)	(1,528)				
6	Aditya Birla Money Insurance Advisory Services Limited	Fellow Subsidiary	a) Reimbursement of expenses b) Brokerage	— 10,627	— 8,368	—	(21)				
7	Aditya Birla Money Limited	Fellow Subsidiary	c) Recovery of expense a) Advance given for India Bull Properties b) Recovery of expense	12 — 2	43 —	11	(141)				
8	Aditya Birla Financial Services Private Limited	Fellow Subsidiary	a) Advance given for expenses b) Reimbursement of expenses c) Recovery of expense	119,043 119,381 4,341	82,893 86,247 2,904	301	(194)				
9	Aditya Birla Financial Shared Services Limited	Fellow Subsidiary	a) Reimbursement of expenses b) Recovery of expenses	6 473	— 466	—	328				
10	Aditya Birla Insurance Brokers Limited	Fellow Subsidiary	a) Payment of expenses	2,250	—	—	—				
11	Aditya Birla Customer Service Private Limited	Fellow Subsidiary	a) Recovery of expenses	12	—	—	—				
12	Aditya Birla Capital Advisors Private Limited	Fellow Subsidiary	a) Reimbursement of expenses	1,455	—	—	—				
13	Birla Sun Life Assets Management Company Limited (51% Subsidiary of ABFSPL) (w.e.f. 10th Oct 12, earlier was a Joint Venture)	Fellow Subsidiary	b) Recovery of expenses	1,233	—	(1,105)	—				
14	Mr. Jayant Dua, Managing Director	Key Management Personnel	a) Managerial Remuneration	22,088	26,220	—	—				

Note 1: Premium received from the related parties against life insurance products sold at market rates for the year ended 31st March 2013 is ₹ 15,513 and for the year ended 31st March 2012, ₹ 33,000.

Note 2: There are no provisions for doubtful debts, amounts written off or amounts written back pertaining to the above transactions

Note 3: Related party relationship have been identified by the management and relied upon by the auditors.

Note 4: Related party transactions disclosed above denote the transactions entered during the existence of related party relationship.

Note 5: All the above transactions are reported inclusive of service tax, wherever applicable.

Note 6: Transactions of Aditya Birla Money Insurance Advisory Service Limited and Aditya Birla Insurance Brokers Limited for the year ended 31st March 2013 includes service tax of ₹ 2,310 and ₹ 52.69 respectively and for the year ended 31st March 2012 is ₹ 899 and Nil.

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-RA(UL)
Fund Revenue Account for the year ended 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		121,272	114,258	283,438	251,207	317,124	306,138	186,390	183,468	19,953	17,024
Dividend income		-	-	-	-	6,756	5,968	8,558	8,372	1,496	1,040
Profit/Loss on sale of investment		1,834	(901)	17,242	12,355	47,105	7,480	44,859	(11,461)	9,876	(86)
Profit/Loss on inter fund transfer/ sale of investment		11,459	2,827	3,504	1,865	6	(6,731)	(6,126)	(15,134)	330	(135)
Miscellaneous Income/(Expenses)		-	(33)	-	(7)	-	(23)	-	(18)	-	(2)
Unrealised Gain/loss*		4,687	9,306	73,664	(10,381)	69,773	(63,063)	75,039	(38,105)	5,102	(2,937)
Total (A)		139,252	125,457	377,848	255,039	440,764	249,769	308,720	127,122	36,757	14,904
Fund management expenses		14,574	14,483	36,767	32,427	46,358	45,346	31,029	30,650	4,657	4,070
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges#	F-5	30,205	47,131	95,898	150,687	118,776	147,164	57,673	68,250	11,956	14,003
Total (B)		44,779	61,614	132,665	183,114	165,134	192,510	88,702	98,900	16,613	18,073
Net Income for the year (A-B)		94,473	63,843	245,183	71,925	275,630	57,259	220,018	28,222	20,144	(3,169)
Add: Fund revenue account at the beginning of the year		154,057	90,214	62,058	(9,867)	882,044	824,785	882,714	854,492	(12,568)	(9,399)
Fund revenue account at the end of the year		248,530	154,057	307,241	62,058	1,157,674	882,044	1,102,732	882,714	7,576	(12,568)

Particulars	Sch	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		3,864,673	3,684,361	126,920	123,706	106,803	94,136	18,396	46,776	22,823	28,342
Dividend income		313,628	256,901	24,840	23,601	160,808	169,086	409,289	404,962	69,200	72,964
Profit/Loss on sale of investment		1,430,146	(815,258)	98,756	(64,629)	605,725	(645,805)	1,507,190	(3,401,822)	475,128	(435,273)
Profit/Loss on inter fund transfer/sale of investment		(54,728)	(167,539)	(8,679)	(44,481)	(25,327)	(204,360)	(3,326)	(133,877)	20,440	(133,648)
Miscellaneous Income/(Expenses)		-	(704)	-	(11)	-	(60)	-	(316)	-	(62)
Unrealised Gain/loss*		1,459,641	(1,141,620)	62,255	(44,776)	168,868	(407,891)	93,656	(169,304)	(339,863)	364,209
Total (A)		7,013,360	1,816,141	304,092	(6,590)	1,016,877	(994,894)	2,025,205	(3,253,581)	247,728	(103,468)
Fund management expenses		921,292	844,631	43,748	40,622	162,408	169,630	358,808	373,624	63,184	62,964
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges#	F-5	3,982,637	5,080,648	64,156	70,705	213,662	295,334	807,155	1,285,916	194,155	348,427
Total (B)		4,903,929	5,925,279	107,904	111,327	376,070	464,964	1,165,963	1,659,540	257,339	411,391
Net Income for the year (A-B)		2,109,431	(4,109,138)	196,188	(117,917)	640,807	(1,459,858)	859,242	(4,913,121)	(9,611)	(514,859)
Add: Fund revenue account at the beginning of the year		(3,990,671)	118,467	1,510,678	1,628,595	2,373,474	3,833,331	(2,363,229)	2,549,892	(1,039,987)	(525,128)
Fund revenue account at the end of the year		(1,881,240)	(3,990,671)	1,706,866	1,510,678	3,014,280	2,373,474	(1,503,987)	(2,363,229)	(1,049,599)	(1,039,987)

* Net change in mark to market value of investments

Gross of service tax

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-RA(UL)
Fund Revenue Account for the year ended 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		1,049	303	122,495	89,651	159,209	113,148	145,487	82,256	92,839	42,936
Dividend income		30,569	19,135	44,133	61,775	84,629	107,088	108,347	87,811	83,162	61,262
Profit/Loss on sale of investment		20,630	40,383	123,202	(191,785)	306,563	(201,871)	290,416	(261,504)	227,899	(179,272)
Profit/Loss on inter fund transfer/sale of investment		9,544	(7,024)	3,730	5,427	21,699	(39,115)	14,051	(64,870)	(2,898)	(33,321)
Miscellaneous Income/(Expenses)		-	(41)	-	5	-	3	-	(58)	-	(30)
Unrealised Gain/loss*		142,193	(76,498)	87,226	(419,237)	47,350	(681,812)	245,854	(306,777)	193,433	(193,425)
Total (A)		203,985	(23,742)	380,786	(454,164)	619,450	(702,559)	804,155	(463,142)	594,435	(301,850)
Fund management expenses		31,331	18,370	67,637	77,136	115,864	129,495	135,850	114,461	102,227	74,874
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges#	F-5	73,637	68,829	51,218	67,546	49,626	141,370	85,516	159,617	94,260	129,802
Total (B)		104,968	87,199	118,855	144,682	165,490	270,865	221,366	274,078	196,487	204,676
Net income for the year (A-B)		99,017	(110,941)	261,931	(598,846)	453,960	(973,424)	582,789	(737,220)	397,948	(506,526)
Add: Fund revenue account at the beginning of the year		(88,675)	22,266	13,332	612,178	1,833,210	2,806,634	(245,422)	491,798	(353,571)	152,955
Fund revenue account at the end of the year		10,342	(88,675)	275,263	13,332	2,287,169	1,833,210	337,367	(245,422)	44,377	(353,571)

Particulars	Sch	Ind. Platinum Advantage		Ind. Platinum Premier		Ind. Foresight FP		Ind. Foresight SP		Titanium 1	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		36,425	13,725	91,238	36,926	80,156	12,305	999	1,579	16,433	10,849
Dividend income		74,313	29,230	105,551	66,433	77,655	21,873	9,980	3,374	5,849	4,086
Profit/Loss on sale of investment		113,994	(24,623)	274,535	(238,340)	247,150	(27,374)	31,575	(3,057)	23,428	(13,134)
Profit/Loss on inter fund transfer/sale of investment		(4,876)	(3,922)	(10,833)	(33,906)	(15,583)	37	(2,120)	3	(2,091)	(4,571)
Miscellaneous Income/(Expenses)		-	(60)	-	(232)	-	(137)	-	(13)	-	(11)
Unrealised Gain/loss*		212,171	(18,853)	299,560	(154,462)	194,319	9,319	20,423	9,512	10,691	(19,351)
Total (A)		432,027	(4,503)	760,051	(323,581)	583,697	16,023	60,857	11,398	54,310	(22,132)
Fund management expenses		85,297	36,511	131,023	82,856	113,617	35,549	11,001	5,636	9,511	6,604
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges#	F-5	148,037	109,237	243,877	270,588	317	1	-	-	17,689	17,706
Total (B)		233,334	145,748	374,900	353,444	113,934	35,550	11,001	5,636	27,200	24,310
Net income for the year (A-B)		198,693	(150,251)	385,151	(677,025)	469,763	(19,527)	49,856	5,762	27,110	(46,442)
Add: Fund revenue account at the beginning of the year		(150,518)	(267)	(633,059)	43,966	(5,563)	13,964	6,866	1,104	(35,859)	10,584
Fund revenue account at the end of the year		48,175	(150,518)	(247,907)	(633,059)	464,200	(5,563)	56,722	6,866	(8,749)	(35,859)

* Net change in mark to market value of investments

Gross of service tax

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-RA(UL)
Fund Revenue Account for the year ended 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Titanium 2		Titanium 3		Pure Equity		Value Momentum		Liquid Plus	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		7,098	3,812	2,498	1,338	-	-	157	-	5,431	-
Dividend income		2,398	1,604	495	291	95	-	437	-	-	-
Profit/Loss on sale of investment		8,423	(2,854)	2,006	(427)	392	-	791	-	278	-
Profit/Loss on inter fund transfer/sale of investment		(537)	(3,191)	(225)	(941)	14	-	13	-	1	-
Miscellaneous Income/(Expenses)		-	(3)	-	-	-	-	-	-	-	-
Unrealised Gain/loss*		5,540	(5,779)	1,116	(161)	72	-	(2,580)	-	-	-
Total (A)		22,922	(6,411)	5,890	100	573	-	(1,182)	-	5,710	-
Fund management expenses		4,004	2,569	1,094	636	127	-	274	-	712	-
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges#	F-5	7,016	7,156	2,347	2,390	843	-	1,652	-	6,075	-
Total (B)		11,020	9,725	3,441	3,026	970	-	1,926	-	6,787	-
Net income for the year (A-B)		11,902	(16,136)	2,449	(2,926)	(397)	-	(3,108)	-	(1,077)	-
Add: Fund revenue account at the beginning of the year		(14,604)	1,532	(4,612)	(1,686)	-	-	-	-	-	-
Fund revenue account at the end of the year		(2,702)	(14,604)	(2,163)	(4,612)	(396)	-	(3,107)	-	(1,077)	-

Particulars	Sch	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gift	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		22,911	22,350	88,675	90,514	10,109	9,588	211,927	100,732	4,809	543
Dividend income		1,235	1,103	9,880	9,241	224	203	-	-	-	-
Profit/Loss on sale of investment		7,725	1,830	45,789	(17,408)	1,315	448	15,778	16,981	187	30
Profit/Loss on inter fund transfer/sale of investment		460	(2,926)	(494)	(17,354)	(230)	(437)	14,240	(6,715)	264	-
Miscellaneous Income/(Expenses)		-	(2)	-	(6)	-	-	-	(3)	-	-
Unrealised Gain/loss*		6,331	(5,306)	31,405	(23,816)	3,192	(1,700)	44,298	684	2,320	(1,081)
Total (A)		38,662	17,049	175,255	41,171	14,610	8,102	286,243	111,679	7,580	(508)
Fund management expenses		4,189	4,067	23,711	22,961	1,554	1,509	26,420	12,329	724	84
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges#	F-5	5,213	4,941	26,246	25,262	2,299	2,206	128	515	-	-
Total (B)		9,402	9,008	49,957	48,223	3,853	3,715	26,548	12,844	724	84
Net income for the year (A-B)		29,260	8,041	125,298	(7,052)	10,757	4,387	259,695	98,835	6,856	(592)
Add: Fund revenue account at the beginning of the year		156,487	148,445	779,393	786,444	49,857	45,470	364,946	266,111	3,051	3,642
Fund revenue account at the end of the year		185,747	156,487	904,690	779,393	60,614	49,857	624,642	364,946	9,907	3,051

* Net change in mark to market value of investments

Gross of service tax

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-RA(UL)
Fund Revenue Account for the year ended 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Gr. Bond		Gr. Money Market		Gr. Short Term Debt		Gr. Growth Advantage		Gr. Income Advantage	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		167,447	144,744	156,459	156,779	48,452	49,096	5,184	5,445	1,126	30,109
Dividend income		—	—	—	—	—	—	1,730	1,478	—	—
Profit/Loss on sale of investment		9,651	7,976	6,448	3,912	2,550	(49)	10,053	(1,696)	111	1,222
Profit/Loss on inter fund transfer/sale of investment		18,749	3,158	41	(10)	10,631	495	1,622	(1,252)	26	(11,683)
Miscellaneous Income/(Expenses)		—	—	—	(106)	—	—	—	(7)	—	(3)
Unrealised Gain/loss*		30,898	397	109	(7)	(214)	4,013	(807)	321	357	6,482
Total (A)		226,745	156,275	163,057	160,568	61,419	53,555	17,782	4,289	1,620	26,127
Fund management expenses		20,471	17,340	17,720	16,706	5,915	5,586	1,985	1,952	152	3,967
Fund administration expenses		—	—	—	—	—	—	—	—	—	—
Other charges#	F-5	25	607	15	683	17	565	—	—	—	—
Total (B)		20,496	17,947	17,735	17,389	5,932	6,151	1,985	1,952	152	3,967
Net income for the year (A-B)		206,249	138,328	145,322	143,179	55,487	47,404	15,797	2,337	1,468	22,160
Add: Fund revenue account at the beginning of the year		784,320	645,991	200,853	57,675	150,347	102,943	34,043	31,706	90,041	67,881
Fund revenue account at the end of the year		990,568	784,320	346,175	200,853	205,834	150,347	49,839	34,043	91,510	90,041

Particulars	Sch	Gr. Secure		Gr. Stable		Gr. Growth		Gr. Fixed Interest 2		Gr. Money Market 2	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		507,507	424,610	182,211	199,946	89,994	98,838	2,199	1,670	1,008	1,118
Dividend income		23,523	19,400	21,124	20,240	17,489	20,209	—	—	—	—
Profit/Loss on sale of investment		121,470	(38,718)	120,341	(33,560)	87,727	(41,807)	276	244	65	56
Profit/Loss on inter fund transfer/sale of investment		(2,642)	(91,419)	10,322	(53,355)	(2,698)	(79,171)	933	716	4	—
Miscellaneous Income/(Expenses)		—	(15)	—	31	—	80	—	—	—	—
Unrealised Gain/loss*		104,709	(39,561)	19,132	(43,195)	15,659	(25,728)	(256)	358	(1)	1
Total (A)		754,567	274,297	353,130	90,107	208,171	(27,579)	3,152	2,988	1,076	1,175
Fund management expenses		81,770	62,529	36,518	39,697	24,629	24,614	21	28	9	17
Fund administration expenses		—	—	—	—	—	—	—	—	—	—
Other charges#	F-5	446	3,284	1,949	2,318	128	1,200	141	21	61	11
Total (B)		82,216	65,813	38,467	42,015	24,757	25,814	162	49	70	28
Net income for the year (A-B)		672,351	208,484	314,663	48,092	183,414	(53,993)	2,990	2,939	1,006	1,147
Add: Fund revenue account at the beginning of the year		1,441,658	1,233,174	2,119,897	2,071,805	600,137	653,529	2,939	—	1,147	—
Fund revenue account at the end of the year		2,114,009	1,441,658	2,434,560	2,119,897	783,551	600,137	5,929	2,939	2,153	1,147

* Net change in mark to market value of investments

Gross of service tax

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-RA(UL)
Fund Revenue Account for the year ended 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Gr. Bond 2		Gr. Short Term Debt 2		Gr. Stable 2		Gr. Secure 2		Gr. Growth 2	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income from investments											
Interest income		-	299	38,858	6,172	13	1,598	-	5,708	2,310	3,534
Dividend income		-	-	-	-	2	93	-	116	754	358
Profit/Loss on sale of investment		-	9	1,392	320	8	1,286	-	1,528	3,112	5,087
Profit/Loss on inter fund transfer/ sale of investment		-	439	6,747	(2)	-	2,582	-	19,262	6,186	5,281
Miscellaneous Income/(Expenses)		-	-	-	-	-	312	-	329	-	-
Unrealised Gain/loss*		-	-	2,224	(166)	1	10	-	-	(4,284)	4,596
Total (A)		-	747	49,221	6,324	24	5,881	-	26,943	8,078	18,856
Fund management expenses		-	5	160	97	-	41	-	116	48	120
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges#	F-5	-	-	2,209	97	2	-	-	-	320	107
Total (B)		-	5	2,369	194	2	41	-	116	368	227
Net income for the year (A-B)		-	742	46,852	6,130	22	5,840	-	26,827	7,710	18,629
Add: Fund revenue account at the beginning of the year		742	-	6,130	-	5,840	-	26,827	-	18,629	-
Fund revenue account at the end of the year		742	742	52,982	6,130	5,863	5,840	26,827	26,827	26,339	18,629

Particulars	Sch	Discontinued Policy Fund		Total	
		Current Year	Previous Year	Current Year	Previous Year
Income from investments					
Interest income		97,492	11,989	7,467,997	6,623,626
Dividend income		-	-	1,698,149	1,479,297
Profit/Loss on sale of investment		4,055	165	6,347,196	(6,551,402)
Profit/Loss on inter fund transfer/ sale of investment		21	-	11,624	(1,118,998)
Miscellaneous Income/(Expenses)		-	-	-	(1,203)
Unrealised Gain/loss*		6	9	3,385,269	(3,485,771)
Total (A)		101,574	12,163	18,910,235	(3,054,451)
Fund management expenses		6,537	585	2,744,927	2,417,494
Fund administration expenses		-	-	-	-
Other charges#	F-5	79,517	-	6,477,099	8,524,324
Total (B)		86,054	585	9,222,026	10,941,818
Net income for the year (A-B)		15,520	11,578	9,688,209	(13,996,269)
Add: Fund revenue account at the beginning of the year		11,607	29	5,628,984	19,638,626
Fund revenue account at the end of the year		27,127	11,607	15,317,194	5,628,984

* Net change in mark to market value of investments

Gross of service tax

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-BS(UL)
Fund Balance Sheet as at 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sources of Funds											
Policyholders' Funds:											
Policyholder contribution	F-1	1,045,778	1,097,528	3,362,977	3,004,316	2,916,719	3,203,560	1,656,346	1,823,804	336,474	326,841
Revenue Account		248,530	154,057	307,241	62,058	1,157,674	882,044	1,102,732	882,714	7,576	(12,568)
Total		1,294,308	1,251,585	3,670,218	3,066,374	4,074,393	4,085,604	2,759,078	2,706,518	344,050	314,273
Application of Funds											
Investments	F-2	1,255,124	1,217,615	3,439,105	2,958,277	3,935,732	3,972,322	2,695,219	2,656,764	336,384	310,895
Current Assets	F-3	45,124	33,970	265,269	108,097	151,974	127,300	76,273	65,713	8,305	4,563
Less: Current Liabilities and Provisions	F-4	5,940	-	34,155	-	13,313	14,018	12,414	15,959	640	1,185
Net current assets		39,184	33,970	231,113	108,097	138,661	113,282	63,859	49,754	7,666	3,378
(a) Total		1,294,308	1,251,585	3,670,218	3,066,374	4,074,393	4,085,604	2,759,078	2,706,518	344,050	314,273
(b) Number of Units outstanding	Plan I	65,789,316	70,103,537	219,133,807	203,488,148	154,916,410	171,085,332	85,387,693	92,725,183	16,677,957	16,795,447
NAV per Unit (a)/(b) (₹)	Plan II	19.67	17.85	16.75	15.07	26.30	23.88	32.31	29.19	20.63	18.71
		-	-	-	-	-	-	-	-	-	-
Particulars	Sch	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sources of Funds											
Policyholders' Funds:											
Policyholder contribution	F-1	67,833,017	67,609,566	1,526,033	1,437,108	7,008,202	8,622,382	22,844,031	26,768,320	4,668,377	5,422,641
Revenue Account		(1,881,240)	(3,990,670)	1,706,866	1,510,678	3,014,280	2,373,474	(1,503,987)	(2,363,229)	(1,049,599)	(1,039,987)
Total		65,951,777	63,618,896	3,232,899	2,947,786	10,022,482	10,995,856	21,340,044	24,405,091	3,618,778	4,382,654
Application of Funds											
Investments	F-2	64,335,139	62,235,820	3,111,707	2,893,922	10,028,456	10,973,877	21,334,183	24,580,402	3,587,426	4,386,752
Current Assets	F-3	2,013,745	1,561,549	131,509	61,007	61,185	89,279	125,290	142,941	64,011	33,464
Less: Current Liabilities and Provisions	F-4	397,107	178,473	10,317	7,143	67,159	67,300	119,428	318,252	32,659	37,562
Net current assets		1,616,638	1,383,076	121,192	53,864	(5,974)	21,979	5,861	(175,311)	31,352	(4,098)
(a) Total		65,951,777	63,618,896	3,232,899	2,947,786	10,022,482	10,995,856	21,340,044	24,405,091	3,618,778	4,382,654
(b) Number of Units outstanding	Plan I	1,733,150,186	1,834,717,011	112,105,606	111,246,560	356,357,911	422,532,691	1,524,875,901	1,858,658,050	307,606,622	386,228,336
NAV per Unit (a)/(b) (₹)	Plan II	38.05	34.68	28.84	26.50	28.12	26.02	13.99	13.13	11.76	11.35
		-	-	-	-	-	-	-	-	-	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-B5(UL)
Fund Balance Sheet as at 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4					
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year				
Sources of Funds															
Policyholders' Funds:															
Policyholder contribution	F-1	2,457,049	1,777,041	3,370,365	4,190,430	3,949,250	5,423,506	7,078,482	8,241,635	5,662,514	6,066,230				
Revenue Account		10,342	(88,675)	275,263	13,333	2,287,169	1,833,210	337,367	(245,422)	44,377	(353,571)				
Total		2,467,391	1,688,366	3,645,628	4,203,763	6,236,419	7,256,716	7,415,849	7,996,213	5,706,891	5,712,659				
Application of Funds															
Investments	F-2	2,436,250	1,657,141	3,558,851	4,162,507	6,120,281	7,241,414	7,179,110	7,870,978	5,522,298	5,667,177				
Current Assets	F-3	41,577	31,225	111,744	63,394	161,776	60,258	264,699	194,972	206,049	103,640				
Less: Current Liabilities and Provisions	F-4	10,436	-	24,967	22,138	45,638	44,956	27,960	69,737	21,456	58,158				
Net current assets		31,141	31,225	86,777	41,256	116,138	15,302	236,739	125,235	184,593	45,482				
(a) Total		2,467,391	1,688,366	3,645,628	4,203,763	6,236,419	7,256,716	7,415,849	7,996,213	5,706,891	5,712,659				
(b) Number of Units outstanding		174,526,403	130,022,617	305,423,096	379,927,846	368,798,504	460,627,592	570,421,580	664,942,461	493,069,653	531,689,324				
NAV per Unit (a)/(b) (₹)	Plan I Plan II	14.14 -	12.99 -	11.94 -	11.06 -	16.91 -	15.75 -	13.00 -	12.03 -	11.57 -	10.74 -				
Particulars	Sch	Ind. Platinum Advantage				Ind. Foresight FP				Ind. Foresight SP				Titanium 1	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sources of Funds															
Policyholders' Funds:															
Policyholder contribution	F-1	6,632,903	4,064,012	9,101,544	6,948,442	7,954,923	4,003,062	596,673	563,074	576,174	537,152	(8,749)	(35,859)		
Revenue Account		48,175	(150,518)	(247,907)	(633,059)	464,200	(5,563)	56,722	6,866						
Total		6,681,078	3,913,494	8,853,637	6,315,383	8,419,123	3,997,499	653,395	569,940	567,425	501,293				
Application of Funds															
Investments	F-2	6,477,021	3,780,461	8,808,225	6,528,020	7,662,174	3,549,930	648,916	553,407	549,807	493,086				
Current Assets	F-3	212,377	246,311	268,340	92,186	759,186	718,555	4,479	48,949	23,887	11,246				
Less: Current Liabilities and Provisions	F-4	8,320	113,278	222,927	304,823	2,237	270,986	-	32,416	6,269	3,039				
Net current assets		204,057	133,033	45,412	(212,637)	756,949	447,569	4,479	16,533	17,618	8,207				
(a) Total		6,681,078	3,913,494	8,853,637	6,315,383	8,419,123	3,997,499	653,395	569,940	567,425	501,293				
(b) Number of Units outstanding		685,116,383	433,952,361	773,369,703	596,348,490	801,038,998	412,290,525	61,709,833	58,444,776	49,252,141	47,061,449				
NAV per Unit (a)/(b) (₹)	Plan I Plan II	9.75 -	9.02 -	11.45 -	10.59 -	10.51 -	9.70 -	10.59 -	9.75 -	11.52 -	10.65 -				

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-BS(UL)
Fund Balance Sheet as at 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Titanium 2		Titanium 3		Pure Equity		Value Momentum		Liquid Plus	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sources of Funds											
Policyholders' Funds:											
Policyholder contribution	F-1	254,619	204,993	74,088	59,488	20,117	369	51,717	339	127,222	358
Revenue Account		(2,702)	(14,603)	(2,163)	(4,612)	(396)	-	(3,107)	-	(1,077)	-
Total		251,917	190,390	71,925	54,876	19,721	369	48,610	339	126,145	358
Application of Funds											
Investments	F-2	246,028	194,836	69,200	54,753	18,102	70	44,728	178	112,232	140
Current Assets	F-3	11,136	3,351	3,373	804	2,816	357	4,676	247	14,200	218
Less: Current Liabilities and Provisions	F-4	5,247	7,797	648	681	1,197	58	794	86	286	-
Net current assets		5,889	(4,446)	2,725	123	1,619	299	3,882	161	13,913	218
(a) Total		251,917	190,390	71,925	54,876	19,721	369	48,610	339	126,145	358
(b) Number of Units outstanding		22,297,009	18,180,330	6,874,192	5,641,582	1,779,378	36,685	4,609,815	33,715	11,691,677	35,746
NAV per Unit (a)/(b) (₹)	Plan I	11.30	10.47	10.46	9.73	11.08	10.04	10.54	10.04	10.79	10.01
	Plan II	-	-	-	-	-	-	-	-	-	-
Particulars	Sch	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gift	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sources of Funds											
Policyholders' Funds:											
Policyholder contribution	F-1	189,210	206,039	776,105	881,900	72,831	84,774	3,118,768	759,613	42,083	71,790
Revenue Account		185,747	156,487	904,690	779,392	60,614	49,857	624,642	364,946	9,907	3,050
Total		374,957	362,526	1,680,795	1,661,292	133,445	134,631	3,743,410	1,124,559	51,990	74,840
Application of Funds											
Investments	F-2	364,153	355,263	1,571,610	1,646,940	129,748	131,820	3,618,136	1,103,235	50,717	73,078
Current Assets	F-3	11,369	9,430	112,195	31,333	3,821	3,364	126,111	21,324	1,273	1,762
Less: Current Liabilities and Provisions	F-4	565	2,167	3,010	16,981	124	553	837	-	-	-
Net current assets		10,804	7,263	109,185	14,352	3,697	2,811	125,274	21,324	1,273	1,762
(a) Total		374,957	362,526	1,680,795	1,661,292	133,445	134,631	3,743,410	1,124,559	51,990	74,840
(b) Number of Units outstanding		14,168,716	15,040,664	55,078,695	59,572,828	6,086,872	6,751,141	157,002,764	53,060,397	2,899,846	4,653,452
NAV per Unit (a)/(b) (₹)	Plan I	26.46	24.10	30.52	27.89	21.92	19.94	23.84	21.19	17.93	16.08
	Plan II	-	-	-	-	-	-	-	-	-	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Form A-BS(UL)
Fund Balance Sheet as at 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Sch	Gr. Bond 2		Gr. Short Term Debt 2		Gr. Stable 2		Gr. Secure 2		Gr. Growth 2	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sources of Funds											
Policyholders' Funds:											
Policyholder contribution	F-1	(742)	(742)	373,837	373,172	(5,586)	(5,554)	(26,827)	(26,827)	(20,270)	97,502
Revenue Account		742	742	52,982	6,130	5,863	5,840	26,827	26,827	26,339	18,629
Total		-	-	426,819	379,302	277	286	-	-	6,069	116,131
Application of Funds											
Investments	F-2	-	-	418,821	375,397	256	268	-	-	5,957	114,154
Current Assets	F-3	-	-	9,999	3,905	22	18	-	-	112	2,615
Less: Current Liabilities and Provisions	F-4	-	-	2,001	-	-	-	-	-	-	638
Net current assets		-	-	7,998	3,905	22	18	-	-	112	1,977
(a) Total		-	-	426,819	379,302	277	286	-	-	6,069	116,131
(b) Number of Units outstanding		-	-	36,681,311	36,778,936	23,742	26,618	-	-	504,058	10,806,413
NAV per Unit (a)/(b) (₹)	Plan I	-	-	11.64	10.31	11.68	10.72	-	-	12.04	10.75
	Plan II	-	-	-	-	-	-	-	-	-	-

Particulars	Sch	Discontinued Policy Fund		Total	
		Current Year	Previous Year	Current Year	Previous Year
Sources of Funds					
Policyholders' Funds:					
Policyholder contribution	F-1	2,023,284	426,332	178,053,530	175,735,220
Revenue Account		27,127	11,607	15,317,194	5,628,985
Total		2,050,411	437,939	193,370,724	181,364,205
Application of Funds					
Investments	F-2	2,051,488	444,323	185,280,249	178,383,466
Current Assets	F-3	22,821	(6,384)	6,259,592	4,587,594
Less: Current Liabilities and Provisions	F-4	23,898	-	1,169,117	1,606,855
Net current assets		(1,077)	(6,384)	5,090,475	2,980,739
(a) Total		2,050,411	437,939	193,370,724	181,364,205
(b) Number of Units outstanding		172,236,609	39,965,364	9,906,543,000	9,750,505,025
NAV per Unit (a)/(b) (₹)	Plan I	11.90	10.96	-	-
	Plan II	-	-	-	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-1
Policyholders' Contribution
(Amounts in thousands of Indian Rupees)

Particulars	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	1,097,528	1,524,795	3,004,317	2,575,962	3,203,560	3,245,491	1,823,803	1,890,072	326,841	295,215
Add: Additions during the year**	842,390	2,000,910	2,015,992	1,968,649	1,091,675	1,570,024	323,811	488,500	54,203	62,518
Less: Deductions during the year**	894,140	2,428,177	1,657,332	1,540,294	1,378,516	1,611,955	491,268	554,769	44,570	30,892
Closing balance	1,045,778	1,097,528	3,362,977	3,004,317	2,916,719	3,203,560	1,656,346	1,823,803	336,474	326,841

Particulars	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	67,609,565	60,620,724	1,437,108	1,495,647	8,622,382	9,143,947	26,768,320	26,226,826	5,422,642	5,112,118
Add: Additions during the year**	14,258,087	20,227,342	735,533	727,394	1,067,492	1,671,060	5,113,292	8,791,437	948,018	1,755,255
Less: Deductions during the year**	14,034,635	13,238,501	646,608	785,933	2,681,672	2,192,625	9,037,581	8,249,943	1,702,283	1,444,731
Closing balance	67,833,017	67,609,565	1,526,033	1,437,108	7,008,202	8,622,382	22,844,031	26,768,320	4,668,377	5,422,642

Particulars	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	1,777,041	1,022,698	4,190,428	4,937,095	5,423,506	5,195,196	8,241,635	5,596,592	6,066,229	4,084,064
Add: Additions during the year**	1,458,512	1,374,518	12,890	102,050	103,418	1,185,184	715,717	4,588,671	1,108,872	3,302,498
Less: Deductions during the year**	778,504	620,175	832,953	848,717	1,577,674	956,874	1,878,870	1,943,628	1,512,587	1,320,333
Closing balance	2,457,049	1,777,041	3,370,365	4,190,428	3,949,250	5,423,506	7,078,482	8,241,635	5,662,514	6,066,229

Particulars	Ind. Platinum Advantage		Ind. Platinum Premier		Ind. Foresight FP		Ind. Foresight SP		Titanium 1	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	4,064,013	1,570,432	6,948,442	4,030,305	4,003,061	864,509	563,074	86,085	537,151	374,748
Add: Additions during the year**	3,521,000	2,779,698	4,245,030	4,174,676	4,478,221	3,139,834	34,079	477,163	147,709	271,485
Less: Deductions during the year**	952,110	286,117	2,091,928	1,256,539	526,359	1,282	480	174	108,685	109,082
Closing balance	6,632,903	4,064,013	9,101,544	6,948,442	7,954,923	4,003,061	596,673	563,074	576,175	537,151

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-1
Policyholders' Contribution
(Amounts in thousands of Indian Rupees)

Particulars	Titanium 2		Titanium 3		Pure Equity		Value Momentum		Liquid Plus	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	204,993	147,489	59,488	24,912	368	-	339	-	358	-
Add: Additions during the year**	92,491	87,621	35,830	43,285	21,059	368	52,512	339	239,967	358
Less: Deductions during the year**	42,865	30,117	21,230	8,709	1,310	-	1,134	-	113,103	-
Closing balance	254,619	204,993	74,088	59,488	20,117	368	51,717	339	127,222	358

Particulars	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gift	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	206,039	220,108	881,901	970,415	84,774	89,760	759,613	1,017,819	71,789	(3,213)
Add: Additions during the year**	22,830	25,428	118,907	150,826	11,100	13,052	2,762,226	316,096	633	75,002
Less: Deductions during the year**	39,659	39,497	224,703	239,340	23,043	18,038	403,071	574,302	30,339	-
Closing balance	189,210	206,039	776,105	881,901	72,831	84,774	3,118,768	759,613	42,083	71,789

Particulars	Gr. Bond		Gr. Money Market		Gr. Short-Term Debt		Gr. Growth Advantage		Gr. Income Advantage	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	830,832	848,802	1,938,175	1,635,772	481,977	435,602	123,493	99,655	(78,780)	1,010,000
Add: Additions during the year**	579,166	447,871	723,619	2,941,181	173,633	380,982	55,586	106,914	97,053	-
Less: Deductions during the year**	126,276	465,841	1,951,306	2,638,778	614,077	334,607	40,478	83,076	1	1,088,780
Closing balance	1,283,722	830,832	710,488	1,938,175	41,533	481,977	138,601	123,493	18,272	(78,780)

Particulars	Gr. Secure		Gr. Stable		Gr. Growth		Gr. Fixed Interest 2		Gr. Money Market 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	5,407,282	4,396,308	1,367,183	1,843,180	1,328,615	2,331,444	47,642	-	24,604	-
Add: Additions during the year**	4,988,731	5,374,128	1,090,624	700,227	441,414	531,017	5,576	114,742	27,851	163,948
Less: Deductions during the year**	3,960,303	4,363,154	2,299,894	1,176,224	149,007	1,533,846	55,176	67,100	52,519	139,344
Closing balance	6,435,710	5,407,282	157,913	1,367,183	1,621,022	1,328,615	(1,958)	47,642	(64)	24,604

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-1
Policyholders' Contribution
(Amounts in thousands of Indian Rupees)

Particulars	Gr. Bond 2		Gr. Short Term Debt 2		Gr. Stable 2		Gr. Secure 2		Gr. Growth 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance										
Add: Additions during the year**	(742)	71,367	373,171	374,311	(5,554)	117,414	(26,827)	1,126,100	97,503	250,627
Less: Deductions during the year**	-	72,109	7,746	1,140	33	122,968	-	1,152,926	117,984	153,124
Closing balance	(742)	(742)	373,837	373,171	(5,586)	(5,554)	(26,827)	(26,826)	(20,270)	97,503

Particulars	Discontinued Policy Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year
Opening balance	426,331	6,372	175,735,214	154,966,946
Add: Additions during the year**	2,171,243	513,305	55,996,617	74,585,375
Less: Deductions during the year**	574,290	93,346	53,678,302	53,817,107
Closing balance	2,023,284	426,331	178,053,530	175,735,214

* Additions represent units creation & deductions represent unit cancellations.

** Includes Last Day Collections.

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet

Schedule: F-2

Investments

(Amounts in thousands of Indian Rupees)

Particulars	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	—	416,190	933,424	911,083	1,266,756	1,200,185	724,133	682,867	96,593	61,025
Corporate Bonds	518,763	343,358	900,338	522,693	701,332	667,282	432,155	470,367	45,435	51,225
Infrastructure Bonds	209,739	—	416,690	547,942	1,089,287	1,168,486	652,792	767,816	62,768	71,609
Equity	—	456,957	—	—	352,112	372,162	475,678	500,751	73,126	69,007
Money Market	434,395	1,110	981,638	819,996	337,219	431,338	331,077	157,798	24,318	28,641
Mutual Funds	—	—	—	25,812	—	52,392	—	15,281	—	—
Total	1,162,897	1,217,615	3,232,090	2,827,526	3,746,706	3,891,845	2,615,835	2,594,880	302,240	281,507
Other Investments										
Corporate Bonds	—	—	104,346	130,751	40,158	58,940	30,094	29,211	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	16,222	21,537	46,715	32,673	2,637	8,738
Money Market	—	—	—	—	—	—	—	—	—	—
Mutual Funds	92,227	—	102,669	—	132,646	—	2,575	—	31,507	20,650
Total	92,227	—	207,015	130,751	189,026	80,477	79,384	61,884	34,144	29,388
GRAND TOTAL	1,255,124	1,217,615	3,439,105	2,958,277	3,935,732	3,972,322	2,695,219	2,656,764	336,384	310,895
% of Approved Investments to Total	93%	100%	94%	96%	95%	98%	97%	98%	90%	91%
% of Other Investments to Total	7%	0%	6%	4%	5%	2%	3%	2%	10%	9%

Particulars	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	16,895,581	14,165,602	531,682	498,233	—	—	—	—	—	—
Corporate Bonds	15,843,764	14,971,572	306,479	192,648	251,662	177,899	—	—	—	30,142
Infrastructure Bonds	9,029,856	8,642,462	398,637	549,452	141,380	60,917	—	54,595	—	4,831
Equity	16,076,323	16,676,853	1,399,024	1,324,737	7,766,363	9,015,285	20,236,825	21,172,537	2,707,603	3,336,145
Money Market	2,360,121	4,625,476	276,455	72,295	918,799	815,218	76,274	1,620,909	279,060	331,228
Mutual Funds	—	470,259	—	70,955	—	43,484	—	22,207	—	49,924
Total	60,205,645	59,552,224	2,912,277	2,708,320	9,078,204	10,112,803	20,313,099	22,870,248	2,986,663	3,752,270
Other Investments										
Corporate Bonds	1,598,262	1,785,899	66,238	65,260	29,474	28,756	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—
Equity	810,653	897,697	71,033	120,342	438,427	832,318	886,779	1,710,154	300,222	634,481
Money Market	—	—	—	—	—	—	—	—	—	—
Mutual Funds	1,720,579	—	62,159	—	482,351	—	134,305	—	300,541	—
Total	4,129,494	2,683,596	199,430	185,602	950,252	861,074	1,021,084	1,710,154	600,763	634,481
GRAND TOTAL	64,335,139	62,235,820	3,111,707	2,893,922	10,028,456	10,973,877	21,334,183	24,580,402	3,587,426	4,386,751
% of Approved Investments to Total	94%	96%	94%	94%	91%	92%	95%	93%	83%	86%
% of Other Investments to Total	6%	4%	6%	6%	9%	8%	5%	7%	17%	14%

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet

Schedule: F-2

Investments

(Amounts in thousands of Indian Rupees)

Particulars	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	-	-	348,766	300,110	409,779	418,917	279,192	256,401	160,293	235,378
Corporate Bonds	-	-	67,092	-	237,438	108,477	364,150	319,164	-	79,417
Infrastructure Bonds	-	-	617,698	801,132	735,825	1,024,257	498,010	503,294	234,623	98,626
Equity	2,367,694	1,478,761	2,212,251	2,545,124	4,221,079	5,112,313	5,447,628	5,843,380	4,368,681	4,294,121
Money Market	14,096	35,679	69,300	194,036	50,300	59,900	99,500	407,214	369,066	622,377
Mutual Funds	-	59,324	-	187,494	-	199,858	-	153,311	-	45,194
Total	2,381,790	1,573,764	3,315,107	4,027,896	5,654,421	6,923,722	6,688,480	7,482,764	5,132,663	5,375,113
Other Investments										
Corporate Bonds	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	-	83,377	77,235	134,611	146,974	317,691	273,760	388,214	213,333	292,064
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	54,460	-	166,509	-	318,886	-	216,870	-	176,302	-
Total	54,460	83,377	243,744	134,611	465,860	317,691	490,630	388,214	389,635	292,064
GRAND TOTAL	2,436,250	1,657,141	3,558,851	4,162,507	6,120,281	7,241,413	7,179,110	7,870,978	5,522,298	5,667,177
% of Approved Investments to Total	98%	95%	93%	97%	92%	96%	93%	95%	93%	95%
% of Other Investments to Total	2%	5%	7%	3%	8%	4%	7%	5%	7%	5%

Particulars	Ind. Platinum Advantage		Ind. Platinum Premier		Ind. Foresight FP		Ind. Foresight SP		Titanium 1	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	45,701	-	3,17,738	45,245	9,87,729	-	11,021	-	62,388	37,642
Corporate Bonds	72,487	1,16,955	40,582	-	2,64,581	-	-	-	50,678	-
Infrastructure Bonds	2,34,197	1,51,779	3,55,295	3,94,240	7,88,176	1,18,395	10,220	-	77,609	1,01,479
Equity	57,35,221	31,15,717	68,44,112	50,52,622	45,42,563	28,46,877	5,82,330	4,75,261	3,47,969	2,76,724
Money Market	92,172	1,17,712	1,92,385	3,73,755	4,14,232	2,85,487	300	11,678	250	17,790
Mutual Funds	-	1,23,215	-	-	-	-	-	-	-	-
Total	61,79,778	36,25,378	77,50,112	58,65,862	69,97,281	32,50,759	6,03,871	4,86,939	5,38,894	4,33,635
Other Investments										
Corporate Bonds	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	1,77,626	1,55,085	3,44,542	3,23,208	2,02,322	1,25,908	25,530	20,702	10,558	22,546
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	1,19,617	-	7,13,571	3,38,950	4,62,571	1,73,261	19,515	45,766	355	36,905
Total	2,97,243	1,55,085	10,58,113	6,62,158	6,64,893	2,99,169	45,045	66,468	10,913	59,451
GRAND TOTAL	64,77,021	37,80,463	88,08,225	65,28,020	76,62,174	35,49,928	6,48,916	5,53,407	5,49,807	4,93,086
% of Approved Investments to Total	95%	96%	88%	90%	91%	92%	93%	88%	98%	88%
% of Other Investments to Total	5%	4%	12%	10%	9%	8%	7%	12%	2%	12%

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-2
Investments
(Amounts in thousands of Indian Rupees)

for the year ended 31st March, 2013

Annexure 3

Particulars	Titanium 2		Titanium 3		Pure Equity		Value Momentum		Liquid Plus	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	28,503	11,043	10,379	7,900	-	-	-	-	-	-
Corporate Bonds	27,154	4,815	15,086	3,890	-	-	-	-	-	-
Infrastructure Bonds	28,007	36,296	8,987	9,611	-	-	-	-	-	-
Equity	146,116	108,617	32,365	25,246	16,415	65	35,896	91	-	-
Money Market	1,200	26,683	100	2,898	-	-	6,048	87	112,197	140
Mutual Funds	-	3,354	-	-	-	-	-	-	-	-
Total	230,980	190,808	66,917	49,545	16,415	65	41,944	178	112,197	140
Other Investments										
Corporate Bonds	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	4,408	4,028	974	926	1,687	5	2,784	-	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	10,640	-	1,309	4,282	-	-	-	-	35	-
Total	15,048	4,028	2,283	5,208	1,687	5	2,784	-	35	-
GRAND TOTAL	246,028	194,836	69,200	54,753	18,102	70	44,728	178	112,232	140
% of Approved Investments to Total	94%	98%	97%	90%	91%	93%	94%	100%	100%	100%
% of Other Investments to Total	6%	2%	3%	10%	9%	7%	6%	0%	0%	0%
Particulars	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gift	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	97,741	75,979	443,973	300,328	36,870	36,419	1,100,062	329,623	45,955	71,903
Corporate Bonds	87,879	67,070	260,320	212,113	37,652	36,939	791,414	214,088	-	-
Infrastructure Bonds	83,650	100,480	204,786	370,703	22,683	29,300	486,583	147,840	-	-
Equity	65,631	67,063	523,439	533,132	11,472	12,158	-	-	-	-
Money Market	600	3,997	62,180	103,767	7,447	4,800	1,153,514	405,762	-	-
Mutual Funds	-	-	-	-	-	-	-	5,922	-	1,174
Total	335,501	314,589	1,494,698	1,520,043	116,124	119,616	3,531,573	1,103,235	45,955	73,077
Other Investments										
Corporate Bonds	-	-	-	-	2,094	2,109	1,047	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	3,285	3,861	26,204	34,919	531	652	-	-	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	25,367	36,813	50,708	91,978	10,999	9,444	85,516	-	4,762	-
Total	28,652	40,674	76,912	126,897	13,624	12,205	86,563	-	4,762	-
GRAND TOTAL	364,153	355,263	1,571,610	1,646,940	129,748	131,821	3,618,136	1,103,235	50,717	73,077
% of Approved Investments to Total	92%	89%	95%	92%	89%	91%	98%	100%	91%	100%
% of Other Investments to Total	8%	11%	5%	8%	11%	9%	2%	0%	9%	0%

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet

Schedule: F-2

Investments

(Amounts in thousands of Indian Rupees)

Particulars	Gr. Bond 2		Gr. Short Term Debt 2		Gr. Stable 2		Gr. Secure 2		Gr. Growth 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	-	-	-	-	169	173	-	-	2,486	20,841
Corporate Bonds	-	-	201,910	33,017	-	-	-	-	-	11,919
Infrastructure Bonds	-	-	6,296	52,944	-	-	-	-	-	15,932
Equity	-	-	-	-	82	92	-	-	2,626	51,752
Money Market	-	-	200,756	267,926	-	-	-	-	703	5,895
Mutual Funds	-	-	-	-	-	-	-	-	-	3,435
Total	-	-	408,962	353,887	251	265	-	-	5,815	109,774
Other Investments										
Corporate Bonds	-	-	2,094	2,109	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	5	3	-	-	118	4,380
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	7,765	19,401	-	-	-	-	-	-
Total	-	-	9,859	21,510	5	3	-	-	142	4,380
GRAND TOTAL	-	-	418,821	375,397	256	268	-	-	5,957	114,154
% of Approved Investments to Total	0%	0%	98%	94%	98%	99%	0%	0%	98%	96%
% of Other Investments to Total	0%	0%	2%	6%	2%	1%	0%	0%	2%	4%

Particulars	Discontinued Policy Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year
Approved Investments				
Government Bonds	-	-	27,713,016	22,384,165
Corporate Bonds	-	-	24,306,015	20,735,401
Infrastructure Bonds	-	-	19,086,027	18,965,126
Equity	-	-	89,969,521	87,550,878
Money Market	-	414,145	14,952,167	17,396,513
Mutual Funds	-	-	-	1,590,569
Total	2,046,608	414,145	176,026,746	168,622,652
Other Investments				
Corporate Bonds	-	-	2,156,197	2,496,452
Infrastructure Bonds	-	-	-	-
Equity	-	-	4,213,776	6,435,482
Money Market	-	-	-	-
Mutual Funds	4,880	30,179	5,883,530	828,878
Total	4,880	30,179	12,253,503	9,760,812
GRAND TOTAL	2,051,488	444,324	188,280,250	178,383,464
% of Approved Investments to Total	100%	93%	93%	95%
% of Other Investments to Total	0%	7%	7%	5%

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-3
Current Assets
(Amounts in thousands of Indian Rupees)

Particulars	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	38,022	33,842	87,017	81,694	115,385	108,956	65,755	66,847	6,329	6,290
Cash & Bank Balance	7,102	128	178,246	22,086	36,369	13,624	10,370	(6,252)	1,943	(2,333)
Dividend Receivable	-	-	-	-	220	59	148	79	34	-
Receivable for Sale of Investments	-	-	-	4,317	-	1,031	-	1,377	-	606
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	6	-	-	3,630	-	3,662	-	-
Total	45,124	33,970	265,269	108,097	151,974	127,300	76,273	65,713	8,305	4,563

Particulars	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	1,595,355	1,459,078	45,524	47,357	27,015	10,688	-	2,462	1,327	2,418
Cash & Bank Balance	401,847	(126,819)	85,112	4,988	26,333	(49,189)	112,762	(46,177)	15,236	(9,459)
Dividend Receivable	9,908	185	873	243	4,876	1,642	12,528	237	1,613	2,144
Receivable for Sale of Investments	-	173,676	-	5,757	-	105,955	-	118,644	45,835	29,995
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	6,636	55,429	-	2,662	2,961	20,183	-	67,775	-	8,366
Total	2,013,745	1,561,549	131,509	61,007	61,185	89,279	125,290	142,941	64,011	33,464

Particulars	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	-	-	49,984	40,709	44,347	62,212	45,650	43,141	20,339	13,094
Cash & Bank Balance	40,326	31,225	185	(19,209)	167	(77,674)	2,688	63,863	5,428	23,601
Dividend Receivable	1,251	-	2,186	646	4,172	1,289	5,082	1,465	4,106	1,010
Receivable for Sale of Investments	-	-	59,389	33,213	113,090	62,617	211,279	66,357	176,176	48,701
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	8,035	-	11,814	-	20,146	-	17,234
Total	41,577	31,225	111,744	63,394	161,776	60,258	264,699	194,972	206,049	103,640

Particulars	Ind. Platinum Advantage		Ind. Platinum Premier		Ind. Foresight FP		Ind. Foresight SP		Titanium 1	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	9,656	7,203	32,899	20,705	88,864	-	887	-	7,465	5,919
Cash & Bank Balance	198,190	200,146	79,695	30,951	666,526	652,857	3,126	40,020	2,357	1,610
Dividend Receivable	4,531	672	5,951	1,171	3,796	561	466	108	272	-
Receivable for Sale of Investments	-	-	149,795	19,213	-	308	-	12	13,794	3,218
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	38,290	-	20,146	-	64,828	-	8,809	-	499
Total	212,377	246,311	268,340	92,186	759,186	718,554	4,479	48,949	23,887	11,246

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-3
Current Assets
(Amounts in thousands of Indian Rupees)

Particulars	Titanium 2		Titanium 3		Pure Equity		Value Momentum		Liquid Plus	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	3,542	2,495	1,264	978	-	-	-	-	172	-
Cash & Bank Balance	2,280	835	812	(179)	2,792	357	4,070	247	14,028	218
Dividend Receivable	113	21	25	5	24	-	52	-	-	-
Receivable for Sale of Investments	5,202	-	1,272	-	-	-	554	-	-	-
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-
Total	11,136	3,351	3,373	804	2,816	357	4,676	247	14,200	218

Particulars	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gift	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	10,301	9,158	31,558	29,002	3,312	3,217	80,094	19,479	1,163	1,756
Cash & Bank Balance	1,032	(421)	80,318	(3,110)	502	(39)	46,017	1,845	110	6
Dividend Receivable	36	11	319	84	7	2	-	-	-	-
Receivable for Sale of Investments	-	182	-	1,472	-	34	-	-	-	-
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	500	-	3,885	-	150	-	-	-	-
Total	11,369	9,430	112,195	31,333	3,821	3,364	126,111	21,324	1,273	1,762

Particulars	Gr. Bond		Gr. Money Market		Gr. Short Term Debt		Gr. Growth Advantage		Gr. Income Advantage	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	52,495	45,739	4,892	3,075	4,963	13,182	2,099	1,883	777	207
Cash & Bank Balance	79,118	(246)	91,721	357,550	1,728	24,618	4,217	(3,756)	57,256	15
Dividend Receivable	-	-	-	-	-	-	61	21	-	-
Receivable for Sale of Investments	-	-	-	-	-	-	-	216	-	-
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	173	-	-
Total	131,613	45,493	96,613	360,625	6,691	37,800	6,377	(1,463)	58,033	222

Particulars	Gr. Secure		Gr. Stable		Gr. Growth		Gr. Fixed Interest 2		Gr. Money Market 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	185,064	149,187	46,056	54,458	31,297	26,778	74	848	-	-
Cash & Bank Balance	358,529	17,096	11,511	501	4,834	2,789	43	(6)	58	85
Dividend Receivable	885	212	509	199	680	157	-	-	-	-
Receivable for Sale of Investments	-	5,266	-	5,894	-	3,793	-	-	-	-
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	2,783	-	2,164	-	1,750	-	-	-	-
Total	544,478	174,544	58,076	63,216	36,811	35,267	117	842	58	85

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet

Schedule: F-3

Current Assets

(Amounts in thousands of Indian Rupees)

Particulars	Gr. Bond 2		Gr. Short Term Debt 2		Gr. Stable 2		Gr. Secure 2		Gr. Growth 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	-	-	9,962	3,498	1	1	-	-	72	1,825
Cash & Bank Balance	-	-	37	407	21	12	-	-	38	(83)
Dividend Receivable	-	-	-	-	-	5	-	-	2	22
Receivable for Sale of Investments	-	-	-	-	-	-	-	-	-	613
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	238
Total	-	-	9,999	3,905	22	18	-	-	112	2,615

Particulars	Discontinued Policy Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	4,260	-	2,755,236	2,379,381
Cash & Bank Balance	18,561	(6,384)	2,653,642	1,140,344
Dividend Receivable	-	-	64,726	12,250
Receivable for Sale of Investments	-	-	776,386	692,467
Unit Collection A/c#	-	-	-	-
Other Current Assets (for Investments)	-	-	9,603	363,151
Total	22,821	(6,384)	6,259,593	4,587,593

represents interfund receivables or payables.

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-4
Current Liabilities
(Amounts in thousands of Indian Rupees)

Particulars	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	-	-	-	-	14,018	-	15,959	-	1,185
Other Current Liabilities	5,940	-	34,155	-	13,313	-	12,414	-	640	-
Unit Payable a/c [#]	-	-	-	-	-	-	-	-	-	-
Total	5,940	-	34,155	-	13,313	14,018	12,414	15,959	640	1,185

Particulars	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	97,622	178,473	-	7,143	15,461	67,300	4,843	318,252	17,249	37,562
Other Current Liabilities	299,485	-	10,317	-	51,698	-	114,585	-	15,410	-
Unit Payable a/c [#]	-	-	-	-	-	-	-	-	-	-
Total	397,107	178,473	10,317	7,143	67,159	67,300	119,428	318,252	32,659	37,562

Particulars	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	-	-	22,138	-	44,956	-	69,737	-	58,158
Other Current Liabilities	10,436	-	24,967	-	45,638	-	27,960	-	21,456	-
Unit Payable a/c [#]	-	-	-	-	-	-	-	-	-	-
Total	10,436	-	24,967	22,138	45,638	44,956	27,960	69,737	21,456	58,158

Particulars	Ind. Platinum Advantage		Ind. Platinum Premier		Ind. Foresight FP		Ind. Foresight SP		Titanium 1	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	113,278	154,559	304,823	-	270,986	-	32,416	-	3,039
Other Current Liabilities	8,320	-	68,368	-	2,237	-	-	-	6,269	-
Unit Payable a/c [#]	-	-	-	-	-	-	-	-	-	-
Total	8,320	113,278	222,927	304,823	2,237	270,986	-	32,416	6,269	3,039

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-4
Current Liabilities
(Amounts in thousands of Indian Rupees)

Particulars	Titanium 2		Titanium 3		Pure Equity		Value Momentum		Liquid Plus	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	7,797	-	681	1,134	58	650	86	-	-
Other Current Liabilities	5,247	-	648	-	63	-	144	-	286	-
Unit Payable a/c#	-	-	-	-	-	-	-	-	-	-
Total	5,247	7,797	648	681	1,197	58	794	86	286	-

Particulars	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gilt	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	2,167	-	16,981	-	553	-	-	-	-
Other Current Liabilities	565	-	3,010	-	124	-	837	-	-	-
Unit Payable a/c#	-	-	-	-	-	-	-	-	-	-
Total	565	2,167	3,010	16,981	124	553	837	-	-	-

Particulars	Gr. Bond		Gr. Money Market		Gr. Short Term Debt		Gr. Growth Advantage		Gr. Income Advantage	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	-	-	-	-	-	-	476	-	-
Other Current Liabilities	503	-	55,953	-	9,189	-	-	-	-	-
Unit Payable a/c#	-	-	-	-	-	-	-	-	-	-
Total	503	-	55,953	-	9,189	-	-	476	-	-

Particulars	Gr. Secure		Gr. Stable		Gr. Growth		Gr. Fixed Interest 2		Gr. Money Market 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	7,498	-	5,798	-	4,699	-	-	-	-
Other Current Liabilities	616	-	906	-	-	-	-	-	-	-
Unit Payable a/c#	-	-	-	-	-	-	-	-	-	-
Total	616	7,498	906	5,798	-	4,699	-	-	-	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Balance Sheet
Schedule: F-4
Current Liabilities
(Amounts in thousands of Indian Rupees)

Particulars	Gr. Bond 2		Gr. Short Term Debt 2		Gr. Stable 2		Gr. Secure 2		Gr. Growth 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	-	-	-	-	-	-	-	-	638
Other Current Liabilities	-	-	2,001	-	-	-	-	-	-	-
Unit Payable a/c#	-	-	-	-	-	-	-	-	-	-
Total	-	-	2,001	-	-	-	-	-	-	638

Particulars	Discontinued Policy Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year
Payable for Purchase of Investments	-	-	291,518	1,606,855
Other Current Liabilities	23,898	-	877,599	-
Unit Payable a/c#	-	-	-	-
Total	23,898	-	1,169,117	1,606,855

Represents inter fund receivables or payables, if any.

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

**Schedules to Fund Revenue Account
Schedule: F-5
Other Expenses***
(Amounts in thousands of Indian Rupees)

Particulars	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	11,505	26,861	41,601	106,722	47,516	74,219	28,135	37,529	8,008	9,871
Surrender charge	1,114	1,715	2,332	73	459	(4,782)	203	202	10	106
Switching charge	62	82	42	28	44	73	8	9	-	-
Mortality charge	14,159	14,249	40,841	30,048	57,609	63,858	22,960	24,436	2,622	2,819
Late Payment charge	16	-	65	-	7	-	4	-	-	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	48	-	518	-	87	-	23	-	1	-
Service Tax charge	3,301	3,935	10,499	12,879	13,054	13,416	6,340	5,974	1,315	1,199
Miscellaneous charge	-	289	-	937	-	380	-	100	-	8
Total	30,205	47,131	95,898	150,687	118,776	147,164	57,673	68,250	11,956	14,003

Particulars	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	2,030,095	2,989,629	23,222	33,908	71,872	135,913	378,674	805,504	112,435	247,169
Surrender charge	15,415	9,554	1,827	1,064	14,100	21,211	15,519	6,417	1,074	276
Switching charge	31	60	19	11	35	38	66	127	13	20
Mortality charge	1,489,512	1,614,309	31,927	29,429	104,107	113,426	321,309	356,109	58,798	69,570
Late Payment charge	1,448	-	86	-	159	-	670	-	163	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	8,595	-	53	-	140	-	2,488	-	348	-
Service Tax charge	437,540	441,521	7,022	6,157	23,249	24,185	88,429	110,667	21,324	29,863
Miscellaneous charge	1	25,575	-	136	-	561	-	7,092	-	1,529
Total	3,982,637	5,080,648	64,156	70,705	213,662	295,334	807,155	1,285,916	194,155	348,427

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Revenue Account
Schedule: F- 5
Other Expenses*
(Amounts in thousands of Indian Rupees)

Particulars	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	40,023	44,185	5,930	18,905	7,896	88,074	47,297	110,601	59,059	86,881
Surrender charge	2,386	70	-	-	-	-	15	118	122	97
Switching charge	24	24	-	-	-	-	-	-	-	-
Mortality charge	22,249	17,937	39,654	42,520	36,271	41,026	28,526	34,165	24,359	30,800
Late Payment charge	523	-	-	-	-	-	-	-	-	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	388	-	-	-	-	-	288	-	365	-
Service Tax charge	8,044	5,920	5,634	6,120	5,459	12,268	9,389	13,709	10,355	11,178
Miscellaneous charge	-	693	-	1	-	2	1	1,024	-	846
Total	73,637	68,829	51,218	67,546	49,626	141,370	85,516	159,617	94,260	129,802

Particulars	Ind. Platinum Advantage		Ind. Platinum Premier		Ind. Foresight FP		Ind. Foresight SP		Titanium 1	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	27,723	21,031	177,320	198,617	-	-	-	-	10,536	13,072
Surrender charge	-	-	4,374	1,130	-	-	-	-	2,846	46
Switching charge	-	-	-	-	-	-	-	-	-	-
Mortality charge	100,339	76,656	33,983	46,238	-	-	-	-	2,331	2,966
Late Payment charge	3,232	-	-	-	213	-	-	-	-	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	544	-	1,442	-	78	-	-	-	69	-
Service Tax charge	16,199	9,860	26,758	23,059	26	-	-	-	1,907	1,508
Miscellaneous charge	-	1,690	-	1,544	-	1	-	-	-	114
Total	148,037	109,237	243,877	270,588	317	1	-	-	17,689	17,706

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Revenue Account

Schedule: F- 5

Other Expenses*

(Amounts in thousands of Indian Rupees)

Particulars	Titanium 2		Titanium 3		Pure Equity		Value Momentum		Liquid Plus	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	4,535	5,198	1,565	1,707	125	-	227	-	108	-
Surrender charge	724	-	148	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-
Mortality charge	955	1,308	359	462	616	-	1,230	-	5,297	-
Late Payment charge	-	-	-	-	8	-	12	-	2	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	32	-	17	-	1	-	1	-	-	-
Service Tax charge	770	614	258	205	93	-	182	-	668	-
Miscellaneous charge	-	36	-	16	-	-	-	-	-	-
Total	7,016	7,156	2,347	2,390	843	-	1,652	-	6,075	-

Particulars	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gift	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	4,443	4,304	21,910	21,549	1,933	1,894	116	512	-	-
Surrender charge	-	-	-	(4)	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-
Mortality charge	197	216	1,445	1,565	113	124	-	-	-	-
Late Payment charge	-	-	-	-	-	-	-	-	-	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	-	-	4	-	-	-	-	-	-	-
Service Tax charge	573	419	2,887	2,146	253	187	12	3	-	-
Miscellaneous charge	-	2	-	6	-	1	-	-	-	-
Total	5,213	4,941	26,246	25,262	2,299	2,206	128	515	-	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Revenue Account

Schedule: F-5

Other Expenses*

(Amounts in thousands of Indian Rupees)

Particulars	Gr. Bond		Gr. Money Market		Gr. Short Term Debt		Gr. Growth Advantage		Gr. Income Advantage	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	24	603	14	679	15	561	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-
Late Payment charge	-	-	-	-	-	-	-	-	-	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	-	-	-	-	-	-	-	-	-	-
Service Tax charge	1	4	1	4	2	4	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-
Total	25	607	15	683	17	565	-	-	-	-

Particulars	Gr. Secure		Gr. Stable		Gr. Growth		Gr. Fixed Interest 2		Gr. Money Market 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	410	3,263	1,784	2,302	117	1,192	141	21	60	11
Surrender charge	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-
Late Payment charge	-	-	-	-	-	-	-	-	-	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	-	-	-	-	-	-	-	-	-	-
Service Tax charge	36	21	165	16	11	8	-	-	1	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-
Total	446	3,284	1,949	2,318	128	1,200	141	21	61	11

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Fund Revenue Account

Schedule: F-5

Other Expenses*

(Amounts in thousands of Indian Rupees)

Particulars	Gr. Bond 2		Gr. Short Term Debt 2		Gr. Stable 2		Gr. Secure 2		Gr. Growth 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	-	-	2,070	96	2	-	-	-	320	106
Surrender charge	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-
Late Payment charge	-	-	-	-	-	-	-	-	-	-
Discontinuance charge	-	-	-	-	-	-	-	-	-	-
Reinstatement charge	-	-	-	-	-	-	-	-	-	-
Service Tax charge	-	-	139	1	-	-	-	-	-	1
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-
Total	-	-	2,209	97	2	-	-	-	320	107

Particulars	Discontinued Policy Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge	1,626	-	3,170,392	5,092,689
Surrender charge	-	-	62,668	37,293
Switching charge	-	-	344	472
Mortality charge	2,381	-	2,444,149	2,614,236
Late Payment charge	3	-	6,611	-
Discontinuance charge	68,815	-	68,815	-
Reinstatement charge	3	-	15,533	-
Service Tax charge	6,689	-	708,565	737,051
Miscellaneous charge	-	-	2	42,583
Total	79,517	-	6,477,099	8,524,324

*Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Annexure to Revenue Account—Break up of Unit Linked Business (UL)
Revenue Account for financial year ended 31st March 2013
Policyholders' Account (Technical Account)
(Amounts in thousands of Indian Rupees)

Particulars	Schedule		Individual Life		Pension Individual			Group Life			Group Pension			Health Individual			Total Unit Linked (15)=(3)+(6)+ (9)+(12)+(14)
	Non-Unit (1)	Unit (2)	Non-Unit (3)=(1)+(2)	Unit (4)	Non-Unit (5)	Unit (6)=(4)+(5)	Total (7)	Non-Unit (8)	Unit (9)=(7) +(8)	Non-Unit (10)	Unit (11)	Total (12)=(10)+(11)	Non-Unit (13)	Unit (14)=(12) +(13)	Total (15)=(12) +(13)		
Premiums earned - net																	
(a) Premium	4,845,796 (769,704)	26,213,558	31,059,354 (769,704)	673,439 (337)	1,587,485	2,260,924 (337)	3,022,158	3,022,158	32,691	350,488	383,179	1,808 (5,529)	160,106	161,914 (5,529)	36,887,529 (775,570)		
Income from Investments																	
(a) Interest, Dividend & Rent - Gross	398,312	7,160,249	7,558,561	48,071	516,325	564,396	1,117,386	1,115,384	1,227	368,742	369,969	5,595	5,455	11,050	9,621,361		
(b) Profit on sale/redemption of investments	9,290	9,622,258	9,631,548	1,121	759,776	760,898	476,015	475,968	29	157,353	157,382	131	13,765	13,895	11,039,738		
(c) Loss on sale/redemption of investments	(2,009)	(4,126,324)	(4,128,333)	(243)	(348,195)	(348,437)	(142,600)	(142,590)	(2)	(47,142)	(47,146)	(28)	(6,053)	(6,082)	(4,672,598)		
(d) Unrealised gain/(loss)	-	3,009,452	3,009,452	-	159,970	159,970	155,129	155,129	-	61,333	61,333	-	(615)	(615)	3,385,269		
(e) Gain Loss on Amortisation	(7,950)	-	(7,950)	(959)	-	(959)	(40)	(40)	(24)	-	(24)	(112)	-	(112)	(9,086)		
Other income:																	
(a) Linked Income	7,994,251	(7,994,251)	-	238,205	(238,205)	-	192,296	(192,296)	3,549	(3,549)	-	48,495	(48,495)	-	-		
(b) Contribution from the Shareholders' a/c	-	-	-	-	-	-	(79,768)	79,768	-	-	-	37,274	37,274	37,274	37,274		
(c) Other Income	230,683	-	230,683	14,516	-	14,516	19,404	19,404	2,460	-	2,460	1,040	-	1,040	268,102		
Total (A)	12,698,668	33,884,942	46,583,610	973,813	2,437,157	3,410,971	133,929	4,513,522	39,929	887,226	927,152	88,673	124,163	212,835	55,782,019		
Commission	1,271,106	-	1,271,106	42,589	-	42,589	(0)	(0)	874	-	874	17,971	-	17,971	1,332,539		
Operating Expenses related to Insurance Business	4,916,681	-	4,916,681	277,006	-	277,006	75,211	75,211	(2,949)	-	(2,949)	32,857	-	32,857	5,298,805		
Provision for Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total (B)	6,187,786	-	6,187,786	319,595	319,595	319,595	75,211	75,211	(2,075)	-	(2,075)	50,828	-	50,828	6,631,345		
Benefits Paid (Net)	939,625	29,575,881	30,515,506	6,109	2,619,972	2,626,081	103	1,996,645	337,694	337,694	337,694	201	15,447	15,648	35,491,677		
Interim Bonus Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Change in valuation of liability in respect of life policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Non-Linked Reserves	4,398,927	(4,398,927)	-	354,565	(354,565)	-	-	-	-	-	-	(48,336)	48,336	-	-		
Change in Valuation Liability	(2,150,340)	8,707,987	6,557,647	(261,798)	171,750	(90,048)	3,671	2,516,877	1,744	549,531	551,276	53,128	60,379	113,507	9,652,930		
Total (C)	3,188,212	33,884,942	37,073,153	98,876	2,437,157	2,536,033	3,774	4,513,522	1,744	887,226	888,970	4,993	124,163	129,155	45,144,607		
SURPLUS/(DEFICIT) (D)=(A)-(B)-(C)	3,322,670	-	3,322,670	555,343	-	555,343	54,945	54,945	40,259	-	40,259	32,852	-	32,852	4,006,067		
APPROPRIATIONS																	
Insurance reserve at the beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to Shareholders' a/c	5,136,003	-	5,136,003	638,054	-	638,054	54,945	54,945	40,259	-	40,259	32,852	-	32,852	5,869,261		
Funds available for future appropriations	(1,813,333)	-	(1,813,333)	(82,711)	-	(82,711)	-	-	-	-	-	-	-	-	(1,863,192)		
Total (D)	3,322,670	-	3,322,670	555,343	-	555,343	54,945	54,945	40,259	-	40,259	32,852	-	32,852	4,006,069		

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Annexure to Revenue Account (UL) forming part of Financial Statements

Schedule-UL1

Linked Income (Recovered from linked funds)* for the Year ended 31st March 2013

(Amounts in thousands of Indian Rupees)

Particulars	Individual Life		Pension Individual		Group Life		Group Pension		Health Individual		Total
	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	
Fund Administration charges		NA		NA		NA		NA		NA	NA
Fund Management charge		2,221,153		26,121		190,770		-		-	2,438,045
Policy Administration charge		3,166,758		208,877		1,526		3,549		3,150	3,383,860
Surrender charge		59,560		3,109		-		-		-	62,669
Switching charge		343		-		-		-		-	343
Mortality charge /Rider Premium Charge		2,456,688		(901)		-		-		45,129	2,500,917
Miscellaneous charge		20,933		998		-		-		215	22,147
Discontinuance charges		68,815		-		-		-		-	68,815
TOTAL (UL-1)		7,994,251		238,205		192,296		3,549		48,495	8,476,796

* (net of service tax, if any)

Schedule-UL2

Benefits Paid [Net] for the financial year ended 31st March 2013

(Amounts in thousands of Indian Rupees)

Sr. No.	Particulars	Individual Life		Pension Individual		Group Life		Group Pension		Health Individual		Total Unit Linked					
		Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit						
1	Insurance Claims	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)	(11)	(12)=(10)+(11)	(13)	(14)	(15)=(13)+(14)	(16)=(3)+(6)+(9)+(12)+(15)
	(a) Claims by Death	1,438,387	87,585	1,525,972	6,109	45,108	51,217	-	-	-	-	2,284	2,284	280	195	475	1,579,948
	(b) Claims by Maturity	-	245,443	245,443	-	5,781	5,781	103	-	103	-	-	-	-	-	-	251,224
	(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103
	(d) Other benefits	17,056	29,242,853	29,259,909	-	2,569,083	2,569,083	-	1,996,645	1,996,645	-	335,410	335,410	-	15,252	15,252	34,176,299
	- Surrender	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)	1,455,443	29,575,881	31,031,324	6,109	2,619,972	2,626,081	103	1,996,645	1,996,748	337,694	337,694	337,694	280	15,447	15,727	36,007,574
2	Amount Ceded in reinsurance																
	(a) Claims by Death	515,153	-	515,153	-	-	-	-	-	-	-	-	-	-	-	-	515,153
	(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(d) Other benefits	665	-	665	-	-	-	-	-	-	-	-	-	79	79	744	744
	- Surrender	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	515,818	-	515,818	-	-	-	-	-	-	-	-	-	79	79	744	515,897
	TOTAL (A) - (B)	939,625	29,575,881	30,515,506	6,109	2,619,972	2,626,081	103	1,996,645	1,996,748	337,694	337,694	337,694	201	15,447	15,648	35,491,677
	Benefits paid to claimants:																
	In India	939,625	29,575,881	30,515,506	6,109	2,619,972	2,626,081	103	1,996,645	1,996,748	337,694	337,694	337,694	201	15,447	15,648	35,491,677
	Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL (UL2)	939,625	29,575,881	30,515,506	6,109	2,619,972	2,626,081	103	1,996,645	1,996,748	337,694	337,694	337,694	201	15,447	15,648	35,491,677

Note: Previous Year figures should also be given in the same format

Annexures to Schedule 16

for the year ended 31st March, 2013

Annexure 3

Schedules to Annexure to Revenue Account (UL) forming part of Financial Statements

Schedule-UL1

Linked Income (Recovered from linked funds)* for the Year ended 31st March 2012

(Amounts in thousands of Indian Rupees)

Particulars	Individual Life		Pension Individual		Group Life		Group Pension		Health Individual		Total
	Non Unit	Unit	Non Unit	Unit	Non Unit	Unit	Non Unit	Unit	Non Unit	Unit	
Fund Administration charges		NA		NA		NA		NA		NA	NA
Fund Management charge		1,889,544		123,284		118,958		41,770		1,164	2,174,720
Policy Administration charge		4,705,108		376,671		6,917		2,429		1,564	5,092,689
Surrender charge		36,850		443		-		-		-	37,293
Switching charge		471		1		-		-		-	472
Mortality charge/Rider Premium Charge		2,591,596		481		-		-		22,159	2,614,236
Miscellaneous charge		40,387		2,007		-		-		189	42,583
TOTAL (UL-1)		9,263,956		502,887		125,875		44,199		25,076	9,961,993

* (net of service tax, if any)

Schedule-UL2
Benefits Paid [Net] for the financial year ended 31st March 2012

(Amounts in thousands of Indian Rupees)

Sr No.	Particulars	Individual Life		Pension Individual		Group Life		Group Pension		Health Individual		Total Unit Linked Health
		Non Unit	Unit	Non Unit	Unit	Non Unit	Unit	Non Unit	Unit	Non Unit	Unit	
1	Insurance Claims											
	(a) Claims by Death	1,446,424	206,947	7,473	56,377	6	6	2,400	2,400	341	257	598
	(b) Claims by Maturity	-	114,808	-	2,360	-	-	-	-	-	-	-
	(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-
	(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-
	- Surrender	30,913	18,369,804	100	1,139,304	-	4,940,527	539,976	539,976	100	21,026	21,126
	- Survival	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)	1,477,337	18,691,559	7,573	1,198,041	6	4,940,527	542,376	542,376	441	21,283	21,724
2	Amount Ceded in reinsurance											
	(a) Claims by Death	525,318	-	288	-	-	-	-	-	-	-	-
	(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-	-
	(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-
	(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-
	- Surrender	-	-	-	-	-	-	-	-	-	-	-
	- Survival	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	525,318	-	288	-	-	-	-	-	-	-	525,606
	TOTAL (A) - (B)	952,019	18,691,559	7,285	1,198,041	6	4,940,527	542,376	542,376	441	19,563	20,004
	Benefits paid to claimants:											
	In India	952,019	18,691,559	7,285	1,198,041	6	4,940,527	542,376	542,376	441	19,563	20,004
	Outside India	-	-	-	-	-	-	-	-	-	-	-
	TOTAL (UL2)	952,019	18,691,559	7,285	1,198,041	6	4,940,527	542,376	542,376	441	19,563	20,004

Note: Previous Year figures should also be given in the same format

Annexures to Schedule 16

for the year ended 31st March, 2013

Disclosure for ULIP Business

1. **Performance of the Fund (Absolute Growth %) (Appendix 1)**
2. **Investment Management**
 - Activities Outsourced: Nil
 - Fees Paid for various activities charged to Policyholders account for the Period ended 31st March 2013: Nil (Previous Year: Nil)
3. **Related Party Transactions (Appendix 1A)**
4. Company wise details of Investments held in Promoters Group along with its Percentage to funds under management. This information is to be given fund wise and total fund under ULIP. **(Appendix 2)**
5. Industry wise disclosures of Investments (amount in thousands) **(Appendix 3)**
6. Unclaimed redemption of units ₹ 642 thousands (Previous year ₹ 427 thousand)
7. NAV: Highest, Lowest & Closing at the end of the Year **(Appendix 4)**
8. Expenses charged to Fund (%) **(Appendix 5)**
9. Ratio of Gross Income (including unrealized gains) to Average Daily Net Assets **(Appendix 6)**
10. As at 31st March 2013, there are no doubtful debts on assets of the respective funds.
11. Fund Wise disclosure of appreciation and/or depreciation in value of Investments **(Appendix 7)**

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 1 to Annexure 3A

Performance of ULIP funds (Absolute Growth - %)

Returns as on 31st March 2013

INDIVIDUAL LIFE

Fund Name	Year of Inception	FY 2012-13	FY 2011-12	FY 2010-11	Since Inception
Ind. Assure Fund	12-Sep-05	10.19%	9.11%	5.81%	96.74%
Ind. Income Adv Fund	22-Aug-08	11.15%	8.01%	7.16%	67.49%
Ind. Protector	22-Mar-01	10.13%	5.27%	5.70%	163.01%
Ind. Builder	22-Mar-01	10.70%	3.66%	6.26%	223.12%
Ind. Balancer	18-Jul-05	10.25%	3.57%	6.49%	106.29%
Ind. Enhancer	22-Mar-01	9.74%	1.50%	6.73%	280.53%
Ind. Creator	23-Feb-04	8.83%	-1.49%	7.17%	188.38%
Ind. Magnifier	12-Aug-04	8.07%	-9.04%	8.21%	181.25%
Ind. Maximiser	12-Jun-07	6.58%	-13.06%	7.03%	39.95%
Ind. Multiplier	30-Oct-07	3.67%	-4.06%	2.14%	17.64%
Super 20	6-Jul-09	8.87%	-7.08%	13.48%	41.38%
Ind. Platinum Plus 1	17-Mar-08	7.88%	-9.86%	12.24%	68.48%
Ind. Platinum Plus 2	8-Sep-08	7.34%	-9.73%	13.66%	86.02%
Ind. Platinum Plus 3	15-May-09	8.11%	-9.22%	12.29%	30.01%
Ind. Platinum Plus 4	15-Sep-09	7.72%	-9.85%	14.55%	15.74%
Ind. Platinum Premier	15-Feb-10	8.10%	-9.16%	12.12%	14.48%
Ind. Platinum Advantage	20-Sep-10	8.13%	-6.83%	-3.20%	-2.48%
Ind. Foresight FP	25-Feb-11	8.40%	-7.48%	4.80%	5.10%
Ind. Foresight SP	25-Feb-11	8.58%	-6.86%	4.70%	5.88%
Titanium 1	16-Dec-09	8.16%	-7.21%	12.08%	15.21%
Titanium 2	16-Mar-10	7.89%	-5.92%	10.99%	12.98%
Titanium 3	16-Jun-10	7.57%	-3.71%	1.01%	4.63%
Ind. Liquid Plus	9-Mar-12	7.82%	0.07%	NA	7.89%
Ind. Pure Equity	9-Mar-12	10.35%	0.43%	NA	10.83%
Ind. Value Momentum	9-Mar-12	5.00%	0.43%	NA	5.45%
IPP - Nourish	12-Mar-03	9.94%	5.15%	5.28%	119.23%
IPP - Growth	18-Mar-03	9.79%	3.72%	5.87%	164.64%
IPP - Enrich	12-Mar-03	9.43%	1.21%	6.58%	205.16%

GROUP LIFE

Fund Name	Year Of Inception	FY 2012-13	FY 2011-12	FY 2010-11	Since Inception
Gr. Fixed Interest Plan I	18-Nov-02	12.50%	9.19%	7.88%	138.43%
Gr. Gilt Plan I	28-Apr-04	11.48%	4.66%	4.39%	79.29%
Gr. Bond Plan I	28-Apr-04	12.21%	9.32%	7.19%	96.88%
Gr. Money Market Plan I	31-Mar-05	9.75%	9.37%	7.71%	108.66%
Gr. Short Term Debt Plan I	10-Dec-08	10.92%	9.30%	7.06%	45.21%
Gr. Capital Protection Plan I**	31-Mar-06	NA	NA	NA	NA
Gr. Floating Rate Plan I***	28-Apr-04	NA	NA	NA	NA
Gr. Secure Plan I	19-Jun-01	10.04%	3.65%	6.17%	237.28%
Gr. Stable Plan I	31-Aug-01	9.62%	1.47%	6.73%	343.70%
Gr. Growth Plan I	31-Aug-01	9.16%	-1.23%	7.68%	413.62%
Gr. Growth Advantage	18-Feb-08	9.26%	-1.29%	8.85%	78.79%
Gr. Income Advantage	23-Mar-10	11.37%	12.59%	6.79%	33.91%
Gr. Growth Maximiser****	23-Mar-10	NA	NA	NA	NA
Gr. Bond 2 ^	28-Nov-11	NA	3.07%	NA	NA
Gr. Fixed Interest 2	28-Nov-11	NA	4.02%	NA	NA
Gr. Growth 2	28-Nov-11	NA	7.46%	NA	NA
Gr. Money Market 2	28-Nov-11	NA	3.23%	NA	NA
Gr. Secure 2 ^^	28-Nov-11	NA	4.84%	NA	NA
Gr. Short Term Debt 2	28-Nov-11	NA	3.13%	NA	NA
Gr. Stable 2	28-Nov-11	NA	7.25%	NA	NA

** The Group Capital Protection Fund became a dormant fund on 12th August 2008 on account of no units.

*** The Group Floating Fund became a dormant fund on 12th October 2009 on account of no units.

**** These funds do not have any units since their inception.

^ The Group Bond 2 Fund became a dormant fund on 31st March 2012 on account of no units. Returns for FY 11-12 are as on 30th March 2012.

^^ The Group Secure 2 Fund became a dormant fund on 22nd February 2012 on account of no units. Returns for FY 11-12 are as on 21st February 2012.

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 1A to Annexure 3A

Related Party Transactions

(Amounts in thousands of Indian Rupees)

Related Party : Aditya Birla Money Limited
Service : Brokerage for purchase/sale of securities
Basis of Payment : As per agreed % of trade value

Fund Name	Current Year	Previous Year
Gr. Growth	25	230
Gr. Growth 2	10	9
Gr. Growth Advantage	24	27
Gr. Secure	142	159
Gr. Secure 2	0	3
Gr. Stable	251	200
Gr. Stable 2	11	3
Ind. Balancer	72	34
Ind. Builder	189	163
Ind. Creator	349	201
Ind. Enhancer	130	1,014
Ind. Foresight FP	30	125
Ind. Foresight SP	290	23
Ind. Magnifier	1,741	1,237
Ind. Maximiser	878	2,453
Ind. Multiplier	3,064	440
Ind. Platinum Advantage	352	324
Ind. Platinum Plus 1	213	464
Ind. Platinum Plus 2	2	227
Ind. Platinum Plus 3	133	177
Ind. Platinum Plus 4	425	121
Ind. Platinum Premier	69	381
Ind. Protector	1,035	117
IPP - Enrich	33	172
IPP - Growth	56	26
IPP - Nourish	6	4
Super 20	453	130
Titanium 1	244	149
Titanium 2	178	70
Titanium 3	75	17
Pure Equity	17	-
Value Momentum	38	-
Total	10,535	8,700

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 1A to Annexure 3A

Related Party Transactions

(Amounts in thousands of Indian Rupees)

Related Party : Aditya Birla Finance Ltd.

Service : Purchase/sale of securities

Particulars	Purchase of Investments		Sale of Investments		Interest Received	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Ind. Enhancer	–	–	37,000.00	–	–	–
Ind. Magnifier	–	–	55,500.00	–	–	–
Gr. Money Market	–	90,931.70	–	100,000.00	–	–
Liquid Plus	–	–	6,000.00	–	–	–
Gr. Money Market 2	–	–	1,500.00	–	–	–

Related Party : Aditya Birla Nuvo Ltd.

Service : Purchase/sale of securities

Particulars	Purchase of Investments		Sale of Investments		Interest Received	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Gr. Stable	48,788.45	–	45,500.00	–	–	–
Gr. Secure	–	–	23,000.00	–	–	–
Ind. Enhancer	–	–	10,000.00	600,000.00	19,744.09	93,386.99
Gr. Money Market	146,365.35	–	128,500.00	–	–	–
Gr. Short Term Debt	24,394.23	–	25,000.00	–	–	–
Gr. Short Term Debt 2	24,394.23	–	15,000.00	–	–	–
Liquid Plus	–	–	3,000.00	–	–	–

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 1A to Annexure 3A

Related Party Transactions

(Amounts in thousands of Indian Rupees)

Related Party : Birla Sunlife Mutual Fund

Service : Purchase/sale of securities

Particulars	Purchase of Investments		Sale of Investments	
	Current Year	Previous Year	Current Year	Previous Year
Discontinued Policy Fund	1,745,606.20	89,453.16	1,757,013.86	79,453.16
Gr. Bond	1,579,137.35	1,635,842.34	1,579,841.64	1,632,511.28
Gr. Bond 2	–	2,000.00	–	2,004.03
Gr. Fixed Interest	2,081,123.32	1,341,910.94	2,003,467.74	1,404,800.27
Gr. Fixed Interest 2	31,313.13	31,971.87	33,207.20	30,171.87
Gr. Gilt	73,800.69	4,060.33	73,187.34	4,072.32
Gr. Growth	3,925,160.52	4,775,338.64	3,863,600.37	4,822,302.94
Gr. Growth 2	41,739.42	40,471.41	41,796.09	38,425.35
Gr. Growth Advantage	190,963.14	464,844.62	192,181.05	465,256.38
Gr. Income Advantage	6,657.71	604,477.73	6,431.08	604,918.90
Gr. Money Market	854,996.91	780,221.50	837,210.54	884,938.38
Gr. Money Market 2	25,210.77	22,090.70	26,468.89	20,890.70
Gr. Secure	6,922,370.44	7,461,701.51	6,791,701.62	7,518,543.44
Gr. Secure 2	–	7,010.00	–	7,096.74
Gr. Short Term Debt	316,544.93	228,404.96	319,318.20	226,148.01
Gr. Short Term Debt 2	142,466.13	57,919.12	134,761.63	58,076.93
Gr. Stable	5,658,684.57	4,008,772.53	5,639,167.20	4,070,968.09
Gr. Stable 2	25.06	13,050.69	25.15	13,071.86
Ind. Assure	740,543.85	1,752,970.64	726,037.22	1,810,127.96
Ind. Balancer	494,594.30	664,077.70	500,801.54	666,723.92
Ind. Builder	2,363,719.53	3,380,833.64	2,381,993.99	3,380,835.17
Ind. Creator	10,066,515.28	3,860,831.25	10,088,940.90	3,854,961.48
Ind. Enhancer	214,174,547.74	100,131,644.38	213,440,159.29	99,984,764.18
Ind. Foresight FP	20,836,561.93	1,573,954.63	20,698,437.28	1,516,990.41
Ind. Foresight SP	859,170.16	547,523.90	868,086.30	532,684.99
Ind. Income Advantage	5,395,670.48	3,629,231.46	5,325,353.14	3,607,436.12
Ind. Magnifier	37,589,257.57	37,779,380.46	37,177,157.89	37,918,585.59
Ind. Maximiser	18,058,260.77	37,273,551.61	17,960,433.05	37,823,895.59
Ind. Multiplier	14,195,465.01	10,704,986.41	14,074,431.32	10,681,146.60
Ind. Platinum Advantage	11,875,356.55	5,090,092.30	11,804,854.25	5,104,705.40
Ind. Platinum Plus 1	5,511,082.12	15,742,766.61	5,528,998.26	15,740,825.71
Ind. Platinum Plus 2	9,362,328.00	32,381,941.52	9,424,657.03	32,427,341.09
Ind. Platinum Plus 3	10,029,606.21	32,817,188.86	9,914,967.62	32,822,204.24
Ind. Platinum Plus 4	14,538,861.27	20,987,661.15	14,534,862.56	21,034,147.94
Ind. Platinum Premier	9,737,019.33	18,040,528.80	9,502,646.57	18,034,462.71
Ind. Protector	5,083,259.06	4,377,802.21	5,086,922.26	4,383,495.89
IPP - Enrich	3,659,580.93	2,213,136.40	3,674,700.24	2,204,749.11
IPP - Growth	693,415.38	1,261,431.39	698,158.11	1,273,771.01
IPP - Nourish	166,350.43	400,641.91	167,810.87	407,858.56
Liquid Plus	645.00	–	614.02	–
Super 20	3,936,563.32	2,990,872.33	3,921,212.43	3,009,981.89
Titanium 1	835,307.06	579,350.62	846,605.53	570,067.40
Titanium 2	225,741.48	480,932.99	224,321.62	477,927.15
Titanium 3	70,934.06	83,208.61	72,141.23	81,883.20
Value Momentum	5,085.94	–	5,094.84	–

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 2 to Annexure 3A
Investment in promoter group companies
As on 31st March 2013
(Amounts in thousands of Indian Rupees)

Name of the Company	Ind. Assure		Ind. Income Adv		Ind. Protector		Ind. Builder		Ind. Balancer		Ind. Enhancer	
	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund						
Aditya Birla Nuvo Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	249,707.75	0.38
Birla Mutual Fund	16,480.56	1.27	99,604.09	2.82	46,066.10	1.14	0.00	0.00	7,042.07	2.05	1,327,484.67	2.01
Grasim Industries Limited	0.00	0.00	0.00	0.00	5,317.14	0.13	6,104.86	0.22	1,814.58	0.53	159,637.90	0.24
Hindalco Industries Limited	0.00	0.00	25,485.85	0.72	3,156.72	0.08	13,166.12	0.48	268.57	0.08	275,019.39	0.42
Ultratech Cement Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,477.55	0.08
Total Investment in Promoter Group Companies	16,480.56	1.27	125,089.94	3.55	54,539.96	1.35	19,270.98	0.70	9,125.22	2.66	2,062,327.25	3.13
Asset held	1,293,405.35		3,526,485.83		4,051,520.63		2,766,062.63		343,625.17		65,946,595.70	

Name of the Company	Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier		Super 20		Ind. Platinum Plus 1	
	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund
Aditya Birla Nuvo Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Birla Mutual Fund	55,428.46	1.73	466,458.24	4.64	127,107.29	0.60	150,044.56	4.15	54,460.38	2.23	78,996.89	2.15
Grasim Industries Limited	20,677.76	0.64	84,694.40	0.84	202,979.60	0.95	0.00	0.00	0.00	0.00	0.00	0.00
Hindalco Industries Limited	42,738.98	1.33	71,961.33	0.72	172,752.20	0.81	0.00	0.00	0.00	0.00	31,876.80	0.87
Ultratech Cement Company Limited	0.00	0.00	55,525.31	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investment in Promoter Group Companies	118,845.20	3.70	678,639.27	6.75	502,839.08	2.36	150,044.56	4.15	54,460.38	2.23	110,873.69	3.02
Asset held	3,212,979.88		10,048,402.79		21,342,046.01		3,619,082.34		2,437,652.64		3,670,580.52	

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 2 to Annexure 3A
Investment in promoter group companies
As on 31st March 2013
(Amounts in thousands of Indian Rupees)

Name of the Company	Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4		Ind. Platinum Advantage		Ind. Platinum Premier		Foresight FP 1	
	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund
Aditya Birla Nuvo Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Birla Mutual Fund	132,183.56	2.10	155,313.03	2.09	53,468.34	0.93	337,881.49	3.82	119,591.02	1.84	214,863.44	2.77
Grasim Industries Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68,953.98	1.06	0.00	0.00
Hindalco Industries Limited	61,221.41	0.97	65,749.66	0.88	53,665.60	0.94	76,403.47	0.86	57,514.17	0.89	50,933.54	0.66
Ultratech Cement Company Limited	0.00	0.00	85,130.67	1.14	71,156.53	1.24	92,628.90	1.05	0.00	0.00	0.00	0.00
Total Investment in Promoter Group Companies	193,404.97	3.08	306,193.36	4.11	178,290.47	3.12	506,913.86	5.73	246,059.18	3.79	265,796.98	3.43
Asset held	6,282,055.72		7,441,249.47		5,723,085.59		8,852,478.22		6,491,393.06		7,755,063.85	

Name of the Company	Foresight SP 1		Titanium 1		Titanium 2		Titanium 3		Pure Equity		Liquid Plus	
	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund
Aditya Birla Nuvo Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Birla Mutual Fund	10,223.11	1.57	49.84	0.01	5,010.63	1.96	277.16	0.38	0.00	0.00	35.10	0.03
Grasim Industries Limited	0.00	0.00	11,689.26	2.04	4,909.21	1.92	1,054.99	1.46	787.72	4.32	0.00	0.00
Hindalco Industries Limited	5,952.63	0.92	2,961.24	0.52	1,190.53	0.47	265.27	0.37	0.00	0.00	0.00	0.00
Ultratech Cement Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investment in Promoter Group Companies	16,175.74	2.49	14,700.34	2.57	11,110.36	4.35	1,597.42	2.21	787.72	4.32	35.10	0.03
Asset held	650,406.43		572,693.33		255,448.94		72,207.45		18,232.45		112,571.57	

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 2 to Annexure 3A
Investment in promoter group companies
As on 31st March 2013
(Amounts in thousands of Indian Rupees)

Name of the Company	IPP - Growth		IPP - Enrich		IPP - Nourish		Gr. Fixed Interest		Gr. Gift		Gr. Bond	
	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund
Aciya Birla Nuvo Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Birla Mutual Fund	5,759.68	1.54	21,885.71	1.30	2,667.17	2.00	85,419.21	2.31	611.35	1.18	6,534.70	0.30
Grasim Industries Limited	970.59	0.26	7,764.71	0.46	182.86	0.14	0.00	0.00	0.00	0.00	0.00	0.00
Hindalco Industries Limited	578.91	0.15	4,586.96	0.27	63.94	0.05	30,575.19	0.83	0.00	0.00	0.00	0.00
Ultratech Cement Company Limited	20,191.02	5.39	0.00	0.00	5,047.76	3.79	0.00	0.00	0.00	0.00	0.00	0.00
Total Investment in Promoter Group Companies	27,500.20	7.34	34,237.38	2.04	7,961.72	5.98	115,994.40	3.14	611.35	1.18	6,534.70	0.30
Asset held	374,672.57		1,680,348.77		133,238.62		3,698,659.96		51,989.91		2,197,781.33	

Name of the Company	Gr. Money Market		Gr. Growth Advantage		Gr. Secure		Gr. Stable		Gr. Growth		Gr. Fixed Interest 2	
	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund
Aciya Birla Nuvo Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Birla Mutual Fund	18,654.16	1.83	3,659.03	1.94	135,416.88	1.65	23,040.07	0.89	78,755.86	3.28	8.01	0.20
Grasim Industries Limited	0.00	0.00	1,130.95	0.60	14,480.06	0.18	8,690.28	0.34	11,140.67	0.46	0.00	0.00
Hindalco Industries Limited	0.00	0.00	769.99	0.41	12,064.91	0.15	7,243.82	0.28	23,782.92	0.99	0.00	0.00
Ultratech Cement Company Limited	0.00	0.00	0.00	0.00	38,362.94	0.47	29,276.98	1.13	0.00	0.00	0.00	0.00
Total Investment in Promoter Group Companies	18,654.16	1.83	5,559.97	2.95	200,324.79	2.45	68,251.15	2.64	113,679.45	4.73	8.01	0.20
Asset held	1,021,220.52		188,439.90		8,192,294.96		2,582,037.82		2,402,409.62		3,971.54	

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 2 to Annexure 3A
Investment in promoter group companies
As on 31st March 2013
(Amounts in thousands of Indian Rupees)

Name of the Company	Gr. Stable 2		Gr. Growth 2		Gr. Short Term Debt 2		Gr. Income Advantage		Discontinued Policy Fund		ULIP Level	
	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund	Amount	% to the Fund
Aditya Birla Nuvo Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	249,707.75	0.13
Birla Mutual Fund	0.00	0.00	12.02	0.20	7,765.20	1.81	200.88	0.38	170.11	0.01	3,848,630.10	2.01
Grasim Industries Limited	0.00	0.00	28.13	0.46	0.00	0.00	0.00	0.00	0.00	0.00	613,009.63	0.32
Hindalco Industries Limited	0.82	0.30	18.96	0.31	0.00	0.00	0.00	0.00	0.00	0.00	1,091,969.89	0.57
Ultratech Cement Company Limited	0.00	0.00	0.00	0.00	2,019.10	0.47	1,009.55	1.92	0.00	0.00	450,826.31	0.23
Total Investment in Promoter Group Companies	0.82	0.30	59.12	0.97	9,784.31	2.28	1,210.43	2.30	170.11	0.01	6,254,143.68	3.26
Asset held	277.39		6,069.18		428,820.19		52,644.14		2,065,928.35		191,868,128.94	

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A Disclosure of Investment - Industrywise Ind. Assure Fund as on 31st March 2013

(Amounts in thousands of Indian Rupees)

The industry wise disclosures required to be given as per appendix 3 of Annexure 3A of IRDA (Investment) (5th Amendment) Regulations, 2013 (the "Amended Investment Regulations") were notified on February 16, 2013. Although, by letter dated March 29, 2013, it was clarified that the Amended Investment Regulations would be applicable from April 1, 2013, the management has adopted the disclosures as per Amended Investment Regulations in the financial statement though it is prospective in nature, as, by then the information systems of the Company were aligned to report on the basis required as per the Amended Investment Regulations. The prior year figures have been re-grouped for comparison purposes.

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			700,090	54.13	721,230	57.63
	10.80% EXPORT & IMPORT BANK LTD NCD (MD 22/07/2013)	DEBT	60,315	4.66		
	10.20% LIC HOUSING FINANCE LTD. NCD (MD 07/06/2013)	DEBT	12,023	0.93		
	10.40% ICICI SEC PRIMARY DEALERSHIP LTD. NCD (MD 27/06/2013)	DEBT	40,119	3.10		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	30,707	2.37		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	28,948	2.24		
	CENTRAL BANK OF INDIA CD (MD 27/12/2013)	DEBT	24,465	1.89		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	40,549	3.14		
	9.55% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/10/2014)	DEBT	10,049	0.78		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 03/08/2015)	DEBT	79,116	6.12		
	9.70% SUNDARAM FINANCE LTD. NCD (MD 15/10/2014)	DEBT	50,348	3.89		
	9.85% HDFC LTD NCD (MD 28/05/15)	DEBT	9,160	0.71		
	9.50% BANK OF INDIA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	20,000	1.55		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 05/03/2014) ₹ 1 CR	DEBT	20,000	1.55		
	9.25% CORPORATION BANK FD QTR COMP (MD 13/03/2014)	DEBT	50,000	3.87		
	9.50% HDFC LTD NCD (MD 13/08/2017)	DEBT	15,348	1.19		
	9.25% ICICI HOME FINANCE COMPANY LTD NCD (MD 16/10/2014)	DEBT	20,083	1.55		
	9.70 HDFC LTD. NCD (MD 16/04/2015)	DEBT	10,146	0.78		
	9.50% CORPORATION BANK FD QTR COMP (MD 28/02/2014)	DEBT	20,000	1.55		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 30/04/2015)	DEBT	18,240	1.41		
	10.20% SUNDARAM FINANCE LTD. NCD (MD 21/07/2014)	DEBT	40,473	3.13		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 13/07/2014)	DEBT	100,000	7.73		
INFRASTRUCTURE FINANCE			209,739	16.22	343,358	27.44
	10.90% RECL LTD NCD (MD 30/09/2013)	DEBT	50,412	3.90		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	18,267	1.41		
	9.72% IDFC LTD. (MD 05/11/2013)	DEBT	50,200	3.88		
	9.48% NABARD NCD (MD 22/09/2014) P/C 23/09/2013	DEBT	1,002	0.08		
	8.83% NABARD NCD (MD 23/11/2015) P/C 21/11/2014	DEBT	89,858	6.95		
Others (Other than G-Sec)			178,280	13.78	151,027	12.07

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Income Adv
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,191,477	33.79	1,168,845	38.40
	10.25% HDFC LTD (30/03/2017)	DEBT	52,340	1.48		
	9.75% HDFC LTD. NCD (MD 08/03/2016)	DEBT	69,560	1.97		
	9.60% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (MD 07/04/2016)	DEBT	57,111	1.62		
	9.65% HDFC LTD. NCD (MD 13/09/2016)	DEBT	54,209	1.54		
	9.45% LIC HOUSING FINANCE LTD NCD (MD 30/01/2022)	DEBT	20,643	0.59		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	20,471	0.58		
	8.95% HDFC BANK LTD. NCD CALL 31/10/2017 (MD 31/10/2022)	DEBT	35,179	1.00		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 12/11/2022)	DEBT	20,472	0.58		
	9.70% TATA SONS LTD. NCD (MD 25/07/2022)	DEBT	36,694	1.04		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	30,412	0.86		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 03/08/2015)	DEBT	12,172	0.35		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 05/03/2014) ₹ 1 CR	DEBT	50,000	1.42		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 11/07/2014)	DEBT	100,000	2.84		
	9.50 HDFC LTD. NCD (MD 04/07/2022)	DEBT	10,360	0.29		
	9.50% HDFC LTD NCD (MD 13/08/2017)	DEBT	30,697	0.87		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	100,000	2.84		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 04/03/2014)	DEBT	50,000	1.42		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	50,728	1.44		
	8.83% EXPORT IMPORT BANK OF INDIA NCD (MD 09/01/2023)	DEBT	69,866	1.98		
	10.10% HDB FINANCIAL SERVICES LIMITED NCD (MD 12/06/2017)	DEBT	19,818	0.56		
	10.00% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 05/12/2014)	DEBT	10,123	0.29		
	9.70% CORPORATION BANK FD QTR COMP (MD 26/03/2014)	DEBT	180,000	5.10		
	10.20% SUNDARAM FINANCE LTD. NCD (MD 21/07/2014)	DEBT	19,225	0.55		
	10.25% KOTAK MAHINDRA PRIME LTD. NCD (MD 05/06/2014)	DEBT	20,249	0.57		
	9.50% HDFC LTD NCD (MD 23/07/2017)	DEBT	20,461	0.58		
	8.87% EXPORT IMPORT BANK OF INDIA NCD (MD 10/10/2022)	DEBT	29,973	0.85		
	9.87% TATA SONS LTD. NCD (MD 17/07/2017)	DEBT	20,715	0.59		
Others (Other than G-Sec)			843,310	23.91	522,623	17.17

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Protector
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
INFRASTRUCTURE			868,602	21.44	938,800	23.06
FINANCE						
	10.85% RECL LTD NCD (MD 14/08/2018)	DEBT	37,918	0.94		
	10.85% RECL LTD NCD (MD 30/09/2018)	DEBT	119,322	2.95		
	11% POWER FINANCE CORPORATION LTD NCD (MD 15/09/2018)	DEBT	11,997	0.30		
	11.25% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2018)	DEBT	60,675	1.50		
	11.40% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2013)	DEBT	60,861	1.50		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	58,860	1.45		
	8.49% IRFC NCD (MD 30/03/2014)	DEBT	49,897	1.23		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	129,445	3.19		
	8.70% POWER FINANCE CORPORATION LTD. NCD (MD 14/05/2020)	DEBT	14,886	0.37		
	9.45% RECL LTD NCD (MD 04/04/2013)	DEBT	73,006	1.80		
	POWER FINANCE CORPORATION LTD	EQUITY	3,621	0.09		
	9.43% REC LTD. NCD (MD 10/08/2014)	DEBT	25,146	0.62		
	9.18% NABARD NCD SR XII - AB (MD 07/02/2017)	DEBT	30,336	0.75		
	9.61% POWER FINANCE CORPORATION LTD (MD 29/06/2021)	DEBT	51,976	1.28		
	9.70% POWER FINANCE CORPORATION LTD NCD (MD 15/12/2018) - SERIES 82-C	DEBT	17,620	0.43		
	IDFC LTD.	EQUITY	5,677	0.14		
	9.35% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 15/06/2022)	DEBT	51,342	1.27		
	9.655% NABARD NCD (MD 18/10/2014)	DEBT	40,391	1.00		
	8.19% IRFC NCD (MD 27/04/2019)	DEBT	9,785	0.24		
	8.65% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 22/01/2020)	DEBT	15,840	0.39		
FINANCIAL AND INSURANCE ACTIVITIES			786,808	19.42	762,111	18.72
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	49,819	1.23		
	8.85% TATA SONS NCD (MD 30/10/2016) P/C 30/10/2013	DEBT	60,039	1.48		
	9.40% NATIONAL HOUSING BANK LTD. (MD 17/12/2013)	DEBT	50,126	1.24		
	9.75% HDFC LTD. NCD (MD 08/03/2016)	DEBT	30,688	0.76		
	AXIS BANK LIMITED	EQUITY	7,806	0.19		
	HDFC BANK	EQUITY	18,777	0.46		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	12,219	0.30		
	ICICI BANK LTD	EQUITY	25,483	0.63		
	STATE BANK OF INDIA	EQUITY	14,026	0.35		
	UNION BANK OF INDIA LTD.	EQUITY	3,206	0.08		
	YES BANK LIMITED	EQUITY	2,923	0.07		
	LIC HOUSING FINANCE LTD	EQUITY	5,690	0.14		
	9.65% HDFC LTD. NCD (MD 13/09/2016)	DEBT	3,068	0.08		
	CANARA BANK	EQUITY	4,232	0.10		
	9.97% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/09/2013)	DEBT	45,097	1.11		
	DEVELOPMENT CREDIT BANK LTD.	EQUITY	3,913	0.10		
	BANK OF INDIA	EQUITY	3,846	0.09		
	8.95% HDFC BANK LTD. NCD CALL 31/10/2017 (MD 31/10/2022)	DEBT	10,051	0.25		

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Protector
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	48,246	1.19		
	FEDERAL BANK LTD	EQUITY	5,906	0.15		
	9.55% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/10/2014)	DEBT	50,246	1.24		
	ORIENTAL BANK OF COMMERCE CD (MD 16/01/2014)	DEBT	26,228	0.65		
	PUNJAB NATIONAL BANK CD (MD 16/12/2013)	DEBT	51,848	1.28		
	9.25% CORPORATION BANK FD QTR COMP (MD 13/03/2014)	DEBT	50,000	1.23		
	ALLAHABAD BANK	EQUITY	3,223	0.08		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	100,100	2.47		
	8.88% EXPORT IMPORT BANK OF INDIA NCD (MD 18/10/2022)	DEBT	50,001	1.23		
	9.10% CORPORATION BANK FD QTR COMP (MD 20/07/2014)	DEBT	50,000	1.23		
Others (Other than G-Sec)			1,002,770.77	24.75	999,343.01	24.54

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Builder
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
INFRASTRUCTURE FINANCE			516,322	18.67	652,105	24.04
	10.85% RECL LTD NCD (MD 30/09/2018)	DEBT	24,949	0.90		
	11.40% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2013)	DEBT	30,431	1.10		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	12,178	0.44		
	8.49% IRFC NCD (MD 30/03/2014)	DEBT	19,959	0.72		
	8.50% IRFC NCD (MD 22/06/2020)	DEBT	52,415	1.89		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	79,658	2.88		
	8.65% RECL LTD NCD (MD 15/01/2019)	DEBT	109,018	3.94		
	8.70% POWER FINANCE CORPORATION LTD. NCD (MD 14/05/2020)	DEBT	25,803	0.93		
	POWER FINANCE CORPORATION LTD	EQUITY	9,119	0.33		
	9.61% POWER FINANCE CORPORATION LTD (MD 29/06/2021)	DEBT	10,395	0.38		
	9.70% POWER FINANCE CORPORATION LTD NCD (MD 15/12/2018) - SERIES 82-C	DEBT	15,547	0.56		
	IDFC LTD.	EQUITY	6,074	0.22		
	9.35% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 15/06/2022)	DEBT	51,342	1.86		
	9.655% NABARD NCD (MD 18/10/2014)	DEBT	30,293	1.10		
	8.19% IRFC NCD (MD 27/04/2019)	DEBT	39,142	1.42		
FINANCIAL AND INSURANCE ACTIVITIES			420,497	15.20	440,803	16.25
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	39,855	1.44		
	8.85% STATE BANK OF INDIA NCD (MD 04/10/2021) CALL 04/10/16 STEPUP 9.35	DEBT	20,031	0.72		
	8.85% TATA SONS NCD (MD 30/10/2016) P/C 30/10/2013	DEBT	65,042	2.35		
	9.95% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	10,604	0.38		
	AXIS BANK LIMITED	EQUITY	5,146	0.19		
	HDFC BANK	EQUITY	34,340	1.24		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	16,570	0.60		
	ICICI BANK LTD	EQUITY	24,134	0.87		
	ORIENTAL BANK OF COMMERCE	EQUITY	11,331	0.41		
	STATE BANK OF INDIA	EQUITY	18,812	0.68		
	UNION BANK OF INDIA LTD.	EQUITY	4,796	0.17		
	YES BANK LIMITED	EQUITY	10,723	0.39		
	CANARA BANK	EQUITY	4,340	0.16		
	BANK OF INDIA	EQUITY	10,630	0.38		
	9.50% HDFC LTD. NCD (MD 13/09/2017)	DEBT	20,471	0.74		
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	23,207	0.84		
	FEDERAL BANK LTD	EQUITY	5,359	0.19		
	PUNJAB NATIONAL BANK CD (MD 16/12/2013)	DEBT	28,281	1.02		
	ALLAHABAD BANK	EQUITY	6,826	0.25		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	10,000	0.36		
	9.10% CORPORATION BANK FD QTR COMP (MD 23/07/2014)	DEBT	50,000	1.81		
Others (Other than G-Sec)			847,947	30.66	873,291	32.19

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Balancer
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			69,588	20.25	84,256	26.61
	10.70% HDFC BANK LTD NCD (MD 26/12/2018)	DEBT	2,161	0.63		
	7.05% CANARA BANK NCD (MD 18/05/2014)	DEBT	9,812	2.86		
	AXIS BANK LIMITED	EQUITY	1,671	0.49		
	HDFC BANK	EQUITY	3,202	0.93		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	2,983	0.87		
	ICICI BANK LTD	EQUITY	4,457	1.30		
	STATE BANK OF INDIA	EQUITY	3,783	1.10		
	UNION BANK OF INDIA LTD.	EQUITY	1,711	0.50		
	LIC HOUSING FINANCE LTD	EQUITY	805	0.23		
	9.00% EXPORT IMPORT BANK OF INDIA NCD (MD 10/01/2019)	DEBT	13,200	3.84		
	CANARA BANK	EQUITY	1,008	0.29		
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	18,420	5.36		
	BANK OF INDIA	EQUITY	1,257	0.37		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	5,118	1.49		
INFRASTRUCTURE FINANCE			51,522	14.99	61,677	19.48
	10.05% NABARD (MD 11/06/2014)	DEBT	10,120	2.95		
	10.85% RECL LTD NCD (MD 14/08/2018)	DEBT	3,250	0.95		
	11% POWER FINANCE CORPORATION LTD NCD (MD 15/09/2018)	DEBT	2,181	0.63		
	11.40% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2013)	DEBT	5,072	1.48		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	4,979	1.45		
	POWER FINANCE CORPORATION LTD	EQUITY	514	0.15		
	9.36% POWER FINANCE CORPN. LTD. NCD (MD 01/08/2021)	DEBT	2,051	0.60		
	9.40% NABARD NCD SR XII-L (MD 13/09/2016)	DEBT	10,157	2.96		
	9.43% REC LTD. NCD (MD 10/08/2014)	DEBT	12,070	3.51		
	IDFC LTD.	EQUITY	1,128	0.33		
Others (Other than G-Sec)			112,783	32.82	102,738	32.45

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Enhancer
as on 31st March 2013
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Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			18,587,396	28.19	19,787,621	31.04
	10.1% ICICI BANK (CALL 09/08/16) MD - PERPETUAL	DEBT	52,115	0.08		
	10.25% HDFC (30/03/2017)	DEBT	52,340	0.08		
	10.25% LIC HOUSING FINANCE (MD 14.05.17)	DEBT	46,087	0.07		
	10.40% PUNJAB NAT BANK (MATURITY-PERPETUAL) (CALL 20/07/2017)	DEBT	52,703	0.08		
	10.70% HDFC BANK LTD NCD (MD 26/12/2018)	DEBT	105,910	0.16		
	10.80% EXPORT & IMPORT BANK LTD NCD (MD 22/07/2013)	DEBT	23,121	0.04		
	10.85% PUNJAB NATIONAL BANK (MD 29/09/2023) CALL 29/09/2018 ST-UP 11.35%	DEBT	292,877	0.44		
	11.08% LIC HOUSING FINANCE LTD NCD (MD 13/08/2018)	DEBT	43,713	0.07		
	11.15% HDFC LTD NCD (MD 06/08/2018)	DEBT	30,673	0.05		
	11.95% HDFC LTD NCD (MD 26/11/2018)	DEBT	210,830	0.32		
	12.65% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 24/12/2014)	DEBT	280,649	0.43		
	5.90% HDFC BANK LTD NCD (MD 04/05/2014)	DEBT	4,851	0.01		
	7.05% CANARA BANK NCD (MD 18/05/2014)	DEBT	22,568	0.03		
	7.45% STATE BK OF INDIA 050515 AAA	DEBT	974	0.00		
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	186,322	0.28		
	7.60% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (08/12/2017)	DEBT	62,465	0.09		
	7.95% HDFC LTD NCD (MD 30/04/14)	DEBT	99,036	0.15		
	8% HDFC LTD NCD (MD 08/02/2017)	DEBT	64,663	0.10		
	8.28% L I C HOUSING FINANCE LTD NCD (29/06/2015)	DEBT	92,833	0.14		
	8.48% LIC HOUSING FINANCE LTD NCD (MD 27/09/2013)	DEBT	205,417	0.31		
	8.8% ST BK INDIA (050621) RSET050616 (CALL 06/06/2016)	DEBT	1,000	0.00		
	8.8% STATE BANK OF HYDERABAD NCD (MD 29/04/2016)	DEBT	66,978	0.10		
	8.85% STATE BANK OF INDIA NCD (MD 04/10/2021) CALL 04/10/16 STEPUP 9.35	DEBT	30,047	0.05		
	8.85% TATA SONS NCD (MD 30/10/2016) P/C 30/10/2013	DEBT	175,114	0.27		
	8.97% TATA SONS LTD. NCD (MD 15/07/2020)	DEBT	100,599	0.15		
	8.98% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 26/11/2020)	DEBT	100,345	0.15		
	9% CANARA BANK NCD (MD 09/01/2018)	DEBT	36,234	0.05		
	9.00% PUNJAB NATIONAL BANK NCD (PERPETUAL) CALL/STEP-UP 27/11/2019	DEBT	88,612	0.13		
	9.05% SBI PERPETUAL NCD (CALL-27/01/2020) STEP UP RATE 9.55%	DEBT	479,089	0.73		

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Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
	9.05% STATE BANK OF HYDERABAD PERPETUAL CALL 20/09/20 STEP UP 50BPS	DEBT	100,845	0.15		
	9.1% SBI PERPETUAL NCD (CALL- 14/08/2019) STEP UP RATE 9.6%	DEBT	123,559	0.19		
	9.10% STATE BANK OF MYSORE PERPETUAL NCD CALL/STEP-UP 25/11/2019	DEBT	303,949	0.46		
	9.15% BANK OF BARODA PERPETUAL NCD STEP UP 9.65% RESET 23/11/19	DEBT	50,711	0.08		
	9.15% STATE BANK OF PATIALA PERP NCD CALL 18/01/2020 STEPUP 9.65	DEBT	162,360	0.25		
	9.18% TATA SONS LTD. NCD (MD 23/11/2020)	DEBT	111,560	0.17		
	9.20% STATE BANK OF HYDERABAD NCD PERPETUAL (MD 24/02/2020)	DEBT	50,854	0.08		
	9.25% EXPORT IMPORT BANK NCD (MD 18/12/2013)	DEBT	50,077	0.08		
	9.25% HDFC LTD. NCD (MD 24/11/2016)	DEBT	101,209	0.15		
	9.25% IDBI OMNI BONDS NCD (MD 26/03/2014)	DEBT	150,115	0.23		
	9.30% HDFC LTD NCD (MD 18/01/2021)	DEBT	153,182	0.23		
	9.30% STATE BANK OF PATIALA NCD (MD 20/12/2022) CALL FR 20/12/2017 INT 9.80	DEBT	55,963	0.08		
	9.35 PUNJAB NATIONAL BANK (MD 05/03/2023) CALL 05/03/2018 ST-UP 9.85	DEBT	40,824	0.06		
	9.35% STATE BANK OF HYDERABAD NCD (MD 19/03/2023) CALL 19/03/18 STEPUP 9.85	DEBT	71,475	0.11		
	9.45% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	21,513	0.03		
	9.50% HDFC LTD NCD (MD 10/12/2017)	DEBT	51,240	0.08		
	9.60% LIC HOUSING FINANCE LTD NCD (MD 07/03/2021)	DEBT	103,842	0.16		
	9.70% HDFC LTD NCD (MD 19/07/2017)	DEBT	51,495	0.08		
	9.75% HDFC LTD. NCD (MD 08/03/2016)	DEBT	206,634	0.31		
	9.75% HDFC LTD. NCD (MD 28/01/2014)	DEBT	100,607	0.15		
	9.75% LIC HOUSING FINANCE (MD 27/08/2017)	DEBT	79,477	0.12		
	9.75% LIC HOUSING FINANCE LTD NCD (MD 24/03/2018)	DEBT	103,655	0.16		
	9.75% PUNJAB NATI BANK (MATURITY-PERPETUAL) (CALL 11/12/2017) STEP UP 10.25	DEBT	103,408	0.16		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 10/09/2018)	DEBT	9,900	0.02		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 12/09/2018)	DEBT	9,900	0.02		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 13/09/2018)	DEBT	9,900	0.02		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 14/09/2018)	DEBT	9,900	0.02		

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			Market value	% holding	Market value	% holding
	9.75% STATE BANK OF INDIA NCD (MD 16/03/2021) CALL 16/03/16	DEBT	1,842	0.00		
	9.8% STATE BANK OF MYSORE PERPETUAL (30/11/2017) CALL 301117 STEPUP 10.30%	DEBT	103,722	0.16		
	9.80% LIC HOUSING FINANCE LTD NCD (MD 22/10/2017)	DEBT	331,169	0.50		
	9.80% STATE BANK OF INDIA NCD (MD 30/06/2016)	DEBT	30,818	0.05		
	9.85% STATE BANK OF BIK & JAI NCD (MD PERPETUAL) CALL 20/03/18 STEPUP 10.35	DEBT	95,729	0.15		
	9.85% STATE BANK OF INDIA (28/06/2016)	DEBT	95,657	0.15		
	9.90% HDFC LTD NCD (MD 23/12/2018)	DEBT	208,015	0.32		
	9.90% HDFC LTD. NCD (MD 11/03/2014)	DEBT	257,163	0.39		
	9.90% TATA SONS LTD. NCD (MD 24/02/2016)	DEBT	153,944	0.23		
	9.95% STATE BANK OF HYDERABAD (MD PERPETUAL) CALL 28/03/2018 STEPUP 10.45	DEBT	49,092	0.07		
	9.95% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	22,247	0.03		
	9.95% STATE BANK OF TRAVANCORE NCD(MD PERPETUAL) CALL 31/03/18 STEPUP 10.45	DEBT	40,738	0.06		
	9.98% ICICI BANK LTD (MATURITY-PERPETUAL) (CALL AND STEUP UP 13/09/16)10.98%	DEBT	207,951	0.32		
	AXIS BANK LIMITED	EQUITY	200,253	0.30		
	HDFC BANK	EQUITY	911,046	1.38		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	801,356	1.22		
	ICICI BANK LTD	EQUITY	1,217,039	1.85		
	NATIONAL HOUSING BANK ZCB (MD 31/03/2019)	DEBT	6,056	0.01		
	STATE BANK OF INDIA	EQUITY	639,620	0.97		
	UNION BANK OF INDIA LTD.	EQUITY	230,159	0.35		
	YES BANK LIMITED	EQUITY	139,737	0.21		
	LIC HOUSING FINANCE LTD	EQUITY	191,841	0.29		
	9.00% EXPORT IMPORT BANK OF INDIA NCD (MD 10/01/2019)	DEBT	182,767	0.28		
	11.70% INDIA INFOLINE FINANCE LTD. NCD (MD 18/08/2014)	DEBT	34,947	0.05		
	9.60% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (MD 07/04/2016)	DEBT	130,540	0.20		
	9.80% LIC HOUSING FINANCE LTD NCD (MD 10/08/2014)	DEBT	86,892	0.13		
	9.65% HDFC LTD. NCD (MD 13/09/2016)	DEBT	96,145	0.15		
	10.48% SUNDARAM FINANCE LTD. NCD (MD 03/06/2013)	DEBT	76,158	0.12		
	10.20% LIC HOUSING FINANCE LTD. NCD (MD 07/06/2013)	DEBT	37,072	0.06		
	10.40% KOTAK MAHINDRA PRIME LTD. NCD (MD 12/04/2013)	DEBT	149,063	0.23		
	10.46% SUNDARAM BNP PARIBAS HOME FINANCE LTD. NCD (MD 24/06/2013)	DEBT	99,239	0.15		

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Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
	10.75% KOTAK MAHINDRA PRIME LTD. NCD (MD 26/04/2013)	DEBT	70,080	0.11		
	9.90% HDFC LTD. (MD 11/11/2021)	DEBT	8,460	0.01		
	9.78% STATE BANK OF BIK & JAI NCD(MD15/10/2022) CALL-16/10/17STEPUP -10.28	DEBT	74,576	0.11		
	HDFC LTD. ZCB (MD 14/06/2016)	DEBT	20,787	0.03		
	10.25% TATA SONS LTD. NCD (MD 13/05/2014)	DEBT	101,337	0.15		
	9.45% LIC HOUSING FINANCE LTD NCD (MD 30/01/2022)	DEBT	82,572	0.13		
	9.68% TATA SONS LTD. NCD (MD 10/01/2017)	DEBT	153,925	0.23		
	9.80% GRUH FINANCE LTD. NCD (MD 10/02/15)	DEBT	89,953	0.14		
	10.65% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 30/04/2013)	DEBT	100,124	0.15		
	9.90% TATA SONS LTD. NCD (MD 18/03/2016)	DEBT	6,162	0.01		
	9.55% HDFC LTD NCD (MD 11/04/2013)	DEBT	70,013	0.11		
	9.97% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/09/2013)	DEBT	55,118	0.08		
	10.19% TATA CAPITAL LIMITED NCD (MD 15/07/2013)	DEBT	94,255	0.14		
	HDFC LTD. ZCB (MD 06/02/2017)	DEBT	57,395	0.09		
	10.40% ICICI SEC PRIMARY DEALERSHIP LTD. NCD (MD 27/06/2013)	DEBT	40,119	0.06		
	9.56% LIC HOUSING FINANCE LTD. NCD (MD 19/01/2017)	DEBT	51,134	0.08		
	6.50% AXIS BANK NCD (MD 15/10/2013)	DEBT	78,041	0.12		
	9.50% HDFC LTD NCD (MD 23/12/2016)	DEBT	102,020	0.15		
	9.65% HDFC LTD. NCD (MD 16/08/2014)	DEBT	50,431	0.08		
	9.70% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (09/02/2016)	DEBT	51,048	0.08		
	9.75% LIC HOUSING FINANCE LTD NCD (MD 26/08/2014)	DEBT	50,502	0.08		
	5.40% ASIAN DEVELOP BANK (27/02/2014)	DEBT	97,867	0.15		
	9.10% AXIS BANK NCD (MD 28/06/2016)	DEBT	50,345	0.08		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 11/09/2019)	DEBT	9,900	0.02		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 12/09/2019)	DEBT	9,900	0.02		
	HDFC LTD ZCB (MD 21/06/2013)	DEBT	94,824	0.14		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 09/05/2019)	DEBT	9,900	0.02		
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	38,959	0.06		
	BANK OF INDIA	EQUITY	189,471	0.29		
	9.50% HDFC LTD. NCD (MD 13/09/2017)	DEBT	40,942	0.06		
	8.95% HDFC BANK LTD. NCD CALL 31/10/2017 (MD 31/10/2022)	DEBT	95,487	0.14		
	9.10% HDFC BANK LTD. NCD CALL 28/12/2017 (MD 28/12/2022)	DEBT	20,212	0.03		

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Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
	9.15% ICICI BANK LTD NCD (MD 31/12/2022)	DEBT	45,826	0.07		
	9.23% LIC HOUSING FINANCE LTD NCD (MD 13/12/2022)	DEBT	81,862	0.12		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 12/11/2022)	DEBT	40,943	0.06		
	9.70% LIC HOUSING FINANCE LTD. NCD (MD 11/06/2017)	DEBT	20,590	0.03		
	9.75% L AND T FINANCE LIMITED NCD (MD 08/10/2014)	DEBT	33,249	0.05		
	9.70% TATA SONS LTD. NCD (MD 25/07/2022)	DEBT	120,565	0.18		
	JAMMU AND KASHMIR BANK CD (MD 08/04/2013)	DEBT	4,792	0.01		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	246,060	0.37		
	UCO BANK CD (MD 05/03/2014)	DEBT	183,475	0.28		
	FEDERAL BANK LTD	EQUITY	249,255	0.38		
	9.30 HDFC LTD. NCD (MD 04/10/2017)	DEBT	12,200	0.02		
	9.55% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/10/2014)	DEBT	5,025	0.01		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 03/08/2015)	DEBT	34,487	0.05		
	9.70% SUNDARAM FINANCE LTD. NCD (MD 15/10/2014)	DEBT	125,870	0.19		
	9.85% HDFC LTD NCD (MD 28/05/15)	DEBT	40,711	0.06		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 29/06/2014)	DEBT	50,000	0.08		
	FEDERAL BANK LTD CD (MD 23/05/2013)	DEBT	118,573	0.18		
	HDFC BANK LIMITED CD (MD 21/06/2013)	DEBT	19,124	0.03		
	STATE BANK OF MYSORE CD (MD 16/12/2013)	DEBT	197,278	0.30		
	STATE BANK OF TRAVANCORE CD (MD 25/09/2013)	DEBT	276,714	0.42		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 01/01/2023)	DEBT	30,742	0.05		
	9.50 HDFC LTD. NCD (MD 04/07/2022)	DEBT	41,441	0.06		
	9.50% HDFC LTD NCD (MD 13/08/2017)	DEBT	56,277	0.09		
	9.71% TATA SONS LTD. NCD (MD 29/08/2022)	DEBT	52,461	0.08		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 04/03/2014)	DEBT	20,000	0.03		
	8.83% EXPORT IMPORT BANK OF INDIA NCD (MD 09/01/2023)	DEBT	99,809	0.15		
	10.10% HDB FINANCIAL SERVICES LIMITED NCD (MD 12/06/2017)	DEBT	65,712	0.10		
	9.25% ICICI HOME FINANCE COMPANY LTD NCD (MD 16/10/2014)	DEBT	38,158	0.06		
	9.70 HDFC LTD. NCD (MD 16/04/2015)	DEBT	20,291	0.03		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 30/04/2015)	DEBT	10,133	0.02		
	10.20% SUNDARAM FINANCE LTD. NCD (MD 21/07/2014)	DEBT	87,017	0.13		
	10.08% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 22/10/2014)	DEBT	75,659	0.11		

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Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
	10.25% KOTAK MAHINDRA PRIME LTD. NCD (MD 05/06/2014)	DEBT	60,748	0.09		
	9.37% NATIONAL HOUSING BANK (MD 20/01/2015)	DEBT	7,051	0.01		
	9.50% HDFC LTD NCD (MD 23/07/2017)	DEBT	153,455	0.23		
	9.85% TATA SONS LTD. NCD (MD 21/05/2017)	DEBT	93,083	0.14		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 12/03/2014)	DEBT	80,000	0.12		
	8.87% EXPORT IMPORT BANK OF INDIA NCD (MD 10/10/2022)	DEBT	19,982	0.03		
	9.87% TATA SONS LTD. NCD (MD 17/07/2017)	DEBT	134,646	0.20		
	PUNJAB AND SINDH BANK CD (MD 02/12/2013)	DEBT	141,913	0.22		
	UNION BANK OF INDIA CD (MD 25/11/2013)	DEBT	236,978	0.36		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 20/07/2015) P/C 20/01/2015	DEBT	40,174	0.06		
	9.57% BAJAJ FINANCE LIMITED NCD (MD 10/10/2014)	DEBT	150,772	0.23		
	9.87% TATA SONS LTD. NCD (MD 16/04/2017)	DEBT	103,442	0.16		
	9.90% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 08/08/2014)	DEBT	100,856	0.15		
	9.00% CANARA BANK FD QUARTERLY COMP (MD 14/11/2014)A	DEBT	150,000	0.23		
	9.00% CANARA BANK FD QUARTERLY COMP (MD 14/11/2014)B	DEBT	100,000	0.15		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 11/01/2014)	DEBT	9,900	0.02		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 12/01/2014)	DEBT	9,900	0.02		
	9.10% CORPORATION BANK FD QTR COMP (MD 19/07/2014)	DEBT	50,000	0.08		
	9.25% CORPORATION BANK FD QTR COMP (MD 16/03/2014)	DEBT	50,000	0.08		
	9.50% CANARA BANK FD QUARTERLY COMP (MD 01/03/2014)	DEBT	100,000	0.15		
INFRASTRUCTURE FINANCE			7,357,366	11.16	7,529,088	11.81
	10.05% NABARD (MD 11/06/2014)	DEBT	43,515	0.07		
	10.60% IRFC NCD (MD 11/09/2018)	DEBT	50,958	0.08		
	10.70% IRFC NCD (MD 11/09/2023)	DEBT	207,176	0.31		
	10.75% RECL LTD NCD (MD 24/07/2013)	DEBT	100,520	0.15		
	10.85% POWER FINANCE CORPORATION LTD NCD (MD 11/08/2018)	DEBT	75,829	0.11		
	10.85% RECL LTD NCD (MD 14/08/2018)	DEBT	152,755	0.23		
	10.85% RECL LTD NCD (MD 30/09/2018)	DEBT	75,932	0.12		
	10.90% POWER FINANCE CORPORATION LTD NCD (MD 11/08/2013)	DEBT	95,539	0.14		
	10.90% RECL LTD NCD (MD 14/08/2013)	DEBT	46,252	0.07		
	11% POWER FINANCE CORPORATION LTD NCD (MD 15/09/2018)	DEBT	62,168	0.09		
	11.25% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2018)	DEBT	25,373	0.04		

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			Market value	% holding	Market value	% holding
	11.40% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2013)	DEBT	126,795	0.19		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	195,862	0.30		
	7.20% RECL LTD NCD (MD 17/09/2014)	DEBT	977	0.00		
	7.63% IRFC (MD 29/10/2013)	DEBT	49,700	0.08		
	7.65% SIDBI NCD (MD 19/07/13) P/C - 10/06/2013	DEBT	99,763	0.15		
	8.45% POWER FINANCE CORPORATION LTD NCD (MD 17/09/2014)	DEBT	99,343	0.15		
	8.46% IRFC NCD (MD 15/01/2014)	DEBT	67,882	0.10		
	8.49% IRFC NCD (MD 30/03/2014)	DEBT	19,959	0.03		
	8.50% IRFC NCD (MD 22/06/2020)	DEBT	168,123	0.25		
	8.55% IRFC NCD (MD 15/01/2019)	DEBT	318,553	0.48		
	8.60% IRFC LTD NCD (MD 11/06/2019)	DEBT	49,882	0.08		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	115,505	0.18		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2019)	DEBT	54,333	0.08		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2024)	DEBT	49,085	0.07		
	8.65% RECL LTD NCD (MD 15/01/2019)	DEBT	220,018	0.33		
	8.68% NAT CAP REGIONAL PLANNING NCD (MD 04/08/2020) P/C 04/08/17	DEBT	79,574	0.12		
	8.70% POWER FINANCE CORPN LTD NCD (MD 15/01/2020)	DEBT	208,419	0.32		
	8.70% POWER FINANCE CORPORATION LTD. NCD (MD 14/05/2020)	DEBT	95,273	0.14		
	8.78% POWER FINANCE CORP (11/12/2016)	DEBT	29,945	0.05		
	8.78% POWER FINANCE CORPN. LTD. NCD (MD 15/11/2020)	DEBT	148,902	0.23		
	8.95% POWER FINANCE CORPPORATION LTD. NCD (MD 30/03/2015)	DEBT	53,065	0.08		
	9.15% NAT CAP REGIONAL PLANNING NCD (MD 18/02/2019) P/C 18/02/16	DEBT	30,232	0.05		
	9.40% NABARD NCD SR XI Q (MD 30/03/2014)	DEBT	112,513	0.17		
	9.43% IRFC NCD (MD 23/05/2018)	DEBT	134,298	0.20		
	9.45% RECL LTD NCD (MD 04/04/2013)	DEBT	114,009	0.17		
	9.81% IRFC NCD (07/06/2017)	DEBT	156,169	0.24		
	9.96% POWER FINANCE CORP (18/05/2017)	DEBT	171,249	0.26		
	INDIA STRUCTURED ASSET TRUST-SERIES XII CLASS A11 PTC (MD 15/04/2015)	DEBT	274,041	0.42		
	NABARD BHAVISHYA NIRMAN ZCB (MD 01/01/2018)	DEBT	6,015	0.01		
	NABARD ZCB (MD 01/01/2019)	DEBT	15,304	0.02		
	NABARD ZCB (MD 01/02/2018)	DEBT	48,562	0.07		
	NABARD ZCB (MD 01/08/2017)	DEBT	75,540	0.11		
	POWER FINANCE CORPORATION LTD	EQUITY	148,801	0.23		
	9.36% POWER FINANCE CORPN. LTD. NCD (MD 01/08/2021)	DEBT	19,483	0.03		
	9.40% NABARD NCD SR XII-L (MD 13/09/2016)	DEBT	30,470	0.05		
	9.43% REC LTD. NCD (MD 10/08/2014)	DEBT	53,310	0.08		

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Enhancer
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
	9.18% NABARD NCD SR XII - AB (MD 07/02/2017)	DEBT	101,121	0.15		
	9.18% POWER FINANCE CORPORATION LTD NCD (MD 15/04/2021)	DEBT	50,773	0.08		
	9.48% REC LTD. NCD (MD 10/08/2021)	DEBT	209,554	0.32		
	9.57% IRFC NCD (MD 31/05/2021)	DEBT	20,992	0.03		
	9.61% POWER FINANCE CORPORATION LTD (MD 29/06/2021)	DEBT	298,341	0.45		
	9.70% NABARD NCD SR XII-D (MD 06/06/2016)	DEBT	52,169	0.08		
	9.70% POWER FINANCE CORPN. LTD. NCD (MD 09/06/2021)	DEBT	52,227	0.08		
	9.75% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 11/11/2021)	DEBT	83,897	0.13		
	9.62% POWER FINANCE CORPORATION LTD (MD 29/06/2016)	DEBT	30,630	0.05		
	9.63% POWER FINANCE CORPN. LTD. NCD (MD 15/12/2014)	DEBT	55,583	0.08		
	9.55% NABARD NCD (MD 12/07/2014) P/C 12/07/13	DEBT	100,155	0.15		
	9.48% NABARD NCD (MD 22/09/2014) P/C 23/09/2013	DEBT	49,093	0.07		
	9.28% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 15/02/2017)	DEBT	101,449	0.15		
	9.46% POWER FINANCE CORPN. LTD. NCD (MD 01/08/2026)	DEBT	104,578	0.16		
	9.90% NABARD NPS (MD 30/03/2017)	DEBT	118,039	0.18		
	9.44% POWER FINANCE CORPORATION LTD. NCD (MD 23/09/2021) P/C 23/09/18	DEBT	90,194	0.14		
	9.68% POWER FINANCE CORPORATION (MD 09/06/2018)	DEBT	33,101	0.05		
	IDFC LTD.	EQUITY	243,330	0.37		
	9.02% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 19/11/2022)	DEBT	313,053	0.47		
	9.35% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 15/06/2022)	DEBT	221,797	0.34		
	9.33% NABARD NCD (MD 12/06/2017)	DEBT	50,849	0.08		
	9.655% NABARD NCD (MD 18/10/2014)	DEBT	124,202	0.19		
	8.82% POWER FINANCE CORPORATION LTD NCD (MD 20/02/2020)	DEBT	29,932	0.05		
	9.40% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 20/07/2017)	DEBT	203,912	0.31		
	9.46% NABARD NCD (MD 21/05/2015)	DEBT	41,426	0.06		
Others (Other than G-Sec)			21,287,642	32.28	20,624,143	32.36

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A

Disclosure of Investment - Industrywise

Ind. Creator

as on 31st March 2013

(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			753,735	23.46	507,602	17.25
	12.65% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 24/12/2014)	DEBT	26,180	0.81		
	8% HDFC LTD NCD (MD 08/02/2017)	DEBT	19,595	0.61		
	AXIS BANK LIMITED	EQUITY	30,862	0.96		
	HDFC BANK	EQUITY	74,223	2.31		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	49,828	1.55		
	ICICI BANK LTD	EQUITY	102,016	3.18		
	STATE BANK OF INDIA	EQUITY	56,657	1.76		
	UNION BANK OF INDIA LTD.	EQUITY	12,794	0.40		
	YES BANK LIMITED	EQUITY	11,511	0.36		
	LIC HOUSING FINANCE LTD	EQUITY	22,053	0.69		
	CANARA BANK	EQUITY	16,526	0.51		
	6.50% AXIS BANK NCD (MD 15/10/2013)	DEBT	20,745	0.65		
	DEVELOPMENT CREDIT BANK LTD.	EQUITY	14,620	0.46		
	BANK OF INDIA	EQUITY	15,195	0.47		
	8.95% HDFC BANK LTD. NCD CALL 31/10/2017 (MD 31/10/2022)	DEBT	30,154	0.94		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	48,246	1.50		
	FEDERAL BANK LTD	EQUITY	23,674	0.74		
	CENTRAL BANK OF INDIA CD (MD 27/12/2013)	DEBT	65,869	2.05		
	9.70% SUNDARAM FINANCE LTD. NCD (MD 15/10/2014)	DEBT	50,348	1.57		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 11/07/2014)	DEBT	30,000	0.93		
	ALLAHABAD BANK	EQUITY	12,640	0.39		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	20,000	0.62		
INFRASTRUCTURE FINANCE SERVICES			375,496	11.69	475,135.6	16.15
	10.05% NABARD (MD 11/06/2014)	DEBT	9,108	0.28		
	10.60% IRFC NCD (MD 11/09/2018)	DEBT	27,105	0.84		
	10.85% RECL LTD NCD (MD 14/08/2018)	DEBT	19,501	0.61		
	11.40% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2013)	DEBT	35,503	1.10		
	8.45% IRFC NCD (MD 26/12/2018)	DEBT	49,553	1.54		
	8.49% IRFC NCD (MD 30/03/2014)	DEBT	29,938	0.93		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	109,530	3.41		
	9.45% RECL LTD NCD (MD 04/04/2013)	DEBT	28,002	0.87		
	POWER FINANCE CORPORATION LTD	EQUITY	14,439	0.45		
	9.18% NABARD NCD SR XII - AB (MD 07/02/2017)	DEBT	20,224	0.63		
	IDFC LTD.	EQUITY	22,496	0.70		
	9.655% NABARD NCD (MD 18/10/2014)	DEBT	10,098	0.31		
Others (Other than G-Sec)			1,366,971	42.55	1,387,657	47.16

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Magnifier
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			3,364,090	33.48	3,183,713	28.83
	9.90% HDFC LTD. NCD (MD 11/03/2014)	DEBT	12,102	0.12		
	AXIS BANK LIMITED	EQUITY	96,825	0.96		
	HDFC BANK	EQUITY	426,529	4.24		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	396,327	3.94		
	ICICI BANK LTD	EQUITY	579,925	5.77		
	STATE BANK OF INDIA	EQUITY	300,530	2.99		
	UNION BANK OF INDIA LTD.	EQUITY	109,252	1.09		
	YES BANK LIMITED	EQUITY	70,424	0.70		
	LIC HOUSING FINANCE LTD	EQUITY	90,782	0.90		
	CANARA BANK	EQUITY	63,927	0.64		
	HDFC LTD. ZCB (MD 10/06/2013)	DEBT	59,694	0.59		
	9.55% HDFC LTD NCD (MD 11/04/2013)	DEBT	30,005	0.30		
	10.40% ICICI SEC PRIMARY DEALERSHIP LTD. NCD (MD 27/06/2013)	DEBT	20,059	0.20		
	HDFC LTD ZCB (MD 21/06/2013)	DEBT	23,706	0.24		
	BANK OF INDIA	EQUITY	88,423	0.88		
	JAMMU AND KASHMIR BANK CD (MD 08/04/2013)	DEBT	101,835	1.01		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	1,930	0.02		
	FEDERAL BANK LTD	EQUITY	118,188	1.18		
	HDFC BANK LIMITED CD (MD 21/06/2013)	DEBT	39,230	0.39		
	INDIAN BANK CD (MD 25/04/2013)	DEBT	79,235	0.79		
	9.25% CORPORATION BANK FD QTR COMP (MD 13/03/2014)	DEBT	100,000	1.00		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 11/07/2014)	DEBT	100,000	1.00		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 05/03/2014)	DEBT	100,100	1.00		
	9.25% ICICI HOME FINANCE COMPANY LTD NCD (MD 16/10/2014)	DEBT	15,062	0.15		
	9.10% IDBI BANK LTD FD QUARTERLY COMP (MD 19/03/2014)	DEBT	40,000	0.40		
	9.00 PUNJAB AND NATIONAL BANK FD QTR (MD 02/01/16) (FV 2 CR)	DEBT	100,000	1.00		
	9.00 PUNJAB AND NATIONAL BANK FD QTR (MD 02/01/16) (FV 5 CR)	DEBT	50,000	0.50		
	9.00 PUNJAB AND NATIONAL BANK FD QTR (MD 21/01/14)	DEBT	100,000	1.00		
	9.00 PUNJAB AND NATIONAL BANK FD QTR (MD 21/01/14) (FV 5 CR)	DEBT	50,000	0.50		
Others (Other than G-Sec)			6,621,780.01	65.90	6,671,288	60.41

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Maximiser
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			6,561,274	30.74	7,034,533	28.77
	AXIS BANK LIMITED	EQUITY	364,979	1.71		
	HDFC BANK	EQUITY	982,586	4.60		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	1,217,911	5.71		
	ICICI BANK LTD	EQUITY	1,526,725	7.15		
	STATE BANK OF INDIA	EQUITY	1,021,242	4.79		
	UNION BANK OF INDIA LTD.	EQUITY	261,219	1.22		
	LIC HOUSING FINANCE LTD	EQUITY	316,128	1.48		
	CANARA BANK	EQUITY	183,517	0.86		
	PUNJAB NATIONAL BANK	EQUITY	200,273	0.94		
	BANK OF INDIA	EQUITY	199,959	0.94		
	FEDERAL BANK LTD	EQUITY	286,736	1.34		
COMPUTER PROGRAMMING, CONSULTANCY			2,247,441	10.53	3,147,014	12.87
	TATA CONSULTANCY SERVICES LIMITED	EQUITY	454,046	2.13		
	INFOSYS LIMITED	EQUITY	1,403,282	6.58		
	HCL TECHNOLOGIES LTD	EQUITY	228,578	1.07		
	KPIT CUMMINS INFOSYSTEMS LTD	EQUITY	161,534	0.76		
Others (Other than G-Sec)			12,449,194	58.33	14,206,637	58.10

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Multiplier
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			800,031	22.11	1,148,315	26.15
	ING VYSYA BANK LIMITED	EQUITY	37,590	1.04		
	ORIENTAL BANK OF COMMERCE	EQUITY	85,108	2.35		
	UNION BANK OF INDIA LTD.	EQUITY	64,785	1.79		
	LIC HOUSING FINANCE LTD	EQUITY	51,727	1.43		
	BANK OF INDIA	EQUITY	8,813	0.24		
	FEDERAL BANK LTD	EQUITY	193,455	5.35		
	ORIENTAL BANK OF COMMERCE CD (MD 16/01/2014)	DEBT	93,672	2.59		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 11/07/2014)	DEBT	150,000	4.14		
	ALLAHABAD BANK	EQUITY	60,832	1.68		
	KARUR VYSYA BANK LIMITED	EQUITY	54,048	1.49		
Others (Other than G-Sec)			2,752,007	76.04	3,145,996	71.63

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Super 20 Fund
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			683,526	28.04	456,669	27.56
	AXIS BANK LIMITED	EQUITY	102,755	4.22		
	HDFC BANK	EQUITY	133,038	5.46		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	86,756	3.56		
	ICICI BANK LTD	EQUITY	216,982	8.90		
	STATE BANK OF INDIA	EQUITY	143,994	5.91		
COMPUTER PROGRAMMING, CONSULTANCY			343,850	14.11	216,814	13.08
	TATA CONSULTANCY SERVICES LIMITED	EQUITY	127,700	5.24		
	INFOSYS LIMITED	EQUITY	216,149	8.87		
Others (Other than G-Sec)			1,394,779	57.22	947,978	57.21

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Platinum Plus 1
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			827,947	22.56	845,338	20.02
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 11/09/2018)	DEBT	9,900	0.27		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 12/03/2018)	DEBT	9,900	0.27		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 13/03/2018)	DEBT	9,900	0.27		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 14/03/2018)	DEBT	9,900	0.27		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 15/03/2018)	DEBT	9,900	0.27		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QUARTERLY COMP (MD 16/03/2018)	DEBT	9,900	0.27		
	AXIS BANK LIMITED	EQUITY	48,895	1.33		
	HDFC BANK	EQUITY	103,267	2.81		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	120,104	3.27		
	ICICI BANK LTD	EQUITY	162,817	4.44		
	STATE BANK OF INDIA	EQUITY	87,532	2.38		
	UNION BANK OF INDIA LTD.	EQUITY	38,542	1.05		
	LIC HOUSING FINANCE LTD	EQUITY	38,919	1.06		
	CANARA BANK	EQUITY	32,644	0.89		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 10/09/2019)	DEBT	9,900	0.27		
	BANK OF INDIA	EQUITY	20,697	0.56		
	FEDERAL BANK LTD	EQUITY	38,138	1.04		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	46,632	1.27		
	9.50% HDFC LTD NCD (MD 23/07/2017)	DEBT	20,461	0.56		
INFRASTRUCTURE FINANCE			542,253	14.77	671,156	15.89
	10.60% IRFC NCD (MD 11/09/2018)	DEBT	108,421	2.95		
	10.85% RECL LTD NCD (MD 30/09/2018)	DEBT	103,051	2.81		
	11.25% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2018)	DEBT	88,255	2.40		
	9.07% RECL (MD 28/02/2018)	DEBT	50,483	1.38		
	NABARD ZCB (MD 01/03/2018)	DEBT	14,505	0.40		
	NABARD ZCB (MD 01/08/2017)	DEBT	130,982	3.57		
	POWER FINANCE CORPORATION LTD	EQUITY	18,910	0.52		
	NABARD ZCB (MD 01/10/2017)	DEBT	1,366	0.04		
	IDFC LTD.	EQUITY	26,281	0.72		
Others (Other than G-Sec)			1,839,886	50.13	2,297,235	54.40

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Platinum Plus 2
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,613,202	25.68	1,665,928	22.72
	9.50% CANARA BANK FD QUARTERLY COMP (MD 11/02/2019)	DEBT	50,000	0.80		
	AXIS BANK LIMITED	EQUITY	94,772	1.51		
	HDFC BANK	EQUITY	201,817	3.21		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	227,805	3.63		
	ICICI BANK LTD	EQUITY	309,940	4.93		
	NATIONAL HOUSING BANK ZCB (MD 24/12/2018)	DEBT	128,793	2.05		
	STATE BANK OF INDIA	EQUITY	171,170	2.72		
	UNION BANK OF INDIA LTD.	EQUITY	73,373	1.17		
	LIC HOUSING FINANCE LTD	EQUITY	73,757	1.17		
	9.00% EXPORT IMPORT BANK OF INDIA NCD (MD 10/01/2019)	DEBT	108,645	1.73		
	CANARA BANK	EQUITY	61,448	0.98		
	BANK OF INDIA	EQUITY	39,321	0.63		
	FEDERAL BANK LTD	EQUITY	72,361	1.15		
Others (Other than G-Sec)			4,097,001	65.22	3,655,199	49.84

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Platinum Plus 3
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			2,134,409	28.68	2,378,241	29.98
	9.45% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	1,032	0.01		
	AXIS BANK LIMITED	EQUITY	92,077	1.24		
	HDFC BANK	EQUITY	285,446	3.84		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	355,000	4.77		
	ICICI BANK LTD	EQUITY	356,030	4.78		
	NATIONAL HOUSING BANK ZCB (MD 31/03/2019)	DEBT	149,890	2.01		
	STATE BANK OF INDIA	EQUITY	210,158	2.82		
	UNION BANK OF INDIA LTD.	EQUITY	70,448	0.95		
	LIC HOUSING FINANCE LTD	EQUITY	88,976	1.20		
	9.00% EXPORT IMPORT BANK OF INDIA NCD (MD 10/01/2019)	DEBT	213,228	2.87		
	CANARA BANK	EQUITY	65,392	0.88		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 15/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 16/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 16/09/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 17/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 17/09/2019)	DEBT	500	0.01		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 20/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 21/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 22/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 23/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 24/05/2019)	DEBT	9,900	0.13		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 27/05/2019)	DEBT	9,900	0.13		
	BANK OF INDIA	EQUITY	60,904	0.82		
	FEDERAL BANK LTD	EQUITY	86,329	1.16		
Others (Other than G-Sec)			4,765,509	64.04	5,206,649	65.64

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Platinum Plus 4
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,608,655	28.11	1,898,264	33.37
	AXIS BANK LIMITED	EQUITY	74,029	1.29		
	HDFC BANK	EQUITY	228,202	3.99		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	284,954	4.98		
	ICICI BANK LTD	EQUITY	285,632	4.99		
	STATE BANK OF INDIA	EQUITY	166,871	2.92		
	UNION BANK OF INDIA LTD.	EQUITY	57,795	1.01		
	LIC HOUSING FINANCE LTD	EQUITY	71,900	1.26		
	CANARA BANK	EQUITY	51,943	0.91		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 17/09/2019)	DEBT	9,400	0.16		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 18/09/2019)	DEBT	9,900	0.17		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 19/09/2019)	DEBT	9,900	0.17		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 20/09/2019)	DEBT	9,900	0.17		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 23/09/2019)	DEBT	9,900	0.17		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 24/09/2019)	DEBT	9,900	0.17		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 25/09/2019)	DEBT	9,900	0.17		
	BANK OF INDIA	EQUITY	48,941	0.86		
	FEDERAL BANK LTD	EQUITY	69,388	1.21		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 26/03/2014)	DEBT	200,200	3.50		
Others (Other than G-Sec)			3,653,285	63.83	3,517,340	61.83

BIRLA SUN LIFE INSURANCE COMPANY LIMITED

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Platinum Premier
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			2,291,593	25.89	1,700,146	27.06
	AXIS BANK LIMITED	EQUITY	117,439	1.33		
	HDFC BANK	EQUITY	372,442	4.21		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	434,593	4.91		
	ICICI BANK LTD	EQUITY	453,445	5.12		
	STATE BANK OF INDIA	EQUITY	272,542	3.08		
	UNION BANK OF INDIA LTD.	EQUITY	81,266	0.92		
	LIC HOUSING FINANCE LTD	EQUITY	113,169	1.28		
	CANARA BANK	EQUITY	85,659	0.97		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 11/02/2020)	DEBT	9,900	0.11		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 12/02/2020)	DEBT	9,900	0.11		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 13/02/2020)	DEBT	9,900	0.11		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 14/02/2020)	DEBT	9,900	0.11		
	BANK OF INDIA	EQUITY	77,492	0.88		
	FEDERAL BANK LTD	EQUITY	103,364	1.17		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	40,582	0.46		
	9.55% BANK OF INDIA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	100,000	1.13		
Others (Other than G-Sec)			6,146,109	69.43	4,019,814	63.97

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Platinum Advantage
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,887,402	29.08	1,129,437	30.42
	AXIS BANK LIMITED	EQUITY	126,613	1.95		
	HDFC BANK	EQUITY	349,296	5.38		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	333,598	5.14		
	ICICI BANK LTD	EQUITY	413,135	6.36		
	NATIONAL HOUSING BANK ZCB (MD 31/03/2019)	DEBT	72,487	1.12		
	STATE BANK OF INDIA	EQUITY	230,836	3.56		
	UNION BANK OF INDIA LTD.	EQUITY	73,747	1.14		
	LIC HOUSING FINANCE LTD	EQUITY	84,225	1.30		
	CANARA BANK	EQUITY	62,099	0.96		
	BANK OF INDIA	EQUITY	58,858	0.91		
	FEDERAL BANK LTD	EQUITY	82,508	1.27		
COMPUTER PROGRAMMING, CONSULTANCY			678,742	10.46	411,969	11.09
	TATA CONSULTANCY SERVICES LIMITED	EQUITY	196,695	3.03		
	INFOSYS LIMITED	EQUITY	414,324	6.38		
	HCL TECHNOLOGIES LTD	EQUITY	67,723	1.04		
Others (Other than G-Sec)			3,773,004	58.12	2,214,662	59.64

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Foresight FP
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,914,030	24.68	1,099,631	32.88
	9.50% CANARA BANK FD QUARTERLY COMP (MD 10/02/2019)	DEBT	50,000	0.64		
	AXIS BANK LIMITED	EQUITY	92,170	1.19		
	HDFC BANK	EQUITY	237,852	3.07		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	282,377	3.64		
	ICICI BANK LTD	EQUITY	313,978	4.05		
	STATE BANK OF INDIA	EQUITY	174,998	2.26		
	UNION BANK OF INDIA LTD.	EQUITY	53,132	0.69		
	LIC HOUSING FINANCE LTD	EQUITY	79,188	1.02		
	9.00% EXPORT IMPORT BANK OF INDIA NCD (MD 10/01/2019)	DEBT	81,230	1.05		
	CANARA BANK	EQUITY	47,313	0.61		
	BANK OF INDIA	EQUITY	52,884	0.68		
	9.04% EXPORT IMPORT BANK OF INDIA NCD (MD 21/09/2022)	DEBT	50,428	0.65		
	FEDERAL BANK LTD	EQUITY	65,356	0.84		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 03/08/2015)	DEBT	5,072	0.07		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 25/03/2014)	DEBT	200,200	2.58		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	101,456	1.31		
	9.90 HDFC LTD. NCD (MD 10/06/2021)	DEBT	26,396	0.34		
ELECTRICITY, GAS AND STEAM SUPPLY			799,596	10.31	96,461	2.88
	NTPC LIMITED	EQUITY	135,684	1.75		
	POWER GRID CORPORATION OF INDIA LIMITED	EQUITY	103,514	1.33		
	9.35% POWER GRID CORPORATION NCD (MD 29/08/2021)	DEBT	40,997	0.53		
	9.64% POWER GRID CORPORATION NCD (MD 31/05/18)	DEBT	15,491	0.20		
	9.35% POWER GRID CORPORATION NCD (MD 29/08/2018)	DEBT	2,043	0.03		
	9.25% POWER GRID CORPN. OF INDIA LTD. NCD (MD 26/12/2018)	DEBT	30,513	0.39		
	9.25% POWER GRID NCD MD (26/12/2017)	DEBT	22,854	0.29		
	8.85% POWER GRID CORPN. OF INDIA LTD. NCD (MD 19/10/2022)	DEBT	49,912	0.64		
	9.30% POWER GRID CORPN. OF INDIA LTD. NCD (MD 28/06/2021)	DEBT	91,976	1.19		
	8.54% NUCLEAR POWER CORPORATION OF INDIA LIMITED (MD 15/03/2023)	DEBT	99,210	1.28		
	9.25% POWER GRID CORPORATION NCD (MD 26/12/2022)	DEBT	51,233	0.66		
	9.64% POWER GRID CORPORATION NCD (MD 31/05/2021)	DEBT	156,169	2.01		
Others (Other than G-Sec)			3,796,788	48.96	2,024,390	60.53

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Foresight SP
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			176,899	27.20	144,595	27.28
	AXIS BANK LIMITED	EQUITY	11,088	1.70		
	HDFC BANK	EQUITY	33,517	5.15		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	33,280	5.12		
	ICICI BANK LTD	EQUITY	39,915	6.14		
	STATE BANK OF INDIA	EQUITY	22,353	3.44		
	UNION BANK OF INDIA LTD.	EQUITY	6,242	0.96		
	LIC HOUSING FINANCE LTD	EQUITY	10,231	1.57		
	CANARA BANK	EQUITY	5,635	0.87		
	BANK OF INDIA	EQUITY	6,827	1.05		
	FEDERAL BANK LTD	EQUITY	7,812	1.20		
COMPUTER PROGRAMMING, CONSULTANCY			75,996	11.68	61,018	11.51
	TATA CONSULTANCY SERVICES LIMITED	EQUITY	26,616	4.09		
	INFOSYS LIMITED	EQUITY	44,048	6.77		
	HCL TECHNOLOGIES LTD	EQUITY	5,332	0.82		
Others (Other than G-Sec)			384,700	59.15	336,116	63.42

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Titanium 1
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			159,453	27.84	92,136	18.44
	AXIS BANK LIMITED	EQUITY	8,071	1.41		
	HDFC BANK	EQUITY	15,946	2.78		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	22,438	3.92		
	ICICI BANK LTD	EQUITY	25,158	4.39		
	STATE BANK OF INDIA	EQUITY	11,328	1.98		
	UNION BANK OF INDIA LTD.	EQUITY	11,144	1.95		
	LIC HOUSING FINANCE LTD	EQUITY	7,193	1.26		
	CANARA BANK	EQUITY	7,497	1.31		
	9.85% HDFC LTD NCD (MD 28/05/15)	DEBT	30,533	5.33		
	9.37% NATIONAL HOUSING BANK (MD 20/01/2015)	DEBT	20,145	3.52		
ELECTRICITY, GAS AND STEAM SUPPLY			62,621	10.93	37,216	7.45
	8.64% POWER GRID NCD MD (08/07/2015)	DEBT	19,890	3.47		
	8.80% POWER GRID CORPORATION LTD NCD (MD 29/09/2014)	DEBT	23,702	4.14		
	NTPC LIMITED	EQUITY	9,724	1.70		
	POWER GRID CORPORATION OF INDIA LIMITED	EQUITY	9,305	1.62		
Others (Other than G-Sec)			265,095	46.29	257,019	51.43

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Titanium 2
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			72,795	28.50	38,843	20.49
	8.28% L I C HOUSING FINANCE LTD NCD (29/06/2015)	DEBT	4,938	1.93		
	AXIS BANK LIMITED	EQUITY	3,362	1.32		
	HDFC BANK	EQUITY	6,394	2.50		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	9,378	3.67		
	ICICI BANK LTD	EQUITY	10,583	4.14		
	STATE BANK OF INDIA	EQUITY	4,755	1.86		
	UNION BANK OF INDIA LTD.	EQUITY	5,038	1.97		
	LIC HOUSING FINANCE LTD	EQUITY	2,990	1.17		
	CANARA BANK	EQUITY	3,142	1.23		
	9.85% HDFC LTD NCD (MD 28/05/15)	DEBT	7,124	2.79		
	9.37% NATIONAL HOUSING BANK (MD 20/01/2015)	DEBT	9,065	3.55		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 20/07/2015) P/C 20/01/2015	DEBT	6,026	2.36		
Others (Other than G-Sec)			143,530	56.19	87,236	46.01

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Titanium 3
as on 31st March 2012
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			25,188	34.88	11,880	21.57
	8.28% L I C HOUSING FINANCE LTD NCD (29/06/2015)	DEBT	988	1.37		
	8.8% STATE BANK OF HYDERABAD NCD (MD 29/04/2016)	DEBT	2,999	4.15		
	AXIS BANK LIMITED	EQUITY	702	0.97		
	HDFC BANK	EQUITY	1,476	2.04		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	2,103	2.91		
	ICICI BANK LTD	EQUITY	2,315	3.21		
	STATE BANK OF INDIA	EQUITY	1,057	1.46		
	UNION BANK OF INDIA LTD.	EQUITY	1,116	1.55		
	LIC HOUSING FINANCE LTD	EQUITY	671	0.93		
	CANARA BANK	EQUITY	662	0.92		
	9.85% HDFC LTD NCD (MD 28/05/15)	DEBT	3,053	4.23		
	9.37% NATIONAL HOUSING BANK (MD 20/01/2015)	DEBT	4,029	5.58		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 20/07/2015) P/C 20/01/2015	DEBT	4,017	5.56		
Others (Other than G-Sec)			33,533	46.44	25,107	45.58

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Pension Nourish Fund
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			25,009	18.77	28,883	21.44
	11.95% HDFC LTD NCD (MD 26/11/2018)	DEBT	3,400	2.55		
	12.65% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 24/12/2014)	DEBT	2,094	1.57		
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	4,982	3.74		
	7.60% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (08/12/2017)	DEBT	5,766	4.33		
	AXIS BANK LIMITED	EQUITY	254	0.19		
	HDFC BANK	EQUITY	618	0.46		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	402	0.30		
	ICICI BANK LTD	EQUITY	831	0.62		
	STATE BANK OF INDIA	EQUITY	464	0.35		
	UNION BANK OF INDIA LTD.	EQUITY	107	0.08		
	YES BANK LIMITED	EQUITY	98	0.07		
	LIC HOUSING FINANCE LTD	EQUITY	191	0.14		
	CANARA BANK	EQUITY	142	0.11		
	DEVELOPMENT CREDIT BANK LTD.	EQUITY	129	0.10		
	BANK OF INDIA	EQUITY	128	0.10		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	3,071	2.30		
	FEDERAL BANK LTD	EQUITY	189	0.14		
	ALLAHABAD BANK	EQUITY	114	0.09		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	2,029	1.52		
INFRASTRUCTURE FINANCE			17,998	13.51	24,934	18.51
	10.70% IRFC NCD (MD 11/09/2023)	DEBT	3,415	2.56		
	10.85% RECL LTD NCD (MD 14/08/2018)	DEBT	2,167	1.63		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	5,074	3.81		
	8.46% IRFC NCD (MD 15/01/2014)	DEBT	1,997	1.5		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	2,987	2.24		
	POWER FINANCE CORPORATION LTD	EQUITY	121	0.09		
	9.36% POWER FINANCE CORPN. LTD. NCD (MD 01/08/2021)	DEBT	2,051	1.54		
	IDFC LTD.	EQUITY	187	0.14		
Others (Other than G-Sec)			42,425	31.84	41,485	30.79

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Pension Growth Fund
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			66,943	17.87	73,920	20.36
	11.95% HDFC LTD NCD (MD 26/11/2018)	DEBT	11,335	3.03		
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	7,971	2.13		
	8% HDFC LTD NCD (MD 08/02/2017)	DEBT	2,939	0.78		
	AXIS BANK LIMITED	EQUITY	1,424	0.38		
	HDFC BANK	EQUITY	3,452	0.92		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	2,215	0.59		
	ICICI BANK LTD	EQUITY	4,774	1.27		
	STATE BANK OF INDIA	EQUITY	2,523	0.67		
	UNION BANK OF INDIA LTD.	EQUITY	578	0.15		
	YES BANK LIMITED	EQUITY	534	0.14		
	LIC HOUSING FINANCE LTD	EQUITY	1,023	0.27		
	CANARA BANK	EQUITY	772	0.21		
	DEVELOPMENT CREDIT BANK LTD.	EQUITY	688	0.18		
	BANK OF INDIA	EQUITY	692	0.18		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	7,165	1.91		
	FEDERAL BANK LTD	EQUITY	1,052	0.28		
	ALLAHABAD BANK	EQUITY	581	0.16		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	7,102	1.90		
	9.30% STATE BANK OF INDIA NCD (MD 16/03/2021) CALL 16/03/2016	DEBT	10,122	2.70		
INFRASTRUCTURE FINANCE			55,193	14.73	44,393	12.23
	10.05% NABARD (MD 11/06/2014)	DEBT	10,120	2.70		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	15,222	4.06		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	7,966	2.13		
	POWER FINANCE CORPORATION LTD	EQUITY	592	0.16		
	9.40% NABARD NCD SR XII-L (MD 13/09/2016)	DEBT	10,157	2.71		
	IDFC LTD.	EQUITY	1,038	0.28		
	9.02% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 19/11/2022)	DEBT	10,098	2.70		
Others (Other than G-Sec)			143,676	38.35	120,161	33.10

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Ind. Pension Enrich Fund
as on 31st March 2012
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			355,144	21.14	325,962	19.58
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	49,819	2.96		
	AXIS BANK LIMITED	EQUITY	11,259	0.67		
	HDFC BANK	EQUITY	27,198	1.62		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	17,779	1.06		
	ICICI BANK LTD	EQUITY	37,820	2.25		
	STATE BANK OF INDIA	EQUITY	20,489	1.22		
	UNION BANK OF INDIA LTD.	EQUITY	4,692	0.28		
	YES BANK LIMITED	EQUITY	4,234	0.25		
	LIC HOUSING FINANCE LTD	EQUITY	8,254	0.49		
	CANARA BANK	EQUITY	6,188	0.37		
	DEVELOPMENT CREDIT BANK LTD.	EQUITY	5,590	0.33		
	BANK OF INDIA	EQUITY	5,564	0.33		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	30,707	1.83		
	FEDERAL BANK LTD	EQUITY	8,575	0.51		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	30,412	1.81		
	PUNJAB NATIONAL BANK CD (MD 16/12/2013)	DEBT	28,281	1.68		
	ALLAHABAD BANK	EQUITY	4,677	0.28		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	10,146	0.60		
	9.50% DEVELOPMENT CREDIT BANK QTR CMPD FD (MD 16/01/2014)	DEBT	30,000	1.79		
	9.30% STATE BANK OF INDIA NCD (MD 16/03/2021) CALL 16/03/2016	DEBT	13,462	0.80		
INFRASTRUCTURE FINANCE			218,320	12.99	270,885	16.28
	10.70% IRFC NCD (MD 11/09/2023)	DEBT	17,075	1.02		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	40,593	2.42		
	8.49% IRFC NCD (MD 30/03/2014)	DEBT	29,938	1.78		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	31,863	1.90		
	9.15% NAT CAP REGIONAL PLANNING NCD (MD 18/02/2019) P/C 18/02/16	DEBT	15,116	0.90		
	9.45% RECL LTD NCD (MD 04/04/2013)	DEBT	50,004	2.98		
	POWER FINANCE CORPORATION LTD	EQUITY	5,252	0.31		
	IDFC LTD.	EQUITY	8,282	0.49		
	9.02% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 19/11/2022)	DEBT	20,197	1.20		
Others (Other than G-Sec)			550,274	32.75	708,074	42.54

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Discontinued Policy Fund
as on 31st March 2013

(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,443,783	69.89	279,311	62.85
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	46,050	2.23		
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	111,022	5.37		
	JAMMU AND KASHMIR BANK CD (MD 08/04/2013)	DEBT	42,931	2.08		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	74,299	3.60		
	CENTRAL BANK OF INDIA CD (MD 27/12/2013)	DEBT	131,737	6.38		
	9.50% BANK OF INDIA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	60,000	2.90		
	ANDHRA BANK CD (MD 12/12/2013)	DEBT	135,356	6.55		
	FEDERAL BANK LTD CD (MD 23/05/2013)	DEBT	98,811	4.78		
	HDFC BANK LIMITED CD (MD 21/06/2013)	DEBT	101,016	4.89		
	INDIAN BANK CD (MD 25/04/2013)	DEBT	298	0.01		
	ORIENTAL BANK OF COMMERCE CD (MD 16/01/2014)	DEBT	15,924	0.77		
	PUNJAB NATIONAL BANK CD (MD 16/12/2013)	DEBT	122,551	5.93		
	STATE BANK OF MYSORE CD (MD 16/12/2013)	DEBT	37,577	1.82		
	STATE BANK OF TRAVANCORE CD (MD 25/09/2013)	DEBT	35,909	1.74		
	9.25% CORPORATION BANK FD QTR COMP (MD 13/03/2014)	DEBT	50,000	2.42		
	9.25% CORPORATION BANK FD QTR COMP (MD 15/03/2014)	DEBT	50,000	2.42		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 11/07/2014)	DEBT	80,000	3.87		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 05/03/2014)	DEBT	100,100	4.85		
	9.70% CORPORATION BANK FD QTR COMP (MD 24/03/2014)	DEBT	50,100	2.43		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 25/03/2014)	DEBT	100,100	4.85		
Others (Other than G-Sec)			4,880	0.24	62,481	14.06

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Pure Equity
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
MANUFACTURE OF CHEMICAL PRODUCTS			2,848	15.62	9	10.91
	ASIAN PAINTS LIMITED	EQUITY	738	4.05		
	BAYER CROPS SCIENCE LIMITED	EQUITY	464	2.55		
	HINDUSTAN UNILEVER LIMITED	EQUITY	1,341	7.35		
	RALLIS INDIA LIMITED	EQUITY	306	1.68		
MANUFACTURE OF PHARMACEUTICALS			2,327	12.76	5	6.60
	CIPLA LIMITED	EQUITY	802	4.40		
	DIVIS LABORATORIES LIMITED	EQUITY	717	3.93		
	LUPIN LIMITED	EQUITY	808	4.43		
COMPUTER PROGRAMMING, CONSULTANCY			1,940	10.64	11	14.06
	HCL TECHNOLOGIES LIMITED	EQUITY	532	2.92		
	PERSISTENT SYSTEMS LIMITED	EQUITY	762	4.18		
	TECH MAHINDRA LIMITED	EQUITY	646	3.54		
Others (Other than G-Sec)			10,987	60.26	50	63.60

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Value Momentum
as on 31st March 2012
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			8,328	18.58	21	21.57
	INDIAN OVERSEAS BANK	EQUITY	829	1.85		
	ORIENTAL BANK OF COMMERCE	EQUITY	1,536	3.43		
	UNION BANK OF INDIA LTD.	EQUITY	1,185	2.65		
	CANARA BANK	EQUITY	992	2.21		
	PUNJAB NATIONAL BANK	EQUITY	1,256	2.80		
	BAJAJ HOLDINGS AND INVESTMENT LIMITED	EQUITY	978	2.18		
	BANK OF INDIA	EQUITY	666	1.49		
	ALLAHABAD BANK	EQUITY	885	1.97		
Others (Other than G-Sec)			30,352	67.73	44	45.38

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Liquid Plus
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			82,873	73.62	NA	NA
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	6,447	5.73		
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	4,641	4.12		
	SOUTH INDIAN BANK LTD CD (MD 24/02/2014)	DEBT	9,211	8.18		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	4,825	4.29		
	CENTRAL BANK OF INDIA CD (MD 27/12/2013)	DEBT	8,469	7.52		
	ANDHRA BANK CD (MD 12/12/2013)	DEBT	5,188	4.61		
	FEDERAL BANK LTD CD (MD 23/05/2013)	DEBT	7,905	7.02		
	HDFC BANK LIMITED CD (MD 21/06/2013)	DEBT	7,356	6.53		
	ORIENTAL BANK OF COMMERCE CD (MD 16/01/2014)	DEBT	4,684	4.16		
	PUNJAB NATIONAL BANK CD (MD 16/12/2013)	DEBT	4,148	3.68		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	10,000	8.88		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 04/03/2014)	DEBT	10,000	8.88		
CIVIL ENGINEERING			18,927	16.81	NA	NA
	AFCONS INFRASTRUCTURE LTD. CP (MD 15/10/2013)	DEBT	9,506	8.44		
	SHAPOORJI PALLONJI AND COMPANY LTD CP (MD 02/05/2013)	DEBT	9,421	8.37		
Others (Other than G-Sec)			35	0.03	NA	NA

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Fixed Interest
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,400,963	37.88	528,145	47.04
	12.65% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 24/12/2014)	DEBT	1,047	0.03		
	9.45% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	14,806	0.40		
	9.95% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	53,021	1.43		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	35,824	0.97		
	9.10% HDFC BANK LTD. NCD CALL 28/12/2017 (MD 28/12/2022)	DEBT	60,637	1.64		
	9.15% ICICI BANK LTD NCD (MD 31/12/2022)	DEBT	75,358	2.04		
	9.15% AXIS BANK NCD (MD 31/12/2022)	DEBT	50,918	1.38		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 12/11/2022)	DEBT	19,448	0.53		
	9.57% LIC HOUSING FINANCE LTD. NCD (MD 07/09/2017)	DEBT	51,298	1.39		
	9.70% LIC HOUSING FINANCE LTD. NCD (MD 11/06/2017)	DEBT	10,295	0.28		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	131,785	3.56		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 29/06/2014)	DEBT	30,000	0.81		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 01/01/2023)	DEBT	61,483	1.66		
	9.50% UNION BANK OF INDIA FD QUARTERLY COMP (MD 13/03/2016)	DEBT	100,000	2.70		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 13/03/2015)	DEBT	100,000	2.70		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	50,000	1.35		
	9.90 HDFC LTD. NCD (MD 10/06/2021)	DEBT	26,396	0.71		
	10.10% HDB FINANCIAL SERVICES LIMITED NCD (MD 12/06/2017)	DEBT	31,291	0.85		
	10.00% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 05/12/2014)	DEBT	20,245	0.55		
	9.25% ICICI HOME FINANCE COMPANY LTD NCD (MD 16/10/2014)	DEBT	12,050	0.33		
	9.50% UNION BANK OF INDIA FD QUARTERLY COMP (MD 05/03/2016)	DEBT	100,000	2.70		
	9.67% CANARA BANK FD QUARTERLY COMP (MD 10/03/2015)	DEBT	100,000	2.70		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 20/03/2014)	DEBT	40,000	1.08		
	10.20% SUNDARAM FINANCE LTD. NCD (MD 21/07/2014)	DEBT	5,059	0.14		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 13/07/2014)	DEBT	50,000	1.35		
	9.50% UNION BANK OF INDIA FD QUARTERLY COMP (MD 15/03/2016)	DEBT	100,000	2.70		
	9.70% CORPORATION BANK FD QTR COMP (MD 24/03/2014) (FV 7CR)	DEBT	70,000	1.89		
Others (Other than G-Sec)			710,252	19.20	243,868	21.72

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Bond
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,267,748	57.68	880,104	54.48
	9.80% STATE BANK OF INDIA NCD (MD 30/06/2016)	DEBT	19,518	0.89		
	9.95% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	8,027	0.37		
	9.10% HDFC BANK LTD. NCD CALL 28/12/2017 (MD 28/12/2022)	DEBT	101,062	4.60		
	9.15% ICICI BANK LTD NCD (MD 31/12/2022)	DEBT	71,285	3.24		
	9.15% AXIS BANK NCD (MD 31/12/2022)	DEBT	50,918	2.32		
	9.57% LIC HOUSING FINANCE LTD. NCD (MD 07/09/2017)	DEBT	51,298	2.33		
	9.70% LIC HOUSING FINANCE LTD. NCD (MD 11/06/2017)	DEBT	20,590	0.94		
	9.75% L AND T FINANCE LIMITED NCD (MD 08/10/2014)	DEBT	40,302	1.83		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	81,099	3.69		
	9.30% HDFC LTD. NCD (MD 04/10/2017)	DEBT	63,032	2.87		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 25/03/2014)	DEBT	100,100	4.55		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 01/01/2023)	DEBT	61,483	2.80		
	8.83% EXPORT IMPORT BANK OF INDIA NCD (MD 09/01/2023)	DEBT	49,904	2.27		
	10.10% HDB FINANCIAL SERVICES LIMITED NCD (MD 12/06/2017)	DEBT	38,593	1.76		
	10.00% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 05/12/2014)	DEBT	15,184	0.69		
	9.25% ICICI HOME FINANCE COMPANY LTD NCD (MD 16/10/2014)	DEBT	15,062	0.69		
	9.70% HDFC LTD. NCD (MD 16/04/2015)	DEBT	20,291	0.92		
	9.50% CORPORATION BANK FD QTR COMP (MD 28/02/2014)	DEBT	70,000	3.19		
	9.50% DEVELOPMENT CREDIT BANK QTR CMPD FD (MD 16/01/2014)	DEBT	30,000	1.37		
	9.50% UNION BANK OF INDIA FD QUARTERLY COMP (MD 05/03/2016)	DEBT	100,000	4.55		
	9.67% CANARA BANK FD QUARTERLY COMP (MD 10/03/2015)	DEBT	100,000	4.55		
	9.70% CORPORATION BANK FD QTR COMP (MD 26/03/2014)	DEBT	120,000	5.46		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 20/03/2014)	DEBT	40,000	1.82		
Others (Other than G-Sec)			543,314	24.72	195,651	12.11

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Money Market
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			483,361	47.33	1,294,310	72.65
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	73,681	7.21		
	SOUTH INDIAN BANK LTD CD (MD 24/02/2014)	DEBT	31,134	3.05		
	UCO BANK CD (MD 05/03/2014)	DEBT	46,030	4.51		
	TATA CAPITAL FINANCIAL SERVICES LIMITED CP (MD 29/04/2013)	DEBT	29,789	2.92		
	STATE BANK OF TRAVANCORE CD (MD 25/09/2013)	DEBT	23,428	2.29		
	9.50% DEVELOPMENT CREDIT BANK QTR CMPD FD (MD 16/01/2014)	DEBT	60,000	5.88		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 20/03/2014)	DEBT	20,000	1.96		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 03/01/2014)	DEBT	9,900	0.97		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 04/01/2014)	DEBT	9,900	0.97		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 05/01/2014)	DEBT	9,900	0.97		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 06/01/2014)	DEBT	9,900	0.97		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 07/01/2014)	DEBT	9,900	0.97		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 08/01/2014)	DEBT	9,900	0.97		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 09/01/2014)	DEBT	9,900	0.97		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 10/01/2014)	DEBT	9,900	0.97		
	9.50% SYNDICATE BANK LTD FD (MD 29/06/2013) QUARTERLY COMP	DEBT	20,000	1.96		
	9.68% CORPORATION BANK FD QTR COMP (MD 11/03/2014)	DEBT	50,100	4.91		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 18/03/2014)	DEBT	50,000	4.90		
CIVIL ENGINEERING			139,553	13.67	146,265	8.21
	AFCONS INFRASTRUCTURE LTD. CP (MD 15/10/2013)	Debt	40,875	4.00		
	SHAPOORJI PALLONJI AND COMPANY LTD CP (MD 02/05/2013)	Debt	98,678	9.66		
Others (Other than G-Sec)			67,857	6.64	341,727	19.18

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Short-Term Debt
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			147,953	58.00	361,938	59.56
	9.90% HDFC LTD. NCD (MD 11/03/2014)	DEBT	8,068	3.16		
	9.75% L AND T FINANCE LIMITED NCD (MD 08/10/2014)	DEBT	7,053	2.76		
	SOUTH INDIAN BANK LTD CD (MD 24/02/2014)	DEBT	23,028	9.03		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	29,720	11.65		
	9.70% SUNDARAM FINANCE LTD. NCD (MD 15/10/2014)	DEBT	5,035	1.97		
	9.85% HDFC LTD NCD (MD 28/05/15)	DEBT	1,018	0.40		
	9.50% BANK OF INDIA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	10,000	3.92		
	FEDERAL BANK LTD CD (MD 23/05/2013)	DEBT	21,738	8.52		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 04/03/2014)	DEBT	20,000	7.84		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 30/04/2015)	DEBT	22,293	8.74		
INFRASTRUCTURE FINANCE			50,365	19.74	134,267	22.09
	9.63% POWER FINANCE CORPN. LTD. NCD (MD 15/12/2014)	DEBT	25,265	9.90		
	9.72% IDFC LTD. (MD 05/11/2013)	DEBT	25,100	9.84		
Others (Other than G-Sec)			43,970	17.24	33,040	5.44

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Secure
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			2,258,237	27.57	2,012,601	29.46
	12.65% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 24/12/2014)	DEBT	54,454	0.66		
	5.90% HDFC BANK LTD NCD (MD 04/05/2014)	DEBT	58,212	0.71		
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	4,982	0.06		
	8.8% STATE BANK OF HYDERABAD NCD (MD 29/04/2016)	DEBT	8,997	0.11		
	9.05% SBI PERPETUAL NCD (CALL-27/01/2020) STEP UP RATE 9.55%	DEBT	50,537	0.62		
	9.15% STATE BANK OF PATIALA PERP NCD CALL 18/01/2020 STEPUP 9.65	DEBT	30,443	0.37		
	9.80% STATE BANK OF INDIA NCD (MD 30/06/2016)	DEBT	1,027	0.01		
	9.90% HDFC LTD. NCD (MD 11/03/2014)	DEBT	5,042	0.06		
	9.95% STATE BANK OF INDIA NCD (MD 16/03/2026) CALL 16/03/2021	DEBT	477	0.01		
	AXIS BANK LIMITED	EQUITY	26,804	0.33		
	HDFC BANK	EQUITY	69,808	0.85		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	84,540	1.03		
	ICICI BANK LTD	EQUITY	104,338	1.27		
	STATE BANK OF INDIA	EQUITY	66,769	0.82		
	UNION BANK OF INDIA LTD.	EQUITY	16,607	0.20		
	LIC HOUSING FINANCE LTD	EQUITY	21,593	0.26		
	9.00% EXPORT IMPORT BANK OF INDIA NCD (MD 10/01/2019)	DEBT	10,154	0.12		
	9.60% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (MD 07/04/2016)	DEBT	30,595	0.37		
	9.80% LIC HOUSING FINANCE LTD NCD (MD 10/08/2014)	DEBT	10,104	0.12		
	CANARA BANK	EQUITY	11,297	0.14		
	PUNJAB NATIONAL BANK	EQUITY	13,963	0.17		
	10.48% SUNDARAM FINANCE LTD. NCD (MD 03/06/2013)	DEBT	72,149	0.88		
	10.75% KOTAK MAHINDRA PRIME LTD. NCD (MD 26/04/2013)	DEBT	29,033	0.35		
	9.97% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/09/2013)	DEBT	50,108	0.61		
	10.19% TATA CAPITAL LIMITED NCD (MD 15/07/2013)	DEBT	6,016	0.07		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 10/05/2019)	DEBT	9,900	0.12		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 13/05/2019)	DEBT	9,900	0.12		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 13/09/2019)	DEBT	9,900	0.12		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 14/05/2019)	DEBT	9,900	0.12		
	9.75% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 10/02/2020)	DEBT	9,900	0.12		
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	46,050	0.56		

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Secure
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
	BANK OF INDIA	EQUITY	12,780	0.16		
	9.50 HDFC LTD. NCD (MD 13/09/2017)	DEBT	20,471	0.25		
	9.15% ICICI BANK LTD NCD (MD 31/12/2022)	DEBT	101,836	1.24		
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	46,414	0.57		
	FEDERAL BANK LTD	EQUITY	19,484	0.24		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	34,467	0.42		
	9.55% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/10/2014)	DEBT	10,049	0.12		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 29/06/2014)	DEBT	50,000	0.61		
	ANDHRA BANK CD (MD 12/12/2013)	DEBT	943	0.01		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 25/03/2014)	DEBT	100,100	1.22		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 13/03/2015)	DEBT	100,000	1.22		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	40,000	0.49		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	56,815	0.69		
	10.00% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 05/12/2014)	DEBT	5,061	0.06		
	9.50% CORPORATION BANK FD QTR COMP (MD 28/02/2014)	DEBT	60,000	0.73		
	9.50% DEVELOPMENT CREDIT BANK QTR CMPD FD (MD 16/01/2014)	DEBT	30,000	0.37		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 13/07/2014)	DEBT	150,000	1.83		
	9.10% IDBI BANK LTD FD QUARTERLY COMP (MD 19/03/2014)	DEBT	40,000	0.49		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	100,100	1.22		
	10.08% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 22/10/2014)	DEBT	25,220	0.31		
	10.25% KOTAK MAHINDRA PRIME LTD. NCD (MD 05/06/2014)	DEBT	20,249	0.25		
	9.37% NATIONAL HOUSING BANK (MD 20/01/2015)	DEBT	10,073	0.12		
	9.50% HDFC LTD NCD (MD 23/07/2017)	DEBT	10,230	0.12		
	9.85% TATA SONS LTD. NCD (MD 21/05/2017)	DEBT	10,343	0.13		
	9.10% CORPORATION BANK FD QTR COMP (MD 17/07/2014)	DEBT	50,000	0.61		
	9.50% UNION BANK OF INDIA FD QUARTERLY COMP (MD 06/03/2016)	DEBT	100,000	1.22		
	9.56% CANARA BANK FD QUARTERLY COMP (MD 04/03/2014)	DEBT	100,000	1.22		
	9.76% CANARA BANK FD QUARTERLY COMP (MD 12/03/2014)	DEBT	20,000	0.24		

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Secure
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
INFRASTRUCTURE FINANCE			890,014	10.86	764,393	11.19
	10.05% NABARD (MD 11/06/2014)	DEBT	14,168	0.17		
	10.85% RECL LTD NCD (MD 30/09/2018)	DEBT	16,271	0.20		
	10.90% RECL LTD NCD (MD 30/09/2013)	DEBT	102,841	1.26		
	11.40% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2013)	DEBT	40,574	0.50		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	79,157	0.97		
	8.46% IRFC NCD (MD 15/01/2014)	DEBT	29,948	0.37		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	54,765	0.67		
	8.70% POWER FINANCE CORPN LTD NCD (MD 15/01/2020)	DEBT	79,398	0.97		
	8.70% POWER FINANCE CORPORATION LTD. NCD (MD 14/05/2020)	DEBT	50,614	0.62		
	9.45% RECL LTD NCD (MD 04/04/2013)	DEBT	57,004	0.70		
	POWER FINANCE CORPORATION LTD	EQUITY	19,878	0.24		
	9.36% POWER FINANCE CORPN. LTD. NCD (MD 01/08/2021)	DEBT	8,203	0.10		
	9.40% NABARD NCD SR XII-L (MD 13/09/2016)	DEBT	1,016	0.01		
	9.48% REC LTD. NCD (MD 10/08/2021)	DEBT	33,033	0.40		
	9.57% IRFC NCD (MD 31/05/2021)	DEBT	33,588	0.41		
	9.61% POWER FINANCE CORPORATION LTD (MD 29/06/2021)	DEBT	43,660	0.53		
	9.62% POWER FINANCE CORPORATION LTD (MD 29/06/2016)	DEBT	1,021	0.01		
	9.70% POWER FINANCE CORPORATION LTD NCD (MD 15/12/2018) - SERIES 82-C	DEBT	62,188	0.76		
	9.48% NABARD NCD (MD 22/09/2014) P/C 23/09/2013	DEBT	30,057	0.37		
	9.44% POWER FINANCE CORPORATION LTD. NCD (MD 23/09/2021) P/C 23/09/18	DEBT	2,050	0.03		
	9.68% POWER FINANCE CORPORATION (MD 09/06/2018)	DEBT	18,619	0.23		
	IDFC LTD.	EQUITY	21,434	0.26		
	8.84% POWER FINANCE CORPORATION LTD NCD (MD 04/03/2023)	DEBT	49,955	0.61		
	9.02% RURAL ELECTRIFICATION CORPN. LTD. NCD (MD 19/11/2022)	DEBT	15,148	0.18		
	9.33% NABARD NCD (MD 12/06/2017)	DEBT	25,425	0.31		
Others (Other than G-Sec)			2,562,109	31.27	1,890,499	27.67

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Stable
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			701,779	27.18	934,254	26.80
	7.55% NATIONAL HOUSING BANK LTD. (MD 12/07/2013)	DEBT	4,982	0.19		
	9.40% NATIONAL HOUSING BANK LTD. (MD 17/12/2013)	DEBT	50,126	1.94		
	9.75% HDFC LTD. NCD (MD 08/03/2016)	DEBT	7,161	0.28		
	9.90% HDFC LTD. NCD (MD 11/03/2014)	DEBT	20,170	0.78		
	AXIS BANK LIMITED	EQUITY	15,330	0.59		
	HDFC BANK	EQUITY	40,111	1.55		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	49,076	1.90		
	ICICI BANK LTD	EQUITY	61,497	2.38		
	STATE BANK OF INDIA	EQUITY	38,953	1.51		
	UNION BANK OF INDIA LTD.	EQUITY	11,267	0.44		
	LIC HOUSING FINANCE LTD	EQUITY	13,036	0.50		
	9.60% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (MD 07/04/2016)	DEBT	30,595	1.18		
	CANARA BANK	EQUITY	7,670	0.30		
	PUNJAB NATIONAL BANK	EQUITY	8,076	0.31		
	9.80% GRUH FINANCE LTD. NCD (MD 10/02/15)	DEBT	11,118	0.43		
	BANK OF INDIA	EQUITY	7,374	0.29		
	8.95% HDFC BANK LTD. NCD CALL 31/10/2017 (MD 31/10/2022)	DEBT	14,072	0.54		
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	23,207	0.90		
	FEDERAL BANK LTD	EQUITY	10,739	0.42		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 11/07/2014)	DEBT	20,000	0.77		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 01/01/2023)	DEBT	47,137	1.83		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	10,000	0.39		
	8.83% EXPORT IMPORT BANK OF INDIA NCD (MD 09/01/2023)	DEBT	9,981	0.39		
	9.10% IDBI BANK LTD FD QUARTERLY COMP (MD 19/03/2014)	DEBT	40,000	1.55		
	9.10% CORPORATION BANK FD QTR COMP (MD 07/08/2014)	DEBT	50,000	1.94		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 26/03/2014)	DEBT	100,100	3.88		

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Stable
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
INFRASTRUCTURE FINANCE			465,594	18.03	740,375	21.24
	10.85% RECL LTD NCD (MD 14/08/2018)	DEBT	27,084	1.05		
	11.25% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2018)	DEBT	24,270	0.94		
	11.40% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2013)	DEBT	55,790	2.16		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	39,829	1.54		
	8.65% RECL LTD NCD (MD 15/01/2019)	DEBT	97,125	3.76		
	8.70% POWER FINANCE CORPN LTD NCD (MD 15/01/2020)	DEBT	9,925	0.38		
	8.90% POWER FINANCE LTD NCD (MD 16/02/2014)	DEBT	49,981	1.94		
	POWER FINANCE CORPORATION LTD	EQUITY	11,949	0.46		
	9.36% POWER FINANCE CORPN. LTD. NCD (MD 01/08/2021)	DEBT	1,025	0.04		
	9.40% NABARD NCD SR XII-L (MD 13/09/2016)	DEBT	30,470	1.18		
	9.57% IRFC NCD (MD 31/05/2021)	DEBT	13,645	0.53		
	9.61% POWER FINANCE CORPORATION LTD (MD 29/06/2021)	DEBT	25,988	1.01		
	9.48% NABARD NCD (MD 22/09/2014) P/C 23/09/2013	DEBT	20,038	0.78		
	IDFC LTD.	EQUITY	12,855	0.50		
	9.33% NABARD NCD (MD 12/06/2017)	DEBT	25,425	0.98		
	9.655% NABARD NCD (MD 18/10/2014)	DEBT	20,195	0.78		
Others (Other than G-Sec)			789,745	30.59	1,043,066	29.92

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Growth
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			760,744	31.67	509,786	26.47
	5.90% HDFC Bank Ltd NCD (MD 04/05/2014)	DEBT	33,957	1.41		
	7.60% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NCD (08/12/2017)	DEBT	27,869	1.16		
	8.48% LIC HOUSING FINANCE LTD NCD (MD 27/09/2013)	DEBT	43,875	1.83		
	9.05% SBI Perpetual NCD (Call- 27/01/2020) Step Up Rate 9.55%	DEBT	26,279	1.09		
	AXIS BANK LIMITED	EQUITY	20,336	0.85		
	HDFC BANK	EQUITY	53,571	2.23		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	65,307	2.72		
	ICICI BANK LTD	EQUITY	81,091	3.38		
	STATE BANK OF INDIA	EQUITY	53,440	2.22		
	UNION BANK OF INDIA LTD.	EQUITY	13,209	0.55		
	LIC HOUSING FINANCE LTD	EQUITY	16,829	0.70		
	CANARA BANK	EQUITY	8,942	0.37		
	PUNJAB NATIONAL BANK	EQUITY	10,769	0.45		
	BANK OF INDIA	EQUITY	10,145	0.42		
	8.95% HDFC BANK LTD. NCD CALL 31/10/2017 (MD 31/10/2022)	DEBT	13,067	0.54		
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	23,207	0.97		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	48,246	2.01		
	FEDERAL BANK LTD	EQUITY	14,295	0.60		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 03/08/2015)	DEBT	16,229	0.68		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 11/07/2014)	DEBT	20,000	0.83		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 07/07/2014)	DEBT	10,000	0.42		
	8.83% EXPORT IMPORT BANK OF INDIA NCD (MD 09/01/2023)	DEBT	9,981	0.42		
	9.10% IDBI BANK LTD FD QUARTERLY COMP (MD 19/03/2014)	DEBT	40,000	1.66		
	9.72% BANK OF BARODA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	100,100	4.17		

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Growth
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
INFRASTRUCTURE FINANCE			278,049	11.57	294,636	15.30
	10.90% RECL LTD NCD (MD 14/08/2013)	DEBT	9,049	0.38		
	11.25% POWER FINANCE CORPORATION LTD NCD (MD 28/11/2018)	DEBT	27,580	1.15		
	8.60% POWER FINANCE CORPORATION LTD NCD (MD 07/08/2014)	DEBT	17,923	0.75		
	8.70% POWER FINANCE CORPORATION LTD. NCD (MD 14/05/2020)	DEBT	83,364	3.47		
	8.95% POWER FINANCE CORPPORATION LTD. NCD (MD 30/03/2015)	DEBT	28,034	1.17		
	NABARD ZCB (MD 01/08/2017)	DEBT	29,107	1.21		
	POWER FINANCE CORPORATION LTD	EQUITY	15,422	0.64		
	9.48% REC LTD. NCD (MD 10/08/2021)	DEBT	13,420	0.56		
	9.44% POWER FINANCE CORPORATION LTD. NCD (MD 23/09/2021) P/C 23/09/18	DEBT	10,249	0.43		
	IDFC LTD.	EQUITY	16,636	0.69		
	9.655% NABARD NCD (MD 18/10/2014)	DEBT	27,264	1.13		
Others (Other than G-Sec)			940,156	39.13	740,233	38.44

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Growth Advantage Fund
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			55,243	29.32	27,138.38	16.82
	11.95% HDFC LTD NCD (MD 26/11/2018)	DEBT	1,133	0.60		
	9.75% HDFC LTD. NCD (MD 08/03/2016)	DEBT	8,184	4.34		
	AXIS BANK LIMITED	EQUITY	1,955	1.04		
	HDFC BANK	EQUITY	5,087	2.70		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	6,066	3.22		
	ICICI BANK LTD	EQUITY	7,753	4.11		
	STATE BANK OF INDIA	EQUITY	5,126	2.72		
	UNION BANK OF INDIA LTD.	EQUITY	1,193	0.63		
	LIC HOUSING FINANCE LTD	EQUITY	1,481	0.79		
	CANARA BANK	EQUITY	808	0.43		
	PUNJAB NATIONAL BANK	EQUITY	955	0.51		
	BANK OF INDIA	EQUITY	1,196	0.63		
	8.95% HDFC BANK LTD. NCD CALL 31/10/2017 (MD 31/10/2022)	DEBT	3,015	1.60		
	FEDERAL BANK LTD	EQUITY	1,310	0.70		
	8.83% EXPORT IMPORT BANK OF INDIA NCD (MD 09/01/2023)	DEBT	9,981	5.30		

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Growth Advantage Fund
as on 31st March 2013

(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
INFRASTRUCTURE FINANCE			22,053	11.70	18,996.91	11.77
	10.90% RECL LTD NCD (MD 14/08/2013)	DEBT	5,027	2.67		
	11.50% RECL LTD NCD (MD 26/11/2013)	DEBT	6,089	3.23		
	8.70% POWER FINANCE CORPORATION LTD. NCD (MD 14/05/2020)	DEBT	1,985	1.05		
	POWER FINANCE CORPORATION LTD	EQUITY	1,367	0.73		
	IDFC LTD.	EQUITY	1,761	0.93		
	7.60% POWER FINANCE CORPN. LTD. NCD (MD 30/12/2015)	DEBT	5,824	3.09		
Others (Other than G-Sec)			82,788	43.93	91,026	56.41

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Inc. Advantage
as on 31st March 2013

(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			16,745	31.81	2,859	25.39
	9.90% HDFC LTD NCD (MD 23/12/2018)	DEBT	1,045	1.99		
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	461	0.87		
	9.15% ICICI BANK LTD NCD (MD 31/12/2022)	DEBT	1,018	1.93		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 12/11/2022)	DEBT	1,024	1.94		
	UCO BANK CD (MD 05/03/2014)	DEBT	460	0.87		
	PUNJAB NATIONAL BANK CD (MD 16/12/2013)	DEBT	566	1.07		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 01/01/2023)	DEBT	4,099	7.79		
	9.15% EXPORT IMPORT BANK OF INDIA NCD (MD 05/09/2022)	DEBT	2,029	3.85		
	10.10% HDB FINANCIAL SERVICES LIMITED NCD (MD 12/06/2017)	DEBT	1,043	1.98		
	9.00% STATE BANK OF BIKANER AND JAIPUR FD QTR COMP (MD 14/03/2018)	DEBT	5,000	9.50		
Others (Other than G-Sec)			2,717	5.16	1,450	12.88

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Short Term Debt 2
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			311,077	72.54	233,720	61.59
	12.65% CHOLAMANDALAM INVT AND FIN CO LTD NCD (MD 24/12/2014)	DEBT	2,094	0.49		
	9.80% LIC HOUSING FINANCE LTD NCD (MD 10/08/2014)	DEBT	4,041	0.94		
	10.48% SUNDARAM FINANCE LTD. NCD (MD 03/06/2013)	DEBT	2,004	0.47		
	10.20% LIC HOUSING FINANCE LTD. NCD (MD 07/06/2013)	DEBT	1,002	0.23		
	10.40% KOTAK MAHINDRA PRIME LTD. NCD (MD 12/04/2013)	DEBT	1,000	0.23		
	10.46% SUNDARAM BNP PARIBAS HOME FINANCE LTD. NCD (MD 24/06/2013)	DEBT	1,002	0.23		
	10.75% KOTAK MAHINDRA PRIME LTD. NCD (MD 26/04/2013)	DEBT	1,001	0.23		
	9.10% HDFC BANK LTD. NCD CALL 28/12/2017 (MD 28/12/2022)	DEBT	20,212	4.71		
	9.25% LIC HOUSING FINANCE LTD NCD (MD 12/11/2022)	DEBT	20,472	4.77		
	9.75% L AND T FINANCE LIMITED NCD (MD 08/10/2014)	DEBT	20,151	4.70		
	SOUTH INDIAN BANK LTD CD (MD 24/02/2014)	DEBT	27,633	6.44		
	CENTRAL BANK OF INDIA CD (MD 27/12/2013)	DEBT	4,705	1.10		
	TATA CAPITAL FINANCIAL SERVICES LIMITED CP (MD 29/04/2013)	DEBT	19,859	4.63		
	9.18% HOUSING DEVELOPMENT FINANCE CORPN. LTD NCD (MD 12/02/2018)	DEBT	10,137	2.36		
	9.30% HDFC LTD. NCD (MD 04/10/2017)	DEBT	15,250	3.56		
	9.55% MAHINDRA AND MAHINDRA FINANCIAL SERVICES LTD NCD (MD 16/10/2014)	DEBT	25,123	5.86		
	9.62% LIC HOUSING FINANCE LTD. NCD (MD 03/08/2015)	DEBT	5,072	1.18		
	9.70% SUNDARAM FINANCE LTD. NCD (MD 15/10/2014)	DEBT	20,139	4.70		
	9.85% HDFC LTD NCD (MD 28/05/15)	DEBT	10,178	2.37		
	9.25% CORPORATION BANK FD QTR COMP (MD 17/03/2014)	DEBT	40,000	9.33		
	9.50% BANK OF INDIA FD QUARTERLY COMP (MD 28/03/2014)	DEBT	10,000	2.33		
	9.50% STATE BANK OF TRAVANCORE FD QTR COMP (MD 29/06/2014)	DEBT	20,000	4.66		
	9.56% BANK OF BARODA FD QUARTERLY COMP (MD 05/03/2014) ₹ 1 CR	DEBT	30,000	7.00		
CIVIL ENGINEERING			48,558	11.32	NA	NA
	AFCONS INFRASTRUCTURE LTD. CP (MD 15/10/2013)	DEBT	23,764	5.54		
	SHAPOORJI PALLONJI AND COMPANY LTD CP (MD 02/05/2013)	DEBT	24,793	5.78		
Others (Other than G-Sec)			59,187	13.80	37,780	9.96

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Growth 2
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,439	23.71	24,673	21.22
	AXIS BANK LIMITED	EQUITY	49	0.81		
	HDFC BANK	EQUITY	139	2.29		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	169	2.79		
	ICICI BANK LTD	EQUITY	210	3.46		
	STATE BANK OF INDIA	EQUITY	147	2.42		
	UNION BANK OF INDIA LTD.	EQUITY	40	0.66		
	LIC HOUSING FINANCE LTD	EQUITY	44	0.73		
	CANARA BANK	EQUITY	22	0.37		
	BANK OF INDIA	EQUITY	26	0.43		
	SOUTH INDIAN BANK LTD CD (MD 24/02/2014)	DEBT	553	9.11		
	FEDERAL BANK LTD	EQUITY	38	0.63		
Others (Other than G-Sec)			1,882	31.02	47,269	40.66

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Money Market 2
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			1,131	54.13	10,851	42.14
	VIJAYA BANK CD (MD 03/03/2014)	DEBT	184	8.82		
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	186	8.89		
	SOUTH INDIAN BANK LTD CD (MD 24/02/2014)	DEBT	184	8.82		
	JAMMU AND KASHMIR BANK CD (MD 08/04/2013)	DEBT	200	9.56		
	STATE BANK OF HYDERABAD CD (MD 03/09/2013)	DEBT	193	9.24		
	UCO BANK CD (MD 05/03/2014)	DEBT	184	8.81		
Others (Other than G-Sec)			Nil	Nil	6,775	26.31

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Fixed Interest 2
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			554	13.95	16,437	32.46
	STATE BANK OF MYSORE CD (MD 10/02/2014)	DEBT	186	4.67		
	SOUTH INDIAN BANK LTD CD (MD 24/02/2014)	DEBT	368	9.28		
Others (Other than G-Sec)			16	0.40	11,148	22.02

Appendix 3 to Annexure 3A
Disclosure of Investment - Industrywise
Gr. Stable 2
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Industry	Security	Nature of security	Current Year		Previous Year	
			Market value	% holding	Market value	% holding
FINANCIAL AND INSURANCE ACTIVITIES			29	10.57	25	8.59
	AXIS BANK LIMITED	EQUITY	1	0.47		
	HDFC BANK	EQUITY	6	2.25		
	HOUSING DEVELOPMENT FINANCE CORPORATION	EQUITY	5	1.79		
	ICICI BANK LTD	EQUITY	6	2.26		
	STATE BANK OF INDIA	EQUITY	6	2.24		
	UNION BANK OF INDIA LTD.	EQUITY	1	0.39		
	LIC HOUSING FINANCE LTD	EQUITY	1	0.49		
	BANK OF INDIA	EQUITY	1	0.33		
	FEDERAL BANK LTD	EQUITY	1	0.35		
Others (Other than G-Sec)			57	20.59	95	32.98

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 4 to Annexure 3A

NAV Highest, Lowest and Closing as on 31st March 2013

INDIVIDUAL LIFE

Fund Name	Highest		Lowest		Closing	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Ind. Assure	19.6735	17.8534	17.8617	16.3658	19.6735	17.8534
Ind. Income Advantage	16.7488	15.0962	15.0294	13.9485	16.7488	15.0691
Ind. Protector	26.3728	23.9681	23.8478	22.5538	26.3006	23.8805
Ind. Builder	32.5791	29.4382	29.0150	27.7017	32.3124	29.1886
Ind. Balancer	20.9248	18.8360	18.5640	17.6505	20.6290	18.7118
Ind. Enhancer	38.6219	35.2041	34.1816	32.6759	38.0531	34.6750
Ind. Creator	30.0218	27.2146	25.5431	24.1559	28.8380	26.4978
Ind. Magnifier	30.0650	29.1499	24.0915	22.1862	28.1248	26.0237
Ind. Maximiser	15.4474	15.5083	12.0049	11.1454	13.9946	13.1305
Ind. Multiplier	13.2300	12.3301	10.5764	9.2448	11.7643	11.3473
Super 20	15.0679	14.1586	11.8169	11.0288	14.1376	12.9852
Ind. Platinum Plus 1	12.6051	12.4443	10.5001	10.0021	11.9363	11.0646
Ind. Platinum Plus 2	17.9908	17.6762	14.7977	14.2879	16.9101	15.7540
Ind. Platinum Plus 3	13.8441	13.4202	11.2858	10.8584	13.0006	12.0254
Ind. Platinum Plus 4	12.3631	12.0722	10.0546	9.6731	11.5742	10.7444
Ind. Platinum Premier	12.2310	11.8060	9.8706	9.4625	11.4481	10.5901
Ind. Platinum Advantage	10.5161	9.7909	8.3264	7.8617	9.7517	9.0183
Ind. Foresight FP	11.0498	10.5874	8.9626	8.5060	10.5103	9.6958
Ind. Foresight SP	11.3610	10.5809	8.9531	8.4977	10.5882	9.7518
Titanium Plus 1	12.1870	11.6179	10.1846	9.6843	11.5208	10.6519
Titanium Plus 2	11.9350	11.2667	10.0012	9.4728	11.2983	10.4723
Titanium Plus 3	10.8951	10.2241	9.3906	8.9628	10.4632	9.7270
Ind. Liquid Plus	10.7893	10.0065	10.0094	10.0000	10.7893	10.0065
Ind. Pure Equity	11.6691	10.0434	9.3611	9.9984	11.0827	10.0430
Ind. Value Momentum	12.2349	10.0428	9.4815	10.0000	10.5449	10.0428
IPP - Nourish	21.9894	20.0279	19.9292	18.8550	21.9234	19.9420
IPP - Growth	26.7368	24.2903	23.9695	22.9269	26.4637	24.1031
IPP - Enrich	31.3153	28.2620	27.3531	26.0886	30.5162	27.8867

GROUP LIFE

Fund Name	Highest		Lowest		Closing	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Gr. Fixed Interest Plan I	23.8430	21.2362	21.1339	19.3775	23.8430	21.1939
Gr. Gilt Plan I	17.9979	16.2607	15.9557	15.2785	17.9285	16.0826
Gr. Bond Plan I	20.6371	18.4025	18.3915	16.8283	20.6371	18.3915
Gr. Money Market Plan I	20.8659	19.0130	19.0204	17.3868	20.8659	19.0130
Gr. Short Term Debt Plan I	14.5207	13.0916	13.0981	11.9800	14.5207	13.0916
Gr. Capital Protection Plan I**	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Gr. Floating Rate Plan I***	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Gr. Secure Plan I	34.0554	30.8725	30.4251	29.0252	33.7278	30.6502
Gr. Stable Plan I	45.4722	40.9530	39.5690	37.7847	44.3704	40.4774
Gr. Growth Plan I	53.4334	48.1518	45.3228	42.9331	51.3620	47.0533
Gr. Growth Advantage	18.8072	16.7990	15.6019	14.7181	17.8788	16.3629
Gr. Income Advantage	13.4668	12.0447	11.9873	10.6746	13.3906	12.0236
Gr. Growth Maximiser****	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Gr. Bond 2 ^	10.0000	10.3065	10.0000	9.9988	10.0000	10.0000
Gr. Fixed Interest 2	11.6295	10.4161	10.3746	10.0000	11.6280	10.4022
Gr. Growth 2	12.4757	10.9321	10.3710	9.7861	12.0406	10.7465
Gr. Money Market 2	11.2909	10.3230	10.3284	10.0000	11.2909	10.3230
Gr. Secure 2 ^^	10.0000	10.4838	10.0000	9.9300	10.0000	10.0000
Gr. Short Term Debt 2	11.6359	10.3130	10.3182	10.0000	11.6359	10.3130
Gr. Stable 2	11.8951	12.0589	10.4649	9.9113	11.6834	10.7247

**The Group Capital Protection Fund became a dormant fund on 12th August 2008 on account of no units.

***The Group Floating Fund became a dormant fund on 12th October 2009 on account of no units.

**** These funds do not have any units since their inception.

^The Group Bond 2 Fund became a dormant fund on 31st March 2012 on account of no units.

^^The Group Secure 2 Fund became a dormant fund on 22nd February 2012 on account of no units.

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 5 to Annexure 3A

Annualised Expense Ratio to Average Daily Assets of the Fund as on 31st March 2013

(Amounts in thousands of Indian Rupees)

Particulars	Current Year	Previous Year
Management Fees for the Period (inclusive of service tax)	2,744,927	2,417,494
Average Daily AUM of the ULIP funds	188,962,931	170,553,879
Annualised Expense Ratio to Average daily AUM (%)	1.45%	1.42%

Appendix 6 to Annexure 3A

Statement showing Ratio of Gross Income (Including Unrealised Gain/Loss) to Average Daily Net Assets as on 31st March 2013

(Amounts in thousands of Indian Rupees)

A	Income from Investment ULIP Assets	Current Year	Previous Year
1	Interest, Dividend & Rent– Gross	8,097,826	6,963,836
2	Profit on Sale/Redemption of Investments	11,029,119	5,777,113
3	(Loss on Sale/Redemption of Investments)	(4,670,303)	(13,447,517)
4	Gain/(Loss) on Amortisation	1,068,325	1,139,092
5	Other Income/(Expense)	–	(1,203)
	Sub Total	15,524,967	431,321
B	Unrealised Gain/(Loss)	3,385,269	(3,485,771)
C	Total (A+B)	18,910,236	(3,054,450)
D	Average Daily AUM of the ULIP Funds	188,962,931	170,553,879
E	Ratio of Gross Income to Average Daily Net Assets (%)	10%	-2%

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Ind. Assure		Ind. Income Advantage		Ind. Protector		Ind. Builder		Ind. Balancer	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	-	-	7,314	(24,072)	(20,623)	(63,656)	6,101	(24,216)	(540)	(3,693)
Corporate Bonds	3,573	(650)	22,440	(1,073)	1,654	(6,198)	7,311	1,267	468	(744)
Infrastructure Bonds	(1,090)	(1,398)	1,478	(14,266)	(4,444)	(21,638)	(1,075)	(19,107)	726	(612)
Equity	-	-	-	-	26,987	26,572	42,878	24,922	7,039	7,626
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	8	-	17	-	5	-	-
Total	2,483	(2,048)	31,232	(39,403)	3,574	(64,903)	55,215	(17,129)	7,693	2,577
Other Investments										
Corporate Bonds	-	-	1,686	(1,100)	1,552	640	1,120	238	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	(729)	(889)	(252)	(2,060)	22	110
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	157	-	243	-	224	-	5	-	81	7
Total	157	-	1,929	(1,100)	1,047	(249)	873	(1,822)	103	117
GRAND TOTAL	2,640	(2,048)	33,161	(40,503)	4,621	(65,152)	56,088	(18,951)	7,796	2,694

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Ind. Enhancer		Ind. Creator		Ind. Magnifier		Ind. Maximiser		Ind. Multiplier	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	(171,642)	(796,048)	8	(27,098)	-	-	-	-	-	-
Corporate Bonds	143,134	(154,845)	2,998	(1,216)	(492)	(399)	-	-	-	(8)
Infrastructure Bonds	30,986	(173,574)	(8,536)	(17,052)	(483)	31	-	-	-	-
Equity	1,444,037	1,119,493	82,227	64,895	555,913	395,279	273,858	343,393	(256,768)	44,307
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	149	-	23	-	14	-	7	-	16
Total	1,446,515	(4,825)	76,697	19,552	554,938	394,925	273,858	343,400	(256,768)	44,315
Other Investments										
Corporate Bonds	(9,844)	(28,554)	(1,038)	(2,016)	719	1	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	(19,238)	(7,890)	(1,457)	(5,560)	(24,692)	(32,530)	(16,433)	(179,515)	(30,841)	8,453
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	939	-	29	-	298	-	116	-	514	-
Total	(28,143)	(36,444)	(2,466)	(7,576)	(23,675)	(32,529)	(16,317)	(179,515)	(30,327)	8,453
GRAND TOTAL	1,418,372	(41,269)	74,231	11,976	531,263	362,396	257,541	163,885	(287,095)	52,768

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Super 20		Ind. Platinum Plus 1		Ind. Platinum Plus 2		Ind. Platinum Plus 3		Ind. Platinum Plus 4	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	-	-	7,133	(1,982)	10,714	(1,333)	9,155	(1,997)	5,821	(1,214)
Corporate Bonds	-	-	92	-	2,031	(4,670)	2,873	(5,851)	-	(3,923)
Infrastructure Bonds	-	-	531	(23,844)	10,217	(14,350)	7,312	(10,181)	(247)	(1,384)
Equity	134,862	3,471	138,935	74,228	299,074	277,668	369,490	139,565	251,875	52,238
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	19	-	60	-	64	-	48	-	14
Total	134,862	3,490	146,691	48,462	322,036	257,379	388,830	121,584	257,449	45,731
Other Investments										
Corporate Bonds	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	-	(10,730)	(13,027)	(1,877)	(23,905)	(6,244)	(39,174)	(17,589)	(29,649)	(11,274)
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	92	-	147	-	353	-	193	-	90	-
Total	92	(10,730)	(12,880)	(1,877)	(23,552)	(6,244)	(38,981)	(17,589)	(29,559)	(11,274)
GRAND TOTAL	134,954	(7,240)	133,811	46,585	298,484	251,135	349,849	103,995	227,890	34,457

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Ind. Platinum Premier		Ind. Platinum Advantage		Ind. Foresight FP		Ind. Foresight SP		Titanium 1	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	2,933	(616)	1,077	-	6,209	-	(44)	-	782	395
Corporate Bonds	(198)	-	(2,402)	(5,865)	412	-	-	-	591	-
Infrastructure Bonds	6,947	(4,783)	3,643	(909)	470	(7,349)	219	-	254	(1,590)
Equity	368,382	54,238	241,015	14,324	240,779	35,272	35,207	12,030	10,037	1,288
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	39	-	-	-	-	-	-
Total	378,064	48,839	243,333	7,589	247,870	27,923	35,382	12,030	11,664	93
Other Investments										
Corporate Bonds	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	(44,048)	(13,659)	(27,258)	(3,557)	(30,688)	(4,970)	(4,413)	(1,453)	(348)	521
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	831	106	128	-	144	54	45	14	1	12
Total	(43,217)	(13,553)	(27,130)	(3,557)	(30,544)	(4,916)	(4,368)	(1,439)	(347)	533
GRAND TOTAL	334,847	35,286	216,203	4,032	217,326	23,007	31,014	10,591	11,317	626

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Titanium 2		Titanium 3		Liquid Plus		Pure Equity		Value Momentum	
	Current Year	Previous Year	Current Year	Previous Year						
Approved Investments										
Government Bonds	259	89	17	124	-	-	-	-	-	-
Corporate Bonds	332	11	193	3	-	-	-	-	-	-
Infrastructure Bonds	153	(611)	52	(125)	-	-	-	-	-	-
Equity	4,089	(454)	513	(358)	-	-	102	-	(2,483)	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	1	-	-	-	-	-	-	-	-
Total	4,833	(964)	775	(356)	-	-	102	-	(2,483)	-
Other Investments										
Corporate Bonds	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	(111)	167	(36)	(19)	-	-	(29)	-	(96)	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	21	-	3	1	-	-	-	-	-	-
Total	(90)	167	(33)	(18)	-	-	(29)	-	(96)	-
GRAND TOTAL	4,743	(797)	742	(374)	-	-	73	-	(2,579)	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	IPP–Nourish		IPP–Growth		IPP–Enrich		Discontinued Policy Fund		Gr. Fixed Interest	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	(455)	(2,360)	(618)	(4,101)	(4,537)	(17,491)	6	-	15,842	(3,321)
Corporate Bonds	550	(319)	1,615	(217)	2,591	(2,895)	-	-	15,041	(3,978)
Infrastructure Bonds	(55)	(438)	(2,251)	(3,286)	(4,571)	(11,972)	-	-	4,995	(1,105)
Equity	959	913	4,642	4,600	28,453	24,611	-	-	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	2
Total	999	(2,204)	3,388	(3,004)	21,936	(7,747)	6	-	35,878	(8,402)
Other Investments										
Corporate Bonds	(36)	(22)	-	-	-	-	-	-	(14)	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	(25)	(10)	(103)	(6)	(817)	(2,452)	-	-	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	21	3	49	12	115	29	9	9	33	-
Total	(40)	(29)	(54)	6	(702)	(2,423)	9	9	19	-
GRAND TOTAL	959	(2,233)	3,334	(2,998)	21,234	(10,170)	15	9	35,897	(8,402)

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Gr. Gilt		Gr. Bond		Gr. Money Market		Gr. Short Term Debt		Gr. Capital Protection	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	1,215	(1,094)	-	-	-	-	-	-	-	-
Corporate Bonds	-	-	16,555	2,284	-	-	641	1,118	-	-
Infrastructure Bonds	-	-	6,627	(8,119)	-	-	365	105	-	-
Equity	-	-	-	-	-	-	-	-	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	10	-	-	-	1	-	-
Total	1,215	(1,094)	23,182	(5,825)	-	-	1,006	1,224	-	-
Other Investments										
Corporate Bonds	-	-	1,232	(640)	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	11	-	18	-	110	1	4	-	-	-
Total	11	-	1,250	(640)	110	1	4	-	-	-
GRAND TOTAL	1,226	(1,094)	24,432	(6,465)	110	1	1,010	1,224	-	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Gr. Floating Rate		Gr. Secure		Gr. Stable		Gr. Growth		Gr. Growth Advantage	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	-	-	16,737	(61,203)	4,169	(24,069)	1,428	(10,120)	277	(603)
Corporate Bonds	-	-	15,990	(5,160)	1,200	(1,781)	3,930	(562)	659	296
Infrastructure Bonds	-	-	3,092	(18,618)	(3,932)	(12,812)	(1,521)	(7,573)	(545)	(978)
Equity	-	-	21,071	42,101	17,368	42,191	13,378	22,413	926	3,377
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	1	-	-	-	5	-	-
Total	-	-	56,890	(42,879)	18,805	3,529	17,215	4,163	1,317	2,092
Other Investments										
Corporate Bonds	-	-	2,146	(1,202)	36	(2,990)	767	85	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	-	-	2,518	1,078	1,080	315	1,986	120	136	177
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	152	-	65	-	59	-	12	3
Total	-	-	4,816	(124)	1,181	(2,675)	2,812	205	148	180
GRAND TOTAL	-	-	61,706	(43,003)	19,986	854	20,027	4,368	1,465	2,272

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Gr. Income Advantage		Gr. Bond 2		Gr. Money Market 2		Gr. Growth 2		Gr. Secure 2	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments										
Government Bonds	42	(123)	-	-	-	-	124	313	-	-
Corporate Bonds	86	(79)	-	-	-	-	-	62	-	-
Infrastructure Bonds	11	(16)	-	-	-	-	-	79	-	-
Equity	-	-	-	-	-	-	188	3,880	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	1	-	-
Total	139	(218)	-	-	-	-	312	4,335	-	-
Other Investments										
Corporate Bonds	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	261	-	-
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	1	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	-	-	-	261	-	-
GRAND TOTAL	140	(218)	-	-	-	-	312	4,596	-	-

Annexures to Schedule 16

for the year ended 31st March, 2013

Appendix 7 to Annexure 3A
Fund Wise Disclosure of Appreciation and/or (Depreciation) in value of Investment segregated Class Wise
as on 31st March 2013
(Amounts in thousands of Indian Rupees)

Particulars	Gr. Short Term Debt 2		Gr. Stable 2		Gr. Fixed Interest 2		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Approved Investments								
Government Bonds	-	-	5	3	102	326	(100,989)	(1,069,160)
Corporate Bonds	2,018	(81)	-	-	-	18	245,886	(195,455)
Infrastructure Bonds	76	(61)	-	-	-	23	49,406	(377,513)
Equity	-	-	7	7	-	-	4,355,041	2,834,090
Money Market	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	504
Total	2,094	(142)	12	10	102	367	4,549,344	1,192,466
Other Investments								
Corporate Bonds	(44)	(30)	-	-	-	(11)	(1,721)	(35,601)
Infrastructure Bonds	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	(301,628)	(291,082)
Money Market	-	-	-	-	-	-	-	-
Mutual Funds	8	6	-	-	-	2	5,321	259
Total	(36)	(24)	-	-	-	(9)	(298,028)	(326,424)
GRAND TOTAL	2,058	(166)	12	10	102	358	4,251,316	866,042

Annexures to Schedule 16

for the year ended 31st March, 2013

Summary of Financial Statements (Amounts in thousands of Indian Rupees)

Annexure - 4

Sr. No.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
	POLICYHOLDERS' A/C					
1	Gross Premium Income	52,162,991	58,853,594	56,770,665	55,056,579	45,718,039
2	Net Premium Income [#]	50,517,461	57,477,737	55,945,624	54,253,630	45,166,377
3	Income from investments(Net) [@]	20,700,492	(1,632,680)	14,919,387	40,031,523	(6,706,646)
4	Other Income	366,568	298,060	236,803	143,486	170,850
5	Total Income	71,584,521	56,143,117	71,101,814	94,428,639	38,630,582
6	Commissions	2,730,372	2,911,723	3,499,814	4,813,947	4,462,129
7	Brokerage	274,396	342,279	305,981	348,027	355,751
8	Operating Expenses related to insurance Business	11,597,047	12,151,175	12,034,778	13,267,526	12,487,624
9	Total Expenses	14,601,814	15,405,177	15,840,573	18,429,500	17,305,503
10	Payment to Policy holders	36,586,379	27,046,221	19,343,749	11,387,815	6,464,413
11	Increase in Actuarial Liability	16,124,872	9,871,376	33,252,514	69,259,695	22,152,906
12	Provision for Tax (including Fringe Benefit Tax)	—	—	(5,875)	—	61,500
13	Surplus/(Deficit) from operations	4,271,456	3,820,343	2,670,853	(4,648,371)	(7,353,741)
	SHAREHOLDERS' A/C					
14	Total Income under Shareholders' Account	1,143,573	786,946	379,105	293,405	332,383
15	Profit/(loss) Before Tax	5,415,031	4,607,289	3,049,958	(4,354,965)	(7,021,358)
16	Profit/(loss) After Tax	5,415,031	4,607,289	3,049,958	(4,354,965)	(7,021,358)
17	"Profit/(loss) carried to Balance Sheet (Net of Interim Dividend & tax thereon)"	(10,837,093)	(13,762,293)	(17,225,082)	(20,275,040)	(15,920,075)
18	(A) Policyholders' account:					
	Total funds (incl Funds for Future Appropriation)	215,763,094	199,640,312	189,770,583	156,518,655	87,258,406
	Total Investments (including policy loans)	215,866,081	201,197,493	190,888,814	156,520,111	87,237,071
	Yield on investments					
	- Linked Fund(%) ^{\$}	10.88%	-1.74%	9.45%	44.77%	-9.82%
	- Non Par Non-Linked Fund (%)	8.95%	8.31%	7.54%	6.95%	11.49%
	- Par Non-Linked Fund (%)	4.25%	NA	NA	NA	NA
	(B) Shareholders' account:					
	Total funds (including unrealised gain)	12,476,234	10,732,754	7,269,919	4,220,265	4,075,129
	Total investments	13,706,870	10,153,273	6,972,707	5,043,972	4,670,115
	Yield on investments (%)	10.22%	9.85%	6.59%	6.41%	8.01%
19	Yield on total investments	10.65%	-0.41%	9.20%	40.14%	-8.00%
20	Paid-up equity capital	19,695,000	19,695,000	19,695,000	19,695,000	18,795,000
21	Net worth	12,476,234	10,732,754	7,269,919	4,220,264	4,075,129
22	Total Assets	228,239,327	210,373,067	197,040,502	160,738,920	91,333,534
23	Earnings per share (share of FV of ₹ 10 each) ₹	2.75	2.34	1.55	(2.28)	(4.44)
24	Book value per share (share of FV of ₹ 10 each) ₹	6.33	5.45	3.69	2.14	2.17

Net of Reinsurance

@ Net of Losses

\$ Yield on Linked policyholders investments includes unrealised gains on investments.

Annexures to Schedule 16

for the year ended 31st March, 2013

Analytical Ratio for the Financial Year : 2012-13

(Amounts in thousands of Indian Rupees)

Annexure - 5

Sr. No.	Ratios for Life Insurer	31st March 2013	31st March 2012
1	New business premium income growth (segment-wise) (New business premium for Current Year divided by new business premium income for Previous Year)		
	a) Linked Business	0.67	0.72
	b) Non-Linked Business	1.30	2.11
	c) Pension Business	1.45	0.68
	d) Health Business	0.93	1.07
	e) Total Business	0.95	0.93
2	Net Retention Ratio (Net premium divided by gross premium)	0.97	0.98
3	Ratios of Expenses of Management (Expenses of management divided by the total gross direct premium) Note: Expenses of Management = Operating Expenses related to Insurance Business + Commission Expenses	0.28	0.26
4	Commission Ratio (Gross Commission paid to Gross Premium)	0.06	0.06
5	Ratio of Policyholders' Liabilities to Shareholders' Funds Note: a) Policyholders' Liabilities = Policy Liabilities + Funds for Future Appropriations + Provision for Linked Liabilities + Credit/(Debit) fair value change account (Linked & Non-Linked) b) Shareholders' Funds = Share Capital + Reserves & Surplus + Credit/(Debit) fair value Current Year account + Credit/(Debit) balance in Profit & Loss A/C	17.29	18.60
6	Growth Rate of Shareholders' Funds	1.16	1.48
7	Ratio of Surplus to Policyholders Liabilities	0.01	0.02
8	Change in Net Worth (₹ in '000)	1,743,479	3,462,835
9	Profit after Tax/Total Income Note: 1) Total Income = Total Income under Policyholders' Account (Excluding Contributions from Shareholders' Account) + Total Income under Shareholders' Account	0.07	0.08
10	(Total Real Estate + Loans)/Cash & Invested Assets	0.00	0.00
11	Total Investments/(Capital + Surplus) Note: Total Investments = Shareholders' Investments + Policyholders' Investments + Assets held to cover Linked Liabilities	18.38	19.67
12	Total Affiliated Investments/(Capital + Surplus)*	0.33	0.14
13	Investment Yield		
	A. With Realised Gains		
	Shareholders' Funds	9%	9%
	Policyholders' Funds:		
	Non-Linked Non Participating	9%	8%
	Participating	8%	n/a
	Linked Non Participating	9%	0%
	B. Without Realised Gains		
	Shareholders' Funds	12%	7%
	Policyholders' Funds:		
	Non-Linked Non Participating	11%	8%
	Participating	4%	n/a
	Linked Non Participating	11%	-2%
14	Conservation Ratio		
	Total Conservation Ratio (without Group)	65%	76%
	Total Conservation Ratio (with Group)	58%	70%
15	Persistency Ratio		
	For 13th month	81%	82%
	For 25th month	77%	77%
	For 37th month	72%	72%
	For 49th month	60%	62%
	For 61st month	51%	53%
16	NPA Ratio		
	Gross NPA Ratio	Nil	Nil
	Net NPA Ratio	Nil	Nil

* Ratio calculated above is without considering policyholders' funds amounting to ₹ 215,585,391 (Previous Year: ₹ 200,947,254 thousands). The ratio after considering the policyholders' funds for the Current year is 0.02 (Previous Year: 0.01).

Management Report

for the year ended 31st March, 2013

In accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted by the Board of Directors:

1. Certificate of Registration

The Certificate of Registration granted by the Insurance Regulatory and Development Authority (IRDA) to enable the Company to transact life insurance business was valid as on 31st March, 2013 and is in force as on the date of this Report. IRDA has renewed the Company's Certificate of Registration to sell life insurance products in India for the year 2013-14 vide its Certificate of Renewal of Registration dated 14th February, 2013.

2. Statutory Dues

We hereby certify that all the material dues payable, other than those which are being contested with the statutory authorities, have been duly paid.

3. Shareholding Pattern

The Company confirms that the shareholding pattern and any transfer of shares during the year are in accordance with the statutory and/or regulatory requirements.

4. Investment of Funds

The Company has not, directly or indirectly, invested policyholders fund outside India.

5. Solvency Margin

The Company has maintained adequate assets to cover both its liabilities and the minimum solvency margin, as stipulated in Section 64 VA of the Insurance Act, 1938.

6. Valuation of Assets

We hereby certify that all assets of the Company have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – "Loans", "Investments" (other than as mentioned hereunder), "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts".

Market values of fixed income investments made in shareholders' funds and policyholders non-linked funds which are valued at amortised cost as per IRDA regulations, is higher by their carrying amounts by ₹ 512,556 (previous year lower by ₹ 363,764) in aggregate as at 31st March, 2013.

7. Investment Pattern

We hereby confirm and certify that, no part of Life Insurance Fund has been directly or indirectly applied in contravention of provisions of the Insurance Act 1938 (4 of 1938) relating to the application and investment of the life insurance funds.

8. Risk Minimisation Strategies

The Company is exposed to several risks in the course of its business. The risks on the liabilities side may arise due to more than expected claims. On the assets side, the risks arise due to the possibility of fluctuations in their values. The Company is also subject to the expense risk, since until new business volumes grow significantly, the actual expenses of the Company will exceed the expenses loaded into the product pricing. The Company has implemented adequate safeguards to mitigate these risks, as are described below.

A strong underwriting team is in place to review all proposals from clients, supported by comprehensive processes and procedures, and guided by international experts. The objective of the underwriting team is to minimise the risks of abnormal mortality and morbidity by acquiring adequate information, on which to determine, whether to accept individual lives, and if so, the extra premium, to compensate for any additional risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with RGA and Swiss Re (international reinsurers) for individual life business and RGA and Generali for group business. All reinsurers are specialist international reinsurance companies with excellent reputation and significant financial strength. The Company also has a separate agreement with RGA to cover the catastrophic risks under group business.

The Company has also set up systems to continuously monitor its experience in regard to other parameters that affect the value of benefits offered in the products. Such parameters include policy lapses, premium persistency, maintenance expenses and investment returns. The operating expenses are monitored very closely. Many products offered by the Company also have an investment guarantee. The Company has set aside additional reserves to cover this risk.

The Company's investment team operates under the close supervision of the Investment Committee appointed by the Board of Directors. The investments are made in line with the investment policy adopted by the Company.

The Company has a BS 25999 certified Business Continuity Plan in place to manage any business interruption risk.

The Company has a well established Enterprise and Operations Risk Management framework in place. The Company is further enhancing its Information Security framework in line with IT act. To control operational risk operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programs is designed to prepare staff at all levels for meeting the demands of their positions.

Management Report

for the year ended 31st March, 2013

9. Country Risk

The Company is operating in India only and hence has no exposure to any other country risk.

10. Ageing of Claims

The average claims settlement time from the date of receipt of complete requirements from the claimant to dispatch of claim payment for the current year and previous four financial years are given below:

Period	Average claim settlement time (In days)
2012-13	3
2011-12	3
2010-11	3
2009-10	3
2008-09	4

Ageing of claims outstanding

For Non-Linked Business

Period	Claims registered and not settled				Claims registered and settled			
	Current Year		Previous Year		Current Year		Previous Year	
	No. of Claims	Amount	No. of Claim	Amount	No. of Claims	Amount	No. of Claims	Amount
Less than 30 Days	166	93,732	–	–	–	–	2	1,600
30 days to 6 months	162	133,354	1	430	2	428	1	818
6 months to 1 year	22	11,027	1	200	3	812	–	–
1 year to 5 years	2	939	1	300	4	2,618	3	3,700
5 years and above	–	–	–	–	1	2,500	–	–
Total for the Period	352	239,051	3	930	10	6,359	6	6,118

For Linked Business

Period	Claims registered and not settled				Claims registered and settled			
	Current Year		Previous Year		Current Year		Previous Year	
	No. of Claims	Amount	No. of Claim	Amount	No. of Claims	Amount	No. of Claim	Amount
Less than 30 Days	47	39,260	–	–	3	495	–	–
30 days to 6 months	29	33,453	12	3,969	14	12,170	1	1,872
6 months to 1 year	27	11,397	16	6,397	15	5,941	5	2,170
1 year to 5 years	53	20,675	34	12,064	18	11,257	19	10,240
5 years and above	5	650	2	300	1	208	–	–
Total for the Period	161	105,435	64	22730	51	30,071	25	14,281

* The above includes provision made (net of reinsurance) for 124 cases (previous year 67 cases) amounting to ₹ 46,366 (previous year ₹ 23,660) during the year where the Company has lost in the first forum of litigation and has appealed against the same.

11. Valuation of Investments

We hereby certify:-

The investments of Shareholders Funds and Non Linked Policyholders Funds are valued as under:

- Debt Securities and money market instruments are valued on amortised cost basis.
- Equities are valued on the last quoted closing price of the security on the National Stock Exchange of India Limited (NSE). In case the shares are not listed on NSE, valuation is done on closing price at Bombay Stock Exchange (BSE). Investments in unlisted equity shares are valued as per the valuation policy of the Company duly approved by Investment Committee.
- Mutual Funds are valued on previous day's net asset value published by the respective mutual funds.

Management Report

for the year ended 31st March, 2013

The investments of linked funds of policyholders are valued as under:

- Government Securities are valued basis the CRISIL Gilt prices. All other debt securities are valued through CRISIL Bond Valuer. Debt securities with a residual maturity of less than or equal to 182 days are amortised over the remaining days to maturity through CRISIL Bond Valuer.
- Equities are valued on the last quoted closing price of the security on the National Stock Exchange of India Limited (NSE). In case the shares are not listed on NSE, valuation is done on closing price at Bombay Stock Exchange (BSE). Investments in unlisted equity shares are valued as per the valuation policy of the Company duly approved by Investment Committee.
- Money Market Instruments are valued on amortised value. In case of T-bill if the traded price is available the same is considered for valuation.
- Mutual Funds are valued on previous day's net asset value published by the respective mutual funds.

12. Review of Asset Quality

Shareholders' Fund

The Company has invested approx 52% of the Shareholder funds in Government securities, Treasury Bills and Collateralised Borrowing and lending obligation (CBLO), which have a sovereign rating. Around 45% of the funds have been invested in AAA/AA+/A1+ rated Securities (which includes Infrastructure & Housing bonds) and around 2.2% of the funds have been invested in other than AAA/AA+/A1+ rated Securities (which includes Infrastructure & Housing bonds). Approximately 0.8% of the fund is invested in fixed deposits and liquid schemes of leading mutual funds to meet short-term cash flow requirement.

Policyholders' Fund

The Policyholders Funds are invested as per the regulatory norms and the commitments made to the policyholders. In fixed income segment, majority of the investment is made into Government securities having sovereign rating & debt paper of reputed corporate having rating AAA/A1+. The equity selection is made after completing appropriate research and analysis of the Company as well as the industry to which it belongs. To meet the liquidity requirements a part of funds is invested into liquid schemes of leading Mutual Funds and other money market instruments of high credit rating. The investments are made keeping in mind the asset liability requirement and risk profile of the respective fund.

13. Directors Responsibility Statement

The Board of Directors of the Company also state that:

- The financial statements have been prepared in accordance with applicable accounting standards, the regulations stipulated by the IRDA and the provisions of the Insurance Act, 1938 and the Companies Act, 1956 and disclosures have been made, wherever the same is required. There is no material departure from the said standards, principles and policies;
- The Company has adopted accounting policies and applied them consistently and has made 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 31st March, 2013, and, of the operating profit of the Company for the year ended on 31st March, 2013;
- Proper and sufficient care has been taken to maintain adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The financial statements of the Company are prepared on a going concern basis; and
- The Company has appointed some audit firms to conduct the internal audit of the Company. The scope of work of the audit firms' is commensurate with the size and nature of the Company's business. The management certifies that adequate internal control systems and procedures were in existence for this financial year.

14. Schedule of payments made to individuals, firms, companies and organisation in which Directors of the Company are interested:

The Company has not made any payments during the year to individuals, firms, companies and organisation in which Directors of the Company are interested.

For and on behalf of the Board of Directors

Birla Sun Life Insurance Company Limited

Kumar Mangalam Birla
Chairman

Donald A. Stewart
Director

Gian P. Gupta
Director

Jayant Dua
Managing Director & CEO

Mayank Bathwal
Chief Financial Officer

Anil Kumar Singh
Chief Actuarial
Officer & Appointed Actuary

Ashish Lakhtakia
Company Secretary

Mumbai, 26th April, 2013

Cash Flow Statement

for the year ended 31st March, 2012

**Receipts and Payments account (Cash Flow Statement)
for the year ended 31st March, 2013**

(Amounts in thousands of Indian Rupees)

Particulars	Audited Year ended 31st March 2013	Audited Year ended 31st March 2012
Cash flow from operating activities (A)		
Premium received	51,643,403	58,912,599
Reinsurance premium ceded	(1,208,304)	(1,253,863)
Application money deposit & due to Policy holders	(135,279)	568,658
Commission paid	(2,990,351)	(3,198,135)
Payments made to employees and for expenses	(12,000,262)	(12,288,773)
Claims paid	(36,580,125)	(27,494,817)
Reinsurance claims ceded	973,655	769,031
Deposits & others	(5,427)	(15,361)
Other income	309,464	279,046
Cash inflow from operating activities	6,774	16,278,385
Taxes Paid (Fringe Benefit Tax & Wealth Tax)	-	-
Net cash flow from operating activities (A)	6,774	16,278,385
Cash flow from investing activities (B)		
Purchase of fixed assets	(171,945)	(367,432)
Sale of fixed assets	11,478	15,467
Loan against Policies	815	44,642
Decrease /(Increase) in investments	(7,474,523)	(25,580,618)
Cash held to cover linked liabilities	(1,275,935)	(100,369)
Interest received (net of tax deducted at source)	9,668,523	9,503,632
Dividend received	1,646,341	1,474,739
Net cash used in investing activities (B)	2,404,754	(15,009,939)
Cash flow from financing activities (C)		
Share capital issued	-	-
Share premium	-	-
Dividend paid	(2,954,250)	-
Dividend distribution tax	(319,502)	(159,751)
Net cash used in financing activities (C)	(3,273,752)	(159,751)
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	(862,224)	1,108,695
Cash and cash equivalents at beginning of the year	6,304,658	5,195,963
Cash and cash equivalents as at end of the period	5,442,434	6,304,658

Notes:

1. Cash and cash equivalents at end of the year includes:

Cash and Bank Balances	5,442,434	6,404,658
Bank deposits maturing > 3 months considered in investment activities	-	(100,000)
Temporary Overdraft (as per books only)	-	-
Cash and cash equivalents	5,442,434	6,304,658

2. Due to large volume of investments transactions, cash flow is reported on net basis in accordance with Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

In terms of our report attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W

For Fraser & Ross
Chartered Accountants
Firm Registration No. 000829S

For and on behalf of the Board of Directors

per Amit Majmudar
Partner
Membership No. 36656

S. Ganesh
Partner
Membership No. 204108

Kumar Mangalam Birla
Chairman

Donald A. Stewart
Director

Gian P. Gupta
Director

Jayant Dua
Managing Director & CEO

Mayank Bathwal
Chief Financial Officer

Anil Kumar Singh
Chief Actuarial
Officer & Appointed Actuary

Ashish Lakhtakia
Company Secretary

Mumbai, 26th April, 2013

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the 6th Annual Report, together with the Audited Accounts of your Company for the year ended 31st March, 2013.

Financial Performance

The financial performance for the Financial Year ended March 31, 2013 is summarized in the following table :

Particulars	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
Income	31,324,683	4,948,986
Expenditure	(22,740,208)	(42,961,009)
Profit / (loss) before tax	8,584,475	(38,012,022)
Less : Provision for tax	—	—
- Current tax	—	—
- Deferred tax	—	—
- Fringe benefit tax	—	—
Net Profit / (loss) after tax	8,584,475	(38,012,022)
Add : Balance brought forward from previous period	(123,317,718)	(85,305,696)
Surplus / (Deficit) carried to Balance sheet	(114,733,243)	(123,317,718)

DIVIDEND

In view of loss during the year, your Directors do not recommend any dividend for the year under review.

SUBSIDIARY COMPANIES

During the year under review, Birla Sun Life Asset Management Company Ltd. & Birla Sun Life Trustee Company Pvt. Ltd. (that were earlier Joint Ventures through your Company) became Subsidiaries of your Company. Additionally, Aditya Birla Housing Finance Ltd. (earlier known as LIL Investments Ltd.) became Subsidiary of your Company.

As per Section 212 of the Companies Act, 1956, Subsidiary Companies Directors' Report, Auditor's Report, Balance Sheet and Profit and Loss Account, are required to be attached to the Balance Sheet of the Company.

However, Central Government vide MCA General Circular dated February 8, 2011 has granted a General Exemption, from attaching the Annual Reports of the Subsidiary Companies under Section 212(8) of the Companies Act, 1956, to the Companies fulfilling the conditions mentioned therein.

ALTERATION IN MEMORANDUM AND ARTICLES OF ASSOCIATION CONSEQUENT TO INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

During the year under review, for augmenting the Company's financial resources and strengthening its capital structure in line with the Company's intended activities, the authorised share capital of the Company was increased from ₹ 850,00,00,000 to ₹ 1150,00,00,000 by creation of 30,00,00,000 (Thirty Crores) Preference Shares of ₹ 10/- each by obtaining Shareholders' consent at Annual General Meeting held on 9th August, 2012.

Post the Balance Sheet date, the authorised share capital of the Company was further increased from ₹ 1150,00,00,000 to ₹ 2000,00,00,000 by creation of 60,00,00,000 (Sixty Crores) Equity Shares of ₹ 10/- (Rupees Ten) each and 25,00,00,000 (Twenty Five Crores) Preference Shares or ₹ 10/- (Rupees Ten) each by obtaining Shareholders' consent at Extra Ordinary General Meeting held on 26th April, 2013.

Consequent to the increase in the Authorised Share Capital of the Company, Clause V(a) of the Memorandum of Association and Article 5(a) of Article of Association of the Company were also altered suitably so as to reflect the increase in the Authorised Share Capital.

COMPULSORILY CONVERTIBLE PREFERENCE SHARES (CCPS)

During the year under review, your Company issued and allotted 28 Crores Compulsorily Convertible Preference Shares (CCPS) with a face value of ₹ 10/- each to Aditya Birla Nuvo Limited, the holding Company, aggregating to ₹ 280 Crores with the approval of the shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Company is committed to maintaining the highest standards of Corporate Governance.

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the loss of the company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

There are no employees of the Company drawing more than Rupees Sixty Lakh per annum or Rupees Five Lakhs per month as the case may be and therefore no particulars are required to be given under the Companies (Particulars of Employees) Rules, 1975.

PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits during the Financial Year 2012-13. There was no unclaimed deposit and interest accrued as on March 31, 2013.

AUDITORS & AUDITOR'S REPORT

Appointment of M/s. S.R. Batliboi & Co. LLP. (earlier known as M/s. S. R. Batliboi & Co.), Statutory Auditors of the Company is valid only upto the ensuing Annual General Meeting. They have confirmed their eligibility for re-appointment under the provisions of Section 224(1B) of the Companies Act, 1956.

The report of the Statutory Auditors is attached to this report. All the notes to Schedules and Accounts are self-explanatory and do not call for any further comments.

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Your Directors request you to appoint Auditors for the current year as set out in the accompanying notice of the Annual General Meeting.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

APPRECIATION

The Board places on record its appreciation to the continued support and guidance of the Regulatory bodies and Company's Bankers.

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

Shriram Jagetiya
Director

Anil Chirania
Director

Date: 20th May, 2013
Place: Mumbai

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of
Aditya Birla Financial Services Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
May 20, 2013

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

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

Re: Aditya Birla Financial Services Private Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) During the year, the Company has disposed off a substantial part of the Lease hold premises and Furniture & Fixture. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) The Company does not hold any inventory. Hence, the provisions of Clause 4(ii) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (iii) 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. Accordingly, the provisions of clause 4(iii)(a) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) 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 referred to in section 301 of the Act of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (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 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*.
- (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.
- (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.
- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- (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 has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (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.
- (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.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (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.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been prima facie used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (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' Report) Order, 2003 (as amended) is not applicable to the Company.
- (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.

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

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai
May 20, 2013

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2013

	Note No.	Amount in ₹	
		As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	1		
Equity		1,100,000,000	1,100,000,000
Preference		8,765,000,000	5,965,000,000
Reserves and Surplus	2	(114,733,243)	(123,317,718)
Sub-Total - (A)		<u>9,750,266,757</u>	<u>6,941,682,282</u>
(B) Current Liabilities			
Trade Payables	3	3,176,438	9,302,603
Other Current Liabilities	4	276,060	266,737
Short-term Provisions	5	415,609	45,929
Sub-Total - (B)		<u>3,868,107</u>	<u>9,615,269</u>
TOTAL (A) + (B)		<u>9,754,134,864</u>	<u>6,951,297,551</u>
ASSETS			
(C) Non-Current Assets			
Fixed Assets			
Tangible Assets	6	869,024	10,654,403
		<u>869,024</u>	<u>10,654,403</u>
Non-Current Investments	7	9,729,190,698	6,908,842,133
Sub-Total - (C)		<u>9,730,059,722</u>	<u>6,919,496,536</u>
(D) Current Assets			
Current Investments	8	22,700,000	12,599,999
Cash & Bank Balances	9	511,285	133,130
Short-term Loans and Advances	10	863,857	19,067,886
Sub-Total - (D)		<u>24,075,142</u>	<u>31,801,015</u>
TOTAL (C) + (D)		<u>9,754,134,864</u>	<u>6,951,297,551</u>

Significant accounting policies and notes to accounts referred to above form an integral part of the Financial Statements

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Statement of Profit and Loss for the year ended 31st March, 2013

	Note No.	Amount in ₹	
		Year Ended 31st March, 2013	Year Ended 31st March, 2012
Revenue from Operations	11	24,493,546	1,668,713
Other Income	12	6,831,137	3,280,273
Total Revenue		<u>31,324,683</u>	<u>4,948,986</u>
Expenses			
Other Expenses	13	18,753,109	38,192,798
Total Expenses		<u>18,753,109</u>	<u>38,192,798</u>
Profit/(Loss) before Depreciation/Amortisation, Interest and Tax (PBDIT)		<u>12,571,574</u>	<u>(33,243,811)</u>
Depreciation and Amortisation Expenses	14	3,987,099	4,768,211
Profit/(Loss) Before Exceptional Item and Tax		<u>8,584,475</u>	<u>(38,012,022)</u>
Exceptional Items		—	—
Profit/(Loss) Before Tax		<u>8,584,475</u>	<u>(38,012,022)</u>
Tax Expenses			
— Current Tax		—	—
Profit/(Loss) for the Year		<u>8,584,475</u>	<u>(38,012,022)</u>
Basic Earnings per Share	15	0.08	(0.35)
Diluted Earnings per Share (Face Value of ₹10/- each)		0.05	(0.35)

Significant accounting policies and notes to accounts referred to above form an integral part of the Financial Statements

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As per our attached report of even date

For **S. R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm registration no : 301003E

Per Shrawan Jalan
Partner
Membership No. 102102

Place : Mumbai
Date : 20-May-2013

For and on behalf of the Board of Directors

Shriram Jagetiya Director
Anil Chirania Director

Manish Kumar
Manager and Company Secretary

As per our attached report of even date

For **S. R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm registration no : 301003E

Per Shrawan Jalan
Partner
Membership No. 102102

Place : Mumbai
Date : 20-May-2013

For and on behalf of the Board of Directors

Shriram Jagetiya Director
Anil Chirania Director

Manish Kumar
Manager and Company Secretary

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS	2012-13	Amount in ₹ 2011-12
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	8,584,473	(38,012,022)
<u>Adjustments for :</u>		
Depreciation	3,987,099	4,768,211
(Profit) / Loss on sale of Mutual Fund	(2,142,653)	(1,668,713)
Discard of Fixed Assets .	5,398,280	—
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	15,827,199	(34,912,525)
(Increase) / Decrease in trade and other Receivables	18,204,030	5,194,640
Increase / (Decrease) in trade and other payables	(5,747,161)	(9,341,413)
CASH GENERATED FROM OPERATIONS	28,284,068	(39,059,298)
A NET CASH FROM OPERATING ACTIVITIES	28,284,068	(39,059,298)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / Redemption(Purchase) of current investments (Net)	(7,957,347)	43,568,713
Sale / (Purchase) of fixed assets	400,000	(49,894)
Investment in subsidiaries	(2,466,572,500)	(275,400,000)
Investment in private equity fund	(428,540,389)	(294,051,675)
Proceed received from PE on shares sale	74,764,325	—
B NET CASH (DECREASE)/INCREASE FROM INVESTING ACTIVITIES	(2,827,905,911)	(525,932,856)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of preference shares	2,800,000,000	565,000,000
C NET CASH (DECREASE)/INCREASE FROM FINANCING ACTIVITIES	2,800,000,000	565,000,000
Net Increase/ (Decrease) In Cash And Cash Equivalents (A + B + C)	378,157	7,846
Cash And Cash Equivalents (Opening Balance)	133,128	125,282
Cash And Cash Equivalents (Closing Balance)	511,285	133,128
Note:		
1 Cash and cash equivalents include cheques in hand and remittance in transit:		
Cash in hand	—	292
Cash at bank	511,285	132,836
	511,285	133,128
2 Previous years's figures have been regrouped / rearranged to confirm to the current year's presentation, whenever necessary.		

As per our attached report of even date

For **S. R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm registration no : 301003E

Per Shrawan Jalan
Partner
Membership No. 102102

Place : Mumbai
Date : 20-May-2013

For and on behalf of the Board of Directors

Shriram Jagetiya
Director

Manish Kumar
Manager and Company Secretary

Anil Chirania
Director

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
NOTE: 1		
SHARE CAPITAL		
Authorised:		
150,00,000 (previous year 150,00,000) Equity shares of ₹ 10 each	1,500,000,000	1,500,000,000
1,00,00,000 (previous year 70,00,000) Compulsorily convertible preference shares of ₹ 10 each	10,00,000,000	7,00,000,000
	11,50,00,00,000	8,50,00,00,000
Issued, Subscribed & paid-up		
EQUITY SHARE CAPITAL		
110,00,000 (previous year 110,00,000) Equity shares of ₹ 10 each fully paid-up	1,10,00,00,000	1,10,00,00,000
	1,10,00,00,000	1,10,00,00,000
Issued, Subscribed & Paid-up		
PREFERENCE SHARE CAPITAL		
876,50,000 (previous year 596,50,000) 0.01% Non cumulative compulsorily convertible preference shares of ₹ 10/- each fully paid up	8,76,50,00,000	5,96,50,00,000
	8,76,50,00,000	5,96,50,00,000

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

Sr. No.	Description	As at 31st March 2013		As at 31st March 2012	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares outstanding at the beginning of the period @ ₹ 10 each	110,00,000	596,50,000	110,00,000	540,00,000
2	Issued during the year	—	280,00,000	—	56,50,000
3	No of Shares outstanding at the end of the period @ ₹ 10 each	110,00,000	876,50,000	110,00,000	596,50,000

2 Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

3 Term of conversion/redemption of Preference Shares

On expiry of 5 (five) years from the date of allotment every 10 (ten) fully paid-up preference share shall be compulsorily converted into 1 (one) equity share of ₹ 10 each, fully paid-up at a premium of ₹ 90 per share.

The equity shares issued as above shall rank pari passu in all respects including with respect to dividend with the then existing fully paid up equity shares of the Company subject to the provisions of the Memorandum and Articles of Association of the Company.

The dividend rate on these preference shares shall be 0.01%.

These preference shares by itself until converted into equity shares, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company.

4 All equity and preference shares are held by its ultimate 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:-

Sr. No.	Name of Share Holder	As at 31st March 2013		As at 31st March 2012	
		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 Nuvo Limited and It's nominee	110,00,000	100.00%	110,00,000	100.00%

ii) Preference Share Capital

Sr. No.	Name of Share Holder	As at 31st March 2013		As at 31st March 2012	
		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 Nuvo Limited	876,50,000	100.00%	596,50,000	100.00%

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
NOTE: 2		
RESERVES & SURPLUS		
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	(123,317,718)	(85,305,696)
Addition:		
Profit of the Year	8,584,475	(38,012,022)
Total	(114,733,243)	(123,317,718)
NOTE: 3		
TRADE PAYABLES		
Trade Payables (Others)	3,176,438	9,302,603
	3,176,438	9,302,603

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013 and no interest payment made during the year to any Micro, Small & Medium Enterprises. This information as required to be disclosed under the Micro, Small & 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: 4

OTHER CURRENT LIABILITIES

Payables for Capital Expenditure	119,731	119,731
Statutory Dues	156,329	147,006
	276,060	266,737

NOTE: 5

SHORT-TERM PROVISIONS

Taxation (Net of Advance Tax ₹ 3,736,830 (Previous Year ₹ 4,106,511))	415,609	45,929
	415,609	45,929

NOTE 6

TANGIBLE ASSETS

	Amount in ₹				
	Furniture & Fixtures	Office Electronic Equipments	Computers	Leasehold Improvements	Total
As at 1st April 2011	1,396,346	6,110,469	508,212	14,568,050	22,583,077
Additions	49,894	—	—	—	49,894
Deletions/Adjustment	—	—	—	—	—
As at 31st March 2012	1,446,240	6,110,469	508,212	14,568,050	22,632,971
At 1st April 2012					
Cost	1,446,240	6,110,469	508,212	14,568,050	22,632,971
Additions	—	—	—	—	—
Deletions/Adjustment	1,446,240	17,700	—	14,568,050	16,031,990
As at 31st March 2013	—	6,092,769	508,212	—	6,600,981
Accumulated Depreciation					
As at 1st April 2011	296,858	2,253,811	193,750	4,465,938	7,210,357
For the year	209,197	1,516,730	127,053	2,915,231	4,768,211
Deletions/Adjustment	—	—	—	—	—
As at 31st March 2011	506,055	3,770,541	320,803	7,381,169	11,978,568
At 1st April 2012	506,055	3,770,541	320,803	7,381,169	11,978,568
For the year	156,896	1,516,730	127,053	2,186,420	3,987,099
Deletions/Adjustment	662,951	3,169	—	9,567,589	10,233,709
As at 31st March 2013	—	5,284,102	447,856	—	5,731,958
Net book amount as at 31st March 2012	940,185	2,339,928	187,409	7,186,881	10,654,403
Net book amount as at 31st March 2013	—	808,667	60,356	—	869,024

Notes :

Office Electronic Equipments - Includes assets at original cost amounting to ₹ 5,393,080/- (Previous year : ₹ 5,393,080/-) held jointly with the Subsidiary/ fellow subsidiary.

Computers - Includes assets at original cost amounting to ₹ 496,212/- (Previous year : ₹ 496,212/-) held jointly with the Subsidiary/ fellow subsidiary.

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

	As at 31st March, 2013		Amount in ₹ As at 31st March, 2012		As at 31st March, 2013		Amount in ₹ As at 31st March, 2012	
NOTE: 7								
NON CURRENT INVESTMENTS								
	Face Value	Number	Number					
Non Trade Investments valued at cost								
Quoted								
Subsidiaries- Aditya Birla Money Limited	1	41,550,000	2,483,028,000	41,550,000	2,483,028,000			
Unquoted								
Subsidiaries								
Aditya Birla Capital Advisors Private Limited	10	3,500,000	35,000,250	3,500,000	35,000,250			
Aditya Birla Shared Services Private Limited	10	50,000	500,000	50,000	500,000			
Aditya Birla Customer Services Private Limited (Refer note number 16.16)	10	10,000	100,250	10,000	100,250			
Aditya Birla Trustee Company Private Limited	10	50,000	500,250	50,000	500,250			
Aditya Birla Insurance Brokers Limited	10	1,350,054	3,000,120	1,350,054	3,000,120			
Aditya Birla Finance Limited	10	146,289,841	2,276,297,550	105,964,841	1,026,222,550			
Aditya Birla Money Mart Limited (Refer note number 16.16)	10	20,000,000	240,753,095	20,000,000	240,753,095			
Aditya Birla Housing Finance Limited (LIL Investment Limited)	10	2,050,000	22,447,500	—	—			
Birla Sun Life Asset Management Company Limited	10	9,179,980	337,099,052	8,999,980	143,099,052			
Birla Sun Life Trustee Company Private Limited	10	10,150	149,700	9,950	99,700			
Total Equity Shares Investment (A)			5,398,875,767		3,932,303,267			
Preference Shares								
Unquoted								
Subsidiaries								
0.01% Compulsory convertible cumulative preference shares of Aditya Birla Finance Limited	10	175,000,000	1,777,982,191	75,000,000	777,982,191			
0.01% Redeemable non convertible non cumulative preference shares of Aditya Birla Money Limited	100	800,000	200,000,000	800,000	200,000,000			
0.01% Redeemable non convertible cumulative preference shares of Aditya Birla Money Mart Limited (Refer note number 16.16)	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000			
Total Preference Shares Investment (B)			2,977,982,191		1,977,982,191			
Investment in Aditya Birla Private Equity - Fund I (Refer note number 16.17)	95.76	17,612,625	1,232,883,750	17,612,625	988,694,375			
Investment in Aditya Birla Private Equity - Sunrise Fund	100	1,194,490	119,448,990	298,623	29,862,300			
Total Private Equity Fund Investment (C)			1,352,332,740		998,556,675			
Grand Total (A) + (B) + (C)			9,729,190,698		6,908,842,133			
Note :								
1. Aggregate amount of quoted investments ₹ 2,483,028,000 (Market value of ₹ 671,032,500/- (Previous Year ₹ 590,010,000/-)								
2. Aggregate amount of unquoted investments ₹ 5,893,829,958/- (Previous Year ₹ 3,427,257,458/-)								
3. Aggregate amount of private equity fund :-								
A) Sunrise Fund ₹ 124,226,950/- at nav of ₹ 104 (Previous Year ₹ -/)								
B) Fund I ₹ 1,187,795,430/- at NAV of ₹ 67.44/- (Previous Year ₹ 950,377,245/- at NAV of ₹ 53.96/-)								
NOTE: 8								
CURRENT INVESTMENTS								
Quoted								
Investment in Mutual Funds								
Birla Sun Life Cash Plus- Institutional Premium- Growth of ₹ 100/- each (previous year ₹ 10/-) fully paid up	120,938.118	22,700,000	73,384.835	12,599.999				
		22,700,000		12,599,999				
(Net asset value of ₹ 22,706,470/- (Previous Year ₹ 12,604,013/-)								
		As at 31st March, 2013	As at 31st March, 2012					
NOTE: 9								
CASH AND BANK BALANCES								
Cash & Cash Equivalents								
Balances with Banks								
Current Accounts		511,285	132,838					
Cash on Hand		—	292					
Total		511,285	133,130					
NOTE: 10								
SHORT-TERM LOANS AND ADVANCES								
(Unsecured, Considered Good, except otherwise stated)								
Security Deposits								
Considered Good							14,269,995	
Loans and advances to related parties							—	3,922,245
Advance Tax (Net of Provision ₹ 195,000 (Previous Year ₹ 195,000))						6,013		6,013
Advance for Expenses & Material								
Considered Good						857,844		860,243
Prepaid Expenses						—		9,390
						863,857		19,067,886
Loans and advances to related party								
Amount Receivable From	Balance as on March 31, 2013	Balance as on March 31, 2012	Maximum Outstanding During March 31, 2013	Maximum Outstanding During March 31, 2012				
(i) Subsidiaries								
Aditya Birla Customers Services Limited	—	3,732,213	—	3,732,213				
Aditya Birla Money Limited	—	49,278	—	49,278				
(ii) Fellow Subsidiaries								
Birla Sunlife Insurance Company Limited	—	140,754	—	140,754				
					Year Ended 31st March, 2013	Year Ended 31st March, 2012		
NOTE: 11								
REVENUE FROM OPERATIONS								
Other Financial Services								
Profit/(Loss) sale of mutual funds					2,142,655		1,668,713	
Dividend income from subsidiaries					22,350,891		—	
					24,493,546		1,668,713	
NOTE: 12								
OTHER INCOME								
Excess Provision Written Back (Refer note number 16.15)					6,831,137		3,211,488	
Miscellaneous Income					—		68,785	
					6,831,137		3,280,273	
NOTE: 13								
OTHER EXPENSES								
Rent					—		22,622,993	
Repairs & Maintenance of:								
Buildings					—		2,513,856	
Others					9,390		192,250	
Insurance					10,453		—	
Rates & Taxes					3,363,579		1,877,775	
Legal & Profession Expenses					9,234,286		6,570,339	
Printing and Stationery					—		226,690	
Travelling & Conveyance					—		155,763	
Communication Expenses					327,643		300,483	
Loss on discard of Fixed Assets					5,398,280		—	
Bank Charges					7,023		552	
Auditors' Remuneration (Refer note number 16.12)					400,000		479,907	
Electricity Charges					—		1,840,655	
Miscellaneous Expenses					2,455		1,411,536	
					18,753,109		38,192,798	
NOTE: 14								
DEPRECIATION AND AMORTISATION EXPENSES								
Depreciation of Tangible Assets					3,987,099		4,768,211	
					3,987,099		4,768,211	
NOTE: 15								
Earning per share								
Earnings per Share (EPS) is calculated as under:								
Net Profit as per Profit and Loss account		8,584,473		(38,012,022)				
Less: Preference Dividend and tax thereon		—		—				
Net Profit for EPS - A		8,584,473		(38,012,022)				
Weighted average number of Equity Shares for calculation of Basic EPS - B		110,000,000		110,000,000				
Basic Earnings per Share - ₹ (Face Value of ₹ 10 each)		0.08		(0.35)				
Weighted average number of Equity Shares for calculation of Basic EPS - B		179,286,712		110,000,000				
Diluted Earnings per Share - ₹ (Face Value of ₹ 10 each)		0.05		(0.35)				

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Note 16 - Significant Accounting Policies and Notes to Accounts

1. Nature of Operations

Aditya Birla Financial Services Private Limited (the 'Company') was incorporated on October 15, 2007 and has received a Certificate of Registration from the Reserve Bank of India ('RBI') on May 19, 2009 to commence / carry on the business of non-banking financial institution without accepting public deposits.

Based on the letter received from the Reserve Bank of India (the 'RBI') on April 11, 2012, the Company has been classified as a Core Investment Company and is exempt from requirement of registration under section 45 IA of RBI Act, 1934. Accordingly, certificate of registration No.N.01.00497 dated May 28, 2010 issued to the Company as a Non deposit accepting company stands cancelled. The Company is engaged in acquisition of shares and securities.

2. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 (the 'Act'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3. Summary of Significant accounting policies

(a) Use of Estimates

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.

(b) Tangible fixed assets

Tangible Assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any cost attributable of bringing the asset to its working condition for its intended use.

Depreciation

Depreciation on Tangible Assets is provided on Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, except in case of following, where depreciation is equally charged over the estimated useful lives of the assets, which is higher than rates prescribed under Schedule XIV of the Companies Act, 1956.

Assets	Estimated useful life
Office Computers & Electronic Equipments	- 4 years
Furniture, Fixtures and Other Office Equipments	- 7 years
Leasehold Land/Improvements	- Over the period of the lease
Tangible assets and intangible assets costing Rs. 5000 or less individually is fully depreciated / amortized in the year of purchase.	

(c) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(d) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, 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 in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments. Current Investments are stated at lower of cost and net realizable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

(e) Revenue recognition

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

Profit or loss on sale of investments is determined on the basis of the weighted average cost method.

(f) Foreign Currency Transaction

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

- Exchange differences arising on a monetary item itself, in substance, forms part of the Company's net investment in a non-integral foreign operation, is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- Exchange differences arising on long term currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign monetary item", if it has a term of 12 months or more at the date of its origination.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Difference Account" and amortized over the remaining life of the concerned asset.
- All other exchange differences are recognized as income or as expenses in the period in which they arrive.

(g) Taxation

Tax expense comprises of 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. 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 are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized 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.

(h) 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.

(i) Contingent liabilities and provisions

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

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Note 16 - Significant Accounting Policies and Notes to Accounts (contd.)

(j) Cash and cash equivalent

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including short term highly liquid investments with an original maturity of three months or less.

(k) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

4. Contingent liabilities and commitments

a. Capital commitments:

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
1) Uncalled commitment in respect of investments in units of Aditya Birla Private Equity Fund I	453,614,425	792,568,125
2) Uncalled commitment in respect of investments in units of Aditya Birla Private Equity Sunrise Fund	179,173,310	268,760,000

b. Contingent liabilities

The Company has no contingent liabilities as at March 31, 2013

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

Based on the information available with the company, there are no suppliers who are registered as micro, small and medium enterprise under the Micro, Small, and Medium Enterprise Development Act 2006, as at March 31, 2013.

6. Segmental Reporting

Since the Company operates in single segment (i.e. investments and financial activities), no further disclosure is required to be given as per the notified AS-17 'Segmental Reporting'.

7. Related Party Disclosure:

Names of related parties where control exists irrespective of whether transactions have occurred or not

Relationship	Name of the Party
Holding Company	Aditya Birla Nuvo Limited
Subsidiaries	Aditya Birla Capital Advisors Private Limited Aditya Birla Customer Services Private Limited Aditya Birla Financial Shared Services Limited Aditya Birla Trustee Company Private Limited Aditya Birla Money Limited Aditya Birla Commodities Broking Limited (100% Subsidiary of Aditya Birla Money Limited) Aditya Birla Money Mart Limited (w.e.f. February 21,2011) Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited) Aditya Birla Insurance Brokers Limited Aditya Birla Finance Limited (formerly known as Birla Global Finance Limited) (w.e.f. April 22,2010) Aditya Birla Shared Services Private Limited Aditya Birla Housing Finance Limited (formally known as LIL Investment Limited) Birla Sun Life Asset Management Company Limited Birla Sun Life Trustee Company Private Limited

Names of other related parties with whom transactions have taken place during the year

Relationship	Name of the Party
Holding Company	Aditya Birla Nuvo Limited
Subsidiaries	Birla Sun Life Asset Management Company Limited Birla Sun Life Trustee Company Private Limited Aditya Birla Housing Finance Limited Aditya Birla Finance Limited
Entities over which company is having control	Aditya Birla Private Equity-Fund I Aditya Birla Private Equity-Sunrise Fund

Refer Annexure 1 for the transactions with related parties.

8. Operating Leases

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Lease payments recognised in the Profit and Loss Account	—*	19,411,504

*The Company has terminated the lease agreement with effect from 31-Dec-2011.

9. Deferred Tax Liabilities/ Assets

The Company has not recognized deferred tax asset in respect of timing differences related to depreciation on fixed assets and carried forward losses at the end of the year as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Asset		
On unabsorbed losses	5,749,805	4,008,634
On Depreciation on Fixed Assets	1,050,731	849,148
Sub-Total	4,209,478	4,857,782
Deferred tax assets to the extent of liability	6,799,975	4,857,782
Deferred tax (assets)/ liabilities (net)	Nil	Nil

10. Joint Venture Disclosures:

During the year company has purchased 1% stake in Birla Sun Life Asset Management Company Limited & Birla Sun Life Trustee Company Private Limited respectively so on that background both the entities now become subsidiaries of the Company.

11. Issued, Subscribed and Paid up capital includes 876,500,000 (previous year 596,500,000) 0.01% Non Cumulative Compulsory Convertible Preference Share (CCPS) of ₹10 each, fully paid up, which are compulsorily convertible into equity shares of ₹10 each, fully paid up at a premium of ₹90 per share on expiry of five years from the date of allotment.

12. During the year, the Company has paid following amount to Auditors:

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Audit Fees (excluding service tax)	345,000	345,000
Tax Audit (excluding service tax)	25,000	25,000
Certification	30,000	30,000

13. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956 have been given to the extent applicable and necessary.

14. Foreign currency transactions.

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Foreign Travel Expenditure	—	36,120

15. Provisions made towards Property tax amounting to ₹ 6,831,137/- on the basis of the original License Agreement, from the commencement of License period till 31st December 2011, is credited to the Statement of Profit and Loss in the current year.

16. The Company has investments in Equity Shares of Aditya Birla Customer Services Private Limited ('ABCSP') Rs 100,250/- (Previous year ₹ 100,250/-) & as Equity Shares of ₹ 240,753,095/- (Previous year ₹ 240,753,095/-) respectively. Additionally, the Company has investment of ₹ 1,000,000,000/- (Previous year ₹ 1,000,000,000/-) in Non Convertible Redeemable Preferential Shares of Aditya Birla Money Mart Limited ('ABMML'). These investee Companies are making substantial losses and their net worth has been eroded. Based on the business plans, the Company has assessed values of the investee Companies being higher than the investments. Accordingly, based on the business plans and considering that these investments being long term and strategic in nature, and diminution in the value of the said investments has been considered as temporary; no provision there against is required in respect of these investments for the year ended March 31, 2013.

17. During the year, the Company has received ₹ 74,764,325/- as refund of contribution from Aditya Birla Private Equity - Fund I ('ABPE I'). This amount so received is adjusted towards capital commitments for Aditya Birla Private Equity - Fund I ('ABPE I'). On this background, ₹ 74,764,325/- is adjusted against future capital commitment drawdown.

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

As per our attached report of even date

For **S. R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm registration no : 301003E

Per **Shrawan Jalan**
Partner
Membership No. 102102
Place : Mumbai
Date : 20-May-2013

For and on behalf of the Board of Directors

Shriram Jagetiya
Director

Anil Chirania
Director

Manish Kumar
Manager and Company Secretary

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

Transaction with related parties during the year ended March 31, 2013 During the year following transactions were carried out with the related parties in the ordinary course of business:-					Annexure- I (Amount in ₹)
Transaction/Nature of Relationship	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Others Entities over which company having control	Grand Total
Issue of Preference Shares:-					
Aditya Birla Nuvo Limited	2,800,000,000	-	-	-	2,800,000,000
	(565,000,000)	-	-	-	(565,000,000)
Sale of Fixed Assets:-					
Aditya Birla Nuvo Limited	400,000	-	-	-	400,000
	-	-	-	-	-
Total	2,800,400,000	-	-	-	2,800,400,000
	(565,000,000)	-	-	-	(565,000,000)
Share Purchase from					
Aditya Birla Finance Limited	-	22,447,500	-	-	22,447,500
	-	-	-	-	-
Total	-	22,447,500	-	-	22,447,500
Purchase of Equity Shares of					
Aditya Birla Finance Limited	-	1,250,075,000	-	-	1,250,075,000
	-	-	-	-	-
Birla Sun Life Assest Management Company Limited	-	194,000,000	-	-	194,000,000
	-	-	-	-	-
Birla Sun Life Trustee Company Private Limited	-	50,000	-	-	50,000
	-	-	-	-	-
Aditya Birla Housing Finance Limited	-	22,447,500	-	-	22,447,500
	-	-	-	-	-
Purchase of Preference Shares of					
Aditya Birla Finance Limited	-	1,000,000,000	-	-	1,000,000,000
	-	(250,000,000)	-	-	(250,000,000)
Aditya Birla Money Mart Limited	-	-	-	-	-
	-	(1,000,000,000)	-	-	(1,000,000,000)
Others					
Aditya Birla Private Equity -Fund I	-	-	-	338,953,700	338,953,700
	-	-	-	(264,189,374)	(264,189,374)
Proceed received from PE Fund I on shares sale	-	-	-	74,764,325	74,764,325
	-	-	-	-	-
Aditya Birla Private Equity - Sunrise Fund	-	-	-	89,586,690	89,586,690
	-	-	-	(29,862,300)	(29,862,300)
Total	-	2,466,572,500	-	503,304,715	2,969,877,215
	-	(1,250,000,000)	-	(294,051,674)	(1,544,051,674)
Reimbursement of Expenses					
Birla Sun Life Insurance Company Limited	-	2,210	-	-	2,210
	-	-	-	-	-
Dividend Received					
Aditya Birla Insurance Brokers Limited	-	22,275,891	-	-	22,275,891
	-	-	-	-	-
Aditya Birla Finance Limited	-	75,000	-	-	75,000
	-	-	-	-	-
Total	-	22,353,101	-	-	22,353,101
	-	-	-	-	-
Outstanding balances as at 31.03.2013					
Investments (as detailed in Note 7 to Balance Sheet)					
Equity Shares					
Aditya Birla Money Limited	-	2,483,028,000	-	-	2,483,028,000
	-	(2,483,028,000)	-	-	(2,483,028,000)
Aditya Birla Capital Advisors Private Limited	-	35,000,250	-	-	35,000,250
	-	(35,000,250)	-	-	(35,000,250)
Aditya Birla Shared Services Private Limited	-	500,000	-	-	500,000
	-	(500,000)	-	-	(500,000)

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED

(Amount in ₹)					
Transaction/Nature of Relationship	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Others Entities over which company having control	Grand Total
Aditya Birla Customer Services Private Limited	-	100,250	-	-	100,250
	-	(100,250)	-	-	(100,250)
Aditya Birla Housing Finance Limited	-	500,250	-	-	500,250
	-	(500,250)	-	-	(500,250)
Aditya Birla Money Mart Limited	-	240,753,095	-	-	240,753,095
	-	(240,753,095)	-	-	(240,753,095)
Birla Sun Life Assest Management Company Limited	-	337,099,052	-	-	337,099,052
	-	(143,099,052)	-	-	(143,099,052)
Birla Sun Life Trustee Company Private Limited	-	149,700	-	-	149,700
	-	(99,700)	-	-	(99,700)
Aditya Birla Insurance Brokers Limited	-	3,000,120	-	-	3,000,120
	-	(3,000,120)	-	-	(3,000,120)
Aditya Birla Housing Finance Limited	-	22,447,500	-	-	22,447,500
	-	-	-	-	-
Aditya Birla Finance Limited	-	2,276,297,550	-	-	2,276,297,550
	-	(1,026,222,550)	-	-	(1,026,222,550)
Preference Shares					
Aditya Birla Finance Limited	-	1,777,982,191	-	-	1,777,982,191
	-	(777,982,191)	-	-	(777,982,191)
Aditya Birla Money Mart Limited	-	1,000,000,000	-	-	1,000,000,000
	-	(1,000,000,000)	-	-	(1,000,000,000)
Aditya Birla Money Limited	-	200,000,000	-	-	200,000,000
	-	(200,000,000)	-	-	(200,000,000)
Others					
Aditya Birla Private Equity - Sunrise Fund	-	-	-	119,448,990	119,448,990
	-	-	-	(29,862,300)	(29,862,300)
Aditya Birla Private Equity -Fund I	-	-	-	1,232,883,750	1,232,883,750
	-	-	-	(968,694,375)	(968,694,375)
Total	-	8,376,857,958	-	1,352,332,740	9,729,190,698
	-	(6,910,285,458)	-	(998,556,675)	(7,908,842,133)
Amount Receivable					
Aditya Birla Money Limited	-	-	-	-	-
	-	(49,278)	-	-	(49,278)
Birla Sun Life Insurance Company Limited	-	-	-	-	-
	-	-	(140,754)	-	(140,754)
Aditya Birla Customer Services Private Limited	-	-	-	-	-
	-	(3,732,213)	-	-	(3,732,213)
Total	-	-	-	-	-
	-	(3,781,491)	(140,754)	-	(3,922,245)
Equity Capital					
Equity Shares held by holding company	1,100,000,000	-	-	-	1,100,000,000
	(1,100,000,000)	-	-	-	(1,100,000,000)
Preference Capital					
Preference Shares held by holding company	8,765,000,000	-	-	-	8,765,000,000
	(5,965,000,000)	-	-	-	(5,965,000,000)

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

ADITYA BIRLA MONEY LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Board of Directors present the 17th Annual Report, along with the audited annual standalone and consolidated accounts of Aditya Birla Money Limited ("the Company") for the year ended March 31, 2013.

1. Financial Performance Summary

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

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Income from Operations	65.89	67.41	84.08	88.28
Other Income	5.68	4.98	9.76	8.95
Less : Expenditure	72.12	77.46	96.33	102.61
Profit before Interest, Depreciation and Taxation	(0.55)	(5.07)	(2.49)	(5.38)
Less : Interest	4.57	5.62	4.71	5.60
Profit before Depreciation and Taxation	(5.12)	(10.69)	(7.20)	(10.98)
Less : Depreciation	7.55	7.80	8.11	8.28
Profit / (Loss) Before Taxation	(12.67)	(18.49)	(15.31)	(19.26)
Less : Provision for Tax including Deferred Tax	—	(1.20)	—	(1.43)
Profit / (Loss) After Tax	(12.67)	(17.29)	(15.31)	(17.83)
Profit brought forward from previous year	(4.66)	12.63	(1.65)	16.18
Balance carried to Balance Sheet	(17.33)	(4.66)	(16.96)	(1.65)

2. Business Performance

On a Standalone basis, the Company's total Income stood at ₹71.57 Crore compared to ₹72.39 Crore during the previous year. The Income from Operations was ₹65.89 Crore compared to ₹67.41 Crore during the previous year. The Company focussed on cost rationalisation, as a result the Loss before Depreciation and Taxation was reduced to ₹5.12 Crore compared to ₹10.69 Crore in the previous year. Interest Cost was ₹4.57 Crore as compared to ₹5.62 Crore in the previous year. The Company's Net Loss was also down to ₹12.67 Crore as compared to Net Loss of ₹17.29 Crore in the previous year.

On a Consolidated basis, the Company's consolidated Income from Operations was ₹84.08 Crore, compared to ₹88.28 Crore in the previous year. The Consolidated Net Loss was ₹15.31 Crore compared to ₹17.83 Crore in the previous year.

3. Reserves

Reserves & Surplus of the Company as on March 31, 2013 stood at ₹21.97 Crore. During the year, no amount is proposed to be transferred to Reserves.

4. Dividend

In view of losses for the year, your Directors do not recommend any dividend for the year under review.

5. Credit Rating

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

6. Share Capital

The Authorised Share Capital of the Company is ₹25 Crore. The Paid up Capital, Issued and Subscribed Capital of the Company was ₹13.54 Crore as on March 31, 2013 consisting of 55,400,000 Equity shares of Re.1/- each and 800,000 8% Redeemable Non Convertible Non Cumulative Preference Shares of ₹100/- each. There was no capital infusion during the year under review.

7. Management Discussion and Analysis

The Management Discussion and Analysis Report on the operations of the Company is provided in a separate section and forms part of the Annual Report.

8. Corporate Governance

Your Directors reaffirm their commitment to the corporate governance standards to the extent they are applicable to the Company. A detailed Corporate Governance Report forms part of this Annual Report.

9. Subsidiary

The Company has a wholly owned subsidiary viz. Aditya Birla Commodities Broking Limited ("ABCBL"), which is engaged in the business of commodity broking. ABCBL continues to be a material non-listed subsidiary company on the basis of consolidated turnover for the accounting year ended March 31, 2013 pursuant to Clause 49 of the listing agreement. Relevant disclosure(s) in this regard also forms part of the Corporate Governance Report.

ABCBL posted total Income of ₹22.34 Crore compared to ₹24.97 Crore during previous year. The Net Loss was at ₹2.65 Crore compared to ₹0.54 Crore in the previous year. The increase in Net Loss was largely due to fall in yields and lower participation of clients.

The Consolidated financial statements pursuant to Clause 41 of the Listing Agreement and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accounts of India forms part of the Annual Report. In terms of general exemption granted by the Ministry of Corporate Affairs vide its Circular No.2/2011 dated February 8, 2011 and in compliance with the conditions enlisted therein, the reports and annual accounts of the subsidiary company for the financial year ended March 31, 2013 have not been attached to the Balance Sheet of the Company. As required under the circular, statutory information pertaining to the subsidiary company forms part of the Annual Report. Further, the annual accounts and other related information of the subsidiary company are available to you and the shareholders of subsidiary company at any point of time. Any shareholder /investor of the Holding Company or Subsidiary Company desirous of obtaining a copy of the said documents may send request in writing to the Company at the Registered Office. The annual accounts of subsidiary company shall also be kept for inspection at the Registered Office of the Company and of the Subsidiary Company.

10. Public Deposits

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public, during the year under review.

11. Particulars as per Section 217 of the Companies Act, 1956

The information relating to the conservation of Energy and Technology Absorption required under Section 217(1)(e) of the Companies Act, 1956 ("the Act"), 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. In accordance with the provisions of Section 217(2A) read with the Companies (Particulars of Employees) Rules 1975, the names and other particulars of employees are to be set out in the Directors' Report as an addendum thereto. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts, as therein set out, are being sent to all the members of the company excluding the information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company at the Registered Office of the Company.

12. Directors

As on March 31, 2013, your Board of Directors comprises of 5 Directors including 2 Independent Directors. In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. G. Vijayaraghavan, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment.

The Board recommends his re-appointment. The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes.

ADITYA BIRLA MONEY LIMITED

13. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed alongwith proper explanation relating to material departures, if any;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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;
- the attached Statement of Accounts for the period ended March 31, 2013 have been prepared on a "going concern basis";
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in notes to accounts at Note 30 in terms of Accounting Standard 18.

14. Auditors and Auditors' Report

M/s. S.R. Batliboi & Co. LLP (previously M/s. S.R. Batliboi & Co.), Chartered Accountants, Mumbai, (Registration No. 301003E), hold office as the Statutory Auditors of the Company upto the ensuing AGM and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered

Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI. The Board proposes the re-appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company, on the recommendation of the Audit Committee. 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. In respect of observation/remark made at point (ix)(a) in the annexure to the Auditors' report, although the Company had deposited the professional tax payment cheques with the respective states, the delay was due to the calculation & dispatch of the cheques to respective branch offices from Head office. Now, management of your Company has taken suitable corrective measures and improved the corresponding controls to avoid any such instances in future.

15. Appreciation

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the clients, bankers and all business associates for their continuous support and patronage to the Company. Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Place : Chennai
Date : April 29, 2013

Pankaj Razdan **Sudhakar Ramasubramanian**
Director Managing Director

ADITYA BIRLA MONEY LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACRO ECONOMIC SCENARIO THE INDIAN ECONOMY & MARKETS

During the Financial Year 12-13 [FY13], India's Gross Domestic Product (GDP) growth slowed down further from a level of 6.2% in FY12 to around 5% in FY13. The Index of Industrial Production also continued to show a declining trend in the whole of FY13. The reduction in government spending in the first half of FY13 also impacted the growth to a certain extent. Current Account Deficit (CAD) remained above 5.5% of GDP on account of high oil imports and slowdown in exports. Inflationary pressures continued to remain high with Consumer Price Index (CPI) touching double digits and the Wholesale Price Index (WPI) remained above 7% levels for most part of the year. Capacity expansion and corporate earnings also remained subdued.

Despite weak macro-economic indicators, the equity markets were up 7.3% YoY in FY13. The silver lining on the otherwise overcast skies was the positive capital inflows into the equity and bond markets which kept the markets afloat while domestic investors and institutions largely remained sellers. India attracted \$25bn of equity flows in FY13 and the overall capital inflows continued to be strong. A favourable global liquidity environment and economic reform measures like liberalization of FDI in retail and aviation, decontrol of fuel prices to contain subsidies and the attractive valuations of equities after the sharp fall in 2011 also helped in creating momentum in equities market. However, the equity markets came under pressure in the last quarter of FY13.

Domestic inflation seems to be easing, with March 2013 WPI falling to less than 6% for the first time in 40 months. Oil and gold prices have corrected 11% and 15% Year to date (YTD) respectively, which could ease worries on the CAD front. While the external environment and the domestic investor sentiment seems to be improving, the key driver for the Indian economy and markets in FY14 would be the Government's proactive actions on getting the domestic real investment cycle going and on the speedy implementation of more economic reforms.

GLOBAL SCENARIO

Developments in the Euro-zone, US Federal Reserve's quantitative easing and firm oil prices were the important factors on the global economic front which hogged the limelight. The European Central Bank's (ECB) announcement of the Outright Monetary Transactions (OMT) bond buying program induced confidence in investors to buy up sovereign bonds, resulting in lower bond yields for large peripheral European economies like Spain and Italy. The bailout of Greece reduced tail risks of a Euro-zone exit.

World Economic growth is likely to remain subdued this year as China's economy levels-off and European recession deepens. Bank of Japan announced multi-year stimulus with the intention of arresting the deflation in Japan. European Central Bank and Bank of England are expected to keep a low interest rate regime for an extended period, pumping the financial system with liquidity to promote economic growth. With growth slowing down in China and rest of the world, we are witnessing the Commodity super cycle probably coming to an end. Commodity prices including precious metals are expected to remain benign during the course of the year. And the fall in commodities bodes well for high commodity importing countries like India.

INDUSTRY STRUCTURE AND DEVELOPMENTS

During FY 13, the capital markets saw some turbulence and retail investor participation continued to drop significantly. The product mix in equities market continued to favour low yielding derivative segment. The share of derivatives in FY13 stood around 90%. The daily cash volumes in FY13 declined to ₹13,235 crores, a fall by 6.4% compared to FY12 of ₹ 14,152 crores and with a much lower participation from traders and investors. As a result, the daily volumes in the cash segment stood at merely 9.36% of the total market volume in FY 13, which was down from 9.98% in FY12. This continuing trend also indicates speculative activities taking precedence over investment led activities in the capital market. The structural shift (from high yield cash delivery to low yield derivatives market) is resulting in prolonged earnings pressure on the broking industry. The cyclical factors further accentuates this pressure and only strong players with service orientation, clear value added research focus and strong distribution network, have been able to sustain and grow market share.

Market Volumes Data

Period	Average Daily Turnover in ₹ Crores (Cash)	Average Daily Turnover in ₹ Crores (Derivatives)	Average Daily Turnover in ₹ Crores
Apr'12 - Jun'12	12,026	121,720	133,746
Apr'11 - Jun'11	14,082	120,478	134,560
Jul'12 - Sep'12	12,767	121,032	133,799
Jul'11 - Sep'11	13,724	132,760	146,484
Oct'12 - Dec'12	14,136	130,594	144,730
Oct'11 - Dec'11	12,121	130,198	142,319
Jan'13 - Mar'13	14,009	140,553	154,562
Jan'12 - Mar'12	16,584	129,115	145,699

Source www.nseindia.com, www.bseindia.com

The subdued primary market activities and muted retail participation also resulted in slow down in the new demat account openings and only 10 lakhs new demat accounts were added during FY13.

The commodity markets saw decrease in volume by 2.61% over last financial year, quite in line with the trends of global commodity markets. The average daily volumes on commodity exchanges went down from ₹69,644 crores in FY12 to ₹67,841 Crores in FY13. The currency futures market did show improvement. However, the overall volumes are low compared to the equity and commodity markets.

FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

During these turbulent times, your Company continued to focus on cost reduction, quality research and improvement in market share. The Company's market share in FY13 grew to 1.50% from 1.16% in retail equities and 0.48% from 0.38% in commodities. Specific focus on the derivatives market opportunities last year helped in expanding Company's presence in this segment.

Your Company recorded an Income from Operations of ₹84.08 Crores for the year under review, on a consolidated basis. The total consolidated income for the year under review stood at ₹93.84 Crores, as compared to the previous year of ₹97.24 Crores reflecting slowdown in capital market activity. The Consolidated Net Loss for the year stood at ₹15.31 Crores as compared to ₹17.83 Crores in the previous year.

Revenues from equity broking during the year increased marginally by 0.44% Yo-Y to ₹51.92 Crores. Commodities business however recorded de-growth for the year under review, with revenues from commodity brokerage at ₹17.21 Crores, which was lower than the previous year's revenues of ₹19.87 Crores. This was mainly due to fall in yields and lower participation of clients.

ECONOMY

With the onset of monsoon being good and projection of near normal monsoon throughout the country well ahead of schedule, the prospects of bumper crop has gone up. This should aid both agri-inflation and the rural purchasing power. Indirect stimulus in form of election year is also expected to aid the overall economy. However, slower reform progress as the political environment becomes complex, will delay recovery to the full potential.

Equity markets seem to be stabilizing and are expected to show an upward trends in the first quarter of FY14. Domestic inflation seems to be easing, with WPI falling to less than 5% - within the Reserve Bank of India (RBI) comfort zone. Commodity super cycle is easing which will ease worry on CAD front.

Global environment also seems to be favorable for India in terms of foreign capital inflows and lower commodity prices. Low global interest rates, ample global liquidity and not so robust growth prospects in Europe augurs well for the Emerging Markets including India. Thus the confluence of Government reform measures, domestic monetary easing, robust Foreign Institutional Investor (FII) flows and reasonable market valuations could compound to give a boost to the equities markets. However, there will be a high degree of market volatility during the course of the year. Growth challenges and Rupee depreciation will remain a risk to the markets.

ADITYA BIRLA MONEY LIMITED

INDUSTRY

For the Broking industry the structural challenge remains. SEBI capped brokerage commission fees at 12 bps for cash and 5 bps for futures segment for the Mutual fund industry. This along with increased penetration of Direct Market Access [DMAs] is expected to have an impact on Institutional broking. Broad based retail participation in the equity markets has been absent. This is reflected from the dip in number of transactions in the cash segment. On the contrary there is an increase in number of trades and trading size for the derivatives. Yield on Options and Commodity has been on a decline and would continue to remain in pressure due to competitive pressures and constrained margins.

The overall growth in the market size in short to medium term will be dependent on the direction of the market and confidence in equities as an asset class. This in turn is partially going to be dependant on global factors and partially on corporate earnings. The overall business performance will be largely dependent on the revival of primary market and retail participation.

The Currency market is growing at a steady pace and has a long way to go. While for commodities, introduction of Commodities Transaction Tax [CTT] on non agricultural commodities future will have marginally negative impact on the overall volume. The Spot market volumes are beginning to see buoyancy and a better shape. Institutional participation and trading in commodities options awaits parliamentary approval. As and when approved, the commodities market will stand to benefit from increased depth and wider participation.

The market outlook will be more dependent on the quantum of foreign portfolio flows which in turn are dependent on the global liquidity and the continuation of "Risk Off". On the positive front, the industry brokerage revenue pool has been stabilizing. Commodities and currencies have emerged as a dependable sources of diversification. Industry has re-aligned it's business model to contain costs. Thus in a nutshell, while the industry will continue to face various volatile times, the industry has to optimise costs and increase operational efficiency, to remain competitive and sustain performance.

OPPORTUNITIES AND THREAT

After China, India is the only country to register reasonable growth Y-o-Y, albeit at a slow pace compared to the mid 2000s. The under penetrated Indian securities market provides ample opportunity for growth in the long run.

The subdued participation in equities and the increased cost of operation poses challenges, which the Industry as a whole is going through and your company is also not immune to such shifts. Given the market conditions, change in product structure mix and reducing yield, your company also witnessed pressure on margins. This, combined with the rising infrastructure and operational costs, and changes in industry structure will continue to pose challenge in its growth trajectory. Your Company is conscious of the same and it has plans to increase its overall market share by targeting select profitable segments and efficient use of technology to become a cost efficient player in the market.

Your Company will continue to 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 operates both at the Company as well as the Aditya Birla Group level thus providing 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 condition. The Company has also implemented surveillance mechanism to deal with various trades related risks and adopted a surveillance policy in line with the regulatory requirements.

INTERNAL CONTROL AND ADEQUACY

The Company has adequate internal control systems appropriate for the business process having regard to efficiency of operations - both systems, finance 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 [ABG] 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, 2013, the total employees on the company's rolls stood at 897.

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.

ADITYA BIRLA MONEY LIMITED

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is fully 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.

The details of other Directorships, positions held either in Committees of Board of Directors as well as attendance at Board Meetings / Annual General Meeting are as follows:

Name of the Director	Category	No. of Board Meetings		No. of Directorships held in other Companies#	No. of Committee Membership held in other Companies^	Last AGM Attendance (Yes/No)
		Held	Attended			
Mr. PankajRazdan	Non-Executive Director	4	3	5	—	No
Mr. Manoj Kedia	Non-Executive Director	4	—	4	—	No
Mr. Sudhakar Ramasubramanian	Managing Director	4	4	2	—	Yes
Mr. P. Sudhir Rao	Independent Director	4	4	6	1	Yes
Mr. G. Vijayaraghavan	Independent Director	4	4	—	—	No

^ includes Membership of Audit Committees and Shareholders' Grievance Committee as per Clause 49 of the Listing Agreement (as on March 31, 2013).

does not include Private and Foreign Companies and Section 25 Companies.

Number of Board Meetings

The Board of Directors met four times during the year ended March 31, 2013 i.e. on May 03, 2012, July 27, 2012, October 26, 2012 and February 01, 2013. The maximum gap between the two Board Meetings was not more than four months.

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 dates of the Board meetings and Committee meetings are decided in advance as part of the annual calendar meeting exercise. 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 approval 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 strategy 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 are placed before the Board of Directors for their approval. At each Board Meeting, apart from financial results, the Board reviews shareholding pattern, reports submitted to stock exchanges under Clause 49 of 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 liaison with the respective department / functions,

2. BOARD OF DIRECTORS

Composition, Category, Size of the Board

The Board of Directors of the Company is a balanced Board, comprising of a Managing Director and Non-Executive Directors which includes independent professionals. The Company has five Directors on the Board, out of which two are Independent, two are Non-Executive and one is a Managing Director. The Company does not have an appointed Chairman and the same is appointed for each Board Meeting.

None of the Directors of the Board are members of more than 10 Committees or a Chairman of more than 5 Committees (as specified under Clause 49) across all Companies in which he is a Director. All Directors have made necessary disclosures regarding their Directorship and Committee positions occupied by them in other Companies.

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 has laid Code of Conduct for the Directors and Senior Management Personnel of the Company. The Code has been posted on the Company's website www.adityabirlamoney.com. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2013. A declaration to this effect signed by the Managing Director forms part of this report.

Compliance Structure

The Board also periodically reviews status of compliance of all laws applicable to the Company and also 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 / Audit Committee at each quarterly meeting for its review and perusal. Audit Committee of the Board is also updated on regulatory inspection and audits which are undertaken pursuant to Stock Broking and Depositories Regulations.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE

In Compliance of the provisions of Section 292A of the Companies Act, 1956 and in accordance with the provisions of Clause 49 of the Listing Agreement, the Company has a qualified and independent Audit Committee at the Board level. The Audit Committee performs the functions and role in accordance with Clause 49 of the Listing Agreement. 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, two thirds of whom are Independent Directors.

1. Mr. P. Sudhir Rao — Chairman
2. Mr. G. Vijayaraghavan — Member
3. Mr. Manoj Kedia — Member

ADITYA BIRLA MONEY LIMITED

The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee was also present at the previous Annual General Meeting, as mandated under the listing agreement, to answer shareholder queries. All the members of the Audit Committee are financially literate having accounting and related financial management expertise. The Company Secretary acts as Secretary to the Committee

Terms of Reference

The terms of reference for the Audit Committee basically follows and covers all the areas as stipulated under Clause 49 of the Listing Agreement. This *inter-alia* includes the following:

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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors, if any.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings, if any
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report, if any
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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.
10. Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Review the functioning of the Whistle Blower mechanism.
12. 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 & background, etc. of the candidate.
13. To review risk management system of the Company.
14. To review Compliance certificates received from Departments.
15. To review CEO/CFO certifications.
16. To review Fraud and Suspicious Transaction Reports.

Meetings and Attendance

During the year under review, the Audit Committee met four times i.e. on May 03, 2012, July 27, 2012, October 26, 2012 and February 01, 2013. 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. Manoj Kedia	Member – Non Executive	4	—

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. The Chief Operating Officer, 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 audit report.

B. REMUNERATION COMMITTEE

Composition

The Company has a Remuneration Committee consisting of following three non-executive Directors, two third of whom are Independent Directors, including the Chairman.

1. Mr. P. Sudhir Rao — Chairman
2. Mr. G. Vijayaraghavan — Member
3. Mr. Manoj Kedia — Member

Terms of Reference

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

1. To determine and approve the remuneration package payable to the Executive Director / Whole-time Director, Directors, other Managerial Persons and such other members of the management including salary, bonuses, incentive payments, share options, stock options, pension rights, terms of employment and various other components of the compensation payable in this regard;
2. Key issues / matters as may be necessary in view of Clause 49 of the Listing Agreement, provisions of Companies Act, 1956 or any statutory provisions, enactments, rules and regulations as may be applicable from time to time;
3. Such other matters and issues as may be referred by the Board from time to time.

Remuneration to Directors

The Independent Directors are paid sitting fees of ₹20,000/- for each meeting of the Board and the Committee thereof. No sitting fee is paid to the Managing Director and other Non-Executive Directors. The details of sitting fees paid to the Independent Directors during financial year 2012-13 are as under:

Name of Director	Category	Sitting Fees Paid
Mr. P. Sudhir Rao	Independent Director	₹2,00,000/-
Mr. G. Vijayaraghavan	Independent Director	₹1,60,000/-

No other fees or compensation has been paid to non-executive Directors. The Managing Director has been appointed without any remuneration; hence does not draw 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.

ADITYA BIRLA MONEY LIMITED

C. SHAREHOLDERS' AND CUSTOMERS GRIEVANCE REDRESSAL COMMITTEE

The Company has a specific Committee to consider matters relating to Shareholders' / Investors' grievances.

Composition

The Shareholders' and Customers Grievance Redressal Committee consist of the following three Directors as its members :

1. Mr. P. Sudhir Rao — Chairman
2. Mr. Pankaj Razdan — Member
3. Mr. Sudhakar Ramasubramanian — Member

The Company Secretary of the Company acts as the Secretary to the Committee as well as Compliance Officer for matters relating to Investor's Grievance as stipulated under the Listing Agreement.

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, 1992.
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.
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.

Meetings and Attendance

The Shareholders and Customers Grievance Redressal Committee shall have meetings periodically. In case the Committee is not be able to meet specifically, the respective items like Complaints / Litigation update etc. are placed before the Board. During the year under review, Shareholders' and Customers Grievance Redressal Committee met once on October 26, 2012.

D. 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, approves 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 present composition of the Finance Committee, consist of following Directors as its members:

1. Mr. Pankaj Razdan
2. Mr. Manoj Kedia
3. Mr. Sudhakar Ramasubramanian

Meetings and Attendance

The Chairman of the Committee is elected by the members amongst themselves from time to time and any two members shall form the quorum of the Committee Meeting. The Committee met two times during the year ended March 31, 2013 i.e. on May 16, 2012 & February 01, 2013 which were attended by Mr. Pankaj Razdan and Mr. Sudhakar Ramasubramanian.

E. RISK GOVERNANCE COMMITTEE

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

Composition

The Risk Governance Committee consists of the following three Directors as its members :

1. Mr. Sudhakar Ramasubramanian
2. Mr. Pankaj Razdan
3. Mr. P. Sudhir Rao

The terms of reference of the Committee is as under :-

- 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. Review 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. Review Product and Operational risk management strategies and meeting risk/reward objectives.

Meetings and Attendance

During the year under review, Risk Governance Committee met once on July 27, 2012. All the members of the Committee were present in this meeting.

F. PREFERENCE SHARES ALLOTMENT COMMITTEE

The Preference Shares Allotment Committee was constituted by the Board consisting of following Directors as its members:

1. Mr. Pankaj Razdan
2. Mr. Sudhakar Ramasubramanian
3. Mr. G. Vijayaraghavan

4. CEO / CFO CERTIFICATION

As required under the provisions of the Clause 49 of the Listing Agreement, the Managing Director & Chief Finance Officer of the Company have provided necessary certification to the Board regarding the financial statements of the Company. The said certificate was placed before each board meeting approving the financial results which was taken on record by the Board of Directors of the Company. The CEO / CFO certification for the annual financial results for the year ended March 31, 2013 was also placed before the Board of Directors at its meeting held on April 29, 2013.

5. SUBSIDIARY COMPANY

The Company has a wholly owned subsidiary company - Aditya Birla Commodities Broking Limited ("ABCBL") which is a material non-listed subsidiary company on the basis of consolidated turnover for the accounting year ended March 31, 2013. 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 statements of all significant transactions and arrangements of the unlisted subsidiary company are placed in the Board meeting.

ADITYA BIRLA MONEY LIMITED

6. DISCLOSURES

- i. The details of Related party transactions 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.
- ii. The Company has implemented a whistle blower policy and every employee including ex-employee of the Company has the right to report to the Grievances Redressal Committee (GRC) unethical behaviours, malpractices, wrongful conduct, fraud, violation of the Company's policies & values, violation of law without any fear of retaliation. The GRC submits periodic report to the Audit Committee of the Board of Directors on the issues reported to it, if any, from time to time for its review & 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 ₹185,450/- 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 Company has complied with mandatory requirements of Clause 49.
- v. The Company has also complied with the following non mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement.
 - a. Constitution of the Remuneration Committee.
 - b. There were no qualifications on the financial statements of the Company during the period under review.
 - c. The quarterly results of the Company are published in one English and one Gujarati newspaper having wide circulation. The results are also posted on the website of the Company. In view of the above, the half-yearly declaration of financial performance are not sent to the shareholders individually.

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 Clause 49 of the Listing Agreement forms 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.

MCA Voluntary Guidelines – 2009

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on "Corporate Governance" and "Corporate Social Responsibility" in December 2009. These guidelines are expected to serve as a benchmark for the corporate sector and also help in achieving the highest standard of corporate governance. Some of the provisions of these guidelines are already in place as reported elsewhere in this Annual Report. The other provisions of these guidelines are being evaluated and your company will strive to adopt the same in a phased manner.

SHAREHOLDERS - Re-appointment of Director

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.

7. GENERAL BODY MEETINGS

Details of General Meetings

Location and time, where Annual General Meetings (AGMs) and Extra Ordinary General Meeting (EGMs) were held in the last three years:

Year	AGM/EGM	Day & Date	Venue	Time
2009 – 2010	AGM	Monday, June 28, 2010	'P. Obul Reddy Hall,' C/o. VaniMahal, No.103, G.N. Chetty Road, T. Nagar, Chennai - 600 017	3.00 P.M.
2010 – 2011#	AGM	Friday, Sept 23, 2011	Indian Rayon Compound, Veraval - 362 266, Gujarat	11.30 A.M.
2011 – 2012	AGM	Friday, Aug 03, 2012	Indian Rayon Compound, Veraval – 362 266, Gujarat	10.30 A.M.

#A Special resolution was passed by the shareholders in the AGM held on September 23, 2011 for approving the appointment of Mr. Sudhakar Ramasubramanian as Managing Director of the Company.

COMPLIANCE

A certificate from Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges forms part of this Annual Report.

MEANS OF COMMUNICATION

The unaudited quarterly, half yearly and audited annual financial results are sent to the Stock Exchanges where the shares of the Company are listed. 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.

8. GENERAL SHAREHOLDERS' INFORMATION

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

Financial Calendar

Financial reporting for the quarter ending June 30, 2013	July / August, 2013
Financial reporting for the quarter ending September 30, 2013	October / November, 2013
Financial reporting for the quarter ending December 31, 2013	January / February, 2014
Financial reporting for the quarter ending March 31, 2014	April / May, 2014

Date of Book Closure : Refer Notice to the AGM

Dividend Payment Date : N.A.

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

Website : www.adityabirlamoney.com

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. Tel No: (022) 26598100, Fax No:(022) 26598120, Stock Code – BIRLAMONEY

Bombay Stock Exchange Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. Tel No: (022) 22721233 / 4, Fax No:(022) 22721919, Stock Code – 532974 / ABML.

The Equity Shares of the Company has been voluntarily delisted from Madras Stock Exchange Ltd under SEBI(Delisting of Equity Shares) Regulations, 2009 with effect from 21st June, 2012.

ISIN for Equity Shares (NSDL & CDSL) - INE865C01022

Note: Listing fees for the year 2013-14 have been paid to NSE & BSE.

ADITYA BIRLA MONEY LIMITED

Stock Price Data : Monthly High & Low during FY 2012-13 in BSE & NSE (₹)

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April 2012	16.10	13.95	16.50	13.65
May 2012	15.32	11.00	14.85	11.20
June 2012	14.30	12.00	16.00	12.30
July 2012	16.00	12.90	15.50	12.20
August 2012	14.85	11.60	14.00	11.50
September 2012	14.90	10.75	14.50	10.55
October 2012	28.10	13.75	28.00	12.65
November 2012	21.00	17.25	20.15	17.30
December 2012	22.50	18.60	22.50	18.10
January 2013	23.95	18.35	24.20	18.10
February 2013	22.80	15.75	22.70	15.05
March 2013	21.25	15.50	20.90	15.25

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.

Investor Services

Details of Shareholders queries / complaints and other correspondence received and replied during 2012 - 2013:

Nature of Queries	No. of Queries
Pending Queries as on 01.04.2012	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 31.03.2013	Nil

No complaint was received during the year 2012-13.

History of Paid-up Equity Share Capital of the Company

Date of Allotment	No. of Shares	Face Value (₹)	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 ₹10/- to Re.1/- each

Details of Paid-up Preference Share Capital of the Company

Date of Allotment	No. of Shares	Face Value (₹)
28-03-2005	200,000*	100/-
31-03-2011	800,000++	100/-

* 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 Private Ltd (Holding Company)

Distribution of Shareholdings as on March 31, 2013

Equity Shares	Shares				Shareholders			
	Physical		Electronic		Physical		Electronic	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%
1 – 5000	832,140	1.50	3,481,433	6.28	1,349	98.83	7,662	97.74
5001 – 10000	70,460	0.13	798,193	1.44	9	0.66	105	1.34
10001 – 20000	86,904	0.16	426,572	0.77	6	0.44	29	0.37
20001 – 30000	22,800	0.04	391,955	0.71	1	0.07	16	0.20
30001 – 40000	-	0.00	246,392	0.44	-	0.00	7	0.09
40001 – 50000	-	0.00	90,655	0.16	-	0.00	2	0.03
50001 – 100000	-	0.00	585,830	1.06	-	0.00	9	0.11
100001 & above	-	0.00	48,366,666	87.30	-	0.00	9	0.11
Total	1,012,304	1.83	54,387,696	98.17	1,365	100.00	7,839	100.00
Grand Total	55,400,000				9,204			

The Shareholding Pattern of the Company as on March 31, 2013 was as follows

Category	No. of Shares	%
Promoter / Promoter Group	41,550,000	75.00 %
Bodies Corporate	4,472,446	8.07 %
Individuals - holding up to ₹1 Lakh	5,753,195	10.38 %
Individuals - holding excess of ₹1 Lakh	3,173,959	5.73 %
Clearing Members	26,995	0.05 %
HUF	166,508	0.30 %
NRI's and OCB	256,897	0.47 %
TOTAL	55,400,000	100.00 %

Dematerialization of Shares and Liquidity

As on March 31, 2013, 98.17% of the Company's Paid-up Equity Share Capital was held in dematerialized form. The shares of the Company are frequently traded on BSE / NSE.

Useful Information for Shareholders

Unclaimed Dividend

- Pursuant to Section 205A & 205C of the Companies Act, 1956 dividend upto the financial year 2005-2006 (Interim Dividend) has been transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. No claim by the shareholders shall lie against the IEPF or the Company in respect of the said unclaimed amount.
- Unclaimed dividend for the financial year 2005-2006 (Final Dividend) onwards, wherever declared, and which remains unclaimed over a period

ADITYA BIRLA MONEY LIMITED

of 7 years, is required to be statutorily transferred to the IEPF. Shareholders who have not claimed / encashed their dividend warrants are requested to lodge their request / claim with the Company / RTA for revalidation / issue of duplicate dividend warrants. Unclaimed dividend for the year 2005-2006 (Final Dividend) is due for transfer to IEPF in July, 2013. Once the unclaimed dividend is transferred to IEPF, no claim by the shareholders shall lie thereof against IEPF or the Company.

Other General Information

1. Green Initiative in Corporate Governance - Service of documents in Electronic Form

Ministry of Corporate Affairs ("MCA") has introduced a Green Initiative in the Corporate Governance, thereby allowing companies to serve documents through electronic mode. Companies are now permitted to send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Environment conservation and sustainable development are continuously on your Company's radar and therefore your Company supports MCA in this initiative. This will also ensure prompt receipt of communication and avoid loss in postal transit.

Keeping in view the underlying theme and circulars issued by MCA, your company sends documents such as notices of general meeting(s), Annual Report and other shareholder's communications through e-mail to those shareholders who have registered with us. We therefore request and encourage all the shareholders to register their e-mail id with the Company or their Depository Participant as the case may be, if not already done. Please note that these documents shall be available on Company's website and shall also be kept open for inspection at the registered office of the Company during office hours.

In case you wish to receive the above documents in physical mode (which shall be made available to you free of cost), you are requested to exercise your option by visiting the company's website www.adityabirlamoney.com at the link "Green Initiative in Corporate Governance" and register your mail id. Alternatively, you can send an email to abml.investorgrievance@adityabirla.com to register your option for receiving the documents / reports in physical form.

2. 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 jointholder.

3. 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.
4. For expeditious transfer of share, shareholders should fill in complete and correct particulars in the transfer deed. Further, please note that SEBI vide its Circular No.MRD/DoP/Cir-05/2009 dated 20.05.2009 has made it mandatory for transferee(s) to furnish a copy of PAN card to the Company / RTAs for registration of physical transfer of shares. All the intended transferee(s) are, therefore, requested to furnish a self attested copy of PAN Card at the time of sending the request for physical transfer of share certificate.
5. Section 109A of the Companies Act, 1956 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

Registered Office

Indian Rayon Compound,
Veraval - 362 266, Gujarat
Ph No. : 02876-245711
Fax No. : 02876-243257
Website : www.adityabirlamoney.com

DECLARATION ON CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2013.

Place : Chennai
Date : April 29, 2013

Sudhakar Ramasubramanian
Managing Director

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To: The Members of Aditya Birla Money Limited

We have examined the compliance of conditions of Corporate Governance by Aditya Birla Money Limited, for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The objective of our examination is to give our opinion on whether the company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the company with the listed Stock Exchanges of India.

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.

In our opinion and to the best of our information and according to the 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.

We further state that such compliance is neither an 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.

Place : Chennai
Date : April 29, 2013

B CHANDRA
Practising Company Secretary
Membership No. 7859

ADITYA BIRLA MONEY LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Money Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Money Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 21 to the financial statements with regard to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to ₹ 145,799,681 grouped under Advances recoverable in cash or kind under Schedule 11B of the Balance Sheet. These assets are subject matter of claim under a share purchase agreement entered into between the Company's ultimate parent company and its Erstwhile Promoters, which is currently under arbitration. The Company's ultimate parent company has committed to transfer any funds received on settlement of the claim to the Company. Based on legal opinion received in the previous year, management is of the opinion that the claims made are tenable and expect a favourable outcome in this matter. Pending the final disposition of the matter no adjustments have been made to the financial statements in respect of these assets.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & CO. LLP

Chartered Accountants
ICAI Firm Registration Number: 301003E

per Shrawan Jalan

Partner
Membership Number: 102102

Place of Signature: Chennai
Date: April 29, 2013

ADITYA BIRLA MONEY LIMITED

Annexure referred to in 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 the Company and the nature of its assets. Discrepancies were noted on such verification which have been properly dealt with in the books of accounts.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The Company is a stock broker and therefore does not have any inventories. Accordingly, Clause (ii) of the Companies (Auditors' Report) Order 2003 (as amended) is not applicable to the Company.
- (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. Accordingly, the provisions of clause 4(iii) (a) to 4(iii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets, sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The activities of the Company do not involve and purchase of sale of inventories. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, investor education and protection fund, cess and other material statutory dues applicable to it *except for serious delay in large number of cases in remittance of professional tax*. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, investor education and protection fund, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.
- As more fully discussed in note 22 to the financial statements, stamp duties collected by the Company in respect of States wherein the manner of payment has not been notified from July 2011 inwards and remaining unpaid as of March 31, 2013 is Rs 45.6 Lakhs. 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, there are no dues outstanding of excise duty, wealth-tax, customs duty, income-tax and cess on account of any dispute. Dues outstanding in respect of sales-tax and service tax on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	7,283,390	April 2004-June 2008	Commissioner of Service Tax
Finance Act, 1994	Service tax	376,714	October 2004-March 2009	Commissioner of Service Tax
Finance Act, 1994	Service tax	1,116,339*	December 2008-November 2009	Commissioner of Service Tax
Finance Act, 1994	Service tax	21,821	November 2009-March 2010	Commissioner of Service Tax
Finance Act, 1994	Service tax	26,966	April 2010 to September 2010	Commissioner of Service Tax
Karnataka Stamp Act 1957	Stamp duty	9,060,000	2003-2008	Chief Revenue Controlling Authority, Karnataka
Employees' Provident Funds and Miscellaneous Provisions Act 1952	Provident Fund	14,036,578*	April 2009-May 2011	Regional Provident Fund Commissioner, Chennai
Income Tax Act 1961	Income Tax	8,773,360	April 2010-Mar 2011	Commissioner of Income tax (Appeals), Chennai

*Includes payment of Rs 46,25,484 under protest.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth *but it has incurred cash losses in the current and immediately preceding financial year*.
- (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 has not defaulted in repayment of dues to a bank. There are no do dues to a financial institution or to debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (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.

ADITYA BIRLA MONEY LIMITED

- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) *We have been informed of fraud on the Company involving certain employees of the Company by way of misappropriation in certain client accounts which has resulted in a net loss of Rs 6.25 Lakhs (net of expected insurance claim of Rs 33.7 Lakhs). The Company has filed a police complaint on the matter and taken suitable action against the identified employees.*

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

For S.R. BATLIBOI & CO LLP

ICAI Firm registration number: 301003E
Chartered Accountants

per **Shrawan Jalan**
Partner
Membership No.: 102102

Chennai
April 29, 2013

ADITYA BIRLA MONEY LIMITED

Balance Sheet as at 31st March, 2013

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

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3		
Equity		55,400,000	55,400,000
Preference		80,000,000	80,000,000
Reserves and Surplus	4	219,682,910	346,338,814
Sub-Total - (A)		355,082,910	481,738,814
(B) Non-Current Liabilities			
Other Long-term Liabilities	5A	5,305,327	6,420,482
Sub-Total - (B)		5,305,327	6,420,482
(C) Current Liabilities			
Short-term Borrowings	6	508,356,123	503,698,285
Trade Payables	7	129,006,587	203,761,411
Other Current Liabilities	5B	556,228,993	623,356,665
Short-term Provisions	8	8,883,323	8,718,666
Sub-Total - (C)		1,202,475,026	1,339,535,026
TOTAL (A) + (B) + (C)		1,562,863,263	1,827,694,323
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	212,457,821	264,409,452
Intangible Assets	9B	58,243,958	83,667,628
Intangible Assets under Development		2,145,000	1,239,499
		272,846,779	349,316,579
Non-Current Investments	10	20,066,000	20,066,000
Long-term Loans and Advances	11A	58,713,070	81,495,789
Sub-Total - (D)		351,625,849	450,878,368
(E) Current Assets			
Trade Receivables	12	506,275,699	696,369,762
Cash & Bank Balances	13	492,927,232	374,553,313
Short-term Loans and Advances	11B	176,583,433	284,195,820
Other Current Assets	14	35,451,050	21,697,060
Sub-Total - (E)		1,211,237,414	1,376,815,955
TOTAL (D) + (E)		1,562,863,263	1,827,694,323

Summary of Significant Accounting Policies 2

The accompanying Notes are an integral part of the Financial Statements

Statement of Profit and Loss for the year ended 31st March, 2013

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

	Note No.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Revenue			
Revenue from Operations	15	658,896,820	674,064,997
Other Income	16	56,848,501	49,763,822
Total Revenue		715,745,321	723,828,819
Expenses			
Employee Benefits Expenses	17	299,987,927	293,883,915
Finance Cost	18	45,731,611	56,224,481
Depreciation and Amortisation Expenses	19	75,440,300	77,963,795
Business Partners Payout		180,194,495	182,421,924
Other Expenses	20	241,046,892	298,243,320
Total Expenses		842,401,225	908,737,435
Profit/(Loss) Before Tax		(126,655,904)	(184,908,616)
Tax Expenses			
- Deferred Tax		—	(11,999,316)
Profit/(Loss) for the Year		(126,655,904)	(172,909,300)
Earnings / (Loss) per share (Basic and Diluted)	27	(2.29)	(3.12)
(Face Value of ₹ 1/- each)			
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 Board of Directors

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

Sudhakar Ramasubramanian
Managing Director

Pankaj Razdan
Director

per Shrawan Jalan
Partner
Membership No.: 102102

Manoj Kumar Gandhi
Chief Financial Officer

S Balaji
Company Secretary

Date: April 29, 2013
Place: Chennai

As per our report of even date

For and on behalf of Board of Directors

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

Sudhakar Ramasubramanian
Managing Director

Pankaj Razdan
Director

per Shrawan Jalan
Partner
Membership No.: 102102

Manoj Kumar Gandhi
Chief Financial Officer

S Balaji
Company Secretary

Date: April 29, 2013
Place: Chennai

ADITYA BIRLA MONEY LIMITED

Cash Flow Statement as at 31st March 13

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

	March 31, 2013	March 31, 2012
Cash flow from operating activities		
Profit before tax from continuing operations	(126,655,904)	(184,908,616)
Profit before tax from discontinuing operations		
Profit / (Loss) before tax	(126,655,904)	(184,908,616)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	75,440,300	77,963,795
Loss/ (profit) on sale of fixed assets	10,648,880	19,615,905
Provision for doubtful debts	156,366	4,687,731
Provision for deposits and advances	7,884,616	8,725,000
Net (gain)/ loss on sale of current investments	(8,242,240)	(4,751,805)
Interest expense	45,731,611	56,224,481
Interest (income)	(45,710,079)	(41,453,272)
Dividend (income)	(16,500)	(1,291,375)
Operating profit before working capital changes	(40,762,950)	(65,188,156)
Movements in working capital :		
Increase/ (decrease) in trade payables	(74,754,824)	44,198,886
Increase / (decrease) in short-term provisions	164,657	3,626,407
Increase/ (decrease) in other current liabilities	(67,127,672)	(4,027,308)
Increase/ (decrease) in other long-term liabilities	(1,115,155)	2,060,575
Decrease / (increase) in trade receivables	189,937,697	(339,890,396)
Decrease / (increase) in long-term loans and advances	22,782,719	(3,983,302)
Decrease / (increase) in short-term loans and advances	99,727,771	113,263,566
Decrease / (increase) in other bank current account balance	(40,219,461)	—
Decrease / (increase) in other current assets	(13,753,990)	514,534
Cash generated from / (used in) operations	74,878,793	(249,425,194)
Direct taxes paid (net of refunds)	—	—
Cash flow before exceptional items	74,878,793	(249,425,194)
Exceptional item	—	—
Net cash from/ (used in) operating activities (A)	74,878,793	(249,425,194)
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(10,653,974)	(36,794,925)
Proceeds from sale of fixed assets	1,034,593	3,123,929
Purchase of Mutual Fund	(12,680,576,066)	—
Proceeds from Sale of Mutual Fund	12,780,576,066	—
Proceeds from Sale of Investments	8,242,240	4,751,805
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(207,110,700)	(926,648,204)
Maturity of bank deposits (having original maturity of more than three months) and lien deposits	819,094,153	—
Interest received	45,710,079	28,976,512
Dividends received	16,500	1,291,375
Net cash flow from/ (used in) investing activities (B)	(162,761,262)	(6,205,355)
Cash flows from financing activities		
Proceeds from Short-term borrowings	(82,500,000)	100,000,000
Proceeds from Inter Corporate deposits	707,188,621	—
Repayment of Inter Corporate deposits	(200,000,000)	(607,188,621)
Proceeds from Issue of Commercial Paper	287,157,838	1,694,430,178
Repayment of Commercial Paper	(1,640,000,000)	—
Interest paid	(45,731,611)	(55,610,373)
Net cash flow from/ (used in) in financing activities (C)	(41,073,773)	198,819,805
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(128,956,242)	(56,810,744)
Cash and cash equivalents at the beginning of the year	131,174,994	187,985,738
Cash and cash equivalents at the year ended	2,218,752	131,174,994
Components of cash and cash equivalents		
Cash on hand	20,608	19,464
With banks- on current account	1,418,821	130,245,319
— on deposit account		
Stamp		
— unpaid dividend accounts*	594,141	724,561
— unpaid matured deposits*	185,182	185,650
Total cash and cash equivalents (Note 15)	2,218,752	131,174,994

* The company can utilize these balances only toward settlement of the respective unpaid dividend and unpaid matured deposits.

As per our report of even date

For and on behalf of Board of Directors

For S.R. BATLIBOI & CO. LLP

Chartered Accountants
ICAI Firm Registration No. 301003E

Sudhakar Ramasubramanian
Managing Director

Pankaj Razdan
Director

per Shrawan Jalan

Partner
Membership No.: 102102

Manoj Kumar Gandhi
Chief Financial Officer

S Balaji
Company Secretary

Date: April 29, 2013
Place: Chennai

ADITYA BIRLA MONEY LIMITED

Notes to the Financial statements for the year ended 31st March, 2013

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

1. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India. 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) the relevant provisions of the Companies Act, 1956. 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.

2. Statement of significant accounting policies

a) 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.

b) Tangible and intangible assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

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

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

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

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

c) Depreciation

Depreciation is provided using the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956, which is management's estimate of the useful lives of the assets except as follows:

Nature of asset	Rate of depreciation followed
Batteries (included under Office equipments)	25% (rates are higher than XIV)
Furniture and fixtures (fitted to the premises)	Rate based on the lease period, taking into account the secondary lease period

The company has entered into lease/license agreements in respect of immovable properties with different parties with average lease period of 4 years to 5 years.

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

Additions to tangible assets are depreciated from the date of addition and deletions are depreciated upto the date of sale, on pro-rata basis.

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

d) Impairment

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

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

e) 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.

f) 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.

g) 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.

h) Employee benefits

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

ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.

iv. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

i) 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.

j) 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.

ADITYA BIRLA MONEY LIMITED

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.

k) Contingent liability and Provisions

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

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

l) Segment reporting

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

m) 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.

n) 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.

As at
31st March, 2013 As at
31st March, 2012

NOTE: 3

SHARE CAPITAL

Authorised:

150,000,000 (Previous year -150,000,000) Equity Shares of ₹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 ₹ 100/- each	100,000,000	100,000,000
	<u>250,000,000</u>	<u>250,000,000</u>

Issued, Subscribed & paid-up

EQUITY SHARE CAPITAL

55,400,000 (Previous Year - 55,400,000) Equity Shares of ₹1/-each Fully paid	55,400,000	55,400,000
	<u>55,400,000</u>	<u>55,400,000</u>

PREFERENCE SHARE CAPITAL

800,000 (Previous Year 800,000) 8% Redeemable Non convertible non cumulative Preference Shares of ₹100/- each fully paid	80,000,000	80,000,000
	<u>80,000,000</u>	<u>80,000,000</u>

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

Sr. No.	Description	As at 31-Mar-13		As at 31-Mar-12	
		No. of Shares	Amount	No. 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

Sr. No.	Description	As at 31-Mar-13		As at 31-Mar-12	
		No. of Shares	Amount	No. of Shares	Amount
1	At the beginning of the year	800,000	80,000,000	800,000	80,000,000
2	Issued during the year	-	-	-	-
3	Outstanding at the end of the year	800,000	80,000,000	800,000	80,000,000

2 Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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.

3 Term of redemption of Preference Shares

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

4 Shares held by Holding Company

41,550,000 (Previous Year -41,550,000) equity shares of ₹1/- each fully paid up are held by Aditya Birla Financial Services Private Limited, the holding Company ; and 800,000 (Previous Year -800,000) 8% Redeemable Non Convertible Non Cumulative preference shares ₹100/-each fully paid are held by Aditya Birla Financial Services Private Limited.

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

Sr. No.	Description	As at 31st March 2013		As at 31st March 2012	
		No. of Shares held	% of total paid-up equity share capital	No. of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited	41,550,000	75.00	41,550,000	75.00
2	PCR Investments Limited	3,385,320	6.11	3,385,320	6.11

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

ii) Preference Share Capital

Sr. No.	Description	As at 31st March 2013		As at 31st March 2012	
		No. of Shares held	% of total paid-up equity share capital	No. of Shares held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited	800,000	100	800,000	100

As at
31st March, 2013 As at
31st March, 2012

NOTE: 4

RESERVES & SURPLUS

1) Capital Reserves

Balance as per last audited Financial Statement	11,538,863	11,538,863
	<u>11,538,863</u>	<u>11,538,863</u>

2) Securities Premium Account

Balance as per last audited Financial Statement	120,000,000	120,000,000
	<u>120,000,000</u>	<u>120,000,000</u>

3) General Reserve

Balance as per last audited Financial Statement	261,376,777	261,376,777
	<u>261,376,777</u>	<u>261,376,777</u>

4) Surplus/(Deficit) in the Statement of Profit and Loss

Balance as per last audited Financial Statement	(46,576,826)	126,332,474
Addition:		
Profit/ (Loss) of the Year	(126,655,904)	(172,909,300)
	<u>(173,232,730)</u>	<u>(46,576,826)</u>
	<u>219,682,910</u>	<u>346,338,814</u>

NOTE: 5A

OTHER LONG-TERM LIABILITIES

Rent Equalization Liabilities	5,305,327	6,420,482
	<u>5,305,327</u>	<u>6,420,482</u>

ADITYA BIRLA MONEY LIMITED

	As at 31st March, 2013	As at 31st March, 2012		
NOTE: 5B			NOTE: 6A	
OTHER CURRENT LIABILITIES			DEFERRED TAX LIABILITIES (NET)	
Interest Accrued but not due on Borrowings	369,732	925,683	Deferred Tax Liabilities at the year end comprise timing differences on account of:	
Income Received in Advance	533,357	1,419,488	Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	
Investors' Education and Protection Fund to be credited as and when due			41,744,437	62,325,457
Unpaid Dividend	594,141	697,489	Effect of expenditure/ provisions debited to profit and loss account in the current year but allowed for tax purposes in following years	
Unpaid Matured Deposits and Interest Accrued thereon	185,182	185,650	(26,443,023)	(23,363,727)
Other Payables			Tax Losses/Unabsorbed Depreciation	
Payable to customers	497,451,291	575,893,201	(15,301,414)	(38,961,730)
Book Overdraft	10,402,506	—		
Statutory Dues	12,698,494	13,243,340		
Deposits	33,635,401	30,462,676		
Rent Equalization Liabilities	358,889	529,138		
	556,228,993	623,356,665		
NOTE: 6			NOTE: 7	
SHORT-TERM BORROWINGS			TRADE PAYABLES	
SECURED			Salaries, wages, bonus and other employee benefits payable	
Loan Repayable on Demand			17,596,850	9,088,864
Banks #	17,500,000	100,000,000	111,409,737	194,672,547
	17,500,000	100,000,000	129,006,587	203,761,411
UNSECURED			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, 2013. 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.	
Commercial Papers*^	490,856,123	203,698,285	NOTE: 8	
Loans from Related Parties \$	—	200,000,000	SHORT-TERM PROVISIONS	
	490,856,123	403,698,285	Provisions for Employee Benefits:	
	508,356,123	503,698,285	Leave Encashment	
			5,970,380	5,805,723
			Others	
			Taxation (Net of Advance Tax 4,14,00,000 (Previous Year 4,14,00,000))	
			2,912,943	2,912,943
			8,883,323	8,718,666

* Maximum balance outstanding during the year

The bank borrowing is secured against pledge of fixed deposits. The borrowing carries an interest of 10.60% per annum (Previous year : 10.25%)

^ Repayable in 60 to 90 days from the date of draw down. The interest on this loan ranges from 9.8% to 10.2%

\$ Nil (Previous year : 14%) borrowed from related party.

Note 9A - TANGIBLE ASSETS

	Freehold Land *	V SAT Equipments	Furniture & Fixtures	Office Equipment	Computers	Vehicles	TOTAL
Gross Block							
As at 1 April 2011	1,500,000	96,614,151	112,766,465	87,276,799	209,928,888	2,052,137	510,138,440
Additions	—	—	8,353,629	7,296,071	11,081,518	193,673	26,924,891
Deletions	—	1,169,124	15,697,218	17,441,181	5,901,907	—	40,209,430
As at 31 March 2012	1,500,000	95,445,027	105,422,876	77,131,689	215,108,499	2,245,810	496,853,901
Cost							
At 1 April 2012	1,500,000	95,445,027	105,422,876	77,131,689	215,108,499	2,245,810	496,853,901
Additions	—	—	1,333,086	819,372	3,837,507	—	5,989,965
Deletions	—	—	17,742,079	4,169,025	5,437,546	—	27,348,650
As at 31 March 2013	1,500,000	95,445,027	89,013,883	73,782,036	213,508,460	2,245,810	475,495,216
Accumulated Depreciation							
As at 1 April 2011	—	33,955,445	35,199,532	24,952,783	101,748,783	224,252	196,080,795
For the year	—	5,357,700	13,550,578	6,545,823	28,168,443	211,040	53,833,584
Deletions	—	1,169,124	5,505,151	6,087,143	4,708,512	—	17,469,930
As at 31 March 2012	—	38,144,021	43,244,959	25,411,463	125,208,714	435,292	232,444,449
Depreciation							
At 1 April 2012	—	38,144,021	43,244,959	25,411,463	125,208,714	435,292	232,444,449
For the year	—	4,266,870	8,945,954	5,472,680	27,764,676	213,352	46,663,532
Deletions	—	9,345,827	1,927,976	4,796,784	16,070,586	—	32,141,273
As at 31 March 2013	—	42,410,891	42,845,086	28,956,167	148,176,606	648,644	263,037,395
Net block as at 31 March 2012	1,500,000	57,301,006	62,177,917	51,720,226	89,899,785	1,810,518	264,409,452
Net block as at 31 March 2013	1,500,000	53,034,136	46,168,797	44,825,868	65,331,854	1,597,166	212,457,821

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

ADITYA BIRLA MONEY LIMITED

Note 9B - INTANGIBLE ASSET

	Computer Software
Gross Block	
As at 1 April 2011	191,277,533
Additions	8,630,535
Deletions	—
As at 31 March 2012	199,908,068
Cost	
At 1 April 2012	199,908,068
Additions	3,758,510
Deletions/Adjustment	496,126
As at 31 March 2013	203,170,452
Accumulated Amortization	
As at 1 April 2011	92,110,229
For the year	24,130,211
Deletions	—
As at 31 March 2012	116,240,440
Depreciation	
At 1 April 2012	116,240,440
For the year	28,776,769
Deletions/Adjustment	90,715
As at 31 March 2013	144,926,494
Net block as at 31 March 2012	83,667,628
Net block as at 31 March 2013	58,243,958

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 10		
INVESTMENTS : NON-CURRENT		
Non Trade Investments (Unquoted, as valued at cost less provision)		
Investments in Equity Shares		
6,600 (Previous year 6,600) Equity Share of ₹10/-each fully paid in Apollo Sindhoori Hotels Limited.	184,523	184,523
Less: Provision for diminution in value of investment	(118,523)	(118,523)
In Subsidiary Company (Unquoted, at cost)		
2,000,000 (Previous year - 2,000,000) equity shares of ₹10/- each fully paid in subsidiary - Aditya Birla Commodities Broking Limited	20,000,000	20,000,000
	20,066,000	20,066,000

Note :		
1. Aggregate amount of unquoted investments	20,066,000	20,066,000
2. Aggregate amount of diminution in value of investment	118,523	118,523

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 11A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Capital Advance	—	44,052
Security Deposits	28,435,993	32,501,069
Margins with Exchange	19,980,066	29,500,000
Other Loans and Advances		
Advance Tax (Net of Provision ₹ Nil)	9,876,529	18,231,374
Prepaid Expenses	420,482	1,219,294
	58,713,070	81,495,789

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 11B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 21)		
Considered Good	111,085,114	134,727,662
Considered Doubtful	44,139,735	37,282,431
	155,224,849	172,010,093
Less: Provision for Doubtful	(44,139,735)	(37,282,431)
	111,085,114	134,727,662
Security Deposits	2,128,330	3,147,237
Gratuity Receivable	4,435,705	5,006,652
Margins with Exchange	12,619,936	115,048,396
Advances to Related Parties # ^	16,422,947	2,121,015
Balances with Govt. Authorities	6,530,049	615,138
Advances to Suppliers	276,600	517,040
Prepaid Expenses	21,009,343	20,406,004
Advances to Employees	2,075,409	2,606,676
	176,583,433	284,195,820

Also, refer note 30
^ ₹1,60,00,000 given to ABCBL towards inter-corporate loan and ₹4,22,947/- receivable from Aditya Birla Finance Limited towards recovery of expenses

NOTE: 12

TRADE RECEIVABLES

Outstanding for a period exceeding 6 months from the date they are due for payment

	As at 31st March, 2013	As at 31st March, 2012
Secured, Considered Good	64,892,018	18,524,546
Unsecured, Considered Doubtful	24,678,615	24,385,579
Less: Provision for doubtful	(24,678,615)	(24,385,579)
Others		
Secured, Considered Good	403,322,744	677,845,216
Unsecured, Considered Good	38,060,937	—
Unsecured, Considered Doubtful	—	1,535,822
Less: Provision for doubtful	—	(1,535,822)
	506,275,699	696,369,762

NOTE: 13

CASH AND BANK BALANCES

Cash & Cash Equivalents

	As at 31st March, 2013	As at 31st March, 2012
Balances with Banks		
Current Accounts	41,638,282	130,245,319
Unpaid Dividend	594,141	724,561
Unclaimed Matured Deposits	185,182	185,650
Cash on Hand	20,608	19,464
(A)	42,438,213	131,174,994

Other Bank Balances

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

(B)	450,489,019	243,378,319
(A) + (B)	492,927,232	374,553,313

* Fixed deposits have been placed under lien towards bank guarantees (₹146,333,832) for margins (₹12,336,000) with exchanges / loans (₹291,819,186) received.

NOTE: 14

OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

	As at 31st March, 2013	As at 31st March, 2012
Accrued Income (from operations)/Unbilled Revenue	2,993,352	4,006,428
Interest Accrued on Deposits with Exchanges	198,515	—
Interest Accrued on Fixed Deposits	22,846,811	17,690,632
Insurance Claim Receivables *		
Considered Good	9,412,372	—
Considered Doubtful	969,419	—
	10,381,791	—
Less: Provision for Doubtful	(969,419)	—
	9,412,372	—
	35,451,050	21,697,060

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

NOTE: 15

REVENUE FROM OPERATIONS

A. Income from services

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Brokerage income	519,231,376	516,924,959
Income from transaction charges	535,652	10,695,304
Account opening charges	3,245,456	4,647,498
Income from depository services	44,907,277	42,389,298
	567,919,761	574,657,059

B. Other operating income

V-sat rent/ other charges	1,931,594	4,241,781
Interest and finance charges	89,045,465	95,166,157
	90,977,059	99,407,938
	658,896,820	674,064,997

ADITYA BIRLA MONEY LIMITED

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 16		
OTHER INCOME		
Interest Income		
Interest on bank deposits	42,224,544	34,832,081
Other interest income	3,485,535	6,621,191
Dividends Income on Investments		
Current	—	1,274,875
Long-term	16,500	16,500
Net Gain on Sale of Investments	8,242,240	4,751,805
Miscellaneous Income	2,879,682	2,267,370
	56,848,501	49,763,822
NOTE: 17		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	274,878,243	265,952,795
Contribution to Provident & Other Funds (Refer Note 29)	18,161,699	17,401,678
Staff Welfare Expenses	6,947,985	10,529,442
	299,987,927	293,883,915
NOTE: 18		
FINANCE COST		
Interest Expenses	45,680,558	56,103,411
Other Borrowing Costs	51,053	121,070
	45,731,611	56,224,481
NOTE: 19		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	46,663,532	53,833,584
Amortisation of Intangible Assets	28,776,768	24,130,211
	75,440,300	77,963,795
NOTE: 20		
OTHER EXPENSES		
Rent (Refer Note 28)	40,585,141	49,017,553
Repairs & Maintenance of:		
Buildings	809,918	117,813
Plant & Machinery	435,487	912,716
Others	25,076,546	23,016,180
Insurance	9,463,390	10,095,049
Rates & Taxes	4,574,075	6,212,607
Outsourcing Charges	2,527,965	1,874,451
Bandwidth Charges	21,495,949	31,287,337
Advertisement	3,067,622	3,914,420
Legal & Profession Expenses	15,903,748	20,292,893
Provision for Doubtful Debts	156,366	4,687,731
Provision for Doubtful Deposits and Advances	7,884,616	8,725,000
Printing and Stationery	6,939,980	9,626,933
Travelling & Conveyance	20,109,714	24,918,100
Telephone Expenses	17,572,219	18,894,356
Loss on Sale/Discard of Fixed Assets (Net)	11,140,513	19,615,905
Bank Charges	1,810,270	2,522,617
Auditors' Remuneration *	1,972,808	2,044,842
Directors' Fees	360,000	380,000
Postage Expenses	3,685,696	14,161,041
Electricity Charges	12,975,847	13,771,869
Infrastructure and Software Expenses	26,469,046	28,045,554
Miscellaneous Expenses	6,029,976	4,108,353
	241,046,892	298,243,320
* Auditors' Remuneration includes payments to auditors as under:		
As auditor:		
Audit fee	800,000	800,000
Limited Reviews	800,000	600,000
Tax audit fee	100,000	75,000
Certification fees	30,525	25,000
Reimbursement of expenses	242,283	544,842
	1,972,808	2,044,842

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 ₹ 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, 2013 aggregating ₹ 145,779,681 (previous year: Rs 147,092,501) 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 have completed filing of documents and draft issues have been submitted and approved. On 04 July 2012, a hearing was held and M/s. Deloitte 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 had directed the Claimants and Respondents to file their objections if any to the audit report submitted by M/s. Deloitte Haskins & Sells and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013 and has posted the next hearing to 06 June 2013. The Respondents filed their objections to the audit report and ABNL had also filed its reply to the said objections.

Based on legal opinion received and internal assessment, ABNL is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the Company against which these loss assets can be set-off in the future. Accordingly, the Company is of strong view that these amounts are recoverable.

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 ₹ 4,560,042 (Previous year: ₹ 4,738,697/-) collected till March 31, 2013 has been disclosed under Statutory Dues under Other Current Liabilities.

23) Capital and other commitment

- Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is Rs 2,709,050 (Previous year - Rs 745,801).
- For commitments relating to lease arrangements, please refer note 28.

24) Contingent liabilities

Particulars	March 31, 2013	March 31, 2012
Disputed tax and other statutory liabilities not provided for:		
(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.	45,158,745	36,666,168
(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

ADITYA BIRLA MONEY LIMITED

Particulars	March 31, 2013	March 31, 2012
(d) Karnataka Stamp duty for the period from 2003-2008. Based on judicial pronouncements, the claim of the Company is likely to be accepted by the judicial authorities	9,060,000	9,060,000
Contingent liability not provided for on account of:		
(a) Disputed claim of SEBI towards turnover fees contested by the Company at Hon'ble Supreme Court. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.	27,656,667	27,656,667
(b) Claims against the Company not acknowledged as debts*	35,883,562	45,710,102

* 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 ₹3,094,634 (Previous year: ₹3,094,634) excluding statutory contribution to provident fund, gratuity and leave encashment which are exempted under Schedule VI) paid to Mr. P.B. Subramanian, 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 1,534,634 (Previous year: ₹1,534,634) and directed the Company to collect the same from the Erstwhile Director.

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

26) Loans and advances include:

Amounts receivable	Balance as at March 31, 2013	Balance as at March 31, 2012	Maximum amount outstanding at any time during the year ended March 31, 2013	Maximum amount outstanding at any time during the year ended March 31, 2012
Subsidiary				
Aditya Birla Commodities Broking Limited (Repayable on Demand)	27,487,756	2,121,015	27,487,756	77,568,850

27) Earnings per share

Particulars		March 31, 2013	March 31, 2012
Net profit/ (loss) as per Statement of profit and loss	A	(126,655,904)	(172,909,300)
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	(2.29)	(3.12)
Nominal value of equity share (in ₹)		₹ 1/-	₹ 1/-

28) Lease disclosures

Operating leases for premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2013 amounts to ₹35,606,663 (Previous Year ₹ 46,569,848).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2013 amounts to ₹182,036,682 (Previous Year ₹115,442,089). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2013	March 31, 2012
Within one year	41,866,877	43,861,441
Later than one year and not later than five years	109,719,176	58,785,832
Later than five years	30,450,629	12,794,816

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, 2013 amounts to ₹4,559,985 (Previous Year ₹2,447,705).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2013 amounts to ₹ 6,672,265. Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2013	March 31, 2012
Within one year	4,559,985	4,559,985
Later than one year and not later than five years	2,112,280	7,284,599
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 ₹ 13,497,945 (Previous year – ₹ 15,537,797) and employees' state insurance contribution aggregates to ₹ 2,511,222 (Previous year - 2,584,475).

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 table summarizes 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

	March 31, 2013	March 31, 2012
Present value of defined benefit obligation	12,471,889	10,150,627
Fair value of plan assets	16,907,594	15,157,278
Liability/(Asset) recognized in the balance sheet	(4,435,705)	(5,006,651)

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

	March 31, 2013	March 31, 2012
Current service cost	3,059,526	2,607,208
Interest cost on benefit obligation	862,803	940,969
Expected return on plan assets	(1,108,634)	(1,213,898)
Net actuarial (gain) / loss recognized in the year	(661,163)	(3,086,772)
Past service costs – vested benefits	—	—
Net gratuity cost	2,152,532	(752,493)

Actual return on plan assets:

	March 31, 2013	March 31, 2012
Expected return on plan assets	1,108,634	1,213,898
Actuarial gains / (losses) on plan assets	641,682	901,824
Actual return on plan assets	1,750,316	2,115,722

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

	March 31, 2013	March 31, 2012
Opening defined benefit obligation	10,150,627	12,646,962
Less: Gratuity Liability in respect of Employees transferred to ABCBL	—	(2,619,970)
Interest cost	862,803	940,969
Current service cost	3,059,526	2,607,208
Actuarial (gains)/ losses on obligation	(19,481)	(2,184,948)
Past service costs – vested benefits	—	—
Benefits paid	(1,581,586)	(1,239,594)
Closing defined benefit obligation	12,471,889	10,150,627

Change in fair value of plan assets

	March 31, 2013	March 31, 2012
Opening fair value of plan assets	15,157,278	14,281,150
Expected return	1,108,634	1,213,898
Actuarial (gains)/ losses on plan assets	641,682	901,824
Contributions by employer	1,581,586	—
Benefits paid	(1,581,586)	(1,239,594)
Closing fair value of plan assets	16,907,594	15,157,278

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:

	March 31, 2013	March 31, 2012
Government of India securities	22%	25%
Corporate Bonds	1%	1%
Insurer managed funds	58%	60%
Deposit Scheme	4%	2%
Others	15%	12%
	100%	100%

ADITYA BIRLA MONEY LIMITED

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

	March 31, 2013	March 31, 2012
Experience adjustments (loss) / gain	641,862	2,584,420

	March 31, 2011	March 31, 2010	March 31, 2009
Experience adjustments (loss) / gain	3,041,066	(2,081,274)	130,000

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

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

	March 31, 2013	March 31, 2012
Discount rate	8.25%	8.5%
Expected rate of return on assets	8.25%	8.5%

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.

30) Related party transactions

List of related parties

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

Related parties with whom transactions have taken place during the year

Fellow subsidiary	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services P Limited

Sr. No.	Particulars 31.03.13	Closing Balance 2012-2013	Transactions 31.03.12	Closing Balance 2011-2012	Transactions
1	Aditya Birla Nuvo Ltd - Other Expense	-	-	-	3,000
2	Aditya Birla Finance Ltd - Inter corporate loan taken - Inter corporate loan repaid - Inter corporate loan given - Inter corporate loan receipt - Interest on Inter corporate loan payable (Paid) - Interest on Inter corporate loan receivable - Syndication fee payable (Paid) - Reimbursement of Cost - Expenses receivable - Assets transfers	- - - - - - - 422,197 -	- 200,000,000 - - 1,687,671 - 14,647 446,221 -	(200,000,000) - - - (690,411) - - - -	450,000,000 350,000,000 100,000,000 100,000,000 5,572,055 191,781 121,070 125,168 400,000
3	Aditya Birla Money Mart Limited Management Fees Reimbursement of Cost - Expenses receivable Other payable Inter corporate Loan given Inter corporate Loan receipt Interest on Inter corporate Loan Total outstanding balance Payable	- - - - - - - (7,597,477)	57,296,408 - 12,940,582 - - - - -	- - - - - - - (719,273)	43,078,786 - 25,878,176 60,000 50,000,000 50,000,000 724,658 -
4	Aditya Birla Financial Shared Services Ltd - Reimbursement of Expenses payable	(1,478,348)	10,098,688	(757,925)	6,734,373
5	Aditya Birla Financial Services P Ltd - Reimbursement of Expenses payable	-	-	(49,278)	49,278
6	Birla Sunlife Insurance Co Ltd - Brokerage earned - Reimbursement of Expenses payable	- (10,637)	10,627,419 11,819	21,185 -	8,368,252 43,484
7	Aditya Birla Customer Services P Ltd - Reimbursement of Expenses payable	-	-	-	419,736
8	Aditya Birla Commodity Broking Ltd - Inter corporate loan taken - Inter corporate loan repaid - Inter corporate loan given - Inter corporate loan receipt - Interest on Inter corporate loan payable - Interest on Inter corporate loan receivable - Interest receivable on running account - Interest payable on running account - Rental advances transfer to ABCBL - Provisions transfer to ABCBL - Reimbursement of Cost - Expenses receivable Total outstanding balance receivable	- - - 16,000,000 - - - - - - - - - - 2,74,87,756	30,000,000 30,000,000 218,000,000 202,000,000 19,726 234,795 792,850 - 696,640 3,313,020 - 81,072,588 -	- - - - - - - - - - - - - 2,121,015 -	67,500,000 67,500,000 35,000,000 35,000,000 53,424 41,712 905,286 151,542 4,201,953 - 107,196,055 -

31) Foreign currency transactions

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

32) Additional information pursuant to provisions of paragraphs 5(ii)(a), 5(ii)(b) and paragraphs 5(viii)(a) and 5(viii)(c) Part II of the Revised Schedule VI to the Companies Act, 1956 has not been provided as these are not relevant having regard to the nature of the business of the Company.

33) Previous year figures

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

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E

per **Shrawan Jalan**
Partner
Membership No.: 102102

Date: April 29, 2013
Place: Chennai

For and on behalf of Board of Directors

Sudhakar Ramasubramanian
Managing Director

Manoj Kumar Gandhi
Chief Financial Officer

Pankaj Razdan
Director

S Balaji
Company Secretary

ADITYA BIRLA MONEY LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Aditya Birla Money Limited

We have audited the accompanying consolidated financial statements of Aditya Birla Money Limited including its subsidiary Aditya Birla Commodities Broking Limited ("Aditya Birla Money Limited") which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 judgement, 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 control relevant to the Company's preparation and presentation 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 management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24 to the financial statements with regard to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs. 149,009,581 grouped under advances recoverable in cash or kind. These assets are subject matter of claim under a share purchase agreement entered into between the Company's ultimate parent company and its Erstwhile Promoters, which is currently under arbitration. The Company's ultimate parent company has committed to transfer any funds received on settlement of the claim to the Company. Based on legal opinion received in the previous year, management is of the opinion that the claims made are tenable and expect a favourable outcome in this matter. Pending the final disposition of the matter no adjustments have been made to the financial statements in respect of these assets.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Chennai

Date: April 29, 2013

ADITYA BIRLA MONEY LIMITED

Consolidated Balance Sheet as at 31st March, 2013

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

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3		
Equity		55,400,000	55,400,000
Preference		80,000,000	80,000,000
Reserves and Surplus	4	223,258,842	376,383,433
Sub-Total - (A)		358,658,842	511,783,433
(B) Non-Current Liabilities			
Other Long-term Liabilities	5A	6,404,309	7,014,350
Long-term Provisions	6A	2,910,497	2,541,804
Sub-Total - (B)		9,314,806	9,556,154
(C) Current Liabilities			
Short-term Borrowings	7	544,356,123	503,698,285
Trade Payables	8	174,900,277	215,111,569
Other Current Liabilities	5B	900,952,467	1,114,986,710
Short-term Provisions	6B	11,292,352	11,144,454
Sub-Total - (C)		1,631,501,219	1,844,941,018
TOTAL (A) + (B) + (C)		1,999,474,867	2,366,280,605
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	220,439,047	273,660,493
Intangible Assets	9B	60,357,181	90,199,486
Intangible Assets under Development		2,145,000	1,239,499
		282,941,228	365,099,478
Non-Current Investments	10	66,000	66,000
Long-term Loans and Advances	11A	90,317,765	111,128,443
Sub-Total - (D)		373,324,993	476,293,921
(E) Current Assets			
Trade Receivables	12	518,236,232	696,983,154
Cash & Bank Balances	13	878,712,690	858,976,227
Short-term Loans and Advances	11B	171,093,619	289,076,928
Other Current Assets	14	58,107,333	44,950,375
Sub-Total - (E)		1,626,149,874	1,889,986,684
TOTAL (D) + (E)		1,999,474,867	2,366,280,605

Summary of Significant Accounting Policies 2

The accompanying Notes are an integral part of the Financial Statements

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

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

	Note No.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Revenue			
Revenue from Operations	15	840,792,331	882,814,266
Other Income	16	97,581,352	89,541,988
Total Revenue		938,373,683	972,356,254
Expenses			
Employee Benefits Expenses	17	406,561,230	404,308,557
Finance Cost	18	47,053,000	56,030,639
Depreciation and Amortisation Expenses	19	81,128,752	82,764,111
Business Partners Payout		249,287,168	254,993,197
Other Expenses	20	307,468,124	366,872,532
Total Expenses		1,091,498,274	1,164,969,036
Profit/(Loss) Before Tax		(153,124,591)	(192,612,782)
Tax Expenses			
- Deferred Tax			(14,275,006)
Profit/(Loss) for the Year		(153,124,591)	(178,337,776)
Earnings / (Loss) per share (Basic and Diluted) (Face Value of Re. 1/- each)	29	(2.76)	(3.22)
Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: April 29, 2013
Place: Chennai

For and on behalf of Board of Directors

Sudhakar Ramasubramanian Pankaj Razdan
Managing Director Director
Manoj Kumar Gandhi S Balaji
Chief Financial Officer Company Secretary

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: April 29, 2013
Place: Chennai

For and on behalf of Board of Directors

Sudhakar Ramasubramanian Pankaj Razdan
Managing Director Director
Manoj Kumar Gandhi S Balaji
Chief Financial Officer Company Secretary

ADITYA BIRLA MONEY LIMITED

Notes to the Consolidated Financial statements for the year ended March 31, 2013

(All amounts are in Indian Rupees unless otherwise stated)

1) Principles of consolidation

- ii) 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.
- iii) 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, 2013.
- 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 of its 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 financial statements have been prepared in accordance with generally accepted accounting principles in India. 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) the relevant provisions of the Companies Act, 1956. Further, CFS is presented in the general format specified in Revised Schedule VI to the Act. 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) Fixed assets, intangible assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

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

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

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

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

d) Depreciation

Depreciation is provided using the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956, which is management's estimate of the useful lives of the assets except as follows:

Nature of asset	Rate of depreciation followed
Batteries (included under Office equipments)	25% (rates are higher than XIV)
Furniture and fixtures (fitted to premises)	Rate based on the lease period, taking into account the secondary lease period

The company has entered into lease/license agreements in respect of immovable properties with different parties with average lease period of 4 years to 5 years.

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

Additions to tangible assets are depreciated from the date of addition and deletions are depreciated upto the date of sale, on pro-rata basis.

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

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.
- 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, 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.

ADITYA BIRLA MONEY LIMITED

Notes to the Consolidated Financial statements for the year ended March 31, 2013 (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

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.
- 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) Income Tax

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

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

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

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

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred

tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

k) 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.

l) Contingent liability and Provisions

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

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

m) Segment reporting

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

n) 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.

o) Sharing of costs

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

ADITYA BIRLA MONEY LIMITED

Notes to the Consolidated Financial statements for the year ended March 31, 2013 (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

	As at 31st March, 2013	As at 31st March, 2012
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NOTE: 3

SHARE CAPITAL

Authorised:

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
	<u>250,000,000</u>	<u>250,000,000</u>

Issued, Subscribed & paid-up

EQUITY SHARE CAPITAL

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

PREFERENCE SHARE CAPITAL

800,000 (Previous Year 800,000) 8% Redeemable Non convertible non cumulative Preference Shares of Rs.100/- each fully paid	80,000,000	80,000,000
	<u>80,000,000</u>	<u>80,000,000</u>

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

S No	Description	As at 31-Mar-13		As at 31-Mar-12	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the period	55,400,000	55,400,000	55,400,000	55,400,000
2	Issued during the period	—	—	—	—
3	Outstanding at the end of the period	55,400,000	55,400,000	55,400,000	55,400,000

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

S No	Description	As at 31-Mar-13		As at 31-Mar-12	
		Number of Shares	Amount	Number of Shares	Amount
1	At the beginning of the period	800,000	80,000,000	800,000	80,000,000
2	Issued during the period	—	—	—	—
3	Outstanding at the end of the period	800,000	80,000,000	800,000	80,000,000

2 Term/right attached to equity shares

The Company has only one class of equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

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

3 Term of redemption of Preference Shares

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 Private 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.

4 Shares held by Holding Company

41,550,000 (Previous Year -41,550,000) equity shares of Re.1/- each fully paid up are held by Aditya Birla Financial Services Private Limited, the holding Company ; and 800,000 (Previous Year -800,000) 8% Redeemable Non Convertible Non Cumulative preference shares Rs.100/-each fully paid are held by Aditya Birla Financial Services Private Limited.

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

S No	Name of Share Holder	As at 31-Mar-13		As at 31-Mar-12	
		Number of Share held	% of total paid-up equity share capital	Number of Share held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited	41,550,000	75.00	41,550,000	75.00
2	PCR Investments Limited	3,385,320	6.11	3,385,320	6.11

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

ii) Preference Share Capital

S No	Name of Share Holder	As at 31-Mar-13		As at 31-Mar-12	
		Number of Share held	% of total paid-up equity share capital	Number of Share held	% of total paid-up equity share capital
1	Aditya Birla Financial Services Private Limited	800,000	100	800,000	100

	As at 31st March, 2013	As at 31st March, 2012
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NOTE: 4

RESERVES & SURPLUS

1) Capital Reserves

Balance as per last audited Financial Statement	11,538,863	11,538,863
	<u>11,538,863</u>	<u>11,538,863</u>

2) Securities Premium Account

Balance as per last audited Financial Statement	120,000,000	120,000,000
	<u>120,000,000</u>	<u>120,000,000</u>

3) General Reserve

Balance as per last audited Financial Statement	261,376,777	261,376,777
	<u>261,376,777</u>	<u>261,376,777</u>

4) Surplus/(Deficit) in the statement of Profit and Loss

Balance as per last audited Financial Statement	(16,532,207)	161,805,569
Addition:		
Profit/(Loss) of the Year	(153,124,591)	(178,337,776)
	<u>(169,656,798)</u>	<u>(16,532,207)</u>
	<u>223,258,842</u>	<u>376,383,433</u>

	As at 31st March, 2013	As at 31st March, 2012
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NOTE: 5A

OTHER LONG-TERM LIABILITIES

Liability for Rent Straight Lining	6,404,309	7,014,350
	<u>6,404,309</u>	<u>7,014,350</u>

NOTE: 5B

OTHER CURRENT LIABILITIES

Interest Accrued but not due on Borrowings	999,304	925,683
Income Received in Advance	533,357	1,419,488
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	594,141	697,489
Unpaid Matured Deposits and Interest		
Accrued thereon	185,182	185,650
Other Payables		
Payable to customers	783,117,196	1,060,425,451
Book Overdraft	66,383,756	3,661,751
Statutory Dues	14,026,263	15,839,986
Deposits	34,754,379	31,302,074
Liability for Rent Straight Lining	358,889	529,138
	<u>900,952,467</u>	<u>1,114,986,710</u>

NOTE: 6A

LONG-TERM PROVISIONS

Provisions for Employee Benefits:		
Gratuity (Unfunded)	2,910,497	2,541,804
	<u>2,910,497</u>	<u>2,541,804</u>

NOTE: 6B

SHORT-TERM PROVISIONS

Provisions for Employee Benefits:		
Leave Encashment	7,487,824	7,345,627
Gratuity (Unfunded)	51,695	45,994
Others		
Taxation (Net of Advance Tax 4,14,00,000 (Previous Year 4,14,00,000))	3,752,833	3,752,833
	<u>11,292,352</u>	<u>11,144,454</u>

ADITYA BIRLA MONEY LIMITED

	As at 31st March, 2013	As at 31st March, 2012	
NOTE: 7			
SHORT-TERM BORROWINGS			
SECURED			
Loan Repayable on Demand			As at
Banks #	53,500,000	100,000,000	31st March, 2013
	<u>53,500,000</u>	<u>100,000,000</u>	As at
			31st March, 2012
UNSECURED			
Loan Repayable on Demand			
Commercial Papers * ^	490,856,123	203,698,285	
Inter Corporate deposit \$	—	200,000,000	
	<u>490,856,123</u>	<u>403,698,285</u>	
	<u>544,356,123</u>	<u>503,698,285</u>	
	<u>500,000,000</u>	<u>500,000,000</u>	
* Maximum balance outstanding during the year			
# The bank borrowing is secured against pledge of fixed deposits. The borrowing carries an interest of 10.60% per annum (Previous year : 10.25%)			

^ Repayable in 60 to 90 days from the date of draw down. The interest on this loan ranges from 9.8% to 10.2%

\$ Nil (Previous year : 14%) borrowed from related party.

NOTE: 8 TRADE PAYABLES

Salaries, wages, bonus and other employee benefits payable	18,344,959	10,117,196
Trade Payables (Others)	156,555,318	204,994,373
	<u>174,900,277</u>	<u>215,111,569</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, 2013. 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 Year ended March 31, 2013

Note 9A - Tangible Assets

	Freehold Land *	V SAT Equipments	Furniture & Fixtures	Office Equipment	Computers	Vehicles	TOTAL
Gross Block							
As at 1 April 2011	1,500,000	96,898,133	113,400,934	87,537,355	210,053,878	2,052,137	511,442,437
Additions	-	-	18,210,800	7,558,151	11,081,518	193,673	37,044,142
Deletions	-	1,169,124	15,697,218	17,441,181	5,901,907	-	40,209,430
As at 31 March 2012	<u>1,500,000</u>	<u>95,729,009</u>	<u>115,914,516</u>	<u>77,654,325</u>	<u>215,233,489</u>	<u>2,245,810</u>	<u>508,277,149</u>
Cost							
At 1 April 2012	1,500,000	95,729,009	115,914,516	77,654,325	215,233,489	2,245,810	508,277,149
Additions	-	-	1,333,086	819,372	3,837,507	-	5,989,965
Deletions	-	-	17,742,079	4,169,025	5,437,546	-	27,348,650
As at 31 March 2013	<u>1,500,000</u>	<u>95,729,009</u>	<u>99,505,523</u>	<u>74,304,672</u>	<u>213,633,450</u>	<u>2,245,810</u>	<u>486,918,464</u>
Accumulated Depreciation							
As at 1 April 2011	-	34,067,454	35,445,013	25,004,997	101,855,473	224,252	196,597,189
For the year	-	5,371,189	15,052,406	6,674,974	28,179,788	211,040	55,489,397
Deletions	-	1,169,124	5,505,151	6,087,143	4,708,512	-	17,469,930
As at 31 March 2012	<u>-</u>	<u>38,269,519</u>	<u>44,992,268</u>	<u>25,592,828</u>	<u>125,326,749</u>	<u>435,292</u>	<u>234,616,656</u>
Depreciation							
At 1 April 2012	-	38,269,519	44,992,268	25,592,828	125,326,749	435,292	234,616,656
For the year	-	4,280,360	10,139,615	5,528,390	27,771,630	213,352	47,933,347
Deletions	-	-	9,345,827	1,927,976	4,796,784	-	16,070,586
As at 31 March 2013	<u>-</u>	<u>42,549,879</u>	<u>45,786,056</u>	<u>29,193,243</u>	<u>148,301,595</u>	<u>648,644</u>	<u>266,479,417</u>
Net block as at 31 March 2012	<u>1,500,000</u>	<u>57,459,490</u>	<u>70,922,248</u>	<u>52,061,497</u>	<u>89,906,740</u>	<u>1,810,518</u>	<u>273,660,493</u>
Net block as at 31 March 2013	<u>1,500,000</u>	<u>53,179,130</u>	<u>53,719,467</u>	<u>45,111,429</u>	<u>65,331,855</u>	<u>1,597,166</u>	<u>220,439,047</u>

* 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

Note 9B - Intangible Assets

	Computer Software	As at 31st March, 2013	As at 31st March, 2012
NOTE: 10			
INVESTMENTS : NON-CURRENT			
Unquoted			
Non Trade Investments (Unquoted, as valued at cost less provision)			
Investments in Equity Shares			
6,600 (Previous year 6,600) Equity Share of Rs.10/-each fully paid in Apollo Sindhoori Hotels Limited.			
		184,523	184,523
Less: Provision for diminution in value of investment			
		<u>118,523</u>	<u>118,523</u>
		<u>66,000.00</u>	<u>66,000.00</u>
Note :			
1.	Aggregate amount of unquoted investments	66,000.00	66,000.00
2.	Aggregate amount of diminution in value of investment	118,523.00	118,523.00

As at 31 March 2013 166,918,500

Net block as at 31 March 2012 90,199,486

Net block as at 31 March 2013 60,357,181

ADITYA BIRLA MONEY LIMITED

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 20		
OTHER EXPENSES		
Rent (Refer Note 30)	55,786,258	63,374,200
Repairs & Maintenance of:		
Buildings	809,918	2,237,024
Plant & Machinery	435,487	912,716
Others	27,320,835	24,222,236
Insurance	13,932,649	12,159,916
Rates & Taxes	4,748,670	8,720,057
Outsourcing Charges	3,172,413	3,040,451
Connectivity Charges	30,871,955	41,553,826
Advertisement	3,844,165	4,310,979
Legal & Profession Expenses	18,052,136	22,544,876
Provision for Doubtful Debts	156,366	6,400,697
Provision for Doubtful Deposits and Advances	8,176,764	9,022,000
Printing and Stationery	7,461,799	11,919,467
Travelling & Conveyance	23,316,137	27,603,697
Communication Expenses	20,356,317	21,327,801
Loss on Sale/Discard of Fixed Assets (Net)	11,140,513	19,615,905
Bank Charges	2,451,907	3,464,091
Auditors' Remuneration*	2,292,938	2,269,842
Directors' Fees	390,000	380,000
Postage Expenses	3,727,568	15,205,684
Electricity Charges	15,037,670	16,170,103
Information Technology Expenses	47,154,257	45,777,593
Miscellaneous Expenses	6,831,402	4,639,371
	307,468,124	366,872,532

* Auditors' Remuneration includes payments to auditors as under:

As auditor:		
Audit fee	1,100,000	1,025,000
Limited Reviews	800,000	600,000
Tax audit fee	100,000	100,000
Certification fees	30,525	—
Reimbursement of expenses	262,413	544,842
	2,292,938	2,269,842

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 MrPrataph 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 Rs166,634,149 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, 2013 aggregating Rs149,009,581 (previous year: Rs150,322,401) 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 parties have completed filing of documents and draft issues have been submitted and approved. On 04 July 2012, a hearing was held and M/s. Deloitte 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 had directed the Claimants and Respondents to file their objections if any to the audit report submitted by M/s. Deloitte Haskins & Sells and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013 and has posted the next hearing to 06 June 2013. The Respondents filed their objections to the audit report and ABNL had also filed its reply to the said objections.

Based on legal opinion received and internal assessment, ABNL is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the Company against which these loss assets can be set-off in the future. Accordingly, the Company is of the view that these amounts are recoverable and hence not written off in the books of accounts of the Company.

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 Rs4,560,042(Previous Year: Rs.5,357,749) collected till March 31, 2013 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 Rs.2,709,050(Previous year –Rs.745,801).
- For commitments relating to lease arrangements, please refer note 30.

24) Contingent liabilities

Particulars	March 31, 2013	March 31, 2012
Disputed tax and other statutory liabilities not provided for:		
(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.	45,158,745	36,666,168
(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
Contingent liability not provided for on account of:		
(a) Disputed claim of SEBI towards turnover fees contested by the Company at Hon'ble Supreme Court. The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made in these financial statements.	27,656,667	27,656,667
(b) Claims against the Company not acknowledged as debts*	40,257,917	50,980,022

ADITYA BIRLA MONEY LIMITED

* 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. Subramaniam, 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. 1,534,634 (Previous year: Rs. 1,534,634) and directed the Company to collect the same from the Erstwhile Director.

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

26) Foreign currency transactions

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

27) Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

28) Additional information pursuant to provisions of paragraphs 5(ii)(a), 5(ii)(b) and paragraphs 5(viii) (a) and 5(viii) (c) Part II of the Revised Schedule VI to the Companies Act, 1956 has not been provided as these are not relevant having regard to the nature of the business of the Company.

29) Earnings per share

Particulars		March 31, 2013	March 31, 2012
Net profit/ (loss) as per Statement of profit and loss	A	(153,124,592)	(178,337,776)
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	(2.76)	(3.22)
Nominal value of equity share (in Rs.)		Re 1/-	Re 1/-

30) Lease disclosures

Operating leases for premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2013 amounts to Rs. 50,807,780 (Previous Year Rs. 60,929,495).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2013 amounts to Rs. 221,967,326 (Previous Year Rs. 129,729,878). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2013	March 31, 2012
Within one year	49,930,301	50,119,768
Later than one year and not later than five years	136,586,339	66,627,561
Later than five years	35,450,686	12,982,549

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, 2013 amounts to Rs. 4,559,985 (Previous Year Rs. 2,447,705).

Future obligations towards lease rentals under non-cancellable lease agreements as on March 31, 2013 amounts to Rs. 6,672,265 (Previous Year - Rs 11,844,584). Details of Lease Rentals payable within one year and \ thereafter are as under:

Particulars	March 31, 2013	March 31, 2012
Within one year	4,559,985	4,559,985
Later than one year and not later than five years	2,112,280	7,284,599
Later than five years	-	-

31) Employment benefit disclosures

The amounts charged to the statement of profit and loss during the year for Provident fund contribution aggregates to Rs. 17,044,101 (Previous year -Rs.

18,410,857) and employees' state insurance contribution aggregates to Rs. 3,016,832 (Previous year - 2,798,162).

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

	March 31, 2013	March 31, 2012
Present value of defined benefit obligation	12,471,889	10,150,627
Fair value of plan assets	16,907,594	15,157,278
Liability/(Asset) recognized in the balance sheet	(4,435,705)	(5,006,651)

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

	March 31, 2013	March 31, 2012
Current service cost	3,059,526	2,607,208
Interest cost on benefit obligation	862,803	940,969
Expected return on plan assets	(1,108,634)	(1,213,898)
Net actuarial (gain) / loss recognized in the year	(661,163)	(3,086,772)
Past service costs - vested benefits	-	-
Net gratuity cost	2,152,532	(752,493)

Actual return on plan assets:

	March 31, 2013	March 31, 2012
Expected return on plan assets	1,108,634	1,213,898
Actuarial gains / (losses) on plan assets	641,682	901,824
Actual return on plan assets	1,750,316	2,115,722

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

	March 31, 2013	March 31, 2012
Opening defined benefit obligation	10,150,627	12,646,962
Less: Gratuity Liability in respect of Employees transferred to ABCBL	-	(2,619,970)
Interest cost	862,803	940,969
Current service cost	3,059,526	2,607,208
Actuarial (gains)/ losses on obligation	(19,481)	(2,184,948)
Past service costs - vested benefits	-	-
Benefits paid	(1,581,586)	(1,239,594)
Closing defined benefit obligation	12,471,889	10,150,627

Change in fair value of plan assets

	March 31, 2013	March 31, 2012
Opening fair value of plan assets	15,157,278	14,281,150
Expected return	1,108,634	1,213,898
Actuarial (gains)/ losses on	641,682	901,824
Contributions by employer	1,581,586	-
Benefits paid	(1,581,586)	(1,239,594)
Closing fair value of plan assets	16,907,594	15,157,278

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:

	March 31, 2013	March 31, 2012
Government of India securities	22%	25%
Corporate Bonds	1%	1%
Insurer managed funds	58%	60%
Deposit Scheme	4%	2%
Others	15%	12%
	100%	100%

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

Experience adjustments

	March 31, 2013	March 31, 2012
Experience adjustments (loss) / gain	641,862	2,584,420

	March 31, 2011	March 31, 2010	March 31, 2009
Experience adjustments (loss) / gain	3,041,066	(2,081,274)	130,000

ADITYA BIRLA MONEY LIMITED

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

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

	March 31, 2013	March31, 2012
Discount rate	8.25%	8.5%
Expected rate of return on assets	8.25%	8.5%

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

Amounts recognized in the Balance sheet in respect of gratuity

	March 31, 2013	March31, 2012
Present value of defined benefit obligation	2,962,192	2,587,798
Fair value of plan assets	-	-
Liability/(Asset) recognized in the balance sheet	2,962,192	2,587,798

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

	March 31, 2013	March31, 2012
Current service cost	625,334	347,796
Interest cost on benefit obligation	219,963	111,349
Expected return on plan assets	NIL	NIL
Net actuarial (gain) / loss recognized in the year	(209,668)	(491,317)
Past service costs – vested benefits	-	-
Net gratuity cost	635,629	(32,172)

Reconciliation of present value of the obligation

	March 31, 2013	March31, 2012
Opening defined benefit obligation	2,587,798	-
ADD: Gratuity Liability in respect of Employees transferred from ABL	-	2,619,970
Interest cost	219,963	111,349
Current service cost	625,334	347,796
Actuarial (gains)/ losses on obligation	(209,668)	(491,317)
Benefits paid	(261,235)	-
Closing defined benefit obligation	2,962,192	2,587,798

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

	March 31, 2013
Discount rate	8.25%
Expected rate of return on assets	8.25%

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

33) Related party transactions

List of related parties

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

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	Aditya Birla Finance Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Financial Shared Services Limited
	Birla Sun Life Insurance Company Limited
	Aditya Birla Customer Services Pvt Limited

Sr. No.	Particulars	Closing Balance 2012-13	Transactions 31.03.12	Closing Balance 2011-12	Transactions
1	Aditya Birla Nuvo Ltd				
	- Other Expense	-	-	-	3,000
2	Aditya Birla Finance Ltd				
	- Inter corporate loan taken	-	-	(200,000,000)	450,000,000
	- Inter corporate loan repaid	-	200,000,000	-	350,000,000
	- Inter corporate loan given	-	-	-	100,000,000
	- Inter corporate loan receipt	-	-	-	100,000,000
	- Interest on Inter corporate loan payable (Paid)	1,687,671	-	(690,411)	5,572,055
	- Interest on Inter corporate loan receivable	-	-	-	191,781
	- Syndication fee payable (Paid)	14,647	-	-	121,070
	- Reimbursement of Cost - Expenses receivable	422,197	446,221	-	125,168
	- Assets transfers	-	-	-	400,000
3	Aditya Birla Money Mart Limited				
	Management Fees	-	75,094,928	-	68,844,143
	Reimbursement of Cost - Expenses receivable (ST: Rs.15,99,456/-)	-	12,940,582	-	25,878,176
	Other payable	-	-	-	60,000
	Inter corporate Loan given	-	-	-	50,000,000
	Inter corporate Loan receipt	-	-	-	50,000,000
	Interest on Inter corporate Loan	-	-	-	724,658
	Total outstanding balance Payable	(9,264,623)	-	-	(2,656,613)
4	Aditya Birla Financial Shared Services Ltd				
	- Reimbursement of Expenses payable	(1,478,348)	10,098,688	(757,925)	6,734,373
5	Aditya Birla Financial Services P Ltd				
	- Reimbursement of Expenses payable	-	(49,278)	49,278	-
6	Birla Sunlife Insurance Co Ltd				
	- Brokerage earned	10,627,419	21,185	8,368,252	-
	- Reimbursement of Expenses payable	(10,637)	11,819	-	43,484
7	Aditya Birla Customer Services Pvt Ltd				
	- Reimbursement of Expenses payable	-	-	-	419,736

37) Previous year figures

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

As per our report of even date
For S.R. BATLIBOI & CO. LLP
 Chartered Accountants
 ICAI Firm Registration Number: 301003E

per **Shrawan Jalan**
 Partner
 Membership No.: 102102

Date: April 29, 2013
 Place: Chennai

For and on behalf of Board of Directors

Sudhakar Ramasubramanian
 Managing Director

Pankaj Razdan
 Director

Manoj Kumar Gandhi
 Chief Financial Officer

S Balaji
 Company Secretary

ADITYA BIRLA MONEY LIMITED

Consolidated Cash Flow Statement as at 31st March 2013

	31st March, 2013	31st March, 2012
Cash flow from operating activities		
Profit before tax and exceptional items	(153,124,591)	(192,612,782)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	81,128,752	82,764,111
Loss/ (profit) on sale of fixed assets	10,648,880	19,615,905
Provision for doubtful debts	156,366	6,400,697
Provision for deposits and advances	8,176,764	9,022,000
Net (gain)/ loss on sale of current investments	(10,871,369)	(11,065,986)
Interest expense	47,053,000	57,182,603
Interest (income)	(83,663,801)	(76,048,748)
Dividend (income)	(16,500)	(1,291,375)
Operating profit before working capital change	(100,512,499)	(106,033,575)
Movements in working capital :		
Increase/ (decrease) in trade payables	(40,211,292)	172,699,967
Increase / (decrease) in short-term provisions	147,898	8,593,999
Increase / (decrease) in Long-term provisions	368,693	—
Increase/ (decrease) in other current liabilities	(214,034,243)	(23,739,327)
Increase/ (decrease) in other long-term liabilities	(610,041)	2,060,575
Decrease / (increase) in trade receivables	178,590,556	(335,289,724)
Decrease / (increase) in long-term loans and advances	20,810,678	8,419,451
Decrease / (increase) in short-term loans and advances	109,806,544.62	112,456,247
Decrease / (increase) in other current assets	(13,156,958)	367,860
Cash generated from / (used in) operations	(58,800,664)	(160,464,527)
Direct taxes paid (net of refunds)		—
Cash flow before exceptional items	(58,800,664)	(160,464,527)
Exceptional item		—
Net cash from/ (used in) operating activities (A)	(58,800,664)	(160,464,527)
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(10,653,974)	(46,914,176)
Proceeds from sale of fixed assets	1,034,593	3,123,929
Purchase of Mutual Fund(Net)	(16,743,802,516)	
Proceeds from Sale of Mutual Fund	16,854,868,502	
Proceeds from Sale of Investments	10,871,369	—
Investments in bank deposits (having original maturity of more than three months) and lien deposits	(198,407,466)	(1,325,230,428)
Redemption/ maturity of bank deposits (having original maturity of more than three months) and lien deposits	—	1,114,693,953
Interest received	83,663,801	49,561,675
Dividends received	16,500	1,291,375
Net cash flow from/ (used in) investing activities (B)	(113,475,176)	(92,407,686)
Cash flows from financing activities		
Proceeds from Short-term borrowings	287,157,838	100,000,000
Repayment of Loan	(46,500,000)	—
Proceeds from Inter Corporate deposits	—	707,188,621
Repayment of Inter Corporate deposits	(200,000,000)	(607,188,621)
Proceeds from Issue of Commercial Paper	—	1,694,430,178
Repayment of Commercial Paper	—	(1,640,000,000)
Interest paid	(47,053,000)	(56,568,495)
Net cash flow from/ (used in) in financing activities (C)	(6,395,162)	197,861,683
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(178,671,002)	(55,010,530)
Cash and cash equivalents at the beginning of the year	237,240,485	292,251,015
Cash and cash equivalents at the end of the year	58,569,482	237,240,485
Components of cash and cash equivalents		
Cash on hand	20,608	19,464
With banks- on current account	57,769,551	236,310,810
– unpaid dividend accounts*	594,141	724,561
– unpaid matured deposits*	185,182	185,650
Total cash and cash equivalents (note 13)	58,569,482	237,240,485

* The company can utilize these balances only toward settlement of the respective unpaid dividend and unpaid matured deposits.

As per our report of even date
For S.R. BATLIBOI & CO. LLP
 Chartered Accountants
 ICAI Firm Registration Number: 301003E

per **Shrawan Jalan**
 Partner
 Membership No.: 102102

Date: April 29, 2013
 Place: Chennai

For and on behalf of Board of Directors

Sudhakar Ramasubramanian
 Managing Director

Manoj Kumar Gandhi
 Chief Financial Officer

Pankaj Razdan
 Director

S Balaji
 Company Secretary

ADITYA BIRLA COMMODITIES BROKING LIMITED

DIRECTORS' REPORT

Dear Shareholders

Your Board of Directors are pleased to present the 10th Annual Report, along with the audited annual accounts of Aditya Birla Commodities Broking Limited ("the Company") for the year ended 31st March 2013.

1. Financial Performance Summary

The highlights of the financial results of the Company are as follows:

	(₹ in Crore)	
	Year ended 31.03.2013	Year ended 31.03.2012
Income from Operations	18.19	20.88
Other Income	4.15	4.09
Expenditure	24.21	25.16
Profit before Interest, Depreciation and Taxation	(1.87)	(0.19)
Less : Interest	0.21	0.10
Profit before Depreciation and Taxation	(2.08)	(0.29)
Less : Depreciation	0.57	0.48
Profit/(Loss) before Taxation	(2.65)	(0.77)
Less : Provision for tax including deferred tax	-	(0.23)
Profit/(Loss) after Tax	(2.65)	(0.54)
Profit brought forward from previous year	3.01	3.55
Balance carried to Balance Sheet	0.36	3.01

2. Business Performance

During the year under review the Company achieved a total income of ₹22.34 Crore compared to ₹24.97 Crore during previous year. The Net Loss during the year was at ₹2.65 Crore compared to ₹0.54 Crore in the previous year. This was mainly due to fall in yields and lower participation of clients. The Company's market share however increased from 0.38 per cent in FY12 to 0.48 per cent in FY13.

3. Reserves

Reserves & Surplus of the Company as on March 31, 2013 stood at ₹0.36 Crore. During the year, no amount is proposed to be transferred to Reserves.

4. Dividend

In view of losses for the year, your Directors do not recommend any dividend for the year under review.

5. Share Capital

The Authorised Share Capital of the Company is Rs 2.5 Crore. The Paid up Capital, Issued and Subscribed Capital of the Company was Rs.2 Crore as on March 31, 2013 consisting of 2,000,000 Equity shares of Rs.10/- each. There was no capital infusion during the year under review.

6. Management Discussion and Analysis

Industry Structure

Commodity markets in India has shown growth since its inception around 10 years back with the Multi Commodity Exchange (MCX) setting up the stage way back in 2003. Volumes have grown exponentially with increased participation from diverse participants and new exchanges being set up. Having world's second largest share after the forex market globally, commodity market in India is still in a developing stage and has huge potential going forward.

Volumes on the MCX, which is the leading exchange in the international commodities in India, have increased at a CAGR of 39% since 2006. However, the commodity markets saw decrease

in volume by 2.61% over last financial year, which was in line with the trends of global commodity markets. The average daily volumes on commodity exchanges went down from Rs.69,644 Crores in FY12 to Rs.67,841 Crores in FY13.

Outlook

Introduction of Commodities Transaction Tax on non agricultural commodities future would have marginally negative impact on the overall volume, Spot market volumes are beginning to take shape. Institutional participation and trading in commodities options awaits parliamentary approval. As and when approved, the commodities market will stand to benefit from increased depth and wider participation.

Commodities business in India has significant potential in coming years and the various initiatives by Government agencies could help the Commodity Exchanges witness spectacular growth in volumes and as well as increasing retail participation. New products and increase in deliver based contracts could lead to improved the depth and volume in the exchange and thus growth opportunities. Global environment also seems to be favorable for India in terms of foreign capital inflows and lower commodity prices. Commodity prices including precious metals are expected to remain benign during the course of the year. And the fall in commodity bodes well for high commodity importing countries like India.

7. Subsidiaries

Your Company does not have any subsidiary.

8. Public Deposits

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public, during the year under review.

9. Particulars as per Section 217 of the Companies Act, 1956

The information relating to the conservation of Energy and technology Absorption required under section 217(1)(e) of the Companies Act, 1956 ("the Act"), 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.

There is no employee coming under the purview of Section 217(2A) of the Companies Act, 1956 and hence the particulars are not furnished.

10. Directors

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Manoj Kedia, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself of re-appointment. The Board recommends his re-appointment.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes.

11. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed alongwith proper explanation relating to material departures, if any;
- 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, 2013 and of the loss of the Company for the year ended on that date;

ADITYA BIRLA COMMODITIES BROKING LIMITED

- c. 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;
- d. the attached Statement of Accounts for the period ended March 31, 2013 have been prepared on a "going concern basis";
- e. proper systems are in place to ensure compliance of all laws applicable to the Company; and
- f. all related party transactions are disclosed in notes to accounts at schedule 30 in terms of Accounting Standard 18.

12. Auditors and Auditors' Report

M/s. S V Ghatalia & Associates LLP (previously S V Ghatalia & Associates), Chartered Accountants, Chennai, (Registration No. 103162W), hold office as the Statutory Auditors of the Company upto the ensuing Annual General Meeting and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Board proposes to re-appointment of M/s. S V Ghatalia & Associates LLP, Chartered Accountants, Chennai as the Statutory Auditors of the Company. 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.

13. Secretarial Compliance Certificate

Pursuant to Section 383A of the Companies Act, 1956, a Secretarial Compliance Certificate under Companies (Compliance Certificate) Rules, 2001 issued by Ms. B. Chandra, Practising Company Secretary, is attached to this report.

14. Appreciation

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the clients, bankers and all business associates for their continuous support and patronage to the Company. Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Pankaj Razdan
Director

Sudhakar Ramasubramanian
Director

Place : Chennai
Date : April 29, 2013

ADITYA BIRLA COMMODITIES BROKING LIMITED

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No : U51501GJ2003PLC065196
Authorised Share Capital : Rs. 25,000,000/-
Paid Up Share Capital : Rs. 20,000,000/-

To,

THE MEMBERS

M/s. ADITYA BIRLA COMMODITIES BROKING LIMITED

INDIAN RAYON COMPOUND
VERAVAL - 362266
GUJARAT.

I have examined the registers, records, books and papers of **M/s. ADITYA BIRLA COMMODITIES BROKING LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2013**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed 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, as may be required, under the Act and the rules made there under
3. The Company is a Public Limited Company, hence no comments.
4. The Board of Directors duly met **4 (Four)** times respectively on 03.05.2012, 27.07.2012, 26.10.2012 and 01.02.2013 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed.
5. The Company was not required to close its Register of Members during the financial year.
6. Annual general meeting for the financial year 2011-2012 was conducted on 03.08.2012.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons of 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 was not required to make any entry in the register maintained Under Section 301 (1) of the Act.
11. As there were no instances falling within the purview of Section 314 of the Companies Act, 1956, 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 financial year.
13. The Company:
 - i. Was not required to deliver any Certificate on lodgment thereof for allotment/Transfer/transmission of Securities in accordance with the provisions of the Act during the financial year as there were no such transactions during the year.
 - ii. has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii. was not required to post warrants to any member of the company as no dividend was declared during the year.
 - iv. was not required to transfer any amounts to Investor Education Protection Fund as there were no unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued unclaimed or unpaid thereon.
- v. as per the information/explanation provided by management, the company has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the changes in the composition of the Board has been duly made.
15. The company has not appointed any Managing Director/Whole-time Director/Manager and the provisions of Section 269 are not applicable.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Companies Act, 1956 during the financial year.
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 there under.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the said financial year.
21. The Company has not issued any Preference shares or debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956, during the financial year.
24. The amount borrowed by the Company during the financial year ending on 31st March, 2013 was within the borrowing limits of the Company.
25. The Company has made certain loans or advances to other bodies corporate in the earlier year and appropriate entries have been made in the register kept for the purpose.
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.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny and complied with the provisions of the act.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association of the company during the financial year.
31. There was 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 financial year, based on our information, for offences under the Companies Act, 1956.
32. The Company has not received any money as security Deposit from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

B CHANDRA

Place : Chennai
Date : 29.04.2013

Practising Company Secretary
C.P.No : 7859

ADITYA BIRLA COMMODITIES BROKING LIMITED

ANNEXURE A

Registers as maintained by the Company

1. Register of Members u/s.150 and Index of Members u/s. 151.
2. Minutes of General Meetings and Board meetings u/s 193.
3. Register of Directors u/s 303.
4. Register of Directors' Shareholding u/s 307.
5. Register of Transfers
6. Register of Charges U/s.143.
7. Register of Investments.
8. Register of Contracts, Companies and firms in which Directors of the Company are interested u/s. 297, 299, 301 and 301(3).
9. Register of Common Seal
10. Books of Accounts U/s.209
11. Register under Section 372 A of the Act.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March 2013.

Sl. No.	Eform No / Return	Filed U/s	For	SRN & Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 32	303	Appointment of Mr. P. Sudhir Rao as Additional Director	B39989165 dated on 28/05/2012	Yes	No
2.	Form 32	303	Change in designation of Mr. P. Sudhir Rao as Director	B45361748 dated on 14/08/2012	Yes	No
3.	Form 23 B	224(1A)	Information by Auditor to Registrar	S14234967 dated on 26/09/2012	Yes	No
4.	Form 20B	159	Annual Return period ended on 03.08.2012	P89127401 dated on 28/09/2012	Yes	No
5.	Form 66	383A	Compliance Certificate for the year ended 2011-2012	P88603576 dated on 24/08/2012	Yes	No
6.	Form 23AC & ACA	220	Balance Sheet and Profit & Loss A/c for the year ended 2011-2012	Q03808938 dated on 03/12/2012	Yes	No

Place : Chennai
Date : 29.04.2013

B CHANDRA
PRACTISING COMPANY SECRETARY
C.P. No : 7859

ADITYA BIRLA COMMODITIES BROKING LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Commodities Broking Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Commodities Broking Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 20 to the financial statements with regard to the recoverability of assets in the nature of trade receivables, advances, other assets etc. aggregating to Rs. 3,229,900 grouped under advances recoverable in cash or kind. These assets are subject matter of claim under a share purchase agreement entered into between the Company's ultimate parent company and its Erstwhile Promoters, which is currently under arbitration. The Company's ultimate parent company has committed to transfer any funds received on settlement of the claim to the Company. Based on legal opinion received in the previous year, management is of the opinion that the claims made are tenable and expect a favourable outcome in this matter. Pending the final disposition of the matter no adjustments have been made to the financial statements in respect of these assets.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.V. Ghatalia & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 103162W

per Bharath N S

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: April 29, 2013

ADITYA BIRLA COMMODITIES BROKING LIMITED

Annexure referred to in our report of even date

Re: Aditya Birla Commodities Broking 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 the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The Company is a broker on the commodities exchange and therefore does not have any inventories. Accordingly, Clause (ii) of the Companies (Auditors' Report) Order 2003 (as amended) is not applicable to the Company.
- (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. Accordingly, the provisions of clause 4(iii) (a) to 4(iii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets, sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The activities of the Company do not involve and purchase of sale of inventories. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v) (b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, investor education and protection fund, cess and other material statutory dues applicable to it. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, investor education and protection fund, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding of excise duty, wealth-tax, customs duty, income-tax and cess on account of any dispute. Dues outstanding in respect of sales-tax and service tax on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	32,034	April 2006 - May 2008	Commissioner of Service Tax
Tamil Nadu Valued Added tax Act, 2006*	Value Added Tax	30,439	April 2006 - March 2007	Appellate Assistant Commissioner of Commercial Taxes
		765,439	April 2007 - March 2008	Appellate Assistant Commissioner of Commercial Taxes

*excludes deposit of Rs 265,257.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth *but it has incurred cash losses in the current and immediately preceding financial year.*
- (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 has not defaulted in repayment of dues to a bank. There are no dues to a financial institution or to debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (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.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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 year.

For S.V. GHATALIA & ASSOCIATES LLP
ICAI Firm registration number: 103162W
Chartered Accountants

per Bharath N S
Partner

Place of Signature: Chennai
Date: April 29, 2013

Membership No.: 210934

ADITYA BIRLA COMMODITIES BROKING LIMITED

BALANCE SHEET

as at 31st March, 2013

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

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3		
Equity		20,000,000	20,000,000
Reserves and Surplus	4	3,575,931	30,044,619
	Sub-Total - (A)	23,575,931	50,044,619
(B) Non-Current Liabilities			
Other Long-term Liabilities	5A	1,098,982	593,868
Long-term Provisions	6A	2,910,497	2,541,804
	Sub-Total - (B)	4,009,479	3,135,672
(C) Current Liabilities			
Short-term Borrowings	7	52,000,000	—
Trade Payables	8	18,405,934	11,350,158
Other Current Liabilities	5B	372,211,231	493,751,060
Short-term Provisions	6B	2,409,029	2,425,788
	Sub-Total - (C)	445,026,194	507,527,006
TOTAL	(A)+(B)+(C)	472,611,604	560,707,297
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	7,981,226	9,251,041
Intangible Assets	9B	2,113,223	6,531,858
		10,094,449	15,782,899
Long-term Loans and Advances	10A	31,604,695	29,632,654
	Sub-Total - (D)	41,699,144	45,415,553
(E) Current Assets			
Trade Receivables	11	11,960,533	613,392
Cash & Bank Balances	12	385,785,458	484,422,914
Short-term Loans and Advances	10B	10,510,186	7,002,123
Other Current Assets	13	22,656,283	23,253,315
	Sub-Total - (E)	430,912,460	515,291,744
TOTAL	(D)+(E)	472,611,604	560,707,297

Significant Accounting Policies 2

The accompanying Notes are an integral part of the Financial Statements

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

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

	Note No.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
INCOME			
Revenue from Operations	14	181,895,511	208,749,269
Other Income	15	41,505,974	40,930,130
Total Revenue		223,401,485	249,679,399
EXPENSES			
Employee Benefits Expenses	16	76,573,303	59,037,642
Finance Cost	17	2,094,513	958,122
Depreciation and Amortisation Expenses	18	5,688,452	4,800,316
Other Expenses	19	165,513,905	192,587,485
Total Expenses		249,870,173	257,383,565
Profit/(Loss) Before Tax		(26,468,688)	(7,704,166)
Tax Expenses			
- Deferred Tax		—	(2,275,690)
Profit/(Loss) for the Year		(26,468,688)	(5,428,476)
Basic and diluted Earnings per Share - Rs.	23	(13.23)	(2.71)
(Face Value of Re. 10/- each)			
Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Financial Statements

As per our Report of even date
For **S.V. GHATALIA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 103162W

For and on behalf of Board of Directors

Pankaj Razdan
Director

per Bharath N S
Partner
Membership No.: 210934

Sudhakar Ramasubramanian
Director

Place: Chennai
Date: April 29, 2013

Manoj Kumar Gandhi
Chief Financial Officer

As per our Report of even date
For **S.V. GHATALIA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 103162W

For and on behalf of Board of Directors

Pankaj Razdan
Director

per Bharath N S
Partner
Membership No.: 210934

Sudhakar Ramasubramanian
Director

Place: Chennai
Date: April 29, 2013

Manoj Kumar Gandhi
Chief Financial Officer

ADITYA BIRLA COMMODITIES BROKING LIMITED

CASH FLOW STATEMENT as at 31st March, 2013

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

	31st March, 2013	31st March, 2012
Cash flow from operating activities		
Profit before tax from continuing operations	(26,468,688)	(7,704,166)
Profit / (Loss) before tax	(26,468,688)	(7,704,166)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	5,688,452	4,800,316
Provision for doubtful debts	—	1,712,966
Provision for deposits and advances	292,148	297,000
Net (gain)/ loss on sale of current investments	(2,629,129)	(6,314,181)
Interest expense	2,094,513	958,122
Interest (income)	(38,726,845)	(34,595,476)
Operating profit before working capital changes	(59,749,549)	(40,845,419)
Movements in working capital :		
Increase/ (decrease) in trade payables	7,055,776	128,501,081
Increase / (decrease) in long-term provisions	368,693	—
Increase / (decrease) in short-term provisions	(16,759)	4,967,592
Increase/ (decrease) in other current liabilities	(121,539,829)	(19,712,019)
Increase/ (decrease) in other long-term liabilities	505,114	—
Decrease / (increase) in trade receivables	(11,347,141)	4,600,672
Decrease / (increase) in long-term loans and advances	(1,972,041)	12,402,753
Decrease / (increase) in short-term loans and advances	(3,800,211)	(807,319)
Decrease / (increase) in other current assets	597,032	(146,674)
Cash generated from / (used in) operations	(189,898,915)	88,960,667
Direct taxes paid (net of refunds)	—	—
Cash flow before exceptional items	(189,898,915)	223,790,826
Exceptional item	—	—
Net cash from/ (used in) operating activities (A)	(189,898,915)	88,960,667
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	—	(10,119,251)
Purchase of Mutual Fund	—	(4,063,226,450)
Proceeds from Sale of Mutual Fund	—	4,069,540,631
Proceeds from Sale of Investments	2,629,129	—
Investments in bank deposits (having original maturity of more than three months) and lien deposits	—	(398,582,224)
Redemption/ maturity of bank deposits (having original maturity of more than three months) and lien deposits	8,703,234	295,599,800
Interest received	38,726,845	20,585,163
Net cash flow from/ (used in) investing activities (B)	50,059,208	(86,202,331)
Cash flows from financing activities		
Proceeds from short-term borrowings	52,000,000	—
Interest paid	(2,094,513)	(958,122)
Net cash flow from/ (used in) in financing activities (C)	49,905,487	(958,122)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(89,934,220)	1,800,214
Cash and cash equivalents at the beginning of the year	106,065,491	104,265,277
Cash and cash equivalents at year ended	16,131,269	106,065,491
Components of cash and cash equivalents		
With banks- on current account	16,131,269	106,065,491
Total cash and cash equivalents (note 12)	16,131,269	106,065,491

Summary of significant accounting policies

* The company can utilize these balances only toward settlement of the respective unpaid dividend and unpaid matured deposits.

As per our Report of even date

For **S.V. GHATALIA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 103162W

per Bharath N S
Partner
Membership No.: 210934

Place: Chennai
Date: April 29, 2013

For and on behalf of Board of Directors

Pankaj Razdan
Director

Sudhakar Ramasubramanian
Director

Manoj Kumar Gandhi
Chief Financial Officer

ADITYA BIRLA COMMODITIES BROKING LIMITED

Notes to the Financial statements for the year ended March 31, 2013 (All amounts are in Indian Rupees, unless otherwise stated)

1) Nature of operations

Aditya Birla Commodities Broking Limited ('ABCBL' or 'the Company') was incorporated on October 10, 2003 in Chennai, Tamil Nadu. The Company is principally engaged in Commodities Broking and related activities.

2) Statement of significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India. 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) the relevant provisions of the Companies Act, 1956. 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) Tangible assets, intangible assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

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

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

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

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

d) Depreciation

Depreciation is provided using the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956, which is management's estimate of the useful lives of the assets except as follows:

Nature of asset	Rate of depreciation followed
Batteries (included under Office equipments)	25% (rates are higher than XIV)
Furniture and fixtures (fitted to premises)	Rate based on the lease period, taking into account the secondary lease period

The company has entered into lease/license agreements in respect of immovable properties with different parties with average lease period of 4 years to 5 years.

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

Additions to tangible assets are depreciated from the date of addition and deletions are depreciated upto the date of sale, on pro-rata basis.

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

e) Impairment

- 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.
- 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 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 recognised on a time proportion basis.

i) Employment benefits

- 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.
- 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.
- 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.
- Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred

j) 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.

ADITYA BIRLA COMMODITIES BROKING LIMITED

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.

k) 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.

l) Contingent liability and Provisions

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

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

m) Segment reporting

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

n) 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.

	As at March 31, 2013	As at March 31, 2012
NOTE 3 - SHARE CAPITAL		
Authorized Shares:		
2,500,000 (Previous year - 2,500,000) equity shares of Rs.10/- each	25,000,000	25,000,000
Total	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed & paid-up EQUITY SHARE CAPITAL		
2,000,000 (Previous year - 2,000,000) equity shares of Rs.10/- each	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>

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

Sl. No.	Description	As at March 31, 2013		As at March 31, 2012	
		Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
1	Shares outstanding at the beginning of the period	2,000,000	20,000,000	2,000,000	20,000,000
2	Issued during the period	—	—	—	—
3	Shares outstanding at the end of the period	2,000,000	20,000,000	2,000,000	20,000,000

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

The company has only one class of equity shares having a par value of Re.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend 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.

3. Shares held by holding Company 2,000,000 (Previous year - 2,000,000) equity shares of Rs.10/- each fully paid up are held by Aditya Birla Money Limited, the holding company and its nominees.
4. Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under:-
Equity Shares

Name of Share Holder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares held	% of total paid-up equity share capital	Number of Shares held	% of total paid-up equity share capital
Aditya Birla Money Limited	2,000,000	100	2,000,000	100

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 4 - RESERVES & SURPLUS		

Surplus/(Deficit) in the statement of Profit and Loss

Balance as per last audited Financial Statement	30,044,619	35,473,095
Addition:		
Profit/(Loss) for the Year	(26,468,688)	(5,428,476)
	<u>3,575,931</u>	<u>30,044,619</u>

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 5A		

OTHER LONG-TERM LIABILITIES

Liability for Rent Straight Lining (Rent Equalisation reserve/liability)	1,098,982	593,868
	<u>1,098,982</u>	<u>593,868</u>

NOTE: 5B

OTHER CURRENT LIABILITIES

Interest Accrued but not due on Borrowings	629,572	—
Other Payables		
Payable to customers	285,665,905	484,532,250
Book Overdraft	55,981,250	3,661,751
Statutory Dues	1,327,769	2,596,646
Deposits received	1,118,978	839,398
Others (Due to holding Company)	27,487,757	2,121,015
	<u>372,211,231</u>	<u>493,751,060</u>

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 6A		

LONG-TERM PROVISIONS

Provisions for Employee Benefits: Gratuity (Unfunded)	2,910,497	2,541,804
	<u>2,910,497</u>	<u>2,541,804</u>

NOTE: 6B

SHORT-TERM PROVISIONS

Provisions for Employee Benefits: Leave Encashment	1,517,444	1,539,904
Gratuity	51,695	45,994
Others		
Taxation (Net of taxes Rs.16,900,000/-)	839,890	839,890
	<u>2,409,029</u>	<u>2,425,788</u>

ADITYA BIRLA COMMODITIES BROKING LIMITED

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Other Bank Balances		
Deposit Accounts (with original maturity more than three months)*	369,654,189	378,357,423
	<u>369,654,189</u>	<u>378,357,423</u>
	<u>385,785,458</u>	<u>484,422,914</u>
* Fixed deposits have been placed under lien towards bank guarantees (Rs.36,629,189) for margins (Rs.233,025,000) with exchanges / loans (Rs.100,000,000)received.		
	As at 31st March, 2013	As at 31st March, 2012
NOTE: 13 OTHER CURRENT ASSETS (Unsecured, Considered Good, except otherwise stated)		
Accrued Income (from operations)	229,996	146,674
Interest Accrued on Fixed Deposits	22,426,287	23,106,641
	<u>22,656,283</u>	<u>23,253,315</u>
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 14 REVENUE FROM OPERATIONS		
Brokerage income	172,123,694	198,723,519
Account opening charges	1,608,245	—
Income from transaction charges	8,163,572	10,025,750
	<u>181,895,511</u>	<u>208,749,269</u>
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 15 OTHER INCOME		
Interest Income - Others	38,726,845	34,595,476
Net Gain on Sale of Investments	2,629,129	6,314,181
Miscellaneous Income (Net)	150,000	20,473
	<u>41,505,974</u>	<u>40,930,130</u>
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 16 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	71,006,108	53,666,784
Contribution to Provident & Other Funds (Refer Note 25)	4,051,766	3,054,575
Staff Welfare Expenses	1,515,429	2,316,283
	<u>76,573,303</u>	<u>59,037,642</u>
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 17 FINANCE COST		
Interest Expenses	2,094,513	958,122
	<u>2,094,513</u>	<u>958,122</u>
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 18 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	1,269,816	1,655,813
Amortisation of Intangible Assets	4,418,636	3,144,503
	<u>5,688,452</u>	<u>4,800,316</u>
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 19 OTHER EXPENSES		
Rent	15,201,117	14,356,647
Repairs & Maintenance of:		
Buildings	—	2,119,211
Others	2,244,289	2,214,950
Insurance	4,469,259	2,064,867
Rates & Taxes	174,595	2,507,450
Outsourcing Charges	644,448	1,166,000
Connectivity Charges	9,376,006	10,266,489
Brokerage & Discounts	69,092,673	72,571,273
Advertisement	776,543	396,559
Legal & Professional Expenses	32,148,388	53,487,983
Provision for Doubtful Debts	—	1,712,966
Provision for Doubtful Deposits and Advances	292,148	297,000
Printing and Stationery	521,819	2,292,534
Travelling & Conveyance	3,206,423	2,685,597
Communication Expenses	2,784,098	2,433,445
Bank Charges	641,637	941,474
Auditors' Remuneration*	320,130	225,000
Directors' Fees	30,000	—
Postage Expenses	41,872	1,044,643
Electricity Charges	2,061,823	2,398,234
Information Technology Expenses	20,685,211	16,874,145
Miscellaneous Expenses	801,426	531,018
	<u>165,513,905</u>	<u>192,587,485</u>
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
* Auditors' Remuneration includes payments to auditors as under:		
As auditor:		
Audit fee	300,000	225,000
Reimbursement of expenses	20,130	—
	<u>320,130</u>	<u>225,000</u>
20) 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 Prathap 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 Parent Company'). The transaction was completed on March 6, 2009.		
As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harm less 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 3,229,900 as Losses incurred on account of breach of representation / warranties in the SPA. 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, 2013 aggregating Rs 3,229,900 (previous year: Rs 3,229,900) and disclosed the same in Advances recoverable in cash or kind under Schedule 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. Based on legal opinion received and internal assessment, ABNL is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the Company against which these loss assets can be set-off in the future. Accordingly, the Company is of the view that these amounts are recoverable and hence not written off in the books of accounts of the Company.		

ADITYA BIRLA COMMODITIES BROKING LIMITED

NOTES to accounts (Contd.)

21) Capital and other commitments

- a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is Rs Nil (Previous year - Rs. Nil).
- b) For commitments relating to lease arrangements, please refer note 24.

22) Contingent liabilities

Particulars	March 31, 2013	March 31, 2012
Disputed tax liability not provided for:		
(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.	—	—
(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.	32,034	32,034
(c) 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

Contingent liability not provided for on account of:

- (i) Claims against the Company not acknowledged as debts*
- | | | |
|--|-----------|-----------|
| | 4,374,355 | 5,269,920 |
|--|-----------|-----------|

* 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.

23) Earnings per share

Particulars		March 31, 2013	March 31, 2012
Net profit/(loss) as per Statement of profit and loss	A	(26,468,688)	(5,428,476)
Weighted average number of equity shares			
– Basic and diluted	B	2,000,000	2,000,000
Earnings per share			
– Basic and diluted	A/B	(13.23)	(2.71)
Nominal value of equity share (in Rs.)		Rs. 10/-	Rs. 10/-

24) Lease disclosures

Operating leases for premises:

Lease rentals in respect of premises taken on operating lease during the year ended March 31, 2013 amounts to Rs.1,52,01,117 (Previous Year: Rs.14,356,647).

Future obligations towards lease rentals under non cancellable lease agreements as on March 31, 2013 amounts to Rs.3,99,30644/- (Previous Year: Rs.14,287,789). Details of Lease Rentals payable within one year and thereafter are as under:

Particulars	March 31, 2013	March 31, 2012
Within one year	8,063,424	6,258,327
Later than one year and not later than five years	26,867,163	7,841,729
Later than five years	5,000,057	187,733

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.

25) Employment benefit disclosures

The amounts charged to the Statement of profit and loss during the year for Provident fund contribution aggregates to Rs. 35,46,156 (Previous year – Rs. 2,873,060) and employees' state insurance contribution aggregates to Rs. 5,05,610 (Previous year - Rs. 213,687).

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 unfunded.

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

Amounts recognized in the Balance sheet in respect of gratuity

	March 31, 2013	March 31, 2012
Present value of defined benefit obligation	2,962,192	2,587,798
Fair value of plan assets	—	—
Liability/(Asset) recognized in the balance sheet	2,962,192	2,587,798

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

	March 31, 2013	March 31, 2012
Current service cost	625,334	347,796
Interest cost on benefit obligation	219,963	111,349
Expected return on plan assets	NIL	NIL
Net actuarial (gain) / loss recognized in the year	(209,668)	(491,317)
Past service costs – vested benefits	-	-
Net gratuity cost	635,629	(32,172)

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

	March 31, 2013	March 31, 2012
Opening defined benefit obligation	2,587,798	—
ADD: Gratuity Liability in respect of Employees transferred from ABL	—	2,619,970
Interest cost	219,963	111,349
Current service cost	625,334	347,796
Actuarial (gains)/ losses on obligation	(209,668)	(491,317)
Benefits paid	(261,235)	—
Closing defined benefit obligation	2,962,192	2,587,798

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

	March 31, 2013	March 31, 2012
Discount rate	8.25%	8.5%
Expected rate of return on assets	8.25%	8.5%

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.

Experience adjustments

	March 31, 2013	March 31, 2012
Experience adjustments (loss) / gain	(301,776)	(416,141)

26) Related party transactions

List of related parties:

Ultimate holding Company	Aditya Birla Nuvo Limited Aditya Birla Financial Services Private Limited
Holding Company	Aditya Birla Money Limited
Related parties with whom transactions have taken place during the year	
Fellow Subsidiary	Aditya Birla Money Mart Limited

ADITYA BIRLA COMMODITIES BROKING LIMITED

Particulars	Closing Balance As on 31.03.2013	Transactions 2012-2013	Closing Balance As on 31.03.2012	Transactions 2011-2012
Aditya Birla Money Mart Limited				
Management Fees		17,798,520		25,765,357
Total outstanding balance payable	(1,667,146)		(1,937,340)	
Aditya Birla Money Ltd				
- Inter corporate loan given		30,000,000		67,500,000
- Inter corporate loan receipt		30,000,000		67,500,000
- Inter corporate loan taken		218,000,000		35,000,000
- Inter corporate loan repaid	(16,000,000)	202,000,000		35,000,000
- Interest on Inter corporate loan receivable		19,726		53,424
- Interest on Inter corporate loan payable		234,795		41,712
- Interest payable on running account		792,850		905,286
- Interest receivable on running account		—		151,542
- Rental advances transfer from ABML		696,640		4,201,953
- Provision transfer from ABML		—		3,313,020
Reimbursement of Cost - Expenses payable		81,072,588		107,196,055
Total outstanding balance payable	(27,487,756)		(2,121,015)	

27) Foreign currency transactions

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

28) 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 Board of Directors

For **S.V. GHATALIA & ASSOCIATES LLP** **Pankaj Razdan**

Chartered Accountants

Director

ICAI Firm Registration Number: 103162W

per Bharath N S

Partner

Membership No.: 210934

Sudhakar Ramasubramanian

Director

Place: Chennai

Date: April 29, 2013

Manoj Kumar Gandhi

Chief Financial Officer

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Directors' Report

Dear Shareholders,

Your Board of Directors are pleased to present the 5th Annual Report, along with the Audited Accounts of Aditya Birla Capital Advisors Private Limited ("ABCAP/the Company") for the year ended March 31, 2013.

1. Financial Performance Summary

(₹ in Crore)

Particulars	FY 2012-13	FY 2011-12
Net income from Operations	23.55	21.16
Other Income	1.39	0.49
Operating Profit	8.87	5.95
Depreciation	0.37	0.38
Profit before Tax	8.50	5.57
Tax	2.45	1.66
Profit after Tax (PAT)	6.05	3.91

2. Business Performance

During the year under review the Company has earned a PAT of ₹ 6.08 Crore, a 55% increase over the previous year.

The Company continues to focus on managing the generic alternative assets with the exception of realty. At present, the Company has raised corpus from Indian investors and continues to manage two sector-agnostic funds, i.e. **Aditya Birla Private Equity – Fund I** (providing growth and opportunistic capital to established companies across sectors) and **Aditya Birla Private Equity – Sunrise Fund** (providing growth capital to emerging companies in sunrise sectors).

Update on activities of Funds under Investment Management

Aditya Birla Private Equity – Fund I:

During the year under review, an additional drawdown for 19.24% of Commitment Amount was made, thus taking the cumulative drawdown to 74.24% (previous year 55%) of Commitment Amount. Investments aggregating ₹103.14 Crore were made during the year, taking the gross cumulative investments made since the First Closing to a sum of ₹491.23 Crore (previous year ₹388.09 Crore).

In the month of January 2013, the first liquidity event for Fund I took place when Credit Analysis and Research Limited (CARE), a portfolio company of the Fund, listed on Indian stock exchanges by way of an IPO. It is an exceptional achievement for a Fund to reach its first liquidity event in about three years of its Closing and more importantly, to reach it during the Investment Period itself, despite challenging capital markets. Fund I made its maiden exit by selling 1.40% stake (out of 4.27% stake held at the time of listing) in CARE for a gross consideration of ₹37.38 Crore and booked a gross capital gain of ₹16.37 Crore; at a healthy IRR and Multiple on Cost (MoC). It demonstrates the capability of your Company to achieve profitable exits even in turbulent capital markets and difficult exit scenario for investments of Alternative Investment Funds.

During the next financial year i.e. FY2013-14, the Company expects to drawdown the entire balance Commitment Amount of the Fund and deploy the same in attractive avenues. The Company is also reasonably hopeful to reach the second liquidity event in one of the portfolio companies of the Fund which is readying itself for an IPO during FY2013-14.

Aditya Birla Private Equity – Sunrise Fund:

During the year under review, an additional drawdown for ₹ 59.29 Crore was called from the Contributors of Sunrise Fund. Investments aggregating ₹ 78.66 Crore were made during the year, taking the gross cumulative investments to ₹103.66Crore (previous year ₹25 Crore) with an additional Commitment to invest ₹ 2.50 Crore during financial year 2012-13.

During the next financial year i.e. FY2013-14, the Company expects to drawdown the entire balance Commitment Amount of the Sunrise Fund and deploy the same in attractive avenues.

3. Reserves

The accumulated profit of the Company stood at ₹12.30 Crore as at March 31, 2013, inclusive of profit after tax of ₹6.08 Crore.

4. Dividend

In order to conserve resources for future growth of the Company, your Directors do not recommend any dividend for the year under review.

5. Share Capital

The Authorised Share Capital of the Company is ₹5 Crore. The Paid up Capital of the Company is ₹3.50 Crore as on March 31, 2013. There was no infusion of fresh capital during the year under review.

6. Management Discussion and Analysis

Industry overview

The US economy seems to be coming out of the throes of recession while in the Euro zone some countries are showing feeble signs of stability, others continue to be volatile and a few of them seeking the support from global financial institutions.

During the year, the GDP growth in India had a declining trend with IIP being negative during the last few months of the year as a result of high interest rates and rigidly high inflation. However, with the government bringing about a slew of reforms, especially liberalizing FDI norms in key sectors, the hopes of a rebound in growth have been rekindled in the economy. The prices of oil and commodities showed a definite trend of decline towards the end of the year, raising further hopes of reduction in inflation and interest rates; which would bode well for the industry and for the growth of corporate earnings.

Private Equity ("PE") industry continued with a somber mood during the year. The fund-raising during calendar year (CY) 2012 for investments into India remained depressed due to regulatory uncertainties and with the Indian rupee falling consistently. The total value of investments (excluding Realty Funds and Infrastructure Funds) by PE investors in India in CY 2012 at US \$8.85 billion was lower by about 15% as against US \$10.38 billion in CY 2011; with more action and growing trend of secondary deals where an existing PE investor exits by selling its stake in portfolio company to another PE investor. [Source: *Venture Intelligence*].

Business Outlook

The Alternate Investment Fund (AIF) Regulations issued by SEBI during the financial year 2012-13 imposed a prohibitively high ₹ 1 Crore as the minimum amount of contribution by investors into AIFs and coupled with the tight monetary situation in India, the domestic PE industry (and the Company) found its ability to raise further capital in the domestic markets restricted. The offshore markets are showing weak signs of a turnaround and if the trajectory picks up positive speed, the Company plans to explore the international markets in next two years for additional fund-raising while it continues to deploy the balance Commitment Amount in both the funds under its management.

Recently, SEBI, the regulator for the AIFs, issued draft guidelines on safety net for retail investors in an IPO, requiring companies going public to voluntarily offer to buy-back shares sold in an IPO from retail investors if the price of shares post-listing dips below a certain level within 6 months from listing. When implemented, it will discourage unlisted companies to list, especially if PE investors like your Company are exiting in an IPO. Also, it will force companies to under-price its shares in IPO, thus reducing returns for PE investors choosing to sell their shares in an IPO. It will have an adverse impact on the PE industry and in turn, on the Company.

While the short term outlook for India continues to be less than encouraging, a turnaround in the economy and in the earnings of mid-sized companies could show improvement over a longer timeframe while the industry and economists remain cautiously optimistic. This may provide opportunities for the Company to invest in sustainable, stronger companies to generate profitable avenues and deals across multiple industries.

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

7. Corporate Governance

Your Directors reaffirm their commitment to the corporate governance standards, as applicable to the Company.

8. Subsidiaries

Your Company does not have any subsidiary, at present.

9. Public Deposits

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

10. Particulars as per Section 217 of the Companies Act, 1956

The information relating to the conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1)(e) of the Companies Act, 1956 ("the Act") are not applicable to the Company due to the very nature of the industry in which it operates.

During the year under review, there was no foreign exchange earnings and outgo.

In accordance with the provisions of section 217 (2A) of the Act, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out as Annexure A to this report.

11. Directors

As on March 31, 2013, the Board of Directors comprises of 4 Directors including 2 Independent Directors.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. P H Ravikumar, retires by rotation at the ensuing Annual General Meeting (5th AGM) and being eligible, has offered himself for re-appointment. A detailed profile of Mr. Ravikumar is given in the notice of the 5th AGM.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956.

12. Directors Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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;

- the attached Statement of Accounts for the period ended March 31, 2013 have been prepared on a "going concern basis";
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in notes to accounts at Schedule 11 in terms of Accounting Standard 18.

13. Auditors and Auditors' Report

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai, (Registration No.301003E), hold office as the Statutory Auditors of the Company upto the ensuing Annual General Meeting and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI.

The Board proposes re-appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company, on the recommendation of the Audit Committee.

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.

14. Acknowledgments

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the investors in our Funds, bankers, business associates, members of Investment Committee and of the Advisory Board for their continuous support and patronage to the Company.

Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

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

Place: Mumbai
Date: May 4, 2013

G. P. Gupta
Director

P. H. Ravikumar
Director

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

ANNEXURE "A" TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN ₹ 60,00,000/- PER ANNUM.

	Name and Age	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement	Last Employment
1.	Bharat Banka	Chief Executive Officer	1,95,80,431	C.A., I.C.W.A.; C.S.	20 years	1.04.2010	Aditya Birla Management Corporation Private Limited
2.	Rahul Shah	Investment Director	1,46,71,874	B.Com.; C.A.	26 years	1.04.2010	Aditya Birla Management Corporation Private Limited
3.	Shamik Moitra	General Principal	92,66,824	Master in Finance - London Business School, P.G. in PM&IR- XLRI, India	24 years	1.04.2010	Aditya Birla Management Corporation Private Limited
4.	Mehul Maroo	General Principal	87,71,877	Masters in Management & Engineering and Bachelor in Industrial & Systems Engineering from Stanford University	18 years	1.04.2010	Aditya Birla Management Corporation Private Limited
5.	Sandeep Bhat	Chief Financial Officer	63,94,588	Chartered Accountant	29 years	1.04.2010	Aditya Birla Management Corporation Private Limited
6.	Amitvikram Sharma	Investment Director	1,29,52,287	B.Tech., PGDM, IIM, Lucknow	24 years	1.03.2011	Milestone Religare Investment Advisors Private Limited

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Independent Auditor's Report

To the Members of Aditya Birla Capital Advisors Private Limited Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Capital Advisors Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai.
May 4, 2013

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

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

Re: Aditya Birla Capital Advisory Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company did not have any inventory during the year. Accordingly the clause 4(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (v) (b) of paragraph 4 of the Order are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (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 material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (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
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash loss in the current and immediately preceding financial year.
- (xi) The Company has not taken any loans from financial institution, bank and not issued any debentures.
- (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 loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (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.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (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 year.

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai.
May 4, 2013

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Balance Sheet as at March 31, 2013

Notes	Amount in ₹		
	As at March 31, 2013	As at March 31, 2012	
Equity and liabilities			
Shareholders funds			
Share capital	1	35,000,000	35,000,000
Reserves and surplus	2	122,649,368	62,133,653
		<u>157,649,368</u>	<u>97,133,653</u>
Non-current liabilities			
Deferred tax liabilities, net	3	4,990,437	14,601,636
Other non current liabilities	5A	—	736,537
Current liabilities			
Trade payables	4	31,140,975	30,114,689
Other current liabilities	5B	1,773,340	27,153,740
Short-term provisions	6	12,827,652	10,564,234
Total		<u>208,381,772</u>	<u>180,304,489</u>
Assets			
Non current assets			
Fixed assets			
Tangible assets	7	4,282,460	7,617,997
Capital work-in-progress		—	40,500
		<u>4,282,460</u>	<u>7,658,497</u>
Long terms loans and advances	8A	26,887,528	50,142,634
Current assets			
Current investment	9	150,653,168	87,951,239
Trade Receivable	9B	124,327	—
Cash and cash equivalent	10	155,918	334,795
Short-term loans and advances	8B	26,278,371	34,217,324
		<u>208,381,772</u>	<u>180,304,489</u>
Summary of Significant Accounting policies	16		

The accompanying notes are integral part of the financial statements.

Statement of Profit and Loss for the year ended March, 31 2013

Notes	Amount in ₹		
	Year Ended March 31, 2013	Year Ended March 31, 2012	
Revenue from operations	11	235,488,136	211,572,845
Other income	12	13,866,079	4,884,941
Total Revenue (I)		<u>249,354,215</u>	<u>216,457,786</u>
Expenses			
Employee benefit expenses	13	109,107,869	105,585,384
Other expenses	14	51,504,854	51,324,646
Total (II)		<u>160,612,723</u>	<u>156,910,030</u>
Earnings before tax, depreciation and amortization (EBIDTA) (I-II)			
		<u>88,741,492</u>	<u>59,547,756</u>
Depreciation / Amortization		3,690,680	3,875,403
Profit before tax		<u>85,050,812</u>	<u>55,672,353</u>
Tax Expenses			
– Current tax		34,146,295	16,050,495
– Deferred tax		(9,611,199)	507,439
Total tax expense		<u>24,535,097</u>	<u>16,557,934</u>
Profit for the year		<u>60,515,716</u>	<u>39,114,419</u>
Basic/ Diluted Earnings Per Share	15	<u>17.29</u>	<u>11.18</u>

[Nominal value per share ₹ 10] (Previous year ₹10/-)

Summary of Significant Accounting policies

16

The accompanying notes are integral part of the financial statements.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 04-05-2013

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

G. P. Gupta **P. H. Ravikumar**
Director Director

Sandeep Bhat **Piyush Shah**
Chief Financial Officer Company Secretary

Place: Mumbai
Date: 04-05-2013

As per our report of even date

For **S. R. Batliboi & Co. LLP**
ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 04-05-2013

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

G. P. Gupta **P. H. Ravikumar**
Director Director

Sandeep Bhat **Piyush Shah**
Chief Financial Officer Company Secretary

Place: Mumbai
Date: 04-05-2013

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2013

	Year Ended March 31, 2013	Year Ended March 31, 2012
Amount in ₹		
A. Cash flow from operating activities		
Net Profit (Loss) before tax and prior period item	85,050,812	55,672,353
Adjustments for :		
Divident reinvestment	10,278,492	4,884,941
Depreciation/ amortisation	3,690,680	3,875,403
Interest on inter corporate deposits		
Operating profit before working capital changes	99,019,984	64,432,696
Adjustment for changes in working capital:		
Increase/(decrease) in current liabilities	(23,986,956)	34,155,109
(Increase)/decrease in loans and advances	27,574,010	(2,366,335)
Cash from operating activities	102,607,038	96,221,470
Tax deducted at source	(29,490,852)	(16,050,495)
Net cash from operating activities (A)	73,116,186	80,170,975
B. Cash flow from investing activities		
Dividend from mutual fund units	(10,278,492)	(4,884,941)
Net Capital Gain	(23,436)	—
Purchase of fixed assets	(314,643)	(337,476)
Purchase of investment	(216,778,492)	(239,352,496)
Sale proceeds from investments	154,100,000	161,607,791
Net cash used in investing activities (B)	(73,295,063)	(82,967,121)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	—	—
Interest on inter corporate deposits	—	—
Net cash from financing activities (C)	—	—
Net increase / decrease in cash and cash equivalents during the year (A + B + C)	(178,877)	(2,796,146)
Cash and cash equivalent at beginning of the year	334,795	3,130,942
Cash and cash equivalent at end of the year	155,918	334,795
Notes :		
1) Cash and cash equivalent includes :		
Cash in hand	3,858	6,070
Balance with Banks	152,060	328,725
Total	155,918	334,795
2) The figures for the previous year have been re-grouped/re-arranged wherever necessary.		

As per our report of even date

For **S. R. Batliboi & Co. LLP**
ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 04-05-2013

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

G. P. Gupta **Piyush Shah**
Director Director

Sandeep Bhat **Piyush Shah**
Chief Financial Officer Company Secretary

Place: Mumbai
Date: 04-05-2013

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Notes annexed to and forming part of the financial statement

	Amount in ₹	
	As at March 31, 2013	As at March 31, 2012
Note 1 - Share capital		
Authorised:		
5,000,000 (previous year 5,000,000)	50,000,000	50,000,000
Equity Shares of ₹ 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid-up		
3,500,000 (previous year 35,00,000)	35,000,000	35,000,000
Equity Shares of ₹ 10/- each fully paid up	<u>35,000,000</u>	<u>35,000,000</u>
Total	<u>35,000,000</u>	<u>35,000,000</u>

- Term/right attached to equity shares
The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be receive remaining assets of the Company.
- Entire Share capital is held by Aditya Birla Financial Services Private Limited, holding Company and its nominees.
- As per the records of the Company, including the register of shareholders/members and other declarations received from shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.
- Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Name of the Shareholder	Amount in ₹	
	As at 31 March 2013	As at 31 March, 2012
	Number of shares held	Number of shares held
Aditya Birla Financial Services Private Limited with its nominees	3,500,000	3,500,000
Percentage	100	100

Note 2 - Reserves and surplus

Profit as per Statement of Profit & Loss

	As at March 31, 2013	As at March 31, 2012
Balance as per last financial statement	62,133,652	23,019,233
Profit for the year	60,515,716	39,114,419
Total	<u>122,649,368</u>	<u>62,133,652</u>

Note 3 - Deferred tax liabilities (Net)

	As at March 31, 2013	As at March 31, 2012
Differences due to accelerated amortisation of distribution cost Income Tax Act	9,192,848	17,765,851
Gross deferred tax liability	<u>9,192,848</u>	<u>17,765,851</u>
Deferred tax asset		
Provision of Straight Lining of Rent	—	477,939
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	1,333,521	653,485
Provision for Leave Encashment	2,868,890	2,032,791
Gross deferred tax assets	<u>4,202,411</u>	<u>3,164,215</u>
Net deferred tax liability (Assets)	<u>4,990,437</u>	<u>14,601,636</u>

Note 4

	As at March 31, 2013	As at March 31, 2012
Trade payables	1,502,291	3,108,530
Trade payables for Salary, Bonus and other employee benefits	29,638,684	27,006,159
	<u>31,140,975</u>	<u>30,114,689</u>

"Micro and Small Scale Business Entities:

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, 2013. 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 5A - Other non current liabilities

	As at March 31, 2013	As at March 31, 2012
Liability for rent straight lining (Refer Note number 16.15)	—	736,538
Total	<u>—</u>	<u>736,538</u>

Note 5B - Other current liabilities

	As at March 31, 2013	As at March 31, 2012
Management Fees Received in Advance	—	24,640,415
Tax deducted at source payable	1,770,540	1,776,787
Professional tax payable	2,800	—
Salary, Bonus and other employee benefits	—	—
Liability for rent straight lining (Refer Note number 16.15)	—	736,538
Total	<u>1,773,340</u>	<u>27,153,740</u>

	As at March 31, 2013	As at March 31, 2012
Note 6 - Short-term provisions		
Provision for Leave encashment / benefit	8,440,393	7,902,395
Gratuity payable	569,130	—
Wealth Tax payable (Advance Tax Nil)	—	—
(Previous year Advance tax NIL)	10,276	13,707
Provision for Tax (Net of Advance Tax ₹4,28,93,215)	—	—
(Previous year ₹1,34,02,363)	3,807,853	2,648,132
Total	<u>12,827,652</u>	<u>10,564,234</u>

Note 7 - Tangible assets

Particulars	Leasehold improvement*	Computers & Printers	Furniture & Fixtures*	Vehicles	Office Equipment*	TOTAL
Gross Block						
As at 1 April 2011	4,635,524	3,482,740	519,678	6,513,800	483,620	15,635,362
Additions	—	52,370	159,446	—	85,160	296,976
As at 31 March 2012	4,635,524	3,535,110	679,124	6,513,800	568,780	15,932,338
Additions	—	331,695	—	—	23,448	355,143
As at 31 March 2013	4,635,524	3,866,805	679,124	6,513,800	592,228	16,287,481
Accumulated Depreciation						
As at 1 April 2011	1,583,657	1,239,724	146,715	1,331,430	137,412	4,438,938
For the year	935,280	836,477	171,971	1,787,796	143,879	3,875,403
As at 31 March 2012	2,518,937	2,076,201	318,686	3,119,226	281,291	8,314,341
For the year	935,280	889,145	164,724	1,572,439	129,092	3,690,680
As at 31 March 2013	3,454,217	2,965,346	483,410	4,691,665	410,383	12,005,021
Net book amount as at 31 March 2013	1,181,307	901,459	195,714	1,822,135	181,845	4,282,460
Net book amount as at 31 March 2012	2,116,587	1,458,909	360,438	3,394,574	287,489	7,617,997

* Includes assets viz. Furniture and fixture ₹120,336 (Previous year ₹120,336), Office equipment ₹11,119 (Previous year ₹11,119) Leasehold Improvements ₹1,773,598 (Previous year ₹1,773,598) are jointly held with the companies of Aditya Birla Financial Service Group.

Note 8A - Long-term loans and advances

	As at March 31, 2013	As at March 31, 2012
(Unsecured considered good)		
Security Deposit	4,876,300	4,876,300
Advance to Employees	500,000	500,000
Advance income taxes (Net of Provision ₹34,95,722)	—	—
(Previous year ₹34,95,722)	17,777,712	17,777,712
Prepaid distribution expense	3,733,516	26,988,622
Total	<u>26,887,528</u>	<u>50,142,634</u>

Note 8B - Short-term loans and advances

	As at March 31, 2013	As at March 31, 2012
(Unsecured considered good)		
MAT credit entitlement	—	3,495,722
Gratuity paid in advance	—	490,882
Contribution to superannuation fund	685,027	649,925
Prepaid distribution expense	23,312,227	27,768,201
Prepaid expenses	1,682,493	1,111,439
Service tax receivable (Credit)	597,363	701,155
Receivables from Related Party	1261	—
Total	<u>26,278,371</u>	<u>34,217,324</u>

Note 9 - Current investments

	As at March 31, 2013	As at March 31, 2012
Investment in Mutual Fund (Unquoted)		
5,06,180,548 units (previous year 8,78,814,727) of Birla Sun Life Saving Fund Institutional Daily Dividend Reinvestment Scheme of ₹100.0948 each (previous year ₹100.068 each) fully paid up	50,658,704	87,951,239
Aggregate amount of unquoted investments (Book value of ₹5,06,66,041 (Previous Year Rs 87,951,239) 9,38,257,056 units (previous year Nil) of Birla Sun Life Income Plus Growth Direct Scheme of ₹53.28 per unit	49,994,464	—
Aggregate amount of unquoted investments (Book value of ₹4,99,94,464 (Previous Year Rs Nil) 11,55,201,294 units (previous year Nil) of Birla Sun Life Short Term Fund - Growth Scheme of ₹43.40 per unit	50,000,000	—
Aggregate amount of unquoted investments (Book value of ₹5,00,00,000/- (Previous Year Rs Nil))	—	—
Total	<u>150,653,168</u>	<u>87,951,239</u>

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Notes annexed to and forming part of the financial statement Year ended March 31, 2013

	Amount in ₹	
	As at March 31, 2013	As at March 31, 2012
Note 9B - Trade Receivable		
Aditya Birla Private Equity - Sunrise Fund	124,327	—
	<u>124,327</u>	<u>—</u>
Note 10 - Cash and cash equivalents		
Cash on hand	3,858	6,070
Balance with bank		
– on current account	152,060	328,725
Total	<u>155,918</u>	<u>334,795</u>
Note 11 - Revenue From Operations		
Management Fee (Including Service Tax)	264,594,470	233,364,848
Less: Service Tax	29,106,334	21,792,003
Total	<u>235,488,136</u>	<u>211,572,845</u>
Note 12 - Other Income		
Dividend received from Current Investment	10,278,492	4,884,941
Liability not required written off	3,558,614	—
Gain on Redemption of Mutual Funds Units	28,973	—
Total	<u>13,866,079</u>	<u>4,884,941</u>
Note 13 - Employee benefit expenses		
Salaries and wages	99,458,104	96,662,649
Contribution to provident and other funds	7,689,003	6,861,226
Staff welfare expenses	1,960,762	2,061,509
Total	<u>109,107,869</u>	<u>105,585,384</u>
Note 14 - Other expenses		
Rent	8,471,700	8,970,153
Repairs and maintenance		
– Building	851,472	851,472
– Others	226,700	146,891
Rates and taxes	12,776	703,327
Stamp duty and filing fees	27,012	267,660
Facilities management expenses	693,809	784,723
Distribution expense (Refer note number 16.6)	27,711,080	24,084,235
Compensatory contribution (Refer note number 16.14)	—	5,377,212
Electricity	901,659	713,603
Travelling	2,390,518	1,899,476
Telephone expenses	790,833	626,576
Printing and stationery	239,059	416,030
Legal and professional (Refer note number 16.13)	4,188,472	3,319,485
Director sitting fees	160,000	120,000
Software license expenses	132,007	—
Conveyance expenses	214,881	256,770
Membership and subscription	2,236,349	1,414,699
Business promotion	109,238	816,030
Outsourced Manpower Expenses	564,867	34,887
Insurance Charges	890,817	65,019
Postage and Courier charges	34,575	88,272
Miscellaneous expenses	651,039	368,126
Provision for Change in Carrying Value of Investmet	5,536	—
Bank charges	455	—
Total	<u>51,504,854</u>	<u>51,324,646</u>
		Amount in ₹
	For the year ended March 31, 2013	For the year ended March 31, 2012
Note No: 15 - Earning per Share		
Earnings per Share (EPS) is calculated as under:		
Net Profit as per Statement of Profit and Loss	60,515,716	39,114,419
Net Profit for EPS - A	<u>60,515,716</u>	<u>39,114,419</u>
Weighted average number of Equity Shares for calculation of Basic EPS - B	3,500,000	3,500,000
- Basic EPS (Rs) A/B	<u>17.29</u>	<u>11.18</u>
Weighted average number of Equity Shares outstanding		
Weighted average number of Equity Shares for calculation of	3,500,000	3,500,000
Diluted EPS	<u>17.29</u>	<u>11.18</u>
Nominal Value of Shares (₹)	<u>10.00</u>	<u>10.00</u>

Note No. 16 - Significant Accounting Policies and Notes to Accounts

1. Corporate Information

Aditya Birla Capital Advisors Private Limited ('the Company') was incorporated on February 22, 2008 under the provisions of Companies Act, 1956 (the 'Act'). The main object the Company is to provide financial advisory services and management services and to carry on business of advising and managing venture capital funds. The Company was appointed as Investment Manager to the Aditya Birla Private Equity – Fund I and Aditya Birla Private Equity – Sunrise Fund.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 ("the Act"). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3. Summary of Significant accounting policies

(a) Use of estimate

The preparation of financial statements is in conformity with generally accepted accounting principles and 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.

(b) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Fixed assets costing ₹ 5000 or less individually is depreciated or amortized in the year of purchase.

(c) Depreciation

Depreciation on Fixed Assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

Assets	Estimated useful life
Computers	4 years
Furniture and Fixture	4 years
Vehicles	4 years
Office Equipment	4 years

Leasehold improvements are amortised on the straight line basis over the period of lease or five years whichever is shorter.

(d) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss statement on a straight-line basis over the period of lease or five years whichever is shorter.

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, 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 in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

(g) Revenue recognition

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

ADITYA BIRLA CAPITAL ADVISORS PRIVATE LIMITED

Management Fees

Management fees have been accrued in accordance with the investment management agreement entered into between the Company and the Fund, net of service tax.

Dividends

Dividend is recognised when right to receive payment is established by the balance sheet date.

Disposal of Investments

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

(h) Foreign Currency Transaction

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

The company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item itself, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on long term currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign monetary item as "long-term foreign monetary item", if it has a term of 12 months or more at the date of its origination.
3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Difference Account" and amortized over the remaining life of the concerned asset.
4. All other exchange differences are recognized as income or as expenses in the period in which they arrive.

(i) Retirement and other employee benefits

- i. Retirement benefits in the form of superannuation are defined contribution scheme and the contributions are charged to the statement of profit and loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Defined Benefit Plan
The Company's liabilities under Payment of Gratuity Act and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for Short term compensated absences which are provided for based on estimates. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.
- iii. The Company presents the entire leave as a current liability in the balance sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.
- iv. In respect of employees, Provident Fund contributions are made to a Trust administered by the Provident Fund Trust of Aditya Birla Nuvo Limited. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year and any shortfall in the Fund size maintained by the Trust set up by the Aditya Birla Nuvo Limited is additionally provided for. Actuarial losses/ Gains are recognized in the Statement of Profit and Loss in the year in which they arise.

(j) Income taxes

Tax expense comprises of 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. 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 are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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.

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

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit

(k) Earnings per share

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

(l) 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.

(n) Contingent Liabilities

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 recognize a contingent liability but discloses its existence in the financial statements.

(o) Cash and Cash equivalent

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

(p) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/loss from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

Directors' Report

Dear Shareholders,

Your Board of Directors are pleased to present the 5th Annual Report, along with the Audited Accounts of Aditya Birla Trustee Company Private Limited ("ABTCPL/the Company") for the year ended March 31, 2013.

1. Financial Highlights

Particulars	Rs. in Lacs	
	FY 2012-13	FY 2011-12
Net income from Operations	7.93	6.72
Operating Expenditure	1.45	1.85
Operating Profit/(Loss)	6.47	4.87

2. Business Performance Review

During the year under review the Company has earned an operating profit of ₹6.47 lacs.

Activities Update on Funds where the Company had been appointed as Trustee

Aditya Birla Private Equity – Fund I: ("The Fund")

During the year under review, an additional drawdown for 19.24% of Commitment Amount was made, thus taking the cumulative drawdown to 74.24% (previous year 55%) of Commitment Amount. Investments aggregating ₹103.14 Crore were made during the year, taking the gross cumulative investments made since the First Closing to a sum of ₹491.23 Crore (previous year ₹388.09 Crore).

In the month of January 2013, the first liquidity event for Fund took place when Credit Analysis and Research Limited (CARE), a portfolio company of the Fund, listed on Indian stock exchanges by way of an IPO. It is an exceptional achievement for a Fund to reach its first liquidity event in about three years of its Closing and more importantly, to reach it during the Investment Period itself, despite challenging capital markets. Fund I made its maiden exit by selling 1.40% stake (out of 4.27% stake held at the time of listing) in CARE for a gross consideration of ₹37.38 Crore and booked a gross capital gain of ₹16.37 Crore; at a healthy IRR and Multiple on Cost (MoC).

During the next financial year i.e. FY2013-14, the Fund expects to drawdown the entire balance Commitment Amount of the Fund and deploy the same in attractive avenues.

Aditya Birla Private Equity – Sunrise Fund: ("Sunrise Fund")

During the year under review, an additional drawdown for ₹ 59.29 Crore was called from the Contributors of Sunrise Fund. Investments aggregating ₹ 78.66 Crore were made during the year, taking the gross cumulative investments to ₹103.66Crore (previous year ₹25 Crore) with an additional Commitment to invest ₹ 2.50 Crore during financial year 2012-13.

During the next financial year i.e. FY2013-14, the Sunrise Fund expects to drawdown the entire balance Commitment Amount of the Sunrise Fund and deploy the same in attractive avenues.

3. Reserves

The accumulated profit of the Company stood at ₹9.56 Lacs as at March 31, 2013, inclusive of profit after tax of ₹4.758 Lacs.

4. Dividend

In view of conserving resources for future growth of the Company, your Directors do not recommend any dividend for the year ended March 31, 2013.

5. Share Capital

The Authorised Share Capital of the Company is ₹5 lacs. The Paid up Capital of the Company is ₹5 lacs as on March 31, 2013. There was no infusion of fresh capital during the year under review

6. Management Discussion and Analysis

Industry overview

The US economy seems to be coming out of the throes of recession while in the Euro zone some countries are showing feeble signs of stability, others continue to be volatile and a few of them seeking the support from global financial institutions.

During the year, the GDP growth in India had a declining trend with IIP being negative during the last few months of the year as a result of high interest rates and rigidly high inflation. However, with the government bringing about a slew of reforms, especially liberalizing FDI norms in key sectors, the hopes of a rebound in growth have been rekindled in the economy. The prices of oil and commodities showed a definite trend of decline towards the end of the year, raising further hopes of reduction in inflation and interest rates; which would bode well for the industry and for the growth of corporate earnings.

Private Equity ("PE") industry continued with a somber mood during the year. The fund-raising during calendar year (CY) 2012 for investments into India remained depressed due to regulatory uncertainties and with the Indian rupee falling consistently. The total value of investments (excluding Realty Funds and Infrastructure Funds) by PE investors in India in CY 2012at US \$8.85 billion was lower by about 15% as against US \$10.38 billion in CY 2011; with more action and growing trend of secondary deals where an existing PE investor exits by selling its stake in portfolio company to another PE investor. [Source: *Venture Intelligence*].

Business Outlook

The Alternate Investment Fund (AIF) Regulations issued by SEBI during the financial year 2012-13 imposed a prohibitively high ₹1 Crore as the minimum amount of contribution by investors into AIFs and coupled with the tight monetary situation in India, the domestic PE industry (and the Company) found its ability to raise further capital in the domestic markets restricted. The offshore markets are showing weak signs of a turnaround and if the trajectory picks up positive speed.

Recently, SEBI, the regulator for the AIFs, issued draft guidelines on safety net for retail investors in an IPO, requiring companies going public to voluntarily offer to buy-back shares sold in an IPO from retail investors if the price of shares post-listing dips below a certain level within 6 months from listing. When implemented, it will discourage unlisted companies to list, especially if PE investors are exiting in an IPO. Also, it will force companies to under-price its shares in IPO, thus reducing returns for PE investors choosing to sell their shares in an IPO. It will have an adverse impact on the PE industry.

While the short term outlook for India continues to be less than encouraging, a turnaround in the economy and in the earnings of mid-sized companies could show improvement over a longer timeframe while the industry and economists remain cautiously optimistic. This may provide opportunities to invest in sustainable, stronger companies to generate profitable avenues and deals across multiple industries.

7. Corporate Governance

Your Directors reaffirm their commitment to the corporate governance standards to the extent they are applicable to the Company.

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

8. Subsidiaries

Your Company does not have any subsidiary.

9. Public Deposits

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

10. Particulars as per Section 217 of the Companies Act, 1956

The information relating to the conservation of Energy, technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1)(e) of the Companies Act, 1956 ("the Act") are not applicable to the Company due to the very nature of the industry in which it operates.

During the year under review, there was no foreign exchange earnings and outgo.

During the year under review, there were no employees in the Company and therefore the disclosure as prescribed under section 217(2A) of the Act and the Rules made there under are not applicable to the Company.

11. Directors

As on March 31, 2013, the Board of Directors comprises of 4 Directors including one Independent Director.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Adesh Kumar Gupta, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. A detailed profile of Mr. Gupta is given in the notice of the 5th AGM.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956.

12. Directors Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed alongwith proper explanation relating to material departures, if any;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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;

- the attached Statement of Accounts for the year ended March 31, 2013 have been prepared on a "going concern basis";
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in notes to accounts at Schedule 11 in terms of Accounting Standard 18.

13. Auditors and Auditors' Report

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai, (Registration No.301003E), hold office as the Statutory Auditors of the Company upto the ensuing Annual General Meeting and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI.

The Board proposes to re-appoint M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company, on the recommendation of the Audit Committee.

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.

14. Acknowledgments

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the investors in our Funds, bankers, business associates, members of Investment Committee and of the Advisory Board for their continuous support and patronage to the Company.

Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

For Aditya Birla Trustee Company Private Limited

Anil Chirania
Director

Tarjani Vakil
Director

Mumbai
May 6, 2013

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of
Birla Sun Life Trustee Company Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Birla Sun Life Trustee Company Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The report does not include a statement on the matters specified in paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India, in terms of section 227(4A) of the Companies Act, 1956 ('the Act'), since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

per **Surekha Gracias**
Partner
Membership Number: 105488
Place of Signature: Mumbai
Date: 27 April 2013

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

Balance Sheet as at March 31, 2013

Particulars	Schedules	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
Shareholders' funds			
Share capital	1	500,000	500,000
Reserves and surplus	2	955,596	480,255
Current Liabilities			
Trade payable	3	13,918	12,409
Other current liabilities	4	1,547	1,379
Total		1,471,061	994,043
Assets			
Current assets			
Short term loans and advances	5	26,586	23,749
Current investment	6	1,421,000	933,017
Cash and cash equivalents	7	23,475	37,277
Total		1,471,061	994,043
Summary of Significant accounting policies	10		

The accompanying notes are integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102
Place : Mumbai
Date : 06/05/2013

For and on behalf of the Board of
**Directors of Aditya Birla Trustee
Company Private Limited**

Anil Chirania **Tarjani Vakil**
Director Director

Place : Mumbai
Date : 06/05/2013

Statement of Profit and Loss Account for the period ended on March 31, 2013

Particulars	Notes	Year ended March 31, 2013 (Amount ₹)	Year ended March 31, 2012 (Amount ₹)
Income			
<u>Revenue from operations</u>			
Trusteeship fees		700,000	616,667
<u>Other income</u>			
Dividend from current Investment		92,983	55,260
Interest received from Income tax		—	522
Total		792,983	672,449
Expenses			
Other expenses	8	145,479	185,008
Total		145,479	185,008
Profit before tax		647,504	487,441
Tax Expenses			
Current tax		172,163	111,825
Profit for the year		475,341	375,616
Basic/Diluted Earnings Per Share ₹	9	9.51	7.51
Summary of Significant accounting policies	10		

The accompanying notes are integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102
Place : Mumbai
Date : 06/05/2013

For and on behalf of the Board of
**Directors of Aditya Birla Trustee
Company Private Limited**

Anil Chirania **Tarjani Vakil**
Director Director

Place : Mumbai
Date : 06/05/2013

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2013

PARTICULARS	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before tax	647,504	487,441
Less: Income from investing activity	92,983	55,260
Operating (Loss) before working capital changes	<u>554,521</u>	<u>432,181</u>
Adjustment for :		
Increase/(Decrease) in Current liabilities	1,677	—
(Increase)/Decrease in Loans and advances	—	1,000
Cash from operating activities	<u>556,198</u>	<u>433,181</u>
Adjustment for Tax	(175,000)	(102,779)
Preliminary expenses paid	—	—
NET CASH(USED IN)/ FROM OPERATING ACTIVITIES A	381,198	330,402
B. CASH FLOW FROM INVESTING ACTIVITIES B		
Purchase of investments	(475,000)	(500,000)
Redemption of Investments	<u>80,000</u>	<u>145,000</u>
	(395,000)	(355,000)
C. CASH FLOW FROM FINANCING ACTIVITIES C		
Proceeds from borrowings		
Repayment of borrowings		
Net increase/(Decrease) in Cash and Cash equivalent (A + B + C)	(13,802)	(24,598)
Cash and Cash equivalent at beginning of the year	<u>37,277</u>	<u>61,875</u>
Cash and Cash equivalent at end of the year	23,475	37,277
Notes :		
1) Cash and Cash equivalent includes :		
Cash in hand	190	314
Balance with Banks	<u>23,285</u>	<u>36,963</u>
Total	23,475	37,277

2) The figures for the previous year have been re-grouped/re-arranged wherever necessary

As per our Report of even date

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

**For and on behalf of Board of Directors of
Aditya Birla Trustee Company Private Limited**

per Shrawan Jalan
Partner
Membership No. 102102

Anil Chirania
Director

Tarjani Vakil
Director

Place: Mumbai
Date: 06/05/2013

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

Notes annexed to and forming part of Balance Sheet as at March 31, 2013

	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
Note 1 - Share Capital		
Authorized		
50,000 (March 31, 2012: 50,000) Equity Shares of ₹10/-each	500,000	500,000
Total	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid-up		
50,000 (March 31, 2012: 50,000) Equity Shares of ₹ 10/-each fully paid-up	500,000	500,000
Total	<u>500,000</u>	<u>500,000</u>

1. Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Description	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
Number of Equity Shares outstanding at the beginning of the year	50,000	50,000
Number of Shares outstanding at the end of the year	50,000	50,000

2. Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

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

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

5. Shares in the Company held by each shareholder holding more than five percent shares specifying the number of shares held.

Particular	As at March 31, 2013 Number of shares held	As at March 31, 2012 Number of shares held
Name of the Shareholder		
Aditya Birla Financial Services Private Limited with its nominees	50,000	50,000
Percentage	100	100

Note 2 - Reserve and surplus

	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
Profit as per Statement of Profit and Loss		
Balance as per last financial statement	480,255	104,639
Addition: Profit for the year	475,341	375,616
Total	<u>955,596</u>	<u>480,255</u>

Note 3 - Trade payable

	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
	13,918	12,409
Total	<u>13,918</u>	<u>12,409</u>

Note 4 - Other current liabilities

	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
Tax deducted at source payable	1,547	1,379
	<u>1,547</u>	<u>1,379</u>

Note 5

Short term loans and advances

	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
Advance tax net of provision ₹ 172,163 (Previous year ₹ 100,749)	26,586	23,749
Total	<u>26,586</u>	<u>23,749</u>

Note 6 - Current investments (Unquoted) (Value at lower of cost and fair value)

	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
14,196.538 units (previous year 9,323.827) of Birla Sun Life Saving Fund Regular Plan Daily Dividend Reinvestment Scheme of ₹ 100.0948 (Previous year ₹ 10.0068) each fully paid	1,421,000	933,017
Total	<u>1,421,000</u>	<u>933,017</u>

Aggregate amount of unquoted investments (book value of ₹ 1,421,000/- (Previous Year ₹ 933,017/-)

	As at March 31, 2013 (Amount ₹)	As at March 31, 2012 (Amount ₹)
Note 7 - Cash and cash equivalent		
Cash on hand	190	314
Balance with bank - in current account	23,285	36,963
Total	<u>23,475</u>	<u>37,277</u>

Particulars

	Year ended March 31, 2013 (Amount ₹)	Year ended March 31, 2012 (Amount ₹)
Note 8 - Other Expenses		
Legal & professional fees (Refer Note 7 of Schedule 10)	74,192	96,473
Directors' sitting fees	43,708	40,000
Conveyance expenses	26,319	47,485
Miscellaneous expenses	1,260	1,050
Total	<u>145,479</u>	<u>185,008</u>

Note 9 - Forming part of Financial Statements

EARNING PER SHARE

Earnings per Share (EPS) is calculated as under:

	A	B	A/B
Net Profit as per Statement of Profit and Loss	475,341	375,616	
Net Profit for EPS	<u>475,341</u>	<u>375,616</u>	
Weighted average number of Equity Shares for calculation of Basic EPS	50,000	50,000	
- Basic EPS (₹)	<u>9.51</u>	<u>7.51</u>	
Weighted average number of Equity Shares outstanding	50,000	50,000	
Weighted average number of Equity Shares for calculation of Diluted EPS	50,000	50,000	
Diluted EPS	<u>9.51</u>	<u>7.51</u>	
Nominal Value of Shares (₹)	<u>10.00</u>	<u>10.00</u>	

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

Note 10: Significant Accounting Policies and Notes to Accounts

1. Corporate Information

Aditya Birla Trustee Company Private Limited (the 'Company') was incorporated on September 11, 2008 under the provisions of Companies Act, 1956 (the 'Act'). The main object of the Company is to act as trustee and provides trustee related services.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3. Summary of significant accounting policies

(a) Use of estimate

The preparation of financial statements is in conformity with generally accepted accounting principles and 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.

(b) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, 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 in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

(c) Revenue recognition

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

Revenue from rendering of trusteeship services has been recognised on accrual basis in accordance with the Private Placement Memorandum of the Aditya Birla Private Equity - Fund I and Aditya Birla Private Equity - Sunrise Fund.

Dividends from investments in units of mutual fund and Portfolio companies are recognised when right to receive payment is established

(d) Income taxes

Tax expense comprises of 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. 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 are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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.

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

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit

(e) Earnings per share

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

(f) 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.

(g) Contingent Liabilities

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 recognize a contingent liability but discloses its existence in the financial statements.

(h) Cash and Cash equivalent

Cash and cash equivalents in the financial statements comprise cash at bank and short term deposits with banks which are subject to an insignificant risk of changes in value.

4. Related Party Disclosure

Name and relationship with the parties:-

Parties where control exists:

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

Other Parties:

Entity being governed by the Company as Trustee	1.	Aditya Birla Private Equity - Fund I (A scheme floated by the Aditya Birla Private Equity Trust)
	2.	Aditya Birla Private Equity - Sunrise Fund (floated by the Aditya Birla Private Equity Trust)
Fellow Subsidiary	3.	Aditya Birla Capital Advisors Private Limited

ADITYA BIRLA TRUSTEE COMPANY PRIVATE LIMITED

The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Entity being governed by the Company as Trustee
Transactions:				
Amount paid to Aditya Birla Capital Advisors Private Limited for TDS payment on behalf of the Company (Previous Year)	Nil	Nil	₹1,19,167	Nil
	Nil	Nil	(₹64,799)	Nil
Receipt of trusteeship fee from M/s. Aditya Birla Private Equity Fund I and Sunrise Fund (Including receipt in advance) (Previous Year)	Nil	Nil	Nil	₹7,00,000
	Nil	Nil	Nil	(₹6,16,667)
Closing balance as at March 31, 2013:				
Equity share capital held (Previous Year)	Nil	₹500,000	Nil	Nil
	Nil	(₹500,000)	Nil	Nil

* (figures in bracket relates to previous year)

5. Segmental Reporting

Since the Company operates in single segment (i.e. rendering of trusteeship services), no further disclosure is required to be given as per the notified AS -17 'Segmental Reporting'.

6. Contingent Liabilities

The Company has no contingent liabilities as at March 31, 2013. (Previous year NIL)

7. Audit Fees

During the year Company has paid following amount to Auditors:

Particulars	March 31, 2013	March 31, 2012
Audit Fees	50,000	50,000
Reimbursement of expenses	7,338	1,288

8. Micro and Small Scale Business Entities:

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. 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.

9. Additional Information Pursuant To Schedule VI

Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956 is not provided, as these provisions do not apply to the Company.

10. Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date

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

For and on behalf of the Board of Directors of Aditya Birla Trustee Company Private Limited

per **Shrawan Jalan**
Partner
Membership No. 102102
Place : Mumbai
Date : 06/05/2013

Anil Chirania **Tarjani Vakil**
Director Director
Place : Mumbai
Date : 06/05/2013

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors present the fifth Annual Report, along with the audited annual accounts of Aditya Birla Customer Services Private Limited (ABCSP / the Company) for the year ended 31st March 2013.

1) FINANCIAL PERFORMANCE SUMMARY (₹ In Lakhs)

Particulars	Current year ended March 31, 2013	Previous Year ended March 31, 2012
Total Income	55.61	0.12
Less: - Expenditure	3175.52	586.87
Loss before Tax	(3119.91)	(586.75)
Less: - Provision for Taxation	NIL	NIL
Add: - Balance of loss brought from the previous year	(735.58)	(148.83)
Loss after Tax carried forward to Balance Sheet	(3855.49)	(735.58)

2) BUSINESS PERFORMANCE

During the year under review, the Company successfully commenced its business operation generating subscriptions and revenues from its business activities. During the year, the Company achieved gross revenue of ₹ 55.61 Lakhs. The total loss before tax was ₹ 3119.91 Lakhs compared to ₹ 586.75 Lakhs last year. This is Company's first year of operation and it continues to be under project phase. The total customers registered as on 31st March 2013 was 230180.

3) RESERVES

There was no amount which was transferred to reserves during the period under review.

4) DIVIDEND

In view of the loss incurred during the year and business being in startup stage, your Directors do not recommend any dividend for the year under review.

5) AWARDS & RECOGNITION

Aditya Birla Money MyUniverse was awarded with "Finnoviti 2012". The award was given for innovation in the financial services sector.

6) SHARE CAPITAL

The Authorised Share Capital of the Company is ₹1 lakh. The Paid up, Issued and Subscribed Capital of the Company is ₹ 1 lakh, comprising of 10,000 equity shares of ₹10 each as on March 31, 2013. There was no capital infusion during the year under review.

7) SUBSIDIARY

Your Company do not have any subsidiary.

8) PUBLIC DEPOSITES

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

9) PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The information relating to the conservation of Energy, technology Absorption under section 217(1)(e) of the Companies Act, 1956 ("the Act") are not applicable to the Company due the very nature of the industry in which it operates. During the year, Foreign Exchange Earnings were Nil; Foreign Exchange Outgo was ₹ 406.24 Lakhs. There were no employees falling under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, and hence the particulars are not furnished.

10) DIRECTORS

As on March 31, 2013, your Board of Directors comprises of 2 Directors. The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes. Mr. Anil Chirania, director retires from office by rotation, being eligible offers himself for re-appointment. The Board recommends his re-appointment.

11) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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;
- the attached Statement of Accounts for the period ended March 31, 2013 have been prepared on a "going concern basis";
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in notes to accounts at Note 14 in terms of Accounting Standard 18.

12) AUDITORS AND AUDITORS' REPORT

M/s. S. V. Ghatalia & Associates LLP (formerly M/s. S. V. Ghatalia & Associates), Chartered Accountants, Mumbai, (Registration 103162W), hold office as the Statutory Auditors of the Company upto the ensuing Annual General Meeting and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI. The Board proposes the re-appointment of M/s S. V. Ghatalia & Associates LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company. 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.

13) APPRECIATION

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by stakeholders for their continuous support and patronage to the Company.

Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

For and on behalf of Board of Directors

Place: Mumbai
Date : May 6, 2013

Shriram Jagetiya
Director

Anil Chirania
Director

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of Aditya Birla Customer Services Private Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Customer Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 4 and 5 of the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.V. GHATALIA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 103162W

Mumbai
Date: May 6, 2013

per **Amit Kabra**
Partner
Membership Number: 94533

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

Balance Sheet AS AT MARCH 31, 2013

Particulars	Notes	As at March 31, 2013 ₹	As at March 31, 2012 ₹
EQUITY AND LIABILITIES			
(A) Shareholders' funds			
Share Capital			
Equity	1	100,000	100,000
Reserves and Surplus	2	(385,548,678)	(73,557,247)
Sub total (A)		<u>(385,448,678)</u>	<u>(73,457,247)</u>
(B) Non-current liabilities			
Long-term borrowings	3	100,000,000	21,500,000
Long-term provision	3A	856,703	346,850
(C) Current liabilities			
Short-term borrowings	4	424,100,000	194,600,000
Trade payables	5	42,242,668	24,445,295
Other current liabilities	6	11,071,720	52,798,043
Short-term provisions	7	2,064,044	747,656
Sub total (B)		<u>580,335,135</u>	<u>294,437,844</u>
TOTAL		<u>194,886,457</u>	<u>220,980,597</u>
ASSETS			
(D) Non current assets			
Fixed assets			
Tangible assets	8	29,844,999	39,152,480
Intangible assets	8A	120,547,385	169,208,809
Intangible assets under development		5,282,945	—
Long-term loans and advances	9	<u>5,000,592</u>	<u>3,990,000</u>
Sub total (C)		<u>160,675,921</u>	<u>212,351,289</u>
(E) Current assets			
Current Investments	10	7,046,530	—
Trade receivables		55,761	—
Cash and bank balance	11	1,346,024	2,900,364
Short-term loans and advances	12	25,762,221	5,728,944
Sub total (D)		<u>34,210,536</u>	<u>8,629,308</u>
TOTAL		<u>194,886,457</u>	<u>220,980,597</u>

Significant accounting policies and other notes to accounts 17

Notes referred to above form an integral part of the financial statements

As per our attached Report of even date

For S. V. GHATALIA & ASSOCIATES LLP

Firm registration no-103162W
Chartered Accountants

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

per Amit Kabra
Partner
Membership No. 94533

Anil Chirania
Director

Shriram Jagetiya
Director

Place : Mumbai
Date: 06/05/2013

Place : Mumbai
Date: 06/05/2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Notes	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
Amount in ₹			
Revenue from operations			
Other Income	13 A	2,648,170	—
		2,912,338	12,000
Total Revenue		<u>5,560,508</u>	<u>12,000</u>
Expenses			
Employee benefits expenses	14	50,412,788	12,959,400
Finance cost	15	29,929,647	16,851,481
Depreciation and amortisation expenses	8	70,200,409	6,190,273
Other expenses	16	167,009,095	22,685,449
Total Expenses		<u>317,551,939</u>	<u>58,686,603</u>
Loss before tax		(311,991,431)	(58,674,603)
Provision for tax:			
- Current tax		—	—
- Deferred tax		—	—
Loss after tax		(311,991,431)	(58,674,603)
Basic earnings per share - ₹		(31,199)	(5,867)
Diluted earnings per share - ₹		(31,199)	(5,867)
(Face value of ₹ 10/- each)			

Notes referred to above form an integral part of the financial statements

As per our attached Report of even date

For S. V. GHATALIA & ASSOCIATES LLP

Firm registration no-103162W
Chartered Accountants

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

per Amit Kabra
Partner
Membership No. 94533

Anil Chirania
Director

Shriram Jagetiya
Director

Place : Mumbai
Date: 06/05/2013

Place : Mumbai
Date: 06/05/2013

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2013

Particulars	Amount in ₹	
	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flow from operating activities		
Net loss before tax	(311,991,431)	(58,674,603)
Depreciation	70,200,409	6,190,273
Interest expenses	29,929,647	16,851,481
Operating profit before working capital changes	<u>(211,861,375)</u>	<u>(35,632,849)</u>
Adjustment for changes in working capital:		
(Increase)/Decrease in short term loans and advances	(19,983,558)	(5,728,944)
(Increase)/Decrease in long term loans and advances	(1,010,592)	(2,942,150)
Increase/(Decrease) in long-term provision	509,853	265,168
Increase/(Decrease) in trade payables	17,797,373	19,056,277
Increase/(Decrease) in other current liabilities	(41,726,323)	51,280,224
Increase/(Decrease) in short-term provisions	1,316,388	243,822
(Increase)/Decrease in Trade receivables	(55,761)	—
Cash from operating activities	<u>(255,013,995)</u>	<u>26,541,548</u>
Tax deducted at source	(49,719)	—
Net cash from operating activities (A)	(255,063,714)	26,541,548
B. Cash flow from investing activities		
Purchase of fixed assets	(12,231,504)	(152,426,696)
Advance payment for capital work in progress	(5,282,945)	—
Increase/(Decrease) in current Investment	(7,046,530)	—
Net cash from operating activities (B)	<u>(24,560,979)</u>	<u>(152,426,696)</u>
C. Cash flow from financing activities		
Proceeds from unsecured loan (net)		
Increase/(Decrease) in long-term borrowings	78,500,000	21,500,000
Increase/(Decrease) in short-term borrowings	229,500,000	120,250,000
Interest on unsecured loans	(29,929,647)	(16,851,481)
Net cash from financing activities (C)	<u>278,070,353</u>	<u>124,898,519</u>
Net increase in cash and cash equivalents during the year (A + B + C)	(1,554,340)	(986,629)
Cash and cash equivalent at beginning of the year	2,900,364	3,886,993
Cash and cash equivalent at end of the year	1,346,024	2,900,364
Notes :		
1) Cash and cash equivalents include :		
Cash in hand	—	—
Balance with Banks	1,346,024	2,900,364
Total	<u>1,346,024</u>	<u>2,900,364</u>

2) The figures for the previous period have been re-grouped/re-arranged wherever necessary.

As per our attached Report of even date

For S. V. GHATALIA & ASSOCIATES LLP
Firm registration no-103162W
Chartered Accountants

per Amit Kabra
Partner
Membership No. 94533

Place : Mumbai
Date : 06/05/2013

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

Anil Chirania
Director

Shriram Jagetiya
Director

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

Notes annexed to and forming part of the balance sheet

NOTE 1 - Share Capital

	As at March 31, 2012 ₹	As at March 31, 2013 ₹
Authorised :		
10,000 (Previous year 10,000) Equity Shares of ₹ 10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, Subscribed and Paid up:		
Equity Share Capital		
10,000 (Previous year 10,000) Equity Shares of ₹ 10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

1. Reconciliation of the number of shares outstanding at the beginning of the year

Description	As at March 31, 2013		As at March 31, 2012	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Number of shares outstanding at the beginning of the period	10000	—	10000	—
Issued during the year	—	—	—	—
Number of shares outstanding at the end of the period	10000	—	10000	—

2. Terms / Rights attached to Equity Shares :

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3. Shares held by the Holding Company :

All the Equity Shares are held by the holding company - Aditya Birla Financial Services Private Limited.

4. Shareholders holding more than 5%

Equity Share Capital

Aditya Birla Financial Services Private Limited - 10,000 (Ten Thousand) Equity Shares - 100%

Note 8 - Tangible Assets

	Furniture & Fixtures	IT Equip- ments	Office Equip- ment	Total
Gross Block				
As at 1 April 2011	—	75,644	7,900	83,544
Additions	466,152	39,806,266	61,978	40,334,396
Deletions/Adjustment	—	—	—	—
As at 31 March 2012	466,152	39,881,910	69,878	40,417,940
At 1 April 2012				
Cost	466,152	39,881,910	69,878	40,417,940
Additions	15,000	765,203	12,223	792,426
Deletions/Adjustment	—	—	—	—
As at 31 March 2013	481,152	40,647,113	82,101	41,210,366
As at 1 April 2011	—	2,174	1,269	3,443
For the year	372,870	861,801	27,346	1,262,017
Deletions/Adjustment	—	—	—	—
As at 31 March 2012	372,870	863,975	28,615	1,265,460
At 1 April 2012				
For the year	372,870	863,975	28,615	1,265,460
For the year	19,728	10,055,140	25,039	10,099,907
Deletions/Adjustment	—	—	—	—
As at 31 March 2013	392,598	10,919,115	53,654	11,365,367
Net book amount				
as at 31 March 2012	93,282	39,017,935	41,263	39,152,480
Net book amount				
as at 31 March 2013	88,554	29,727,998	28,447	29,844,999

NOTE 2 - Reserves and surplus

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Surplus / (Deficit) as per Statement of Profit & Loss :		
Balance as on April 1, 2012	(73,557,247)	(14,882,644)
Loss for the year	(311,991,431)	(58,674,603)
Net Surplus / (Deficit) in the Statement of Profit & Loss :	(385,548,678)	(73,557,247)
	<u>(385,548,678)</u>	<u>(73,557,247)</u>

NOTE 3 - Long term borrowings

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Loan from related party	100,000,000	21,500,000
	<u>100,000,000</u>	<u>21,500,000</u>

The Long Term Demand Loan from ABNL is repayable on 24 Months + Call and carries interest rate @ 0%

NOTE 3A - Long term provision

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Provision for gratuity	856,703	346,850
	<u>856,703</u>	<u>346,850</u>

NOTE 4 - Short term borrowings

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Loan from related party	424,100,000	194,600,000
	<u>424,100,000</u>	<u>194,600,000</u>

Payables for salaries, wages, bonus and other employees benefits
Payable for other expenses

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Payables for salaries, wages, bonus and other employees benefits	11,398,887	7,446,489
Payable for other expenses	30,843,781	16,998,806
	<u>42,242,668</u>	<u>24,445,295</u>

NOTE 6 - Other current liabilities

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Statutory dues	4,783,958	11,698,213
Rent equalisation liability	17,708	227,817
Payables for capital expenditure	5,586,042	40,872,013
Advance - Subscription Fees	684,012	—
	<u>11,071,720</u>	<u>52,798,043</u>

NOTE 7 - Short term provisions

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Provision for employee benefits :		
Provision for gratuity	13,223	11,844
Provision for leave encashment	2,050,821	735,812
	<u>2,064,044</u>	<u>747,656</u>

Note 8A - Intangible Assets

	Software	Total
Gross Block		
As at 1 April 2011	—	—
Additions	174,137,062	174,137,062
Deletions/Adjustment	—	—
As at 31 March 2012	174,137,062	174,137,062
At 1 April 2012		
Cost	174,137,062	174,137,062
Additions	12,809,399	12,809,399
Deletions/Adjustment	2,020,466	2,020,466
As at 31 March 2013	184,925,995	184,925,995
As at 1 April 2011	—	—
For the year	4,928,253	4,928,253
Deletions/Adjustment	—	—
As at 31 March 2012	4,928,253	4,928,253
At 1 April 2012		
For the year	4,928,253	4,928,253
For the year	60,100,502	60,100,502
Deletions/Adjustment	650,145	650,145
As at 31 March 2013	64,378,610	64,378,610
Net book amount as at 31 March 2012	169,208,809	169,208,809
Net book amount as at 31 March 2013	120,547,385	120,547,385

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

NOTE 9 - Long term loans and advances

Security deposits	5,000,592	3,990,000
	5,000,592	3,990,000

NOTE 10 - Current Investments

Investment - Birla Sun Life Mutual Fund	7,046,530	—
	7,046,530	—

NOTE 11 - Cash and bank balance

Cash and cash equivalent

Balances with Banks in Current account	1,346,024	2,900,364
Cash in hand	—	—
	1,346,024	2,900,364

NOTE 12 Short term loans and advances

(Unsecured, considered good)

Prepaid expenses	995,000	369,704
Service tax input credit	23,972,312	5,340,091
Advance to employees	15,000	15,000
Advance Tax (Net of Provision ` Nil, P.Y. - ` Nil)	49,719	—
Loans & advances to related parties	461,842	—
Others	268,348	4,149
	25,762,221	5,728,944

Notes annexed to and forming part of the statement of Profit and Loss

NOTE 13 - Revenue from operations

	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
Revenue from operations	398,170	—
Other Income (Web Link)	2,250,000	—
	2,648,170	—

NOTE 13A - Other Income

Dividend income from current investment	372,687	—
Excess Provision Written Back	2,539,651	—
Misc. Income	—	12,000
	2,912,338	12,000

NOTE 14 - Employee Benefit Expenses

Salaries and bonus	47,726,690	11,558,021
Contribution to provident and other funds	1,441,455	203,637
Staff welfare expenses	1,244,643	1,197,742
	50,412,788	12,959,400

NOTE 15 - Finance cost

Interest	29,929,647	16,851,481
	29,929,647	16,851,481

NOTE 16 - Other expenses

Repairs and maintenance		
Buildings	27,320	269,276
Others	26,039,864	6,239,186
Support Charges - Software / License	37,768,103	3,064,523
Electricity expenses	954,942	181,724
Bank Charges	716	11,911
Legal and professional fees	859,078	1,410,257
Commission and brokerage	168,436	443,333
Printing and stationery	72,167	131,740
Rates and taxes	13,350	108,275
Rent	9,282,111	2,235,255
Staff recruitment expenses	240,058	65,466
Communication cost	10,506,508	4,483,841
Travelling and conveyance	519,757	122,033
Sales promotion and marketing expenses	68,466,059	3,320,657
Assets utilisation expense	—	129,198
License expenses	7,621,260	—
Outsource Manpower expenses	228,000	120,161
Foreign Exchange Gain / (Loss)	1,136,622	—
Miscellaneous expenses	3,104,744	348,613
	167,009,095	22,685,449

Note No. 17 - Significant accounting policies and notes to accounts

(1) Corporate Information :

Aditya Birla Customer Services Private Limited (the 'Company') was incorporated on September 11, 2008 under the provisions of Companies Act, 1956. The main object the Company is to provide all kinds of financial services including but not limited to customer interaction, management services and consultancy services.

The Company has incurred loss during the financial year. The accumulated loss primarily reflects the start-up costs associated with the commencement of the business of the Company. During the current financial year, the Company has not yet commenced its operations.

Further, the Company's ultimate holding company viz. Aditya Birla Nuvo Limited has informed the Company of its intention of providing operational and financial support to the Company to meet its obligations as they fall due and accordingly, the financial statements have been prepared on a going concern basis.

(2) Basis of preparation :

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in Accounting Policy explained below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current - Non Current classification of assets and liabilities.

(3) Summary of significant accounting policies :

(a) Use of estimates :

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

(b) Tangible fixed assets :

Tangible assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

(i) Depreciation on Tangible assets is provided on Straight Line Method as per the useful lives of the assets estimated by the management as under:

	Estimated useful life
Furniture and fixtures	- 7 years
Computers	- 4 years
Office equipments	- 4 years

(ii) Assets costing ₹ 5,000 or less are written off in the year of purchase.

(c) Intangible fixed assets :

Intangible assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

(i) Intangible assets, viz. Software are amortised over a period of three financial years. Licenses are amortised over the period of license or three years whichever is earlier.

(d) Borrowing costs :

Borrowing Costs are charged to the Statement of profit and loss in the period in which they are incurred.

(e) Retirement and other employee benefits :

(a) Defined contribution plan :

The Company makes defined contribution to Government Employee Pension Fund and ESI which are recognised in the Statement Profit and Loss on accrual basis.

(b) Defined Benefit Plan :

The Company's liabilities under Payment of Gratuity Act, long term compensated absences and pension are determined on the basis

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

of actuarial valuation made at the end of each financial year using the projected unit credit method except for Short term compensated absences which are provided for based on estimates. Actuarial gain and losses are recognised immediately in the statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

Provident Fund contributions are made to a Trust administered by the Holding Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year and any shortfall in the Fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/ Gains are recognized in the Statement of Profit and Loss in the year in which they arise.

(f) **Taxation :**

Tax expense comprises of 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. 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 are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized 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.

(g) **Contingent Liabilities and Provisions:**

Contingent Liabilities

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 recognize a contingent liability but discloses its existence in the financial statements.

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.

(h) **Cash and Cash Equivalent :**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

(j) **Earnings Per Share :**

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

(4) The Company has accumulated losses of ₹ 38,55,48,678 (Previous year ₹ 7,35,57,247) as at the balance sheet date, resulting in a complete erosion of company's Net Worth. However, the company has been able to meet its obligations in the ordinary course of business and considering the financial support received and also the Letter of Support received from Aditya Birla Nuvo Limited (Ultimate Holding Company) these financial statements have been prepared assuming that the company will continue as a going concern.

(5) Communication cost includes prior period items ₹ 18,59,840 (Previous year ₹ Nil), Repair & Maintenance Others include prior period items ₹ 700,000 (Previous Year ₹ Nil)

(6) **Leases :**

Operating Lease Payments recognised in the Statement of profit and loss ₹ 86,04,617 (Previous Year ₹ 16,33,072)

The Company has taken certain office premises on cancellable and non cancellable operating lease

The future minimum lease rental payments in respect of non cancellable operating lease are as follows :

Particulars	As at March 31, 2013	As at March 31, 2012
Not later than one year	1,116,912	8,458,800
Later than One year and Not later than five years	4,374,572	29,605,800
Later than five years	—	—

(7) **Details of Auditors Remuneration :**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
As Auditor		
- Audit Fee	200,000	50,000
In Other Capacity		
- Reimbursement of Expenses	4,024	3,388
Total	204,024	53,388

(8) **During the year company has recognized deferred tax asset to the extent of deferred tax liability.**

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	7,407,503	17,937,083
Gross Deferred Tax Liability	7,407,503	17,937,083
Deferred Tax Asset		
Unabsorbed losses and allowances	140,821,688	45,054,125
Provision Gratuity	268,807	107,177
Provision Leave encashment	633,704	227,366
Gross Deferred Tax Assets	141,724,199	45,388,668
Deferred tax Asset/(Liability) (net)	134,316,696	27,451,585

As a prudent measure, deferred tax assets have not been recognised in the books of accounts.

(9) **Earnings per Share is calculated as under :**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Loss as per Statement of profit and loss :	(311,991,431)	(58,674,603)
Loss for EPS (A)	(311,991,431)	(58,674,603)
Weighted Average number of Outstanding Equity Shares for EPS : - Basic/diluted (B)	10,000	10,000
Earnings per Share (₹)		
- Basic/diluted (A)/(B)	(31,199)	(5,867)
Nominal value of Shares (₹)	10	10

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

(10) **Foreign Exchange**

Expenditure in foreign currency:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Travelling Exp	NIL	NIL
C.I.F. value of imports: Professional Services	40,624,041	0
Capital goods	0	25,660,974

(11) **Segmental Reporting**

Since the company operates in a single segment, no further disclosure is required to be given as per notified AS-17 'Segmental Reporting'

(12) **Additional Information Pursuant To Schedule VI**

Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of the Schedule VI to the Companies Act, 1956 is not provided, as these are not applicable to the Company.

(13) **Retirement Benefits :**

Defined Benefit plan :

The company operates two defined plans, viz., gratuity and leave encashment for its employees. Under the Gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The Scheme is nonfunded. Under the leave encashment plan, privilege leave can be encashed on separation from the Company on the basis of the last drawn basic salary

The following tables summaries the components of net benefit expense recognised in Statement of Profit and Loss and the funded status and the amounts recognised in the Balance Sheet for the respective plans

Statement of Profit and Loss

Net Employee Benefit Expense recognized in the Employee Cost

Particulars	Gratuity	
	31-Mar-13	31-Mar-12
Current service cost	464,596	130,976
Interest cost on obligation	31,386	10,790
Expected return on Plan Assets	NIL	9,406
Net Actuarial (gain) / loss recognised	15,250	(8,318)

Expense recognised in Statement of Profit and Loss

511,232 217,899

Balance Sheet

Benefit Asset / Liability

Present Value of Defined Benefit Obligation	869,926	358,694
Fair Value of Plan Assets	—	—

Plan (Asset) / Liability 869,926 358,694

Changes in the present value of the Defined Benefits Obligation are as follows :

Opening Defined Benefit Obligation	358,694	82,606
Liability in respect of Employees transferred	—	58,189
Current service cost	464,596	206,021
Interest Cost	31,386	20,196
Benefits paid	—	—
Actuarial (gains) / losses on obligation	15,250	(8,318)
Closing Defined Benefit Obligation	869,926	358,694

The principal assumptions used in determining Gratuity and Leave Encashment obligations for the company's plans are shown below:

	31-Mar-13	31-Mar-12
Rate of Interest	8.75%	8.75%
Salary growth	7.00%	7.00%

The details of the Company's defined benefit plans in respect of Holding Company owned Provident Fund Trust

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Contribution to Holding Company owned Provident Fund	1,313,428	140,881

Defined Contribution Plan :

The Company has recognized the following amounts as expenses and included in Note 14 in "Contribution to Provident and Other Funds"

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Contribution to Pension Fund	128,027	62,756
Contribution to ESIC	NIL	NIL

(14) **Related party transactions**

(a) List of Related Parties:-

Name and relationship with the parties:-

Parties where control exist:

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

Other related parties with whom the Company has entered into transactions during the year :

Fellow Subsidiaries	Aditya Birla Finance Limited Aditya Birla Money Mart Limited Birla Sun Life Insurance Company Ltd. Madura Garments Lifestyle & Retail Company Ltd. Aditya Birla Financial Shared Services Limited Birla Sun Life Asset Management Company Limited (w.e.f. 10th October 2012)
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The following inter company transactions and balance with holding companies and subsidiaries are included in the above figures under respective heads:- Figures of the previous periods have been regrouped/ rearranged wherever necessary.

(Amount in ₹)

Sr. No.	Particulars	Year Ended March 31, 2013 (Audited)	Year Ended March 31, 2012 (Audited)
1	Income	—	—
	Birla Sun Life Insurance Company Ltd.	2,250,000	—
2	Expenses		
	Aditya Birla Finance Limited - Interest on ICD	13,813,039	15,998,303
	Aditya Birla Nuvo Limited - Interest on ICD	565,069	—
	Madura Garments Lifestyle & Retail Co. Ltd. - Interest on ICD	10,219,601	—
	Birla Sun Life Asset Management Company Limited - Interest on ICD	5,221,866	—
	Aditya Birla Money Mart Limited - Interest on ICD	32,795	—
	Aditya Birla Finance Limited - Interest on other payments	—	116,213
	Aditya Birla Money Mart Limited - Advertisement Exp. (Net of Service Tax)	60,000	—
	- Expenses incurred by company on behalf of	—	—
	Aditya Birla Finance Limited (Other payment - Expenses reimbursement)	190,345	227,831
	Aditya Birla Money Mart Limited (Other payment-Expenses reimbursement - Excluding Ser. Tax of ₹ 231009)	1,868,991	1,818,134
	Aditya Birla Financial Shared Services Limited (Other payment - Expenses reimbursement)	1,785,358	—
3	Other Transactions		
	- Aditya Birla Finance Limited - (TDS payment)	—	7,625,288
	- Aditya Birla Money Mart Limited - (TDS payment)	—	—
	ICD taken during the year	—	6,428,562
	- Issue of Inter Company Deposits by Aditya Birla Money Mart Limited	6,000,000	—
	- Issue of Inter Company Deposits by Aditya Birla Nuvo Limited	239,000,000	21,500,000

ADITYA BIRLA CUSTOMER SERVICES PRIVATE LIMITED

Sr. No.	Particulars	Year Ended March 31, 2013 (Audited)	Year Ended March 31, 2012 (Audited)
	- Issue of Inter Company Deposits by Aditya Birla Finance Limited	194,600,000	194,600,000
	- Issue of Inter Company Deposits by Birla Sun Life Asset Management Company Limited	424,100,000	—
	- Issue of Inter Company Deposits by Madura Garments Lifestyle & Retail Company Ltd.	305,500,000	—
	ICD repay during the year		
	- Repayment of Inter Company Deposits to Aditya Birla Money Mart Limited	6,000,000	—
	- Repayment of Inter Company Deposits to Aditya Birla Nuvo Limited	160,500,000	—
	- Repayment of Inter Company Deposits to Aditya Birla Finance Limited	389,200,000	—
	- Repayment of Inter Company Deposits to Madura Garments Lifestyle & Retail Company Ltd.	305,500,000	—
4	Outstanding Balances		
	Receivables		
	Aditya Birla Financial Shared Services Limited	461,842	—
	Payables		
	Aditya Birla Finance Limited - Inter Company Deposits	—	194,600,000
	Aditya Birla Nuvo Limited - Interest free Inter Company Deposits	100,000,000	21,500,000
	Birla Sun Life Asset Management Company Limited - Inter Company Deposits	424,100,000	—
	Aditya Birla Finance Limited - Others	6,382	14,862
	Aditya Birla Financial Service Private Limited - Interest Free Advance	—	3,732,213
	Others		
	Equity shares capital held by the Company		
	Aditya Birla Financial Service Private Limited - Equity Share Capital	100,000	100,000

(15) Pre-operative expenses capitalised during the year

Particulars	Current Year	Previous Year
Salaries and Wages	—	16,884,036
Repairs & Maintenance - Others	—	6,179,186
Rent	—	3,635,318
Software Testing Expenses	—	10,089,935
Miscellaneous Expenses	—	991,548
Travelling Expenses	—	278,577
Legal and Professional Expenses	—	1,145,425
Communication Expenses	—	159,535
Total	—	39,363,560.00
Add: Amount Brought Forward from previous year	—	4,455,918.00
Less: Amount Capitalised During the year	—	43,819,478.00
Balance Pending Allocation	—	—

As per our attached Report of even date

For S. V. GHATALIA & ASSOCIATES LLP

Firm registration no-103162W
Chartered Accountants

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

per Amit Kabra

Partner
Membership No. 94533

Anil Chirania

Director

Shriram Jagetiya

Director

Place : Mumbai
Date : 06/05/2013

Place : Mumbai
Date : 06/05/2013

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors are pleased to present the Fifth Annual Report of Aditya Birla Financial Shared Services Limited ("the Company") for the year ended 31st March 2013.

1. OPERATIONAL PERFORMANCE

The Company provides a common pool of facilities and resources like technology, application, business processes etc., to Companies of the Aditya Birla Financial Services Group ('ABFSG'), with a view to optimize the benefits of specialization and minimize cost for each such company.

Accordingly, there has been no income and expenditure for the Company. All expenses are shared by the respective ABFSG companies.

2. DIVIDEND

In view of no profit, your Directors do not recommend any dividend for the year under review

3. SHARE CAPITAL

The Authorised Share Capital of the Company is Rs.5 Lakh. The Paid up, Issued and Subscribed Capital of the Company is Rs 5 Lakh, comprising of 50,000 equity shares of Rs. 10 each as on March 31, 2013. There was no capital infusion during the year under review.

4. SUBSIDIARY

Your Company do not have any subsidiary.

5. PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

6. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The information relating to the conservation of Energy and Technology Absorption required under section 217(1)(e) of the Companies Act, 1956 ("the Act 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. There were no employees falling under the purview of section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975, and hence the particulars are not furnished.

7. DIRECTORS

As on March 31, 2013, your Board of Directors comprises of 3 Directors. In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Pankaj Razdan retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his reappointment. The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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;
- the attached Statement of Accounts for the period ended March 31, 2013 have been prepared on a "going concern basis";
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in notes to accounts at Note 13 in terms of Accounting Standard 18.

9. AUDITORS AND AUDITORS' REPORT

M/s. Haribhakti & Co., Chartered Accountants, Mumbai, (Registration No.103523W), hold office as the Statutory Auditors of the Company up to the ensuing Annual General Meeting and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI. The Board recommends the re-appointment of M/s Haribhakti & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company. 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

10. APPRECIATION

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by stakeholders from time to time. Your Directors express their gratitude to the clients, bankers and all business associates and ABFSG Companies for their continuous support and patronage to the Company. Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board of Directors

G. V. Gopalakrishnan
Director

Pankaj Razdan
Director

Place: Mumbai
Date: May 02, 2013

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS OF ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Financial Shared Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, the company has not made any profit nor loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Haribhakti & Co.**,
Chartered Accountants,
Firm Registration No.103523W

Rakesh Rathi
Partner
Membership No.45228

Place: Mumbai,
Date : May 2, 2013

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Aditya Birla Financial Shared Services Limited on the financial statements for the year ended March 31, 2013]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the period by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) The clause (ii), Para 4 is not reported upon as it is not applicable to the Company.
- (iii) 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. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the providing services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) According to the information and explanations given to us, we are of the opinion that the Company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, profession tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, profession tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Income tax and service tax which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from financial institution, bank and Company has not issued any debenture.
- (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 loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**,
Chartered Accountants,
Firm Registration No.103523VV

Rakesh Rathi
Partner

Membership No.45228

Place: Mumbai,
Date : May 2, 2013

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Balance Sheet as as 31st March 2013

	Schedule	As at March 31, 2013 ₹	As at March 31, 2012 ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share Capital	2	500,000	500,000
Reserves and Surplus	3	122,947	122,947
		622,947	622,947
Non-current liabilities			
Long-term borrowings	4	57,525,597	56,788,200
Long-term provisions	5	1,235,445	688,454
		58,761,042	57,476,654
Current liabilities			
Trade payables	6	13,395,215	20,690,543
Other Current liabilities	7	33,017,710	23,432,965
Short-term provisions	8	10,978,742	6,338,812
		57,391,667	50,462,320
TOTAL		116,775,656	108,561,922
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible assets	9A	25,963,945	28,810,044
Intangible assets	9B	38,396,541	28,617,396
Capital work-in-progress		—	4,771,363
		64,360,486	62,198,803
Long-term loans and advances	10	1,917,366	6,658,717
		1,917,366	6,658,717
Current Assets			
Cash & Bank Balance	11	1,667,126	6,042,557
Short-term loans and advances	12	40,778,613	21,776,389
Other Current Assets	13	8,052,066	11,885,456
		50,497,805	39,704,402
TOTAL		116,775,656	108,561,922
See Accompanying Notes to the Financial Statement	1		

Statement of Profit and loss for the period ended 31st March 2013

	Note No	Year Ended 31-Mar-13 ₹	Year Ended 31-Mar-12 ₹
Other Income	14	—	184,100.00
Total Revenue		—	184,100.00
Expenses			
Employee benefits expenses	15	—	—
Finance Cost	16	—	—
Depreciation and amortisation expenses	17	—	—
Other expenses	18	—	—
Total Expenses		—	—
Profit before exceptional items and tax		—	184,100.00
Exceptional items (Note reference to be added)		—	—
Profit before tax		—	184,100.00
Tax expenses			
Current tax		—	61,153.00
Deferred tax		—	—
Profit (Loss) for the period		—	122,947.00
Basic Earnings per Share - ₹			
Diluted Earnings per Share - ₹ (Face Value of ₹ 10/- each)	19	—	2.46

See Accompanying Notes to the Financial Statement

As per our Report attached

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm registration no. 103523W

RAKESH RATHI
Partner
Membership No. 45228

Place : Mumbai
Dated : May 02, 2013

For and on behalf of Board of Directors

G. V. GOPALAKRISHNAN
Director

PANKAJ RAZDAN
Director

As per our Report attached

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm registration no. 103523W

RAKESH RATHI
Partner
Membership No. 45228

Place : Mumbai
Dated : May 02, 2013

For and on behalf of Board of Directors

G. V. GOPALAKRISHNAN
Director

PANKAJ RAZDAN
Director

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Cash Flow Statement for the year ended 31st Mar 2012 (as per indirect method)

Particulars	For the year ended March 2013 ₹	For the year ended March 2012 ₹
Cash flow from operating activities		
Net Profit as per Profit & Loss Account before taxes	—	184,100
<i>Adjustment for Non Cash Items</i>		
Add: Depreciation	29,812,173	22,957,298
<i>Operating Profit before working capital changes</i>	<u>29,812,173</u>	<u>23,141,398</u>
(Increase) / Decrease in Current Assets	(15,110,122)	(11,104,797)
Increase / (Decrease) in Current Liabilities	(27,252,121)	5,687,000
Net cash flow from operating activities before Taxes	<u>(12,550,070)</u>	<u>17,723,601</u>
Less : Taxes Paid		61,153
Net cash flow from operating activities (A)	(12,550,070)	17,662,448
Cash flow from investing activities		
Purchase of fixed assets	(3,672,393)	(35,749,588)
Sale of fixed assets	—	1,361,530
Net cash from Investing activities (B)	(3,672,393)	(34,388,058)
Cash flow from financing activities		
Loans taken (net)	8,537,645	19,968,113.00
Net cash inflow from financing activities (C)	8,537,645	19,968,113
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(7,684,818)	3,242,503
Cash and cash equivalents at beginning of the year	6,042,557	2,800,054
Cash and cash equivalents at end of the year	1,642,261	6,042,557

As per our attached Report of even date

For and on behalf of the Board

Haribhakti & Co.,
Chartered Accountants
Firm Registration No : 103523W

Rakesh Rathi
Partner
Membership No. 45228

G.V. Gopalakrishnan
Director

Pankaj Razdan
Director

Place : Mumbai
Dated : May 02, 2013

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (NOTES) FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 1

A. COMPANY OVERVIEW:

Aditya Birla Financial Shared Services Limited ('the Company') was incorporated on 19th June 2008. It is a subsidiary of Aditya Birla Financial Services Private Limited. The object of this Company is to provide a common pool of facilities and resources like providing technology, application and business process services to its group companies, with a view to optimize the benefits of specialisation and minimize the cost for each member company. The member companies have participated in the common pool of facilities and shared the expenses incurred by the Company and member companies.

B. Significant Accounting Policies:

1.1 Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

1.2 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

1.3 Cash and Cash Equivalents

Cash and cash equivalents represent cash and balance with scheduled banks in current account.

1.4 Tangible & Intangible Assets

Fixed assets are stated at cost less accumulated depreciation / amortization as adjusted for impairment, if any. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit / functioning capability from / of such assets.

All expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and Loss during the year in which they are incurred. Depreciation is charged over the estimated useful life of the fixed asset on a straight-line basis.

Gains or Losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and carrying amount of the asset and is recognized in the Statement of Profit and Loss.

1.5 Depreciation / Amortization

Depreciation on fixed assets is charged for the complete month, if acquired in the first half of the month. Depreciation on Fixed Assets is provided on straight-line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except for certain assets, where based on the Management's estimate of the useful lives of the assets, higher depreciation has been provided at the following rates:

Asset Type	Management's estimate of useful life (In years)
i) Intangible Assets (Softwares)	3 years
ii) Office Computers & Servers	4 years
iii) Furniture & Fixtures	5 years
iv) Vehicles	5 years
v) Office Equipments	5 years

Fixed assets having an original cost of less than ₹ 5,000 individually are depreciated fully in the year of purchase.

1.6 Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the rates existing as at the balance sheet date. The resulting exchange gain or loss for revenue transactions is reflected in the profit and loss account.

1.7 Employee Benefits

A) Provident Fund

The Company has established defined contribution scheme for provident fund to provide retirement benefits to its employees. Contributions to Provident fund are made on a monthly basis and are charged to statement of profit and loss when due.

B) Gratuity

Gratuity liability is defined benefit obligation and is non funded. The Company accounts for liability for future gratuity benefits based on independent Actuarial valuation done as per revised Accounting Standard 15.

C) Leave Encashment

Compensated absences are entitled to be carried forward for future encashment or availment, at the option of the employee during the tenure of the employment, subject to the rules framed by the company in this regard. Accumulated compensated absences entitlements outstanding at the close of the year are accounted on the basis of an independent actuarial valuation. Accumulated entitlements at the time of separation are entitled to be encashed.

1.8 Finance Leases

Assets acquired under finance leases are capitalised at the fair value of the leased asset at the inception of the lease and are depreciated on a straight-line basis over the useful life in accordance with the Company's depreciation policy.

1.9 Operating lease

Lease where the lessor effectively retains substantially all the risks and benefits and ownership over the lease term are classified as Operating leases. Operating lease rentals are recognized as an expense on straight line basis over the lease period.

1.10 Income-Tax

The accounting treatment for income-tax in respect of the Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The provision made for income-tax in the accounts comprises both, the current tax and deferred tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognized in the statement of Profit & Loss and the cumulative effect thereof is reflected in the Balance Sheet.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

1.11 Impairment of Assets

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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any, is charged to statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

1.12 Provision for Contingencies

A provision is recognized when the Company has a present obligation as a result of past event/s 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 best 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 best estimates.

Contingent liabilities are not provided for in the accounts and are disclosed by way of notes. A contingent asset is neither recognised nor disclosed.

1.13 Earnings per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Notes Forming Part Of Financial Statements For The Year Ended 31st March, 2013 :

1) Employee Benefits

The Company has classified the various benefits provided to employees as under:

Defined Contribution Plans

Contributions to defined contribution plans recognized as expense for the year are as under:

	Current Year ₹	Previous Year ₹
Employer's Contribution to Government Employee Provident Fund	1,386,487	1,043,572
Employer's Contribution to Government Employee Pension Fund	234,794	195,301

Defined Benefit Plan

Gratuity is payable to all eligible employees on superannuation, death or on separation / termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The following table sets out the unfunded status of the gratuity plan and unfunded status of paid leave encashment and the amounts recognized in the Company's financial statements as at 31 March 2013.

a) Change in present Value of Obligation

	Current Year ₹ Gratuity (Unfunded)	Previous Year ₹ Gratuity (Unfunded)
Present Value of Obligation as at 1st April 2012	6,91,420	3,94,783
Interest Cost	76,732	33,557
Current Service Cost	4,76,595	3,71,607
Benefits Paid	-76,555	Nil
Actuarial (Gain)/ loss on Obligation	84,132	(1,08,527)
Present Value of Obligation as at 1st April 2012	12,52,324	6,91,420
Present value of obligation, as at 31 March 2013	12,52,324	6,91,420
Fair value of plan assets as at 31st March 2013	Nil	Nil
Assets / (Liabilities) recognized in the Balance Sheet	12,52,324	6,91,420

b) Expenses recognized during the year

	Current Year ₹ Gratuity (Unfunded)	Previous Year ₹ Gratuity (Unfunded)
Current Service Cost	4,76,595	3,71,607
Interest Cost	76,732	33,557
Expected return on plan assets	NIL	NIL
Net Actuarial (gain)/loss to be recognised	84,132	(1,08,527)
Net Cost	6,37,459	2,96,637

c) Assumptions used in Accounting for the Gratuity Plan

	LIC (1994-96)	LIC (1994-96)
Mortality rate	8.50%	8.50%
Discount rate (p.a.)	7.00%	7.00%
Salary escalation rate (p.a.)	8.50%	8.50%
Expected rate of return on plan assets (p.a.)		

d) Experience Adjustments :

	10,88,205	6,91,420
Present Value of Defined Benefit Obligation		
Fair Value of Plan Assets	NIL	NIL
(Surplus)/Deficit	10,88,205	6,91,420
Experience adjustment on Plan Liability (Gain)/ Loss for the year ending 31.3.2012	(34,567)	2,06,021
Experience adjustment on Plan Assets (Gain)/ Loss for the year ending 31.3.2012	NIL	NIL

* Previous Year Figures are not available

2. Related Party Disclosures under Accounting Standard 18:

During the year ended 31st March 2013, the Company has had transactions with related parties as defined in Accounting Standard 18 on "Related Party Disclosures". Related Parties have been identified by the management on the basis of the information available with the Company. Details of these parties with whom the Company has had transactions, nature of the relationship, transactions with them and balances at year-end, are detailed in Annexure 1. :

3. Deferred Tax (Net)

Deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. During the year there is no deferred tax in the books.

4. Segment Information

The Company has single reporting segment i.e. to provide for common pool of facilities and resources identified to Aditya Birla Group Companies. As such, there are no separate reportable segments as per Accounting Standards 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

5. Contingent Liabilities And Commitments:

There are no contingent liabilities as at March 31, 2013. (Previous year : ₹ : Nil)
Value of estimated contracts remaining to be executed on capital account not provided for is ₹ 16,58,215 (Previous year: ₹ 2,12,93,800).

6. Assets acquired under finance leases

Fixed assets stated below as at 31st March 2012 have been acquired on finance lease.

Computers & Servers

Financial Year	Cost	Accumulated Depreciation	Net Book Value
Current Year (₹)	3,791,933	428,976	3,362,956
Previous Year (₹)	15,396,130	920,634	14,475,496

The lease rentals charged during the current year and the maximum obligations on finance leases payable at the balance sheet date, as per the rentals stated in the agreements are as follows:

Particulars	Current Year ₹	Previous Year ₹
Lease payments made	13,873,183	8,150,327
Interest paid	3,183,910	2,823,395
Present Value of lease payments	10,973,722	10,973,722

Particulars	Not Later than One Year	Later Than One year but not later than five years	Later Than five years
Minimum Lease payment outstanding	7,533,417 (6,688,737)	12,742,130 (20,154,839)	Nil
Future Interest Outstanding	2,167,779 (3,012,459)	1,633,829 (3,927,807)	Nil
Present Value of lease payments	9,701,196 (9,701,196)	14,375,959 (2,408,246)	Nil

Previous year Figures are shown in bracket

7. Operating leases

Particulars	Current Year ₹	Previous Year ₹
A) Operating Lease payment recognised into Profit and Loss Account: The Company has taken certain leasehold Improvements, Furniture & Fixtures and Office equipments on Cancellable / Non-cancellable operating lease.	1,803,832	1,804,604
B) The future minimum lease rental payments in respect of non-cancellable operating lease are as follows:		
i) Not later than one year	1,803,832	1,804,604
ii) Later than one year and not later than five years	2,255,755	4,060,359
iii) Later than five years	NIL	NIL

For and on behalf of the Board of Directors

G.V. Gopalakrishnan
Director

Pankaj Razdan
Director

Place : Mumbai

Date : May 02, 2013

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Notes forming part of the Financial Statement for the year ended 31st March 2013

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Note: 2		
Share capital		
Authorised:		
50000 Equity Shares (P Y 50000 EQ Sh) of ₹ 10 each	500000	500000
Total	500000	500000

Issued, Subscribed & Paid up:

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
EQUITY SHARE CAPITAL		
50000 Equity Shares (P Y 50000 EQ Sh) of ₹ 10 each	500000	500000
Total	500000	500000

1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

S No	Description	As at March 31, 2013		As at March 31, 2012	
		Equity Shares	Rupees	Equity Shares	Rupees
1	No of Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
2	Issued / Buyback	—	—	—	—
3	No of Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

2 Term/right attached to equity shares

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

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

3 All the Equity Share Capital are held by its Holding company i.e Aditya Birla Financial Services Private Limited

i) Equity Shares

Name of Share Holder	As at 31-Mar-13		As at 31-Mar-12	
	No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
Aditya Birla Financial Services Private Limited	50,000	100	50,000	100

4 Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

i) Equity Shares

Name of Share Holder	As at 31-Mar-13		As at 31-Mar-12	
	No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
Aditya Birla Financial Services Private Limited	50,000	100	50,000	100

As at
31-Mar-2013

As at
31-Mar-2012

NOTE: 3

RESERVES & SURPLUS

Surplus as per statement of Profit & Loss Account

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Opening Balance	122,947	—
(+) Net profit for the current year	—	122,947
Total	122,947	122,947

NOTE 4

LONG-TERM BORROWINGS

SECURED LOANS

Long term Maturities of Finance Lease Obligation 13,716,783 20,154,496

Taken from Hewlett Packard Financial Sales India Pvt. Ltd againsts IT hardware and equipment of the Company situated at Mumbai.

Repayment Terms : Between 9 - 20 Quarterly Instalments Amounting to ₹ 28,25,299 from 1st April 2012 till 1st January 2017 with interest ranging from 12.90 to 13.90 percent per annum

As at
31-Mar-2012
₹

As at
31-Mar-2011
₹

13,716,783

20,154,496

UNSECURED LOANS

Loan taken from company other than Bank 43,808,814 36,633,704

Taken from Hewlett Packard Financial Sales India Pvt. Ltd. A comfort letter of Aditya Birla Nuvo Limited dated July 18, 2009 is issued to the lender

Repayment Terms : Between 9 - 20 Quarterly Instalments Amounting to ₹ 44,74,925 from 1st April 2012 till 1st January 2017 with interest ranging from 9.75 to 10.50 percent per annum

43,808,814

36,633,704

LONG-TERM BORROWINGS

57,525,597

56,788,200

NOTE 5

LONG-TERM PROVISIONS

Provisions for Employee Benefits

Gratuity (Non Funded) 1,235,445 688,454

1,235,445

688,454

NOTE 6

TRADE PAYABLES

Trade Payables 13,395,215 20,690,543

13,395,215

20,690,543

Disclosure under Sec. 22 of MSMED Act, 200

(Chapter V - Delayed Payment to Micro and Small Enterprises)

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, 2013. 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 7

OTHER CURRENT LIABILITIES

Current Maturities of Finance Lease Obligations 9,701,196 6,688,737

Current Maturities of Loan from Other Company 17,899,700 13,111,911

Interest accrued but not due on

Long Term Borrowings 1,407,635 1,302,342

Statutory dues 4,009,179 2,329,975

33,017,710

23,432,965

NOTE 8

SHORT-TERM PROVISIONS

Provisions for Employee Benefits

Leave Encashment 2,087,379 1,328,005

Gratuity (Non Funded) 16,879 2,966

Bonus 8,874,484 5,007,841

10,978,742

6,338,812

SHORT-TERM PROVISIONS

10,978,742

6,338,812

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2012

NOTE 9A TANGIBLE ASSETS

	Computer & Servers	Furniture & Fixtures	Vehicles	Office Equipment	TOTAL
Gross Block					
As at 1 April 2011	27,509,943	261,981	0	47,840	27,819,764
Additions	15,529,270	0	0	0	15,529,270
Deletions/Adjustment			0		0
As at 31 March 2012	43,039,213	261,981	0	47,840	43,349,034
Additions	8,849,425	0	0	0	8,849,425
Deletions/Adjustment	0	0	0	0	0
As at 31 March 2013	51,888,638	261,981	0	47,840	52,198,459
Accumulated Depreciation					
As at 1 April 2011	6,600,401	47,247	0	14,763	6,662,411
For the year	7,816,889	52,392	0	7,298	7,876,579
Deletions/Adjustment	0	0	0	0	0
As at 31 March 2012	14,417,290	99,639	0	22,061	14,538,990
For the year	11,635,836	52,392	0	7,296	11,695,524
Impairment					0
Deletions/Adjustment					0
As at 31 March 2013	26,053,126	152,031	0	29,357	26,234,514
Net book amount as at 31 March 2012	28,621,923	162,342	0	25,779	28,810,044
Net book amount as at 31 March 2013	25,835,512	109,950	0	18,483	25,963,945

NOTE 9B INTANGIBLE ASSETS

	Specialised Software	TOTAL
Gross Block		
As at 1 April 2011	45,817,247	45,817,247
Additions	20,220,318	20,220,318
Deletions/Adjustment	4,135,532	4,135,532
As at 31 March 2012	61,902,033	61,902,033
Additions	27,895,794	27,895,794
Deletions/Adjustment	0	0
As at 31 March 2013	89,797,827	89,797,827
Accumulated Amortization		
As at 1 April 2011	18,203,918	18,203,918
For the year	15,103,790	15,103,790
Deletions/Adjustment	23,071	23,071
As at 31 March 2012	33,284,637	33,284,637
For the year	18,116,649	18,116,649
Impairment	0	0
Deletions/Adjustment	0	0
As at 31 March 2013	51,401,286	51,401,286
Net book amount as at 31 March 2012	28,617,396	28,617,396
Net book amount as at 31 March 2013	38,396,541	38,396,541

NOTE 10

LONG-TERM LOANS & ADVANCES

(unsecured considered Good)

Capital Advance		4,682,639
Prepaid Expenses	208,967	267,679
Security Deposits	1,708,399	1,708,399
LONG-TERM LOANS & ADVANCES	1,917,366	6,658,717

NOTE 11

CASH & BANK BALANCE

Cash & Cash Equivalent

Balances with Bank		
Current Accounts	1,667,126	6,042,557
	1,667,126	6,042,557

NOTE 12

SHORT-TERM LOANS & ADVANCES

(Unsecured, Considered Good)

Service Tax Input Credit / Receivable	3,340,272	1,650,066
Advance tax / TDS (net of provision for ₹ 152,840/- P.Y ₹ 152,840/-)	25,957,426	10,832,175
Prepaid expenses	11,480,915	9,294,147
SHORT-TERM LOANS & ADVANCES	40,778,613	21,776,388

NOTE 13

OTHER CURRENT ASSET

(Unsecured, Considered Good)

Reimbursement of expenses receivable from Related Parties (Refer to Annexure I)	8,052,066	11,885,456
	8,052,066	11,885,456

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Notes Forming Part of Financial Statements for The Year Ended 31st March, 2013

	Year Ended 31-Mar-13	Year Ended 31-Mar-12		Current Year	Previous Year
NOTE 14			NOTE 19		
OTHER INCOME			EARNING PER SHARE		
Miscellaneous income			Earnings per Share (EPS) is calculated as under:		
Recovery of Expenses	—	—	Net Profit as per Profit and Loss account	—	122,947.00
Interest on Income Tax refund	—	184,100	Less: Preference Dividend and tax thereon	—	—
	<u>—</u>	<u>184,100</u>	Net Profit for EPS - A	—	122,947.00
	<u><u>—</u></u>	<u><u>184,100</u></u>	Weighted average number of Equity Shares for calculation of Basic EPS - B		
NOTE 15			- Basic EPS (₹) A/B	—	2.46
EMPLOYEE BENEFIT EXPENSES			Weighted average number of Equity Shares outstanding		
Salaries, Wages and Bonus	48,192,032	34,494,901	Add: Shares held in Abeyance		
Contribution to Provident & Other Funds	1,621,281	1,238,873	Add: Dilutive impact of employee stock options		
Staff Welfare Expenses	1,410,177	1,279,985	Weighted average number of Equity Shares for calculation of		
	<u>51,223,490</u>	<u>37,013,759</u>	Diluted EPS C		
Less : Recovery as Professional Services Cost	<u>(51,223,490)</u>	<u>(37,013,759)</u>	- Diluted EPS (₹) A/C	—	2.46
	<u><u>—</u></u>	<u><u>—</u></u>	Nominal Value of Shares (₹)	10.00	10.00
NOTE 16					
FINANCE COST					
Interest on Finance Lease Obligation	9,718,706	6,717,070			
Less : Recovery as Professional Services Cost	<u>(9,718,706)</u>	<u>(6,717,070)</u>			
	<u><u>—</u></u>	<u><u>—</u></u>			
NOTE 17					
DEPRECIATION AND AMORTISATION					
Depreciation on Tangible Assets	11,695,524	7,876,579			
Depreciation on Intangible Assets	18,116,649	15,080,719			
	<u>29,812,173</u>	<u>22,957,298</u>			
Less : Recovery as Professional Services Cost	<u>(29,812,173)</u>	<u>(22,957,298)</u>			
	<u><u>—</u></u>	<u><u>—</u></u>			
NOTE 18					
OTHER EXPENSES					
Rent	5,525,028	5,845,234			
Repairs & Maintenance - Others	1,060,045	1,638,063			
Insurance	495,432	616,943			
Legal & Profession Fees	23,720,531	20,421,283			
Auditors Remuneration					
Audit Fees	135,000	112,500			
Tax Audit fees	40,000	40,000			
Software & Support Expenses	30,809,881	17,936,307			
Electricity charges	508,818	461,797			
Printing & Stationery	305,476	1,335,384			
Travelling & Conveyance	2,106,585	1,199,536			
Communication Expenses	1,531,151	2,033,084			
Miscellaneous Expenses	53,928	38,734			
Security Expenses	251,442	240,535			
Registration Expenses	206,726	82,202			
Recruitment fees	180,491	513,831			
	<u>66,930,533</u>	<u>52,515,433</u>			
Less : Recovery as Professional Services Cost	<u>(66,930,533)</u>	<u>(52,515,433)</u>			
	<u><u>—</u></u>	<u><u>—</u></u>			

ADITYA BIRLA FINANCIAL SHARED SERVICES LIMITED

Disclosures in Terms of Accounting Standard 18 on Related Party Disclosure for the year ended 31st March, 2013

(A) Enterprises where control exists

Holding Company

1) Aditya Birla Financial Services Pvt. Ltd

Annexure : 1

Disclosures in respect of transactions with related parties and outstanding balances as at the period end : 31st March 2013

Sr. No.	Name of the related party with whom the transaction has been made	Description of Relationship with the party	Nature of Transaction	For the year ended on 3/31/2013	For the year ended on 3/31/2012	Amount Outstanding as recoverable/ (payable) 3/31/2013	Amount Outstanding as recoverable/ (payable) 3/31/2012
1	2	3	4	5	6	7	8
1	Aditya Birla Minacs Worldwide Ltd	Fellow Subsidiary	Reimbursement of Expenses Payable	106,297	1,211,057	—	(280,882)
2	Aditya Birla Money Mart Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable. (net of service tax ₹ 818438)	6,621,670	8,117,580	4,651,619	6,701,980
			b) Reimbursement of expenses Payable	46,403	—	—	—
3	Aditya Birla Capital Advisors Private Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable	135,888	38,175	(1,261)	—
4	Aditya Birla Money Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable	10,098,688	6,734,373	1,478,342	757,925
5	Aditya Birla Insurance Brokers Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable	1,682,598	845,061	523,763	3,078
6	Aditya Birla Finance Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable	5,433,415	4,730,755	1,398,731	1,058,725
7	Birla Sun Life Insurance Company Limited	Fellow Subsidiary	a) Reimbursement of expenses receivable.	119,381,328	86,247,376	(301,164)	193,807
			b) Reimbursement of expenses Payable	4,340,857	2,903,827	—	—
8	Birla Sun Life Asset Management Company Limited (upto 10th October 2012)	Joint Venture of Holding Company	a) Reimbursement of expenses receivable.	14,939,339	23,932,101	—	3,173,019
9	Birla Sun Life Asset Management Company Limited (W.e.f. 10th Oct 2012)	Fellow Subsidiary	a) Reimbursement of expenses receivable.	18,117,214	—	(1,771,619)	—
10	Aditya Birla Customer Services Pvt.Ltd.	Fellow Subsidiary	a) Reimbursement of expenses receivable.	1,785,358	—	(461,842)	—
11	Adity Birla Financial Services Pvt. Ltd	Holding Company	Reimbursement of Expenses Payable	49,733	—	—	—

ADITYA BIRLA INSURANCE BROKERS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the Eleventh Annual Report, together with the audited statement of accounts of Aditya Birla Insurance Brokers Limited ("the Company") for the year ended March 31, 2013.

FINANCIAL PERFORMANCE:

The financial highlights of the year are as follows:

Particulars	Rs. in Cr	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Total Income	60.01	33.74
Total Expenses	42.69	23.70
Profit before depreciation / amortisation and tax	17.32	10.05
Less: Depreciation / amortization	0.90	1.11
Profit Before Tax	16.42	8.94
Less: Provision for tax including fringe benefit tax and deferred tax	5.25	3.12
Profit After Tax	11.17	5.82
Balance of Profit brought from the previous year	18.93	18.87
Profit Before Appropriations	30.10	24.69
Proposed Dividend on Equity Shares	4.46	4.46
Corporate Dividend Tax	0.72	0.72
General Reserve	1.12	0.58
Balance of Profit / (Loss) carried to Balance Sheet - (A)	23.80	18.93
Opening balance of General Reserve	0.58	NIL
Add: Transfer from surplus in Statement of Profit and Loss	1.12	0.58
Balance of General Reserve carried to Balance Sheet - (B)	1.70	0.58
Total balance of Reserves and Surplus in Balance Sheet - (A+B)	25.50	19.51

OPERATIONAL REVIEW:

The Company's performance during 2012-13 was extremely satisfactory. There was a growth in the premium from Rs. 304 Crore to Rs. 634 Crore. There was a growth in revenue from Rs. 3,374 Lakh to Rs. 6,001 Lakh and growth in PBT from Rs. 894 Lakh to Rs. 1,642 Lakh. This is mainly due to restructuring the business model.

The Company made a net profit after tax of Rs.1,117 Lakh as against Rs. 582 Lakh in the previous year, a growth of 92% year-on-year.

BUSINESS PROSPECTS:

The general insurance industry expected to grow by 20% last year. This year too, the industry is expected to grow by about 20%. There is a greater acceptability of the brokers though the competition is intense. The margins continue to remain under pressure.

At the Company level, various initiatives in the retails segment are being implemented with the assistance of technology upgradation. Further, greater emphasis is being laid on non-group business. Initiatives are being taken to generate new business at the branch offices to generate larger volumes for corporate business. Also, greater thrust is being laid on the reinsurance marketing.

DIVIDEND:

Your directors recommend dividend of 165% this year which is the same as was declared in the previous year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;

2. Your Directors have selected such accounting policies and applied them consistently and made 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 at the end of the financial year ended on March 31, 2013 and of the profit of the Company for that year;
3. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Your Directors have prepared the attached Statement of Accounts for the year ended March 31, 2013 on a going concern basis.

DIRECTORS:

Mr. G. K. Tulsian retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Your Board recommends his re-appointment.

AUDITORS:

M/s S. V. Ghatalia & Associates LLP, Chartered Accountants have expressed their willingness and have issued us letter stating that if appointed, their appointment will be within the ceiling specified under Section 224(1B) of the Companies Act, 1956.

Your Board recommends the appointment of M/s S. V. Ghatalia & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company. The members are requested to appoint the Auditors and authorise the Board to fix their remuneration.

AUDITORS' REPORT:

The Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

FIXED DEPOSITS:

The Company has not accepted or renewed any deposit as covered under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 from public during the year under review

PARTICULARS OF EMPLOYEES:

The Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 are given in a separate statement attached to this Report and forms part of it.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The requirements of disclosures in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of the Particulars in the Report of the Board of Directors) Rules, 1988 pertaining to the conservation of energy and technology absorption are not applicable to the Company due to the very nature of the industry in which it operates.

The information on Foreign Exchange earnings and outgo is contained in Schedule 15 of Accounts.

SECRETARIAL COMPLIANCE CERTIFICATE:

Secretarial Compliance Certificate as required under Section 383A(1) of the Companies Act, 1956, as amended by Companies (Appointment and Qualifications of Secretary) Amendment Rules, 2009 - Amendment in Rule 3 issued by M/s. Dilip Bhariadiya & Associates, Practicing Company Secretaries is attached herewith.

APPRECIATION:

The Board places on record its sincere appreciation of the hard work, professionalism, team work and relentless pursuit of excellence shown by its employees at all levels and also the shareholders for their copious support, guidance and cooperation.

The Board also places on record its appreciation to banks, business associates and insurance companies for their support and cooperation.

The Board also expresses its gratitude to the support and advice received from IRDA and other statutory authorities from time to time.

For and on Behalf of the Board of Directors

Mumbai: April 30, 2013

Director

Director

ADITYA BIRLA INSURANCE BROKERS LIMITED

Annexure I

PARTICULARS OF EMPLOYEES AS REQUIRED U/S 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED AS ON 31ST MARCH, 2013.

A) Employees who were employed throughout the financial year and were in receipt of remuneration in aggregate of not less than Rs.60,00,000/- per annum.

Name	Designation	Remuneration (Rs.)	Qualifications	Age (Years)	Experience (Years)	Date of joining the Company	Details of Previous Employment		
							Name of Employer	Designation	Period of Service (Years)
Sandeep Vasant Dadia	Chief Executive Officer & Principal Officer	Rs.80,00,000/-	Doctorate	42	11	19/04/2011	Enam Insurance Brokers Ltd	Director & Principal Officer	5

B) Employees who were employed for a part of the Financial Year and were in receipt of remuneration in aggregate of not less than Rs.5,00,000/- per month.

Name	Designation	Remuneration (Rs.)	Qualifications	Age (Years)	Experience (Years)	Date of joining the Company	Details of Previous Employment		
							Name of Employer	Designation	Period of Service (Years)
NIL									

Notes :

1. Remuneration includes salary, allowances, medical benefits, Company's contribution to Provident Fund and Superannuation Fund, wherever applicable, leave encashment, leave travel assistance and monetary value of taxable perquisites
2. None of these Executives are related to any Director of the Company.
3. Appointment is non contractual, other terms and conditions are as per rules of the Company.

ADITYA BIRLA INSURANCE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Insurance Brokers Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Insurance Brokers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.V. GHATALIA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 103162W

per Amit Kabra
Partner
Membership Number: 094533

Place: Mumbai
Date: April 30, 2013

ADITYA BIRLA INSURANCE BROKERS LIMITED

Annexure referred to in our report of even date

Re: Aditya Birla Insurance Brokers 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 were physically verified by the management in the previous years in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company is engaged in the business of insurance broking and advisory services and therefore the provisions clause (ii) of paragraph 4 of the said Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted / taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) and 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions related to investor education and protection fund, sales-tax, wealth-tax, customs duty 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, service tax, 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. The provisions related to investor education and protection

fund, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.

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

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	₹ 285,763	2006-2007	Income Tax Appellate Tribunal

- (ix) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (x) The Company has not taken any loans from financial institutions, bank or debenture holders.
- (xi) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) 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.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (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.

For **S.V. GHATALIA & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 103162W

per Amit Kabra
Partner
Membership Number: 094533

Place: Mumbai
Date: April 30, 2013

ADITYA BIRLA INSURANCE BROKERS LIMITED

Balance Sheet as at March 31, 2013

Particulars	Notes	March 31, 2013 ₹	March 31, 2012 ₹
EQUITY AND LIABILITIES:			
(A) Shareholders' funds			
Share capital	1	27,000,000	27,000,000
Reserves and surplus	2	255,044,134	195,139,411
Total - (A)		282,044,134	222,139,411
(B) Non-current liabilities			
Other long-term liabilities	3	53,258	1,988,747
(C) Current liabilities			
Trade payables	4	119,933,678	62,643,457
Other current liabilities	5	13,117,512	4,889,285
Short-term provisions	6	64,835,303	59,972,512
Total - (C)		197,886,493	127,505,254
Total - (A + B + C)		479,983,885	351,633,412
Assets:			
(D) Non-current assets			
Fixed assets:			
Tangible assets:			
Tangible assets	7A	9,605,845	9,946,208
Intangible assets	7B	7,772,912	11,222,689
Capital work-in-progress		—	—
Intangible assets under development		2,549,800	641,901
		19,928,557	21,810,798
Deferred tax assets (Net)	8	4,840,700	2,405,200
Long-term loans and advances	9A	13,037,749	12,066,184
Other non-current assets	10	8,772,117	7,613,961
Total - (D)		46,579,122	43,896,143
(E) Current assets			
Trade receivables	11	62,772,315	42,489,105
Cash and bank balances	12	28,922,630	26,502,874
Short-term loans and advances	9B	341,556,993	237,548,472
Other current assets	13	152,825	1,196,818
Total - (E)		433,404,763	307,737,269
Total - (D + E)		479,983,885	351,633,412

Significant accounting policies and other notes to accounts **19**

Notes referred above form an integral part of the financial statements

Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Notes	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
Continuing operations:			
(A) Revenue			
Revenue from operations	14	569,944,567	322,914,225
Other income	15	30,135,780	14,499,654
Total (A)		600,080,347	337,413,879
(B) Expenses			
Employee benefits expenses	16	165,107,550	134,522,806
Other expenses	17	261,824,530	102,431,488
Total (B)		426,932,080	236,954,294
Earning before interest, tax, depreciation and amortization (EBITDA) (A-B)		173,148,266	100,459,585
Depreciation and amortisation expenses	18	8,950,220	11,090,575
Profit before exceptional items and tax		164,198,047	89,369,010
Exceptional items		—	—
Profit before tax		164,198,047	89,369,010
Tax expenses:			
Current tax		54,951,700	31,851,100
Deferred tax charge - (Net)		(2,435,500)	(665,400)
Total tax expenses		52,516,200	31,185,700
Profit/(Loss) for the year from continuing operations		111,681,847	58,183,310

Basic and diluted earnings per share **41.36** **21.55**
(Refer point no 8 of note 21)

Nominal value per share **10** **10**

Significant accounting policies and other notes to accounts **19**

Notes referred to above form an integral part of the financial statements

As per our attached Report of even date

For **S. V. GHATALIA & ASSOCIATES LLP** For and on behalf of the Board of Directors of
Firm Registration No. 103162W **Aditya Birla Insurance Brokers Limited**
Chartered Accountants

per **Amit Kabra**
Partner
Membership No. 094533

Place : Mumbai
Date : April 30, 2013

As per our attached Report of even date

For **S. V. GHATALIA & ASSOCIATES LLP** For and on behalf of the Board of Directors of
Firm Registration No. 103162W **Aditya Birla Insurance Brokers Limited**
Chartered Accountants

per **Amit Kabra**
Partner
Membership No. 094533

Place : Mumbai
Date : April 30, 2013

ADITYA BIRLA INSURANCE BROKERS LIMITED

Cash Flow Statement for the year ended March 31, 2013

Particulars	March 31, 2013 ₹	March 31, 2012 ₹
A. Cash flow from operating activities		
Profit before tax and extraordinary items	164,198,047	89,369,011
Adjustments for non-cash items:		
Depreciation	8,950,220	11,090,575
Adjustment for:		
Provision for leave encashment	3,853,478	983,441
(Gain) / Loss due to foreign exchange	(507,174)	(78,733)
Loss/ (Profit) on sale of fixed asset	(1,817)	(389,480)
Interest income	(23,376,535)	(14,031,441)
Operating profit before working capital changes	153,116,218	86,943,373
Movement in working capital:		
(Increase)/decrease in current assets	(117,674,164)	(105,080,652)
Increase/(decrease) in current liabilities	66,526,646	21,122,803
Movement in other non-current assets/liabilities:		
Increase in rental and other security deposits	(971,565)	(1,255,273)
Increase in other long-term liabilities	(1,935,489)	41,043
Cash generated from operations	99,061,646	1,771,294
Less: Direct taxes paid	60,662,343	32,474,950
Net cash flow in operating activities	38,399,303	(30,703,656)
B. Cash flow from investing activities		
Purchase of fixed assets	(7,343,253)	(19,396,031)
Net proceed from sale of fixed assets	277,090	648,246
Interest received	24,020,782	13,812,317
Fixed deposits placed with banks	(1,158,156)	—
Intercompany deposits received back during the year	—	30,000,000
Net cash flow in investing activities	15,796,463	25,064,532
C. Cash flow from financing activities		
Dividend paid on equity shares	(44,550,000)	—
Tax paid on equity dividend	(7,226,010)	—
Net cash flow in financing activities	(51,776,010)	—
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	2,419,756	(5,639,124)
Cash and cash equivalents (opening balance)	26,502,874	32,141,998
Cash and cash equivalents (closing balance)	28,922,630	26,502,874
Net increase/(decrease) as disclosed above	2,419,756	(5,639,124)
Notes to cash flow statement:		
1 Cash and cash equivalents include		
Cash in hand	—	—
Balances with banks	28,922,630	26,502,874
	28,922,630	26,502,874
2 Bank balance in current accounts includes ₹ 1,54,15,758 (Previous Year ₹ 1,48,06,927) held by the Company in fiduciary capacity on behalf of insurers/reinsurers. A corresponding Liability for the same is included in sundry creditors.		
3 Previous years figures have been regrouped and rearranged wherever necessary		

As per our attached Report of even date

For **S. V. GHATALIA & ASSOCIATES LLP**
Firm Registration No. 103162W
Chartered Accountants

per **Amit Kabra**
Partner
Membership No. 094533

Place : Mumbai
Date : April 30, 2013

For and on behalf of the Board of Directors of
Aditya Birla Insurance Brokers Limited

Director

Director

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of the Balance Sheet

NOTE 1: SHARE CAPITAL

	March 31, 2013 ₹	March 31, 2012 ₹
Authorised share capital:		
30,00,000 equity shares of ₹ 10 each	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
Issued, subscribed and fully paid up share capital:		
2700000 (Previous year: 2700000) equity shares of ₹10 each fully paid	27,000,000	27,000,000
Of the above:		
1350054 (Previous year: 1350054) equity shares held by Aditya Birla Financial Services Private Limited, the holding company	27,000,000	27,000,000
	<u>27,000,000</u>	<u>27,000,000</u>

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

Details of Shareholder holding more than 5% Share of the Company

Name of shareholder	March 31, 2013 Nos	March 31, 2012 Nos
Aditya Birla Financial Services Private Limited	1,350,054	1,350,054
Infocyper India Private Limited	1,349,946	1,349,946
	<u>2,700,000</u>	<u>2,700,000</u>
% of shareholding:		
Aditya Birla Financial Services Private Limited	50.002	50.002
Infocyper India Private Limited	49.998	49.998

NOTE 2: RESERVES AND SURPLUS

	March 31, 2013 ₹	March 31, 2012 ₹
(1) General reserve:		
Opening balance	5,818,331	-
Addition: Transfer from surplus balance in Statement of Profit and Loss	11,168,185	5,818,331
Closing balance	<u>16,986,516</u>	<u>5,818,331</u>
(2) Surplus as per Statement of Profit and Loss:		
Opening balance	189,321,080	188,732,110
Add: Profit for the year	111,681,847	58,183,311
	301,002,927	246,915,421
Less: Appropriation		
Transfer to general reserve	11,168,185	5,818,331
Proposed final dividend on equity shares*	44,550,000	44,550,000

NOTE 7A: TANGIBLE ASSETS

Particulars	Amount in ₹				
	Lease hold improvements	Office computers and electronic equipments	Furniture and fixtures and other office equipments	Vehicle	Total
Gross Block					
As at April 01, 2011	7,483,594	15,161,683	2,903,752	1,671,209	27,220,238
Additions during the year	-	2,577,964	94,268	974,954	3,647,186
Additions through business acquisition	-	487,527	9,730	1,010,012	1,507,269
Deletions/Adjustments during the year	-	951,551	125,257	1,671,209	2,748,017
As at March 31, 2012	7,483,594	17,275,623	2,882,493	1,984,966	29,626,676
Additions during the year	-	4,962,001	23,787	-	4,985,788
Deletions/Adjustments during the year	-	9,990	-	325,000	334,990
As at March 31, 2013	7,483,594	22,227,634	2,906,280	1,659,966	34,277,474
Depreciation					
As at April 01, 2011	4,523,890	8,512,741	910,727	1,337,862	15,285,220
Additions during the year	2,558,247	3,533,219	469,108	323,925	6,884,499
Deletions/Adjustments during the year	-	945,440	121,942	1,421,869	2,489,251
As at March 31, 2012	7,082,137	11,100,520	1,257,893	239,918	19,680,468
Additions during the year	401,457	3,928,617	388,811	331,993	5,050,878
Deletions/Adjustments during the year	-	5,550	-	54,167	59,717
As at March 31, 2013	7,483,594	15,023,587	1,646,704	517,744	24,671,629
Net book amount as at March 31, 2012	401,457	6,175,103	1,624,600	1,745,048	9,946,208
Net book amount as at March 31, 2013	-	7,204,047	1,259,576	1,142,222	9,605,845

Tax on proposed equity dividend	7,227,124	7,226,010
Closing balance	<u>238,057,618</u>	<u>189,321,080</u>
Total (1+2)	<u>255,044,134</u>	<u>195,139,411</u>

* The Board of Directors has proposed the dividend on equity shares @ 16.50 per share (Previous year: ₹ 16.50 per share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

NOTE 3: OTHER LONG-TERM LIABILITIES

	March 31, 2013 ₹	March 31, 2012 ₹
Deferred lease rent liability	-	1,977,027
Deposits from employees under own your car scheme	53,258	11,720
	<u>53,258</u>	<u>1,988,747</u>

NOTE 4: TRADE PAYABLES

	March 31, 2013 ₹	March 31, 2012 ₹
Payable for other expenses*	88,094,114	45,262,899
Payable for salaries, wages and other employee benefits	31,839,564	17,380,558
	<u>119,933,678</u>	<u>62,643,457</u>

* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2013. 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 5: OTHER CURRENT LIABILITIES

	March 31, 2013 ₹	March 31, 2012 ₹
Book overdraft	-	-
Other payables - Statutory dues	13,104,592	4,889,285
Income received in advance	12,920	-
	<u>13,117,512</u>	<u>4,889,285</u>

NOTE 6: SHORT-TERM PROVISIONS

	March 31, 2013 ₹	March 31, 2012 ₹
Provisions for leave encashment	11,245,590	7,392,112
Provisions for gratuity	1,812,589	804,390
Other provisions:		
Proposed final dividend on equity shares	44,550,000	44,550,000
Tax on proposed equity dividend	7,227,124	7,226,010
	<u>64,835,303</u>	<u>59,972,512</u>

ADITYA BIRLA INSURANCE BROKERS LIMITED

NOTE 7B: INTANGIBLE ASSETS

Amount in ₹

Particulars	Computer software	Market know-how	Non-competee fee	Total
Gross Block				
As at April 01, 2011	4,809,175	-	-	4,809,175
Additions during the year	585,846	-	-	585,846
Additions through business acquisition	475,000	9,731,091	3,294,388	13,500,479
Deletions/Adjustments during the year	-	-	-	-
As at March 31, 2012	5,870,021	9,731,091	3,294,388	18,895,500
Additions during the year	449,564	-	-	449,564
Deletions/Adjustments during the year	-	-	-	-
As at March 31, 2013	6,319,585	9,731,091	3,294,388	19,345,064
Amortization				
As at April 01, 2011	3,466,735	-	-	3,466,735
Additions during the year	1,161,729	1,946,218	1,098,129	4,206,076
Deletions/Adjustments during the year	-	-	-	-
As at March 31, 2012	4,628,464	1,946,218	1,098,129	7,672,811
Additions during the year	854,994	1,946,218	1,098,129	3,899,341
Deletions/Adjustments during the year	-	-	-	-
As at March 31, 2013	5,483,458	3,892,436	2,196,258	11,572,152
Net book amount as at March 31, 2012	1,241,557	7,784,873	2,196,259	11,222,689
Net book amount as at March 31, 2013	836,127	5,838,655	1,098,130	7,772,912

NOTE 8: DEFERRED TAX ASSET/(LIABILITY)

	March 31, 2013 ₹	March 31, 2012 ₹
Deferred tax asset/(liability):		
On account of accumulated depreciation and amortization	1,368,800	1,556,200
On account of provision for doubtful debts and other provisions	3,471,900	849,000
Net deferred tax (liability) / asset	4,840,700	2,405,200

NOTE 9A: LONG-TERM LOANS AND ADVANCES

	March 31, 2013 ₹	March 31, 2012 ₹
Unsecured, considered good		
Rental security deposits	13,013,086	12,041,521
Other security deposits	24,663	24,663
13,037,749	12,066,184	

NOTE 9B: SHORT-TERM LOANS AND ADVANCES

	March 31, 2013 ₹	March 31, 2012 ₹
Advances and other receivables from employees:		
Unsecured, considered good	459,717	339,345
Unsecured, considered doubtful	137,844	137,844
	597,561	477,189
Less: Provision for doubtful advances	137,844	137,844
	459,717	339,345
Other advances and receivables:		
Unsecured, considered good:		
Prepaid expenses	4,159,245	3,933,635
Employee loans	240,483	537,129
Service tax receivable	2,043,189	965,499
Loans and advances to related parties	192,800,950	95,307,938
Inter corporate deposits	90,000,000	90,000,000
Rental security deposits	—	69,000
Other security deposits	400,000	700,000
Others	254,999	208,160
Advance payment of income tax & FBT- net of provision of ₹ 18,09,30,625 (previous year: ₹12,59,78,925)	51,198,410	45,487,766
341,556,993	237,548,472	

NOTE 10: OTHER NON-CURRENT ASSETS

	March 31, 2013 ₹	March 31, 2012 ₹
Other bank balances	8,772,117	7,613,961
(Fixed deposits with banks marked lien in favour of IRDA)		
8,772,117	7,613,961	

NOTE 11: TRADE RECEIVABLES

	March 31, 2013 ₹	March 31, 2012 ₹
Due for period exceeding six months:		
Secured considered good	-	-
Unsecured, considered good	389,512	473,999
Unsecured, considered doubtful	8,399,089	2,227,007
	8,788,601	2,701,006
Less: Provision for doubtful receivables	8,399,089	2,227,007
	389,512	473,999
Others:		
Secured considered good	-	-
Unsecured, considered good	62,382,803	42,015,106
Unsecured, considered doubtful	1,677,489	729,812
	64,060,292	42,744,918
Less: Provision for doubtful receivables	1,677,489	729,812
62,772,315	42,489,105	

NOTE 12: CASH AND BANK BALANCES

	March 31, 2013 ₹	March 31, 2012 ₹
Cash and cash equivalents:		
Cash on hand	-	-
Cheques on hand	-	-
Balance with banks - On current account	28,922,630	26,502,874
28,922,630	26,502,874	
Other bank balances:		
Deposits with banks	8,772,117	7,613,961
(marked lien in favour of IRDA)		
Less: Deposits with banks marked lien in favour of IRDA	8,772,117	7,613,961
(Transferred to other non-current assets)		
28,922,630	26,502,874	

ADITYA BIRLA INSURANCE BROKERS LIMITED

NOTE 13: OTHER CURRENT ASSETS

	March 31, 2013 ₹	March 31, 2012 ₹
Interest accrued but not due on:		
Inter corporate deposits	-	-
Fixed deposits with bank	152,825	797,073
Loan to related parties	-	-
Expense reimbursement receivables	-	399,745
	<u>152,825</u>	<u>1,196,818</u>

Notes forming part of Statement of Profit and Loss

NOTE 14: REVENUE FROM OPERATION

	March 31, 2013 ₹	March 31, 2012 ₹
General insurance advisory services:		
Administrative services and consultancy charges	915,866	2,494,536
Brokerage	569,028,701	320,419,689
	<u>569,944,567</u>	<u>322,914,225</u>

NOTE 15: OTHER INCOME

	March 31, 2013 ₹	March 31, 2012 ₹
Interest income:		
Interest on inter corporate deposits	9,299,994	9,295,745
Interest on fixed deposits with bank	571,177	525,557
Interest on loans to related parties	13,491,489	4,172,501
Interest on loan to employee	13,875	37,638
Others:		
Profit on sale of fixed assets	1,817	389,480
Foreign exchange gain/(loss) (net)	507,174	78,733
Provision no longer required	6,139,463	-
Miscellaneous income	110,791	-
	<u>30,135,780</u>	<u>14,499,654</u>

NOTE 16: EMPLOYEE BENEFITS EXPENSES

	March 31, 2013 ₹	March 31, 2012 ₹
Salaries and other allowances	154,390,421	126,164,040
Contribution to provident and other funds	8,208,571	6,184,733
Staff welfare expenses	2,508,558	2,174,033
	<u>165,107,550</u>	<u>134,522,806</u>

NOTE 17: OTHER EXPENSES

	March 31, 2013 ₹	March 31, 2012 ₹
Legal and professional charges (refer Note 1 below)	4,241,785	6,594,721
Advertisement and business promotion expenses	103,070,442	7,649,122
Telephone and communication expenses	4,393,921	4,636,667
Travelling and conveyance expenses	10,405,972	6,565,342
Rent	76,811,783	35,973,837
Rates and taxes	1,413,507	1,766,607
Repair and maintenance	5,358,637	3,852,940
Insurance expenses	4,910,473	4,050,377
Service hire charges	30,136,463	12,556,276
Electricity expenses	3,088,245	2,932,653
Printing and stationery	1,229,070	1,048,482
Goodwill written off	-	2,971,204

Information technology expenses	1,539,533	1,561,863
Bank charges	540,642	465,435
Postage and courier expenses	549,785	559,006
Miscellaneous expenses (refer Note 2 below)	6,927,638	4,992,069
Bad debts written off	86,875	2,762,078
Provision for doubtful debts and advances	7,119,759	1,492,809
Preliminary expenses written off	-	-
Share Issue expenses written off	-	-
	<u>261,824,530</u>	<u>102,431,488</u>

Notes:

1. Legal and professional charges include the auditors' remuneration as under:

Category	March 31, 2013	March 31, 2012
Audit fee	100,000	100,000
Tax audit fee	100,000	50,000
Certification charges	300,000	150,000
Out of pocket expenses	34,125	9,855
	<u>534,125</u>	<u>309,855</u>

2. Include recruitment expenses, security expenses, conference expenses, water and gas expenses and other office expenses

NOTE 18: DEPRECIATION AND AMORTIZATION

	March 31, 2013 ₹	March 31, 2012 ₹
Depreciation on tangible assets	5,050,878	6,884,499
Amortization of intangible assets	3,899,341	4,206,076
	<u>8,950,220</u>	<u>11,090,575</u>

NOTE '19'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current – noncurrent classification of assets and liabilities.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly 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.

3. TANGIBLE FIXED ASSETS

Tangible Assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(a) Depreciation on Tangible Assets is provided on Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, except in case of following, where depreciation is equally charged over the estimated useful lives of the assets, which is higher than rates prescribed under Schedule XIV of the Companies Act, 1956

ADITYA BIRLA INSURANCE BROKERS LIMITED

Category of assets	Estimated useful life in years
Office computers & electronic equipments	4
Vehicles	5
Furniture & fixtures and other office equipments	7
Mobile phones	3
Leasehold improvements	Over the primary period of lease

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

4. INTANGIBLE ASSETS

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Category of assets	Estimated useful life in years
Technical know-how	5
Computer software	3
Non-compete fee	3

5. IMPAIRMENT OF ASSETS

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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

6. BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

7. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

- (a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- (b) Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction.

- (c) Exchange differences

Exchange differences arising on monetary items are recognised as income or expenses in the period in which they arise.

8. INVESTMENTS

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realizable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

9. REVENUE RECOGNITION

- (a) Brokerage revenues are recognised based upon policy issued by the Insurance Company to the client
- (b) Brokerage in respect of facultative inward / outward and treaty reinsurance placements is accounted when the premium to be paid by the insurer to the reinsurance company becomes due.
- (c) Interest income is recognized in the profit or loss account on accrual basis.
- (d) Dividend income on investment is accounted for when the right to receive the payment is established.

10. RETIREMENT AND OTHER EMPLOYEE BENEFITS

- (a) Defined contribution plan
The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes which are recognised in the Statement Profit and Loss on accrual basis.
- (b) Defined benefit plan
The Company's liabilities under Payment of Gratuity Act, long term compensated absences and pension are determined on the basis of

actuarial valuation made at the end of each financial year using the projected unit credit method except for Short term compensated absences which are provided for based on estimates. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

11. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

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.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each balance sheet date the Company reassesses unrecognized deferred tax assets.

12. OPERATING LEASES

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Statement of Profit and Loss on a straight line basis over lease term.

13. CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is 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 best estimate required to settle the obligation at the balance sheet date.

14. CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

15. MEASUREMENT OF EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/loss from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(B) OTHER NOTES TO ACCOUNTS.

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 48,08,035 (Previous year: ₹ 17,02,349).

ADITYA BIRLA INSURANCE BROKERS LIMITED

2. Contingent liability not provided for:

Description	2012-13	2011-12
(a) Claims against the Company not acknowledged as debts*	152,277	140,341
(b) Appeal filed by the DCIT with ITAT **	285,763	285,763
	438,040	426,104

* The II Additional District Consumers Disputes Redressal Forum has passed an order against the company and Bajaj Allianz General Insurance Co. Limited jointly and severally to compensate and amount of ₹ 1,52,277 to an insured. The company has filed an appeal in the State Commission to set aside this order against the company.

** The company has received a refund of ₹ 9,47,309 for assessment year 2007-08. The Deputy Commissioner of Income Tax from Income Tax Department has applied to the Income Tax Appellate Tribunal against the order of the Commissioner of Income Tax (Appeal) to disallow certain expenses. This can result in a tax demand of ₹ 2,85,763.

3. The Company is considering Accounting Standard 15 (Revised 2005) "Employee Benefits" at the end of 31st March, 2013 and pro-rata charges has been debited to the Statement of Profit and Loss of the year. The status of employees benefits as on 31st March 2013 as per actuarial valuation is as under:

Amount in ₹

Particulars	March 31, 2013	March 31, 2012
Change in defined benefit obligation		
Opening defined benefit obligation	5,430,352	3,963,675
Current service cost	1,795,378	1,520,871
Interest cost	577,129	440,561
Actuarial losses/(gain)	438,245	(661,466)
Liabilities assumed on acquisition/ settled on divestiture	(18,987)	414,378
Benefits paid	(473,205)	(247,667)
Closing defined benefit obligation	7,748,912	5,430,352
Change in fair value of assets		
Opening fair value of plan assets	4,625,962	3,524,662
Expected return on plan assets	405,519	318,331
Actuarial gain/(losses)	(143,926)	(121,656)
Contributes by employer	1,521,973	800,729
Assets acquired on acquisition/ distributed on divestiture	-	351,563
Benefits paid	(473,205)	(247,667)
Closing fair value of plan assets	5,936,323	4,625,962
Expected employer's contribution	1,000,000	1,000,000

Reconciliation of present value of the obligation & fair value of plan assets

Amount in ₹

Particulars	March 31, 2013	March 31, 2012
Fair value of plan assets at the end of the year	5,936,323	4,625,962
Present value of defined benefits obligation at end of period	7,748,912	5,430,352
Liability recognised in the balance sheet	1,812,589	804,390
Current service cost	1,795,378	1,520,871
Interest cost	577,129	440,561
Expected return on plan assets	(405,519)	(318,331)
Actuarial gains/(losses)	582,171	(539,810)
Losses/(gains) on acquisition/ divestiture	—	62,815
Net gratuity cost	2,549,159	1,166,106
Investment details of plan assets		
Government of India	22%	23%
Corporate bonds	1%	1%
Special deposit scheme	5%	2%
Insurer managed fund	58%	57%
Others	14%	17%

Experience adjustment		
Defined benefit obligation	7,748,912	5,430,352
Plan assets	5,936,323	4,625,962
Surplus/(deficit)	1,812,589	(804,390)
Experience adjustment on plan liabilities	(111,164)	(427,388)
Experience adjustment on plan assets	(143,926)	(121,656)
Actual return on plan assets	7,748,912	5,430,352
Principal actuarial assumptions at the balance sheet date		
Discount rate (p.a.)	7.90%	8.40%
Expected rate of return on assets (p.a.)	8.50%	8.50%

Experience adjustment	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	7,748,912	5,430,352	3,963,675	3,034,793	2,111,801
Plan assets	5,936,323	4,625,962	3,524,662	2,180,772	1,933,283
Surplus/(Deficit)	(1,812,589)	(804,390)	(439,013)	(854,021)	(178,518)
Exp. Adj. on plan liabilities	(111,164)	(427,388)	(1,045,958)	(398,553)	445,373
Exp. adj. on plan assets	(143,926)	(121,656)	(155,300)	(124,118)	180,922

4. Defined contribution plan

Amount in ₹

Particulars	March 31, 2013	March 31, 2012
Contribution to employees' provident fund (Govt. Provident Fund)	4,103,075	3,562,200
Contribution to employees' pension scheme (Govt. Pension Fund)	1,170,477	1,068,935
Contribution to superannuation fund	254,579	190,365
Contribution to ESIC fund	126,105	194,607
Contribution to MLW fund	5,176	2,520

5. Related party disclosures

(a) List of related parties:

Relationship	Name of party
Ultimate holding company	Aditya Birla Nuvo Limited (ABNL)
Holding company	Aditya Birla Finance Services Private Ltd. (ABFSPL)
Relationship	Name of party
Fellow subsidiaries	Aditya Birla Finance Ltd. (ABFL) (Subsidiary of ABFSPL) Aditya Birla Financial Shared Services Limited (ABFSSL) Aditya Birla Money Mart Limited (ABMML) (Subsidiary of ABFSPL) Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of ABMML) Birla Sunlife Insurance Company Limited (BSLICL) Aditya Birla Minacs Worldwide Ltd. (ABMWL) Birla Sunlife Asset Management Company Limited (BSLAMCL) (w.e.f. October 10, 2012)

Notes:

- The related party relationships have been identified by the management on the basis of the requirements of the Accounting Standard AS-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.
- The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.

ADITYA BIRLA INSURANCE BROKERS LIMITED

5. (b): Related party transactions:

Particulars	Year	Aditya Birla Nuvo Ltd - Madura Garments	Aditya Birla Finance Ltd	Aditya Birla Financial Services Private Ltd	Aditya Birla Financial Shared Services Pvt Ltd	Birla Sunlife Insurance Co Ltd	Aditya Birla Money Insurance Advisory Services Ltd	Aditya Birla Money Mart Limited	Aditya Birla Minacs Worldwide Ltd	Birla Sunlife Asset Management Company Limited	Total
Income											
Interest income	2012-13	-	13,491,489	-	-	-	-	-	-	-	13,491,489
	2011-12	-	4,172,501	-	-	-	-	-	-	-	4,172,501
Business support services (including service tax)	2012-13	-	-	-	-	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-	-	-	-	-
Administrative Income/ Recovery of Expenses	2012-13	-	562,333	-	-	5,588	-	-	-	5,559	573,480
	2011-12	-	-	-	-	-	-	-	-	-	-
Expenditure											
Interest expenses	2012-13	-	-	-	-	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-	-	-	-	-
Dividend expenses	2012-13	-	-	22,275,891	-	-	-	-	-	-	22,275,891
	2011-12	-	-	-	-	-	-	-	-	-	-
Administrative expenses	2012-13	156,175	-	-	1,497,507	420,711	-	-	210,010	36,432	2,320,835
	2011-12	-	2,565,143	-	766,148	466,153	-	-	592,467	-	4,389,911
Purchase of fixed asset	2012-13	-	-	-	-	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-	-	-	-	-
Reimbursement of exp	2012-13	-	-	-	-	-	-	160,766	-	-	160,766
	2011-12	-	-	-	-	-	-	-	-	-	-
Finance											
Security deposit given	2012-13	-	-	-	-	-	-	-	-	-	-
	2011-12	-	-	-	-	-	-	-	-	-	-
Loan repaid / granted	2012-13	-	421,766,201	-	-	-	-	-	-	-	421,766,201
	2011-12	-	227,917,151	-	-	-	-	-	-	-	227,917,151
Loan obtained / received back	2012-13	-	324,270,110	-	-	-	-	-	-	-	324,270,110
	2011-12	-	132,155,171	-	-	-	-	-	-	-	132,155,171
Payable/receivable											
Receivables	2012-13	-	192,800,950	-	-	-	-	-	-	-	192,800,950
	2011-12	-	95,304,859	-	3,078	-	-	-	-	-	95,307,937
Payable	2012-13	-	-	-	523,765	-	-	142,594	-	37,292	703,651
	2011-12	-	-	-	-	327,902	-	-	166,903	-	494,805

Notes:

- Expenses are net of service tax
- Payables/Receivables are net of TDS
- Transactions with Birla Sunlife Asset Management Company Limited are for the period October 10, 2012 to March 31, 2013.

- The Company has entered into an operating lease agreement for use of premises which is non cancellable for a period of two years.

The future minimum lease payments for the leases at the balance sheet date are as follows:

Future minimum lease payments payables for the period	March 31, 2013	March 31, 2012
Not later than one year	2,761,200	2,761,200
Later than one year and not later than five years	728,400	3,489,600
Later than five years	-	-

The lease payments recognized in the profit and loss account for the year ended 31st March, 2013 is ₹ 7,67,20,811 (Previous year ₹ 3,43,17,468)

- The Company has single reportable segment viz-insurance advisory & broking services for the purpose of Accounting Standard 17 on 'Segment Reporting'. The Company does not have any reportable geographical segment
- Earnings per share (basic and diluted):

Particulars	March 31, 2013	March 31, 2012
Net profit after tax available for equity shareholders (₹)	111,681,847	58,183,311
Weighted average number of equity shares outstanding (Nos):		
Number of shares at the beginning of the year	2700000	2700000
Bonus Shares issued during the year	NIL	NIL
Number of shares at the end of the year	2700000	2700000
Earning per share (₹)	41.36	21.55
Nominal value of share (₹)	10	10

- Foreign currency transactions:

Nature of transaction	March 31, 2013	March 31, 2012
Earning in foreign currency (Reinsurance) (₹)	10,570,786	5,036,948
Expenses in foreign currencies (Travel expenses) (₹)	646,546	467,328

- As per regulation 20 of Insurance Regulatory & Development Authority (IRDA) (Insurance Brokers) Regulations 2002, not more than 30 percent of the premium shall emanate from any one client /group. However in case of the Company, for the year ended March 31,2013, the premium emanated is 33% from one client/group considering the entire Aditya Birla Group as one single client/group. The management of the company is of the view that entire Aditya Birla Group should not be considered as a single client/group since the companies within the group are separate legal entities managed by separate board of directors and executive management. The company has sent an representation to IRDA to review the provision of regulation 20 and make the necessary changes in the same

- The figures in respect of the previous year have been regrouped / rearranged, wherever necessary to make them comparable.

As per our report of even date

For **S. V. GHATALIA & ASSOCIATES LLP** For and on behalf of the Board of Directors of
ICAI Firm Registration No. : 103162W **Aditya Birla Insurance Brokers Limited**
Chartered accountants

Per **Amit Kabra** Director Director
Partner
Membership No: 094533
Place: Mumbai Place: Mumbai
Date: April 30, 2013 Date: April 30, 2013

ADITYA BIRLA FINANCE LIMITED

Directors' Report

Dear Shareholders,

Your Board of Directors are pleased to present the 22nd Annual Report, along with the audited annual stand alone accounts of Aditya Birla Finance Limited ("ABFL/the Company") for the year ended March 31, 2013 ("FY 13").

1. Financial Performance Summary

(₹ in Crores)

Particulars	Year ended 31st March		% Change over previous year
	2013	2012	
Total Income	720.01	350.54	105%
Total Expenses	570.34	264.55	116%
Profit before depreciation / amortisation and tax	149.67	85.99	74%
Less: Depreciation / amortization	2.52	2.37	6%
Profit Before Tax	147.15	83.62	76%
Less: Tax expenses	46.84	27.39	71%
Profit After Tax	100.30	56.23	78%
Balance of profit/ loss brought from the previous year	111.89	66.99	67%
Profit Before Appropriations	212.19	123.22	72%
Transfer to Special Reserve	20.10	11.30	78%
Proposed Dividend on Compulsorily Convertible Cumulative Preference Shares	0.05	0.03	67%
Corporate Dividend Tax	0.01	0.00	—
Balance of Profit carried to Balance Sheet	192.03	111.89	72%

2. Business Performance

Key highlights

During the year under review, the Total Income stood at ₹ 720.01 Crores as against ₹ 350.54 Crores in the previous year, a jump of 105%. Correspondingly, the Total Expenses increased to ₹ 570.34 Crores from ₹ 264.55 Crores in the previous year mainly due to increase in the finance cost, employee cost on account of induction of senior management personnel, increase in travelling & conveyance, legal & professional charges and other administrative expenses.

Business

The Company operates through the following business divisions viz. Capital Market Group (CMG), Corporate Finance Group (CFG), Mortgages and Project & Structured Finance Group (PSFG).

CMG registered a growth of 70% on a y-o-y basis with the Loan Book growing from Rs 1,624 Crores as on March 31, 2012 to Rs 2,755 Crores as on March 31, 2013. Similarly, CFG has shown a growth of 89% during the year with its Loan Book growing from ₹ 875 Crores at the beginning of the year to Rs 1,651 Crores as on March 31, 2013. The business largely focused on penetrating the Aditya Birla Group's ecosystem and lending to SMEs and other corporate. The Mortgages business with its products Loan against Property (LAP) and Lease Rental Discounting (LRD) has been successful in growing its Asset Book from ₹ 67 Crores as on March 31, 2012 to Rs 1,410 Crores as on March 31, 2013.

The Project & Structured Finance Group (PSFG) had approvals of ₹ 2,370 Crores and made disbursements aggregating ₹ 1,705 Crores during FY 13. The Loan Book grew from ₹ 664 Crores as

on March 31, 2012 to ₹ 2,102 Crores as on March 31, 2013. The Syndication team, which was formed only around mid-year, was able to mobilize funds over ₹ 3,000 Crores. The team has been able to build strong linkages with banks/FIs/MFs across the country.

3. Reserves

Pursuant to Section 45-IC of the Reserve Bank of India Act, 1934 requires Non Banking Finance Companies need to transfer amount not exceeding 20% of its net profit to Reserve Fund. Accordingly the Company transferred ₹ 20.10 Crores to the Reserve Fund.

4. Dividend

The Board recommends dividend at the prescribed coupon rate to the holders of Compulsory Convertible Cumulative Preference Shares (final dividend at coupon rate in previous year).

With a view to conserve its resources the Board did not recommend dividend on Equity shares (NIL in previous year). The total outflow on account of dividend amounts to ₹ 0.05 Crores (inclusive of ₹ 0.01 Crores as Corporate Dividend Tax).

5. Share Capital

During the year under review, your Company had a capital infusion of ₹ 350 Crores by issue of 4.03 Crores Equity shares of ₹10 each at a premium of ₹21 per share aggregating to ₹125 Crores and 22.50 Crores Compulsorily Convertible Cumulative Preference Shares of ₹10 each aggregating to ₹225 Crores. Consequent to the capital infusions, the issued, subscribed and paid up share capital of the Company stands at ₹746.29 Crores as on 31st March, 2013.

6. Treasury

The Company primarily sources funds through banks, Non-convertible Debentures (NCDs), Sub-ordinate Debt and Commercial Paper (CP). Total borrowing as on March 31, 2013 was ₹ 6,903 Crores as compared to ₹3010 Crores as on March 31, 2012.

During the year under review, the Company made a private placement of Non Convertible Debentures aggregating to ₹ 1,335 Crores and issued Tier II NCDs aggregating to ₹ 325 Crores, which were listed on National Stock Exchange. Issuance of Tier II NCDs has strengthened the capital adequacy and your Company was able to maintain ALM within the norms stipulated by RBI. The credit rating enjoyed by the company as on March 31, 2013 is as follows:

Credit Rating Agency	Instruments	Ratings
ICRA	Commerical Papers	A1+
ICRA	Non Convertible Debentures	AA
ICRA	Sub-Debt	AA
CARE	Sub-Debt	AA
CARE	Sub-Debt	AA+(SO)

7. Corporate Governance Report / Management Discussion and Analysis

Corporate Governance Report and Management Discussion and Analysis Report forming part of Directors' Report for the year under review are attached separately.

8. Subsidiaries

The Company has wholly owned subsidiary Aditya Birla Securities Private Limited. Statement pursuant to Section 212 of the Companies Act, 1956 is attached to the Annual Accounts.

9. Public Deposits

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

ADITYA BIRLA FINANCE LIMITED

10. Particulars as per Section 217 of the Companies Act, 1956

The requirements of disclosures in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of the Particulars in the Report of the Board of Directors) Rules, 1988 pertaining to the conservation of energy and technology absorption are not applicable to the Company due to the very nature of industry in which it operates.

During the year under review, there were no foreign exchange earnings and outgo. In accordance with the provisions of section 217 (2A) of the Act, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out as Annexure 1 to this report.

11. Directors

The Board of Directors comprises of 5 Directors including 3 Independent Directors.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Ashwani Puri, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. Resolution seeking appointment of Mr. Ashwani Puri has been included in the notice of the ensuing AGM.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes.

12. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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;
- the attached Statement of Accounts for the year ended March 31, 2013 have been prepared on a "going concern basis";

- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in Schedule 22 of notes to accounts in terms of Accounting Standard 18.

13. Auditors and Auditors' Report

M/s S. V. Ghatalia & Associates, Chartered Accountants have changed their name to S V Ghatalia & Associates LLP. M/s. S V Ghatalia & Associates LLP, Chartered Accountants, Mumbai, (Registration No.103162VV), hold office as the Statutory Auditors of the Company upto the ensuing Annual General Meeting and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI.

The Board, on the recommendation of the Audit Committee, proposes the re-appointment of M/s. S V Ghatalia & Associates, LLP as the Statutory Auditors of the Company.

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.

14. Appreciation

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by the regulators and statutory authorities from time to time. Your Directors express their gratitude to the clients, bankers and all business associates for their continuous support and patronage to the Company.

Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

B.N. Puranmalka **Ajay Srinivasan**
Director Director

Place: Mumbai
Date: 24th July, 2013

ADITYA BIRLA FINANCE LIMITED

Annexure 1

PARTICULARS OF EMPLOYEES AS REQUIRED U/S 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED AS ON 31ST MARCH 2013.

A) Employees who were employed throughout the Financial Year

Name	Designation	Remuneration (₹)	Qualifications	Age (Years)	Experience (Years)	Date of joining the Company	Details of Previous Employment		
							Name of Employer	Designation	Period of Service (Years)
Mr. Rakesh Singh	CEO	2,27,76,061	MBA	46	19	18.07.2011	Standard Chartered	General Manager	15
Mr. Tushar Shah	CEO Infra	2,65,03,622	ACA, LLB	47	16	08.11.2011	IL&FS Financial Services	COO	16
Mr. Sanjay Miranka	Executive Vice President	86,35,721	CA, CS	41	15	10.04.2003	Walchand Capital Group	Head Portfolio management	2.5
Mr. Arnab Basu	Sr. Vice President – Infra	80,02,565	Post Grad Diploma	46	20	02.02.2011	Srei Infrastructure Finance Ltd	Sr. Vice President	5
Mr. M S Sekhar	Sr. Vice President	68,12,186	CAIIB	52	16	05.12.2011	HSBC	Sr VP & Head Risk Analysis	3.9
Mr. Navin Gupta	Sr Vice President	66,62,446	MBA	41	13	15.11.2011	Barclays Bank Limited	Director Relationship	5

B) Employees who were employed for a part of the Financial Year and were in receipt of remuneration in aggregate of not less than ₹5,00,000/- per month.

Name	Designation	Remuneration (₹)	Qualifications	Age (Years)	Experience (Years)	Date of joining the Company	Details of Previous Employment		
							Name of Employer	Designation	Period of Service (Years)
Mr. K. G. Ajmera	CFO	60,20,947	FCA, CISA	60	36	16.12.1993	Cemphan Organics Ltd	General Manager	3.5
Mr. Sachinn R Joshi	Sr Vice President	63,33,260	CA,ICWA, LLB	47	18	02.07.2012	Angel Broking Ltd	Ex. Director & CFO	3

Notes :

1. Remuneration includes salary, allowances, medical benefits, Company's contribution to Provident Fund and Superannuation Fund, wherever applicable, leave encashment, leave travel assistance and monetary value of taxable perquisites.
2. None of the above employees are related to any Director of the Company.
3. All appointments are non contractual, other terms and conditions are as per rules of the Company.
4. None of the Employees hold (by himself or along with his spouse and dependent children) more than 2% of the equity shares of the Company.

ADITYA BIRLA FINANCE LIMITED

Management Discussion & Analysis

Indian Economy

Indian economy witnessed a tough and challenging environment during 2012-13. It faced challenges on the growth front, inflation and Current Account deficit.

GDP growth remained weak for 2012-13 at around 5% - lowest in the past decade and also lower than initial projections of 6.7% growth rate projected in August 2012 by Economic Advisory Council to Prime Minister and 6.2% for 2011-12.

The current account deficit for 2012-13 was about 5% of GDP as compared to 4.2% for 2011-12 mainly due to high import of oil and gold. Wholesale Price Inflation and Consumer Price Inflation also remained high for the year, which reduced only in the later part of 2012-13

The Reserve Bank of India cut key lending rates thrice during the year to provide boost to investment confidence and improving slowing economy.

During the second half of the year, the Government announced several reform measures like increasing fuel prices, opening up foreign direct investment in various sectors, setting up committees to speed up infrastructure project clearances to boost investor confidence and revive sluggish economy.

Industry Structure and developments

Non-banking financial companies (NBFCs) are fast emerging as an important segment of Indian financial system. It is an heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, like accepting deposits, making loans and advances, leasing, hire purchase, etc. They raise funds from the public, directly or indirectly, and lend them to ultimate spenders. They advance loans to the various wholesale and retail traders, small-scale industries and self-employed persons. Thus, they have broadened and diversified the range of products and services offered by a financial sector. Gradually, they are being recognized as complementary to the banking sector due to their customer-oriented services; simplified procedures; attractive rates of return on deposits; flexibility and timeliness in meeting the credit needs of specified sectors etc.

Opportunities and Threats

Opportunities

- The Aditya Birla Group's ecosystem provides a huge opportunity for doing business with various vendors, service providers, and the entire distribution channel.
- Under-penetration of financial services / products in India offers growth opportunities.
- Tremendous brand strength and extensive reach.
- Opportunity to cross sell services to customers and the network.
- Introduction of array of new products to meet the varied requirements of customers.
- The infrastructure segment is expected to see sustained growth over the years and there is ample opportunity for various players in the segment.

Threats

- Competition from local and multinational players
- Regulatory changes
- Attraction and retention of human capital
- A slowdown in economic growth in India
- Natural calamities.
- Political instability

Business Overview and Performance

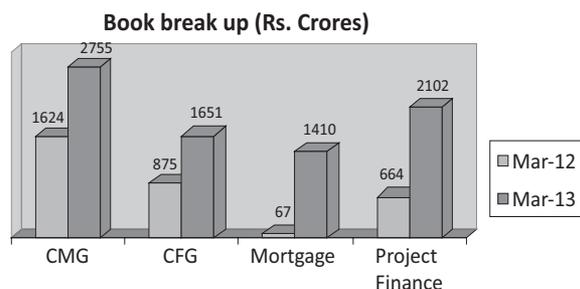
Aditya Birla Finance Limited ("the Company / ABFL") is one of India's leading and fast growing non-banking financial companies (NBFC). ABFL offers specialized solutions in the following areas.

ABFL operates through 4 business segments:

- Capital Market Group (CMG)
- Corporate Finance Group (CFG)
- Mortgages
- Project & Structured Finance Group (PSFG)

Headquartered in Mumbai, the Company has a wide network through its branches and associates across the country.

The overall performance of the Company was satisfactory considering the growth in the portfolios of all the business divisions as depicted in the graph below:



Capital Market Group (CMG)

CMG gives its customers an opportunity to meet their liquidity requirements and also provide for investments in the capital market. CMG registered a growth of 70% on a y-o-y basis with the Loan Book growing from ₹ 1,624 Crores as on March 31, 2012 to ₹ 2,755 Crores as on March 31, 2013.

Corporate Finance Group (CFG)

The Corporate Finance Group (CFG) deals with SMEs and other corporate clients and aims to provide customized solutions to meet their short term working capital and other funding needs. CFG has shown a growth of 89% during the year with its Loan Book growing from ₹ 875 Crores at the beginning of the year to ₹ 1,651 Crores as on March 31, 2013. The business largely focused on penetrating the Aditya Birla Group's ecosystem and lending to SMEs and other corporates.

Mortgage

The Mortgages division caters to the requirements of individual as well as corporate clients through its products Loan against Property (LAP) and Lease Rental Discounting (LRD). The Mortgages business with its products Loan against Property (LAP) and Lease Rental Discounting (LRD) has been successful in growing its Asset Book from ₹ 67 Crores as on March 31, 2012 to ₹ 1,410 Crores as on March 31, 2013.

Project & Structured Finance Group

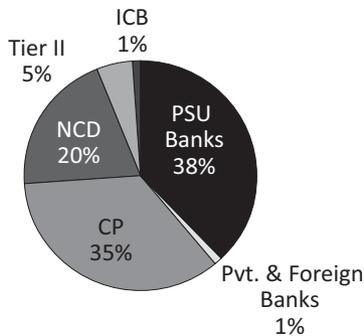
Considering opportunities in the infrastructure, core and emerging sectors, the Company provides Infrastructure finance to various bodies corporate to meet their funding requirements. The Project & Structured Finance Group (PSFG) had sanctioned ₹ 2,370 Crores and made disbursements aggregating ₹ 1,705 Crores during FY 13. The Asset Book grew from ₹ 664 Crores as on March 31, 2012 to ₹ 2,102 Crores as on March 31, 2013. The syndication team, which was formed during the year, was able to mobilize funds over ₹ 3,000 Crores for various entities. The team has been able to build strong relationships with various banks, financial institutions and mutual funds.

Borrowing profile

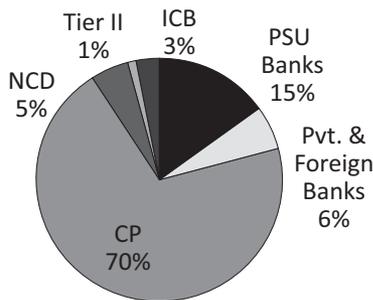
The Company primarily sources external funds through bank borrowings, Non-convertible Debentures (NCDs), Sub-ordinate Debt and Commercial Paper (CP). Total borrowing of Company as on March 31, 2013 was ₹ 6,903 Crores as compared to ₹ 3010 Crores as on March 31, 2012. Sources of total borrowing as on March 31, 2013 and March 31, 2012 are as follows

ADITYA BIRLA FINANCE LIMITED

31-Mar-13



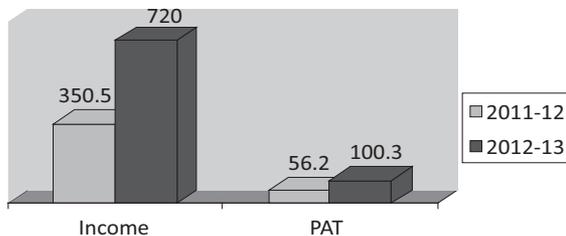
31-Mar-12



During the year under review, the Company also made a private placement of Non Convertible Debentures aggregating to ₹ 1,335 Crores and issued Tier II NCDs aggregating to ₹ 325 Crores, which were listed with National Stock Exchange. This has strengthened the capital adequacy and your Company was able to maintain ALM within the norms stipulated by RBI. This will also help the Company to raise additional resources to meet the needs of its customers.

Financial Performance

Income and PAT (Rs. Crores)

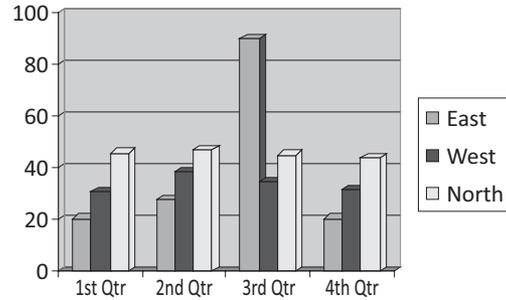


During the year under review, income of the company grew by 105.4% to ₹ 720.0 Crores. Profit After Tax registered a growth of 78.4% to ₹ 100.3 Crores

Capital Adequacy Ratio (CAR)

As on March 31, 2013 the Capital Adequacy Ratio was 17.51% (previous year 17.73%) against a minimum of 15% as required by RBI norms.

The Net worth of the Company as at March 31, 2013 was ₹ 1,079 Crores as against ₹ 628 Crores in the previous year. Capital of ₹ 350 Crores was infused to meet the growth requirement of the company. Total borrowing outstanding as at March 31, 2013 was ₹ 6,903 Crores (previous year ₹2,389.93 Crores). The Company has not raised any fixed deposits from the public.



Outlook

While capital flows in the form of direct investment were not good, the portfolio investment has improved. It is expected that ongoing reforms will lead to improvement in economic growth and global capital flows. A growing economy with a credible fiscal consolidation roadmap will attract higher capital flows both direct as well as portfolio investments. Continuous close monitoring by RBI coupled with slew of hard measures on policy front would go a long way in restoring the confidence of investor community and would augur well for our Capital Market Business. However, political instability resulting in postponement of reforms poses a bigger risk to the fortune of this business.

The strong demand for Energy, Transportation, Health and Education and Government of India's intent to boost infrastructure growth are expected to drive investment in Infrastructure and allied sectors in the medium to long term and thus helping business growth for PSFG.

Risks and concerns

The Company is exposed to various risks which are identified, monitored, reported, controlled, mitigated by the credit risk department. The Company has in place adequate controls, policies, procedures and systems governing and mitigating the risks. The key risks and the mitigation strategies are narrated hereunder:

Internal control systems and their adequacy

The Company has an adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from

ADITYA BIRLA FINANCE LIMITED

Risk	Particulars	Mitigation Strategies
Inflation	With economy continuing to see inflation the cost of borrowing has gone up which in turn affects the spread.	The Company is diversifying its products. The Company has started sourcing long term funds by availing finance from banks and issuance of debentures.
Liquidity Risk and Interest Rate Risk	Liquidity deficit may continue to remain at elevated levels. The tight liquidity may keep the money market rates under pressure. The rates would trend lower sharply from the present elevated/attractive levels, once the liquidity situation improves possibly on further Open Market Operations & Cash Reserve Ratio cuts.	The Company has tied up with Banks for long term funding and is privately placing Debentures for longer period.
Credit Risk	As the Company is into lending business every business proposal is subject to credit risk i.e. the borrowers credibility, financial strength, ability to repay etc.	The Company has a skilled team with sectoral knowledge and expertise to structure deals, monitor the projects and develop strong internal processes for follow-up.
Human Resource Risk	The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals or loss of key management personnel may have an adverse impact on the Company's business and its future financial performance.	<ul style="list-style-type: none"> - Employee participation in making business plan and inculcating Entrepreneurship culture. - Consistent grooming for leadership roles across all levels. - Access to latest cutting edge technology. - Opportunities to work on major, critical projects and rotations. - Align rewards based on life cycle of employee. - Support from Managers to Innovate at Work.

unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly.

The Company carries out extensive and regular internal audits programs, policy reviews, guidelines and procedures to ensure that the internal control systems are adequate enough to protect the Company against any loss or misuse of the Company's assets.

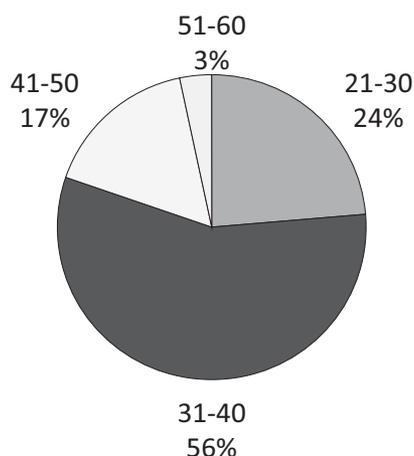
Material development in Human resources, including number of people employed

Your Company has cordial relations with its employees. The Company commends the commitment, dedication and competence shown by its employees in all aspects of business. With the growing requirements of the Company, HR has taken various initiatives to ensure not only the retention of the employees but also their growth and development.

It has a structured induction process, robust Talent Management Process & Systems, Employee Value Proposition – "World of Opportunities" and structured Training & Development programs across all the levels along with a thorough Rewards & Recognition Framework to celebrate valued behavior and competencies.

The total employees as of 31st March, 2013 were 217 (Male 187 and Female 30). The attrition rate for 2012-13 was 6.59%. The details of ageing of employees are as given below:

Age Group Wise break up of employees



Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's plan and objectives, financial conditions, business prospects, estimates and expectations may be forward looking statements which are based on the current belief, assumptions, projections of the Directors and the management of the Company. These statements do not guarantee the future performance and are subject to known and unknown risks, uncertainties and other factors some of which may be beyond the control of the Company. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates, significant changes in political and economic environment in India or key markets abroad, tax laws, litigations, exchange rate fluctuations, interest and other costs.

ADITYA BIRLA FINANCE LIMITED

Corporate Governance Report

Philosophy of Corporate Governance

Your Company continues to be committed to good Corporate Governance aligned with good practices. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders.

Reporting under Clause 49 of the Listing Agreement

The Company is an unlisted company and hence Clause 49 of the listing agreement is not applicable to the Company. Yet the Company on a suo moto basis, has taken all necessary initiatives to comply with the provisions of the said clause to the maximum extent possible and endeavors, in true spirit, to go well beyond the mandatory provisions.

I. Board of Directors ("Board")

The Directors are elected by shareholders of the Company with a responsibility to set strategic objectives for the management and to ensure that the long term interests of all stakeholders are served by adhering to and enforcing the principles of sound corporate governance.

The Board members have diverse areas of knowledge and expertise, which is necessary in providing an independent and objective view on business issues and assess them from the standpoint of the stakeholders of the Company. The Board is independent of the management.

A. Composition of the Board

The Board comprised of five directors as on date, of which three are Independent directors As per the provisions of the Companies Act, 1956, the Company has a Manager who is not a part of the Board of Directors.

'Independent Director' shall mean a non- executive director of the Company who:

- apart from receiving director's remuneration does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company which may affect independence of the director;
- is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- has not been an executive of the Company in the immediately preceding three financial years;
- is not a partner or an executive or was not partner or an executive during the preceding three financial years, of any of the following:
 - the statutory audit firm or the internal audit firm that is associated with the Company, and
 - the legal firm(s) and consulting firm(s) that have a material association with the Company.
- is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director;
- is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares;

Following are the Independent Directors of the Company as on date

- Mr. DJ Kakalia
- Mr. Jitender Balakrishnan
- Mr. Ashwani Puri

B. Details of Directorships/Committee membership

The composition of our Board, their Directorships/Committee memberships and Chairmanships as on date is given in the table below:

Name of Director	Designation	No of Directorship in other Public Companies	No of Committee Membership of other Public Companies*	Chairmanship in Committees of other Public Companies**
Mr. Ajay Srinivasan	Director	3	Nil	Nil
Mr. B N Puranmalka	Director	2	4	Nil
Mr. D J Kakalia	Director	2	3	Nil
Mr. Jitender Balakrishnan	Director	13	10	1
Mr. Ashwani Puri	Director	1	1	1

* Not including companies incorporated outside India and Private Limited Companies and companies under section 25 of the Companies Act, 1956.

** Only Audit Committee and Shareholders' Grievance Committee of all public limited companies (whether listed or not) have been considered for the purpose of the Committee positions (membership and chairmanship), as per Clause 49 of listing agreement.

C. Non-Executive Directors' compensation and disclosures

The Company pays sitting fees of ₹ [20,000] to the Independent Directors for attending each Board Meeting and Board Committee meetings viz. Audit Committee, Remuneration Committee and Risk Committee.

The details of sitting fees paid to these Independent Directors during the FY 2012 –2013 are given in the table below:

(Amount in ₹)

Name of the Director	Board Meeting	Audit Committee Meeting	Risk Committee	Remuneration Committee
Mr. D J Kakalia	100000	100000	NA	NIL
Mr. Jitender Balakrishnan	100000	NA	60,000	NA
Mr. Ashwani Puri	80000	80000	NA	NA

D. Board Meetings

Agenda and Minutes

The Company Secretary receives details on the matters which require the approval of the Board/ Board Committees, from various departments of the Company well in advance, so that they can be included in the Board/ Board Committee agenda. All material information is incorporated, in detail, in the agenda papers for facilitating meaningful and focused discussions at the meetings.

In compliance of the statutory requirements, the following minimum information is supplied to the Board in the agenda of every quarterly Board Meeting:

- Minutes of meetings of previous board and committee meetings
- Noting of the minutes of committee meetings
- Noting of Circular resolution
- Financial results of the Company
- Compliance certificate by Functional Heads
- Status of Action items taken in the previous board meeting
- Changes in RBI regulations
- Changes in other regulations affecting the company
- Business requirements

ADITYA BIRLA FINANCE LIMITED

The draft minutes of the proceedings of each previous Board / committee meeting is circulated along with the agenda. The Board also takes note of minutes of committee meetings at every Board meeting.

Board meetings and attendance of directors

As a good practice a yearly calendar is prepared and circulated to all the Directors so that they can adequately plan their schedule. This ensures optimum presence of the Directors at each meeting.

During the FY 2012-13, five Board meetings were held as below:

- 1) April 23, 2012
- 2) July 20, 2012
- 3) October 18, 2012
- 4) January 18, 2013
- 5) March 20, 2013

The attendance of the Directors at the above Board meetings and at the last Annual General Meeting is given in the table below:

Name of Directors	No. of Board meetings held during the FY 2012-13		Attendance in the last AGM dated 2nd August, 2012
	Held	Attended	
Mr. Ajay Srinivasan	5	5	No
Mr. B N Puranmalka	5	4	No
Mr. D J Kakalia	5	5	No
Mr. Jitender Balakrishnan	5	5	No
Mr. Ashwani Puri	5	4	Yes

E. Code of Conduct

The Company has designed and implemented a Code of Conduct for all the employees of the Company. The senior management of the Company is governed by this Code of Conduct. The salient features of the said Code of Conduct policy is as under:

II. Audit Committee

The provisions of Section 292A of the Companies Act, 1956, prescribes that every public company having paid-up capital of not less than Rupees five Crore shall constitute a committee of the Board known as "Audit Committee".

The primary functions which the Committee looks into are

- overseeing company's financial reporting process and the disclosure of its financial information
- Review of Annual Financial Statements
- Management discussion and analysis of financial condition and results of operations
- Related party transactions
- Management letter/ letters of internal control weakness issued by Statutory Auditors
- Recommend appointment of Statutory Auditors and their remuneration
- Review of Internal Audit reports
- Recommend appointment of Internal Auditors and their remuneration
- Review internal audit reports to internal control weakness
- Review performance of Internal Auditors

In addition, the Audit Committee also reviews the management letters issued by the Statutory Auditors, the Internal Audit Reports and appointment, removal and terms of remuneration of the Internal Auditor.

A. Composition of Audit Committee

Our Audit Committee comprised of four members as on date viz. Mr. Ajay Srinivasan, Mr. Ashwani Puri, Mr. B N Puranmalka and

Mr. D J Kakalia. Out of the above members, two members viz. Mr. Ashwani Puri and Mr. D J Kakalia are Independent Directors. Mr. Ashwani Puri is the Chairman of the Audit Committee.

All members of the Audit Committee are financially literate and have the necessary accounting and related financial management expertise.

The Chief Executive Officer, the Chief Financial Officer, the Compliance Officer/ Company Secretary, Chief Risk Officer, the Internal Auditors and the Statutory Auditors of the Company are invited for each of the Audit Committee meeting of the Company.

The Company Secretary acts as the Secretary to the Committee.

B. Meetings of Audit Committee and attendance of Audit Committee members

During the FY 2012-13, the Audit Committee met five times on the following dates:

- i. April 23, 2012
- ii. July 20, 2012
- iii. October 18, 2012
- iv. January 18, 2013
- v. March 20, 2013

The attendance of the Audit Committee members at the Audit Committee meetings during the F.Y. 2012-13 is given in the table below:

Name of the Committee member	No. of Audit Committee meetings held during the F.Y. 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	5	5
Mr. Ashwani Puri	5	4
Mr. B N Puranmalka	5	4
Mr. D J Kakalia	5	4

III. Other Committees of the Company

For ensuring smooth business activities, the Company has constituted certain Board Committees with well defined charters for each one of them. The prominent Board Committees, other than the Audit Committee, are as under:

1. Risk Committee

In view of the growing scale of the Company and as required by RBI norms, the Board of the Company at its meeting held on 18th January, 2013 re-constituted the Risk Committee as a sub-committee of the Board, to oversee the risk management and compliance activities of the Company.

As per the documented charter, duly approved by the Board of Directors, the primary function of the Risk Review Committee is to

- Implementation of various directions issued by Board
- Review of loan portfolios
- Monitoring various risks affecting the company
- Guiding the business to ensure effective risk management.
- Generally oversee the risk management function and perform such other related functions as the Board of the company may entrust to it.

A. Composition of Risk Review Committee

The Risk Review Committee comprises of members as on date viz:

- Mr. Jitender Balakrishnan
- Mr. Ajay Srinivasan
- Mr. B N Puranmalka
- Mr. A Dhananjaya
- Mr. Rakesh Singh

ADITYA BIRLA FINANCE LIMITED

Mr. Tushar Shah
Mr. Sekhar Mosur
Mr. Sanjay Miranka
Mr. Ajay Singh
Mr. Maneesh Yadav
Mr. Naveen Gupta
Mr. Sridhar Easwaran
Mr. Muthiah Ganapathy

Mr. Jitender Balakrishnan is the Chairman of this Committee. The Company Secretary acts as the Secretary to the Committee.

B. Meetings of Risk Review Committee and attendance of Risk Review Committee members

The attendance of the Risk Review Committee members at the Risk Review Committee meetings during the FY 2012-13 is given in the table below:

Name of the Committee member	No. of Risk Review Committee meetings held during the F.Y. 2012-13	
	Held	Attended
Mr. Jitender Balakrishnan	3	3
Mr. Ajay Srinivasan	3	2
Mr. B N Puranmalka	3	3
Mr. A Dhananjaya	3	3
Mr. Rakesh Singh	3	3
Mr. Tushar Shah	3	2
Mr. Sekhar Mosur	3	2
Mr. Sanjay Miranka	3	2
Mr. Ajay Singh	3	3
Mr. Maneesh Yadav	3	3
Mr. Naveen Gupta	3	3
Mr. Sridhar Easwaran	3	2
Mr. Muthiah Ganapathy	3	3
Mr. Anil Phalod*	2	1

* Mr. Anil Phalod was member only upto 2nd Quarter of the Financial Year.

2. Asset Liability Management Committee

The Board of the Company at its meeting held on 18th January, 2013 re-constituted the Asset Liability Management Committee as a sub-committee of the Board to:

Monitor the external environment and initiate appropriate action after evaluation of the following factors:

- Interest rate trends
- Market liquidity
- Monetary and fiscal policies
- Competitor actions

Review balance sheet growth, mismatches and forecasts.

Arrive at desirable maturity profiles for assets and liabilities based on anticipated funding needs, loan demands and liquidity position.

Fine-tune product pricing.

Ensure adequacy of capital and seek efficiency in its use in the context of a clearly charted growth strategy.

Ensure compliance with interest rate and liquidity risk related regulatory requirements.

Composition of Asset Liability Management Committee

The Asset Liability Management Committee comprises of members as on date viz:

Mr. A Dhananjaya
Mr. Rakesh Singh
Mr. Sekhar Mosur
Mr. Sanjay Miranka
Mr. Maneesh Yadav
Mr. Naveen Gupta
Mr. Sridhar Easwaran
Mr. Prosenjit Aich
Mr. Arnab Basu
Mr. Sachinn Joshi
Mr. Chandramohan Amritkar

The Company Secretary acts as the Secretary to the Committee.

B. Meetings of Asset Liability Management Committee and attendance of Asset Liability Management Committee members

The attendance of the Asset Liability Management Committee members at the Asset Liability Management Committee meetings during the FY 2012-13 is given in the table below:

Name of the Committee member	No. of Asset Liability Management Committee meetings held during the F.Y. 2012-13	
	Held	Attended
Mr. A Dhananjaya	6	4
Mr. Rakesh Singh	6	5
Mr. Sanjay Miranka	6	4
Mr. Sekhar Mosur	6	6
Mr. Navin Gupta	6	5
Mr. Maneesh Yadav	6	6
Mr. Sridhar Easwaran	6	6
Mr. Prosenjit Aich	6	6
Mr. Arnab Basu	6	6
Mr. Sachinn Joshi	6	6
Mr. Chandramohan Amritkar	6	6

3. Remuneration Committee

Remuneration Committee has been constituted under the Companies Act, 1956 and the Members are

Mr. Ajay Srinivasan

Mr. B N Puranmalka

Mr. D J Kakalia

The Committee recommends to the Board the remuneration payable to Manager of the Company. The Committee had met once during the financial year 2012-13.

IV. Disclosures

A. Related Party Transactions

The related party transactions of the Company are periodically placed and reviewed by the Audit Committee of the Company and necessary briefing is given to the Board also.

B. Remuneration of Directors

Apart from sitting fees, travelling, lodging and other incidental expenses with respect to attending Meetings of Board/ Committees payable to the Independent Directors, no other remuneration is paid to any of the Directors.

ADITYA BIRLA FINANCE LIMITED

C. Shareholders & General information

- i) Brief profile of Directors to be re-appointed in the 22nd Annual General Meeting of the Company:

Mr. Ashwani Puri, is retiring by rotation and approval is being sought for his re-appointment. He is a financial and accounting professional with extensive experience in investment/acquisition advisory services, valuations and decision analysis, business and financial restructuring, dispute analysis and forensics. He was with Price Waterhouse Coopers (PWC) for 34 years and 22 years of these he was Partner/Executive Director. He was leader of Advisory Services at PWC comprising of 2600 professional and advising clients on strategy, transactions, risk and performance related consulting. He was also member of PWC's 12 member Global Advisory Leadership Team.

Mr. Ashwani withdrew from partnership at PWC and set up Veritas Advisors LLP in order to pursue his interests in specific and specialized area of advisory services and policy reform.

- ii) General Body Meetings

The particulars of the last three Annual General Meetings (AGMs) of the Company are provided in the below Table:

AGM	Financial Year	Date of the AGM	Time	Venue
21st	2011-12	2/08/2012	4.30. p.m.	Registered Office
20 th	2010-11	23/09/2011	4.30. p.m.	Registered Office
19 th	2009-10	04/06/2010	4.30. p.m.	Registered Office

- iii) General Shareholder Information

Date, Time and Venue of the 19th Annual General Meeting	2nd August, 2012, 4.30 p.m. , Indian Rayon Compound, Veraval, Gujarat – 362 266
Financial Year	2011-12
Registration no. of the Company as per Companies Act with the Registrar of Companies	U65990GJ1991PLC064603
Corporate Identification Number (CIN)	U65990GJ1991PLC064603
Permanent Account Number (PAN)	AABCB5769M
Address for correspondence	One Indiabulls Centre, Tower 1, 18th Floor, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

For and On behalf of the Board of Directors

Place: Mumbai
Date: 24th July, 2013

B N Puranmalka
Director

Ajay Srinivasan
Director

ADITYA BIRLA FINANCE LIMITED

Independent Auditor's Report

To the Members of Aditya Birla Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Finance Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.V. Ghatalia & Associates LLP**
Chartered Accountants
Firm's Registration Number: 103162W

per Amit Kabra
Partner
Membership Number: 094533

Place of Signature: Mumbai
Date: April 17, 2013

ADITYA BIRLA FINANCE LIMITED

Annexure referred to in paragraph 4 of our report of even date

Re: Aditya Birla Finance Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted verification of stock of securities with the statement of accounts of the mutual fund schemes and holding statements provided by the depository participants at reasonable intervals during the year.
- (b) The stock of securities is held in dematerialized form thus physical verification is not applicable. The procedures followed by the management for periodic verification of stock of securities with the statement of accounts/holding statements are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of stock of securities and no material discrepancies were noticed on verification with the statement of accounts/ holding statements.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the order is not applicable to the company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, wealth-tax, cess and other material statutory dues as applicable. The provisions relating to investor education and protection fund, sales-tax, customs duty and excise duty are not applicable to the Company.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, wealth-tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and

protection fund, sales-tax, customs duty and excise duty are not applicable to the Company.

- (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (₹)	Year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	933,983	A.Y. 2003-04	Bombay High Court
Income Tax Act, 1961	Income-tax	397,401	A.Y. 2004-05	Bombay High Court

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (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 has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (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.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) According to the information and explanations given to us, the Company has issued 13,365 secured debentures of Rs. 1,000,000 each, during the period covered by our audit report. The Company has created security or charge in respect of debentures issued. The Company also has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through a public issue during the year.
- (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 year.

For S.V. GHATALIA & ASSOCIATES LLP

Firm registration number: 103162W
Chartered Accountants

per **Amit Kabra**
Partner
Membership No.: 094533

Place: Mumbai
Date: April 17, 2013

ADITYA BIRLA FINANCE LIMITED

Balance Sheet as at March 31, 2013

	Notes	(Amount in ₹)	
		As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
Share Capital			
Equity	1	1,462,898,420	1,059,648,420
Preference	1	6,000,000,000	3,750,000,000
Reserves and Surplus	2	3,323,168,097	1,473,855,750
(2) NON-CURRENT LIABILITIES			
Long term borrowings	3 a	32,243,809,143	6,118,436,286
Other Long term liabilities	5 a	417,310,832	52,718,780
Long term provisions	6 a	360,835,769	82,159,479
(3) CURRENT LIABILITIES			
Short term borrowings	3 b	31,512,480,657	23,899,370,729
Trade payables	4	214,519,345	105,689,717
Other Current liabilities	5 b	6,257,931,312	797,816,500
Short term provisions	6 b	205,260,014	133,571,232
Total		81,998,213,589	37,473,266,893
ASSETS			
(1) NON CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	7 a	38,569,586	30,493,783
Intangible assets	7 b	40,055,529	1,640,196
Intangible assets under development		37,426,132	30,795,287
NON CURRENT INVESTMENTS	8 a	4,283,676,069	1,186,338,684
DEFERRED TAX ASSETS (Net)	9	178,925,968	71,876,838
LONG TERM LOANS AND ADVANCES	10 a	30,807,376,231	5,794,837,095
OTHER NON CURRENT ASSETS	13 b	—	48,120,339
(2) CURRENT ASSETS			
Current Investments	8 b	1,705,365,600	924,495,750
Stock of Securities		5,690,202,960	1,608,139,203
Trade Receivables	11	51,904,097	8,063,545
Cash and Bank balances	12	788,880	179,240,898
Short term Loans and Advances	10 b	38,241,043,060	27,403,618,934
Other Current Assets	13 a	922,879,477	185,606,341
Total		81,998,213,589	37,473,266,893
Other Notes to Accounts	22		

Notes referred to above form an integral part of the Financial Statements.

Profit and Loss Account for the period April 01, 2012 to March 31, 2013

	Notes	(Amount in ₹)	
		Year Ended 31st March, 2013	Year Ended 31st March, 2012
INCOME			
Revenue from Operations	14	7,150,765,339	3,501,668,276
Other Income	15	49,319,003	3,718,973
Total		7,200,084,342	3,505,387,249
EXPENSES			
Finance Cost	16	4,391,676,071	2,009,983,857
Employee Benefit Expenses	17	600,581,841	292,620,119
Other Expenses	18	385,273,257	201,674,673
Depreciation and Amortisation Expenses		25,243,940	23,688,334
Bad debts and Provision for Non-Performing Assets (Net)	19	215,023,794	101,578,718
General Provision on Standard Assets		110,813,000	39,633,000
Total		5,728,611,903	2,669,178,701
PROFIT BEFORE TAX		1,471,472,439	836,208,548
Tax Expenses			
Current Tax		577,000,000	324,000,000
Deferred Tax Expenses/(Benefits) -(Net)		(107,049,130)	(48,755,398)
Income Tax relating to earlier years		(1,513,230)	(1,335,760)
PROFIT FOR THE YEAR		1,003,034,799	562,299,706
Basic and Diluted Earnings per share (Face Value ₹10)	20	9.40	5.30
Other Notes to Accounts	22		

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date
For **S.V. Ghatalia & Associates LLP**
ICAI Firm Registration No. 103162W
Chartered Accountants

per **Amit Kabra**
Partner
Membership No.094533

Mumbai
Dated: 17th April, 2013

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

B N Puranmalka Director
Ajay Srinivasan Director
Rakesh Singh Chief Executive Officer
Sachinn Joshi Chief Financial Officer
Sekhar Mosur Manager

Mumbai
Dated: 17th April, 2013

As per our report of even date
For **S.V. Ghatalia & Associates LLP**
ICAI Firm Registration No. 103162W
Chartered Accountants

per **Amit Kabra**
Partner
Membership No.094533

Mumbai
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For and on behalf of the Board of Directors
Aditya Birla Finance Limited

B N Puranmalka Director
Ajay Srinivasan Director
Rakesh Singh Chief Executive Officer
Sachinn Joshi Chief Financial Officer
Sekhar Mosur Manager

Mumbai
Dated: 17th April, 2013

ADITYA BIRLA FINANCE LIMITED

Cash Flow Statement for the year ended March 31 , 2013

	Current Year	(Amount in ₹) Previous Year
A) Cash Flow from Operating Activities :		
Net Profit before Tax	1,471,472,439	836,208,548
Adjustments for :		
Depreciation/ Amortisation	25,243,940	23,688,334
Retirement Benefits	14,270,574	(928,300)
Bad debts and Provision for Non-Performing Assets(Net)	166,754,734	101,582,066
General Provision on Standard Assets	110,813,000	39,633,000
Provision for diminution in Investments	33,687,360	—
Loss/(Gain) on Sale of Investments	(8,135,000)	(541,937)
Loss/(Gain) on Sale of Fixed Assets	193,614	(387,087)
Dividend Income	(895,294)	(461,398)
	<u>341,932,928</u>	<u>162,584,678</u>
Operating Profit before Working Capital changes	1,813,405,367	998,793,226
Adjustments for :		
(Increase)/decrease in Trade Receivables	(43,840,552)	(7,576,111)
(Increase)/decrease in Loans and Advances	(36,515,134,454)	(16,460,731,993)
(Increase)/decrease in Stock of Securities	(4,082,063,757)	37,839,031
(Increase)/decrease in Other Liabilities and Trade Payable	663,760,008	790,634,387
	<u>(39,977,278,755)</u>	<u>(15,639,834,686)</u>
Cash Generated from Operations	(38,163,873,388)	(14,641,041,460)
Direct Taxes Paid	(541,138,280)	(313,470,781)
	<u>(541,138,280)</u>	<u>(313,470,781)</u>
Net Cash from/(used in) Operating Activities	<u>(38,705,011,668)</u>	<u>(14,954,512,241)</u>
B) Cash Flow from Investing Activities :		
Purchase of Tangible and Intangible Assets	(72,215,311)	(22,491,440)
Intangible assets under development and Capital Work in Progress	(6,630,845)	(29,932,637)
Purchase of Securities	(6,144,074,771)	(1,554,295,750)
Sale of Securities	2,240,315,176	1,292,152,545
Dividend Received	895,294	461,398
Sale of Tangible Assets	286,618	1,943,090
	<u>(3,981,423,839)</u>	<u>(312,162,794)</u>
Net Cash from/(used in) Investing Activities	<u>(3,981,423,839)</u>	<u>(312,162,794)</u>
C) Cash Flow from Financing Activities :		
Dividend on Preference Share and Corporate Dividend Tax	(350,785)	(153,110)
Proceeds from Borrowings	179,837,571,557	124,165,208,573
Repayment of Borrowings	(140,829,312,283)	(109,526,274,653)
Share Premium	846,825,000	—
Equity Share Capital	403,250,000	—
Preference Share Capital	2,250,000,000	750,000,000
	<u>42,507,983,489</u>	<u>15,388,780,810</u>
Net Cash from/(used in) Financing Activities	<u>42,507,983,489</u>	<u>15,388,780,810</u>
Net Increase/(decrease) in Cash and Cash Equivalents	<u>(178,452,018)</u>	<u>122,105,775</u>
Cash and Cash Equivalents (Opening Balances)	179,240,898	57,135,123
Cash and Cash Equivalents (Closing Balances)	788,880	179,240,898
Net Increase/(decrease) in Cash and Cash Equivalents	<u>(178,452,018)</u>	<u>122,105,775</u>
Notes to Cash Flow Statement		
1) Cash and Cash Equivalents include		
Cash in hand	—	—
Balances with Banks in Current Accounts	788,880	179,240,898
	<u>788,880</u>	<u>179,240,898</u>
2) Previous year figures have been regrouped and rearranged where ever necessary.		

As per our report of even date
For **S.V. Ghatalia & Associates LLP**
ICAI Firm Registration No. 103162W
Chartered Accountants

per **Amit Kabra**
Partner
Membership No.094533

Mumbai
Dated: 17th April, 2013

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

B N Puranmalka
Director

Sachinn Joshi
Chief Financial Officer

Mumbai
Dated: 17th April, 2013

Ajay Srinivasan
Director

Sekhar Mosur
Manager

Rakesh Singh
Chief Executive Officer

ADITYA BIRLA FINANCE LIMITED

before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

* Compulsory Convertible Cumulative Preference Shares (CCPS) 75,000,000 0.01% of ₹ 10 each fully paid up (31st March, 2012: 75,000,000) are convertible at any time after three months from the date of allotment i.e. 30th November 2007 for ₹ 500,000,000 CCPS and 31st December 2007 for ₹ 250,000,000 CCPS within 10 years from date of allotment, at a price to be decided by the Board of Directors of the Company. In the event these CCPS are not converted into fully paid up equity shares prior to date of maturity, then these CCPS shall be converted into appropriate numbers of fully paid up equity shares at twice the fair value of equity shares as on the date of conversion, as per the terms of issue of CCPS.

**Compulsory Convertible Cumulative Preference Shares (CCPS) 300,000,000 0.01% of ₹ 10 each fully paid up (31st March, 2012: fully paid up 300,000,000) are convertible at any time after expiry of sixty months from the date of allotment i.e. 30th August, 2010 and at a price mutually agreed between issuer and the subscriber. In the event these CCPS are not converted into fully paid up equity shares prior to date of maturity, then these CCPS shall be converted into appropriate numbers of fully paid up equity shares at 2/3rd of the fair value on the date of conversion value of equity shares as on the date of conversion, as per the terms of issue of CCPS. If at the time of conversion, the CCPS are held by mutual fund, the conversion price shall be computed by an independent valuer to be jointly appointed by the issuer.

***Compulsory Convertible Cumulative Preference Shares (CCPS) 100,000,000 each and 25,000,000 @ 0.01% of ₹ 10 each fully paid up (31st March, 2012: Nil) are convertible on or before 5 years from the date of allotment i.e. 20th July, 2012, 28th December, 2012 and 26th March, 2013 at the fair value on the date of conversion or such other ration as may be mutually agreed between issuer and the subscriber.

		(Amount in ₹)	
Note 2	As at	As at	
RESERVES AND SURPLUS	31st March, 2013	31st March, 2012	
1) Other Reserves			
Special Reserve *			
Opening Balance	355,000,000	242,000,000	
Addition: Amount transferred from surplus balance in the Statement of Profit and Loss Account	201,000,000	113,000,000	
Closing Balance	<u>556,000,000</u>	<u>355,000,000</u>	
2) Share Premium Account			
Share Premium Account	846,825,000	—	
	<u>846,825,000</u>	<u>—</u>	
3) Surplus as per Profit and Loss Account			
Opening Balance	1,118,855,750	669,906,829	
Addition			
Profit for the year	1,003,034,799	562,299,706	
Less: Appropriation			
Transfer to Special Reserve	201,000,000	113,000,000	
Dividend on Preference Shares	471,027	300,822	
Tax on Dividend	76,425	49,963	
Closing Balance	<u>1,920,343,097</u>	<u>1,118,855,750</u>	
Total	<u>3,323,168,097</u>	<u>1,473,855,750</u>	

* Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a reserve fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by the RBI.

		(Amount in ₹)	
Note 3 a	As at	As at	
LONG-TERM BORROWINGS	31st March, 2013	31st March, 2012	
Secured			
Redeemable Non Convertible Debentures *	13,016,750,430	1,474,000,000	
Term Loan from Banks	15,590,038,165	4,318,915,738	
	<u>28,606,788,595</u>	<u>5,792,915,738</u>	
Unsecured			
Sub ordinate Debts- Debentures	3,550,000,000	300,000,000	
Deposit from Clients	87,020,548	25,520,548	
	<u>3,637,020,548</u>	<u>325,520,548</u>	
Total	<u>32,243,809,143</u>	<u>6,118,436,286</u>	

		(Amount in ₹)	
Note 3 b	As at	As at	
SHORT-TERM BORROWINGS	31st March, 2013	31st March, 2012	
Secured			
Loan repayable on demand from Banks	6,659,836,248	2,158,913,453	
	<u>6,659,836,248</u>	<u>2,158,913,453</u>	
Unsecured			
Commercial Papers **	24,125,013,408	20,683,647,264	
Inter Corporate Borrowings	250,000,000	500,000,000	
Deposit from Clients	272,286,986	85,000,002	
Loan from Others	12,543,066	6,505,150	
Loan from Related Parties	192,800,949	465,304,860	
	<u>24,852,644,409</u>	<u>21,740,457,276</u>	
Total	<u>31,512,480,657</u>	<u>23,899,370,729</u>	

* Redeemable Non Convertible Debentures shown net of unamortised discounting charges ₹ 9,215,129/- (31st March, 2012 ₹ Nil).

** Commercial paper shown net of unamortised discounting charges ₹ 354,986,592/- (31st March, 2012 ₹ 541,352,736/-).

		(Amount in ₹)			
		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non Current	Current	Non Current
1) Secured Long Term Borrowings					
Term loan from Banks are secured by way of first pari-passu charge on the receivables of the Company. Eligible receivables for the purpose of security are receivables other than receivables arising out of capital market exposures, unsecured exposures, investments in CP's/NCD's and/or other speculative exposures of the Company. Repayment Terms : Bullet payment at the end of Sixty Three months (Maturity : 21st June, 2017 to 30th June, 2017), Rate of Interest @ 10.85% p.a.		—	999,747,939	—	999,777,055
Term loan from Banks are secured by way of first pari-passu charge on the receivables of the Company. Eligible receivables for the purpose of security are receivables other than receivables arising out of capital market exposures and/or other speculative exposures of the Company. Repayment Terms : Bullet payment at the end of Thirty to Thirty six months (Rate of Interest @ 10.35% to 10.60% p.a.)		—	11,039,648,187	—	—
Term loan from Banks are secured by way of first pari-passu charge on the receivables of the Company. Eligible receivables for the purpose of security are receivables other than receivables arising out of capital market exposures, unsecured exposures, investments in CP's/NCD's and/or other speculative exposures of the Company. Repayment Terms : Bullet repayment at the end of twelve months , Rate of Interest @ 10.75% to 10.85% p.a.		2,999,076,489	—	80,000,000	3,319,138,683
Term Loan secured by way of first pari-passu charge by way of Hypothecation of Receivables of the Company through the security Trustee . Repayment Terms : Five half yearly instalments from the date of disbursement (maturity 30th May , 2013 to 30th June 2015), Rate of Interest @ 10.60% p.a.		800,000,000	1,200,000,000	—	—
Term loan secured by way of first pari-passu charge on future receivables and book debts of the Company under the facility. Security will be created through execution of deed of accession with security Trustee. Repayment Terms : Repayment in three equal yearly installment (maturity 12th December 2013 to 12 th December, 2015), Rate of Interest @ 10.50% floating p.a.		666,700,000	1,350,642,039	—	—
Term Loan secured by way of first pari-passu charge on Loan receivables of the Company through Security Trustee. Repayment Terms : Two equal annual installments each after a moratorium period of 2 years from the date of first disbursement (maturity 24th March , 2016 to 24th March, 2017) ,Rate of Interest @ 10.50% (floating) p.a.		—	1,000,000,000	—	—
Debentures Secured by way of mortgage of the immovable property and first pari-passu charge on current assets of the Company: 9.50% to 10.00 % p.a. (Redeemable with interest on from 27th Nov, 2017 to 29th Nov, 2019)		—	2,090,000,000	—	—
9.75% to 10.75 % p.a. (Redeemable with interest on from 04th April 2014 to 24th Dec, 2015)		—	10,926,750,430	—	670,000,000
9.81% to 10.00 % p.a. (Redeemable with interest on from 06th June 2013 to 14th Aug, 2013)		804,000,000	—	—	804,000,000
		<u>5,269,776,489</u>	<u>28,606,788,595</u>	<u>80,000,000</u>	<u>5,792,915,738</u>

ADITYA BIRLA FINANCE LIMITED

		As at 31st March, 2013		(Amount in ₹)				
		Current	Non Current	Current	Non Current			
2)	Unsecured Long term Borrowing							
	10.20 % to 10.60 % p.a. (Redeemable after 10 years : 15th Feb 2022 to 7th Oct, 2022)	—	3,550,000,000	—	300,000,000			
		<u>—</u>	<u>3,550,000,000</u>	<u>—</u>	<u>300,000,000</u>			
3)	Deposit from Clients:							
	Repayment Terms : 60 months from date of disbursement (Rate of Interest 9.50% p.a.)	—	62,020,548	—	25,520,548			
	Repayment Terms : 36 months from date of disbursement (Rate of Interest 9% to 9.50% p.a.)	—	25,000,000	—	—			
		<u>—</u>	<u>87,020,548</u>	<u>—</u>	<u>25,520,548</u>			
		<u>5,269,776,489</u>	<u>32,243,809,143</u>	<u>80,000,000</u>	<u>6,118,436,286</u>			
4)	Secured Short Term Borrowings :							
	Cash Credit secured by way of first pari-passu charge on Receivables and Current Assets of the Company (excluding receivables on account of loans against Shares/Debentures and other assets linked to Shares/Debentures).	6,659,836,248	—	2,158,913,453	—			
		<u>6,659,836,248</u>	<u>—</u>	<u>2,158,913,453</u>	<u>—</u>			
Note 4		(Amount in ₹)		(Amount in ₹)				
		As at	As at	As at	As at			
	TRADE PAYABLES	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012			
	Trade payables	73,903,392	53,021,065	85,893,000	17,277,000			
	Trade payables for salaries, bonus and other employees benefits	140,615,953	52,668,652	274,942,769	64,882,479			
	Total	<u>214,519,345</u>	<u>105,689,717</u>	<u>360,835,769</u>	<u>82,159,479</u>			
Note 5 a								
	OTHER LONG TERM LIABILITIES							
	Interest accrued but not due on Loans	358,813,949	23,265,562	471,027	300,822			
	Trade payables for salaries, bonus and other employees benefits	58,362,000	25,000,000	76,425	49,963			
	Liability for Rent Straight Lining	134,883	4,453,218	—	—			
	Total	<u>417,310,832</u>	<u>52,718,780</u>	<u>205,260,014</u>	<u>133,571,232</u>			
Note 5 b								
	OTHER CURRENT LIABILITIES							
	Book Overdraft	4,564,600	589,641,357	—	—			
	Interest accrued but not due on Loans	650,437,825	4,131,370	—	43,305,556			
	Income received in advance	57,313,797	79,367,036	114,992,000	72,795,000			
	Statutory Dues	15,965,157	11,470,337	22,255,933	11,231,194			
	Margin Money from Customers	22,579,258	28,045,797	9,134,532	5,888,697			
	Other Payable - Deposits	244,164	330,778	—	—			
	Other Payable - Miscellaneous	237,050,022	4,829,825	—	—			
	Current maturities of Term Loan	4,465,776,489	80,000,000	—	—			
	Current maturities of Redeemable Non-Convertible Debentures	804,000,000	—	—	—			
	Total	<u>6,257,931,312</u>	<u>797,816,500</u>	<u>205,260,014</u>	<u>133,571,232</u>			
Note 7a								
	Tangible Assets				(Amount in ₹)			
		Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Leasehold Improvements	TOTAL
	Gross Block							
	As at 1 April 2011	2,626,975	19,818,298	9,460,208	5,506,821	9,157,722	20,692,574	67,262,599
	Additions	—	11,839,639	603,606	5,118,224	543,880	669,532	18,774,881
	Deletions/Adjustment	—	1,778,597	788,912	1,048,079	1,268,108	279,780	5,163,476
	As at 31 March 2012	<u>2,626,975</u>	<u>29,879,340</u>	<u>9,274,902</u>	<u>9,576,966</u>	<u>8,433,494</u>	<u>21,082,326</u>	<u>80,874,004</u>
	Additions	—	8,663,005	765,898	3,845,674	2,609,032	6,085,316	21,968,925
	Deletions/Adjustment	—	68,718	2,810,429	2,859,763	1,163,308	—	6,902,218
	As at 31 March 2013	<u>2,626,975</u>	<u>38,473,627</u>	<u>7,230,371</u>	<u>10,562,877</u>	<u>9,879,218</u>	<u>27,167,642</u>	<u>95,940,708</u>
	Accumulated Depreciation							
	As at 1 April 2011	10,945	10,283,750	5,189,942	2,442,631	6,028,520	13,617,794	37,573,580
	For the year	131,349	5,460,710	955,939	1,435,873	1,567,133	6,863,111	16,414,114
	Deletions/Adjustment	—	1,566,682	698,633	157,212	1,091,686	93,260	3,607,473
	As at 31 March 2012	<u>142,294</u>	<u>14,177,778</u>	<u>5,447,248</u>	<u>3,721,292</u>	<u>6,503,967</u>	<u>20,387,645</u>	<u>50,380,221</u>
	For the year	131,349	7,292,941	1,047,236	1,957,933	1,761,390	1,222,037	13,412,887
	Deletions/Adjustment	—	54,401	2,782,393	2,446,190	1,139,001	—	6,421,985
	As at 31 March 2013	<u>273,643</u>	<u>21,416,318</u>	<u>3,712,091</u>	<u>3,233,035</u>	<u>7,126,356</u>	<u>21,609,682</u>	<u>57,371,122</u>
	Net book amount as at 31 March 2012	<u>2,484,681</u>	<u>15,701,562</u>	<u>3,827,654</u>	<u>5,855,674</u>	<u>1,929,527</u>	<u>694,681</u>	<u>30,493,783</u>
	Net book amount as at 31 March 2013	<u>2,353,333</u>	<u>17,057,309</u>	<u>3,518,280</u>	<u>7,329,842</u>	<u>2,752,862</u>	<u>5,557,960</u>	<u>38,569,586</u>
Notes :								
	1) Redeemable Non Convertible Debenture is secured by Charge on Immovable property of the Company.							
	2) Office Equipments includes Gross assets amounting to ₹ 219,205/-Previous year : Rs 219,205/- held jointly with the Birla Sun Life Insurance Company Limited.							

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Note 7b		
Intangible Assets		
	Software	(Amount in ₹) TOTAL
Gross Block		
As at 1 April 2011	14,705,341	14,705,341
Additions	3,716,559	3,716,559
Deletions/Adjustment	—	—
As at 31 March 2012	18,421,900	18,421,900
Additions	50,246,386	50,246,386
Deletions/Adjustment	—	—
As at 31 March 2013	68,668,286	68,668,287
Accumulated Amortization		
As at 1 April 2011	9,507,484	9,507,484
For the year	7,274,220	7,274,220
Deletions/Adjustment	—	—
As at 31 March 2012	16,781,704	16,781,704
For the year	11,831,053	11,831,053
Deletions/Adjustment	—	—
As at 31 March 2013	28,612,757	28,612,757
Net book amount as at 31 March 2012	1,640,196	1,640,196
Net book amount as at 31 March 2013	40,055,528	40,055,529

Note 8 a

NON CURRENT INVESTMENTS

Long Term, Fully Paid up	Face Value (₹)	As at 31st March, 2013		As at 31st March, 2012	
		Numbers	(₹)	Numbers	(₹)
(A) Equity Shares					
Trade Investment					
Unquoted					
Investment in Subsidiary					
Aditya Birla Securities Private Limited	10	30,000	360,000	30,000	360,000
Non Trade Investment					
Quoted					
HDFC Bank Limited	2	1,300	4,000	1,300	4,000
MOIL	10	12,245	4,591,875	12,245	4,591,875
Unquoted					
Others					
Birla Management Centre Services Limited	10	7,000	70,000	7,000	70,000
Birla Sun Life Trustee Company Private Limited	10	20	860	20	860
Non Trade Investment					
(B) Preference Shares					
Unquoted					
Share Microfin Limited	10	12,980,000	129,800,000	12,980,000	129,800,000
0.001 % Optionally Convertible Cumulative Redeemable Preference Shares					
Non Trade Investment					
(C) Debentures					
Quoted					
JSW Techno Projects Management Limited	—	—	—	50	501,511,949
Non Convertible Debentures carrying fixed coupon rate of 8% (4% payable annually).					
Shree Renuka Sugars Limited	1,000,000	500	500,000,000	500	500,000,000
Non Convertible Debentures carrying floating coupon rate of 12.08% (payable semi annually).					
Peninsula Land Ltd	1,000,000	400	400,000,000	—	—
Secured Redeemable Non Convertible Debentures carrying fixed coupon rate of 13.31% (payable Semi annually).					
RKN Retail Private Limited	10,000,000	50	500,487,172	—	—
Non Convertible Debentures carrying fixed coupon rate of 7.00% (payable annually).					
Unquoted					
Mandava Holdings Pvt Ltd	50,000,000	12	669,667,298	—	—
Non Convertible Debentures carrying coupon rate of 5.64% (payable quarterly).					
Coffee Day Resort Private Limited	1,000,000	600	600,000,000	—	—
Non Convertible Debentures carrying fixed coupon rate of 14% (payable quarterly).					
Floreat Investment Ltd	1,000,000	500	500,000,000	—	—
Non Convertible Debentures carrying fixed coupon rate of 11.1% (payable annually).					
Indiabulls Housing Finance Limited	100,000	2,500	250,000,000	—	—
Non Convertible Debentures carrying fixed coupon rate of 10.10% (payable annually).					
Lily Reality Private Limited	100,000	2,300	239,278,201	—	—
Non Convertible Debentures carrying fixed coupon rate of 19.00% (payable quarterly).					
Non Trade Investment					
(D) Others :					
Unquoted					
PMS Investment			50,000,000		50,000,000
Jindal ITF Limited	1,000,000	400	439,416,663	—	—
Pass Through Certificate carrying fixed coupon rate of 15.25% (payable annually).					
Total			4,283,676,069		1,186,338,684
Aggregate amount of Quoted Investments		1,405,083,047		1,006,107,824	
Aggregate amount of Unquoted Investments		2,878,593,022		180,230,860	
Aggregate market value of Quoted Investments		1,404,030,150		1,005,257,223	
Aggregate amount of diminution in value of investments ₹ Nil (31st March, 2012 ₹ Nil)					
Non Current Investment valued at cost unless stated otherwise.					
Quoted Debentures Market value has been taken at cost since these are not frequently traded.					

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NOTE 8 b CURRENT INVESTMENTS

Commercial Papers	As at 31st March, 2013		As at 31st March, 2012		
	Face Value (₹)	Numbers	(₹)	Numbers	(₹)
Unquoted					
Kavy Financial Services Private Limited	500,000	500	241,920,500	500	241,427,750
ABG Shipyard Limited	500,000	—	—	500	233,068,000
Debentures					
Quoted					
Tril Infopark Ltd	1,000,000	960	995,620,511	—	—
Non Convertible Debentures carrying fixed coupon rate of 12.25% (payable quarterly).					
JSW Techno Projects Management Limited	10,000,000	50	501,511,949	—	—
Non Convertible Debentures carrying fixed coupon rate of 8% (4% payable annually).					
RHC Holding Private Limited	1,000,000	—	—	450	450,000,000
Non Convertible Debentures carrying fixed coupon rate of 10.315% (payable on maturity)					
Less: Provision for Diminution on investments			(33,687,360)		—
Total			1,705,365,600		924,495,750
Aggregate amount of Unquoted Investments			241,920,500		474,495,750
Aggregate amount of Quoted Investments			1,463,445,100		450,000,000
Aggregate market value of Quoted Investments			1,463,445,100		450,000,000
Aggregate amount of diminution in value of investments ₹ 33,687,360/- (31st March, 2012 ₹ Nil)					
Current Investment are stated at lower of cost and market/fair values.					
Quoted Debentures Market value has been taken at cost since these are not frequently traded.					

Note 9 DEFERRED TAX ASSETS (Net)	(Amount in ₹)		Unsecured	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012		As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Assets at the year end comprise timing differences on account of:			(Considered good unless otherwise stated)		
Depreciation	739,609	5,351,055	Corporate Finance (Bills Discounted/Purchased/ Invoice Factoring)	6,123,084,372	5,956,857,758
Provision for Doubtful Debts and Advances (Including additional contingency)	93,453,047	35,113,437	Loan against IPO	—	46,811,000
Contingent Provisions against Standard Assets	68,280,812	29,223,860	Loan to Micro Finance	60,240,021	74,267,355
Rent Straightlining	45,847	2,188,486	Inter Corporate Deposits	1,160,300,000	1,488,793,418
Provision for diminution in Investment	16,406,653	—	Mortgage Finance	—	4,023,288
Total	178,925,968	71,876,838	Term Loan	1,241,499,355	1,024,619,364
			Project Finance	1,100,000,000	—
			Loans and Advance to Related Parties	108,752	394,681,097
			Others Advances	12,418,556	2,204,183
			Security Deposits	48,000	1,024,950
			Loan to Employees	946,147	1,225,768
			Prepaid Expenses	27,211,961	4,564,756
			Advance payment of Taxes (Net of provisions for taxation ₹ 530,000,000/-, 31 March, 2012 ₹ 345,000,000/-)	67,080,094	30,322,823
			Total	38,241,043,060	27,403,618,934
			Note 11		
			TRADE RECEIVABLE		
			(Unsecured, considered good unless otherwise stated)		
			Dues for a period exceeding six months	—	—
			Less: Provision for Doubtful Debts	—	—
			Other Debts	51,904,097	8,063,545
			Total	51,904,097	8,063,545
			Note 12		
			CASH AND BANK BALANCES		
			Cash and Cash Equivalent		
			Balances with Banks in Current Accounts	788,880	179,240,898
			Total	788,880	179,240,898
			Note 13 a		
			OTHER CURRENT ASSETS		
			Interest Accrued but not due	922,879,477	185,606,341
			Total	922,879,477	185,606,341
			Note 13 b		
			OTHER NON CURRENT ASSETS		
			Interest Accrued but not due	—	48,120,339
			Total	—	48,120,339
			Note 10 b		
			SHORT-TERM LOANS AND ADVANCES		
			Secured		
			(Considered good unless otherwise stated)		
			Collateral Finance	20,743,664,403	15,004,507,802
			Loan against Commodity	1,500,000	—
			Term Loan	3,067,050,909	675,210,920
			Mortgage Finance	922,101,760	34,161,400
			Project Finance	3,713,788,730	2,660,343,052

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	(Amount in ₹)			(Amount in ₹)	
	Year Ended	Year Ended		Year Ended	Year Ended
	31st March, 2013	31st March, 2012		31st March, 2013	31st March, 2012
Note 14			Note 17		
REVENUE FROM OPERATIONS			EMPLOYEE BENEFIT EXPENSES		
INTEREST			Salaries, Bonus and Allowances	560,802,331	266,073,957
Capital Market Activity			Contribution to Provident and Other Funds	25,327,105	13,714,462
Interest on Loan against Securities	2,257,222,559	1,700,657,746	Staff Welfare Expenses	14,452,405	12,811,364
Interest on Long Term Investment	516,386,345	206,366,124	ESOP Expenses	—	20,336
Interest on Loan against IPO Funding	10,272,694	16,864,057	Total	600,581,841	292,620,119
	2,783,881,598	1,923,887,927			
Corporate Finance			Note 18		
Bills Discounting/Invoice Factoring Charges	744,424,752	542,331,487	OTHER EXPENSES		
Interest income on Micro Finance	30,616,984	67,876,021	Rent	51,527,693	45,432,266
	775,041,736	610,207,508	Travelling and Conveyance	32,059,695	14,085,363
Project/Term Finance			Water and Electricity	4,857,542	3,827,816
Interest on Term Loan	523,966,536	113,272,930	Repairs and Maintenance:		
Interest on Project Finance	1,364,310,480	343,937,365	Plant and Machinery	136,470	164,939
Interest on Mortgage Finance	743,953,972	818,161	Others	17,221,178	10,658,391
	2,632,220,988	458,028,456	Insurance	5,108,753	3,067,764
Inter Corporate Deposits			Communication Expenses	9,084,147	6,733,105
Interest on Inter Corporate Deposits	132,682,983	152,755,329	Legal and Professional Charges	137,456,761	46,305,776
	132,682,983	152,755,329	Loss on Sale of Fixed Assets (Net)	193,614	—
Others			Rates and Taxes	22,695,008	17,805,356
Discount Charges on Commercial Paper	29,018,708	50,730,587	Printing and Stationery	3,622,608	2,682,825
	29,018,708	50,730,587	Outsourcing Expenses	20,689,017	9,715,899
	6,352,846,013	3,195,609,807	Information Technology Expenses	10,074,118	4,296,187
			Business / Sales Promotion Expenses	2,493,400	2,781,644
			Advertisement Expenses	2,589,230	3,206,423
			Postage Expenses	1,585,872	1,412,201
			Bank Charges	4,973,556	4,127,406
			Brokerage and Commission	45,574,071	6,202,960
			Miscellaneous Expenses	13,330,524	19,168,352
			Total	385,273,257	201,674,673
OTHER FINANCIAL SERVICES					
Treasury Operations			Note 19		
Income from Long Term Investments			BAD DEBTS AND PROVISION FOR		
Dividend	895,294	83,883	NON-PERFORMING ASSETS(NET)		
Income from Short Term Investments			Provision for Doubtful Debts and Advances	208,310,290	102,485,141
Dividend	—	377,515	Provision for Doubtful Debts written back	(41,555,556)	(906,423)
Income from Current Investments			Provision for diminution in Current Investment	48,269,060	—
Gain on sale of Investments (Net)	8,135,000	541,937	Total	215,023,794	101,578,718
Securities Trading Income	341,051,558	167,314,853			
	350,081,852	168,318,188	Note 20		
Syndication and Other Fee Income			EARNINGS PER SHARE		
Corporate Finance	86,426,954	47,016,255	Current Year		Previous Year
Capital Market	32,268,238	23,220,440	Net Profit after Tax (₹)	1,003,034,799	562,299,706
Project Finance	202,522,689	52,500,000	Less: Dividend on Preference Share	547,452	350,785
Treasury	168,000	11,000,000	(including Corporate Dividend Tax)		
Mortgages Finance	126,451,593	4,003,586	Net Profit after Tax available for equity shareholders (₹)	1,002,487,347	561,948,921
	447,837,474	137,740,281	Weighted average number of equity		
	797,919,326	306,058,469	shares outstanding (Numbers)	106,627,719	105,964,842
Total	7,150,765,339	3,501,668,276	Basic and Diluted EPS (₹)	9.40	5.30
			Note: 0.01% Compulsory Convertible Cumulative Preference Shares of the Company shall be converted over a period of time, its effect on diluted EPS has not been worked out.		
Note 15			Schedule: 21 A		
OTHER INCOME			Disclosure in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007		
Other Interest	2,692,344	278,607	Particulars		(₹)
Refund of Insurance Premium	—	2,839,122	Liabilities side :		
Excess Provision no longer required	13,401,623	—	1. Loans and advances availed by the NBFCs inclusive		
Cenvat Credit of earlier years (Refer note no: 11)	30,544,453	—	of interest accrued thereon but not paid:	Amount	Amount
Gain on Sale of Fixed Assets (Net)	—	387,087		Outstanding	Overdue
Miscellaneous Income (includes excess provision and sundry balances written back (Net))	2,680,583	214,157	(a) Debentures : Secured (including interest accrued but not due of ₹834,817,794/-)	14,655,568,224	—
	49,319,003	3,718,973	Unsecured (including interest accrued but not due of ₹172,999,315/-)	3,722,999,315	—
			(other than falling within the meaning of public deposits*)		
Note 16			(b) Deferred Credits	—	—
FINANCE COST			(c) Term Loans	20,055,814,654	—
Interest Expenses	2,182,368,854	166,883,521	(d) Inter-corporate loans and borrowings (including interest accrued but not due of ₹1,434,665/-)	816,086,214	—
Discounting charges on Commercial Paper	2,197,670,154	1,834,876,880	(e) Commercial Paper	24,125,013,408	—
Others Borrowing Costs	11,637,063	8,223,456	(f) Other Loans (Working Capital) & Others	6,659,836,248	—
	4,391,676,071	2,009,983,857	Total	70,035,318,063	—
			* Please see Note 1 below		

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Assets side :		Amount Outstanding	6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below						
2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :										
(a)	Secured	57,161,693,381								
(b)	Unsecured	11,752,495,672								
(includes those in nature of loans and excludes Advances Recoverable in cash or kind or for value to be received, Advance Payment of Taxes and Other Deposits)										
3. Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities										
(i)	Lease assets including lease rentals under sundry debtors :									
(a)	Financial lease	—								
(b)	Operating lease	—								
(ii)	Stock on hire including hire charges under sundry debtors:									
(a)	Assets on hire	—								
(b)	Repossessed Assets	—								
(iii)	Other loans counting towards AFC activities									
(a)	Loans where assets have been repossessed	—								
(b)	Loans other than (a) above	—								
4. Break-up of Investments :										
Current Investments :										
1. Quoted :										
Shares : (a) Equity		—								
(b) Preference		—								
(ii)	Debentures and Bonds	—								
(iii)	Units of mutual funds	—								
(iv)	Government Securities	—								
(v)	Others (Commercial Paper)	—								
2. Unquoted :										
Shares : (a) Equity		—								
(b) Preference		—								
(ii)	Debentures and Bonds	1,463,445,100								
(iii)	Units of mutual funds	-								
(iv)	Government Securities	-								
(v)	Others (Commercial Paper)	241,920,500								
Long Term investments :										
1. Quoted :										
(Shares) : (a) Equity		4,595,875								
(b) Preference		-								
(ii)	Debentures and Bonds	1,400,487,172								
(iii)	Units of mutual funds	-								
(iv)	Government Securities	-								
(v)	Others (Please specify)	-								
2. Unquoted :										
(i)										
Shares : (a) Equity		430,860								
(b) Preference		129,800,000								
(ii)	Debentures and Bonds	2,258,945,499								
(iii)	Units of mutual funds	-								
(iv)	Government Securities	-								
(v)	Others (PMS and PTC)	489,416,663								
5 Borrower group-wise classification of assets financed as in (2) and (3) above :										
Please see Note 2 below										
Category	Net of Provisions (₹)									
	Secured	Unsecured	Total							
1. Related Parties**										
(a) Subsidiaries	—	—	—							
(b) Companies in the same group	—	108,752	108,752							
(c) Other related parties	—	—	—							
2. Other than related parties	57,161,693,381	11,752,386,920	68,914,080,300							
Total	57,161,693,381	11,752,495,672	68,914,189,052							
Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below										
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)								
1 Related Parties**										
(a) Subsidiaries	300,000	360,000								
(b) Companies in the same group	3,045	—								
(c) Other related parties	—	—								
2 Other than related parties	199,195,275	184,466,735								
Total	199,498,320	184,826,735								
Note: Break up value derived from the latest available Balance Sheet of the Company. ** As per Accounting Standard of ICAI (Please see Note 3)										
7. Other information										
Particulars										
(i)	Gross Non-Performing Assets									
(a)	Related parties	—								
(b)	Other than related parties	850,357,138								
(ii)	Net Non-Performing Assets									
(a)	Related parties	—								
(b)	Other than related parties	575,414,368								
(iii)	Assets acquired in satisfaction of debt	—								
Notes:										
1	As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.									
2	Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non -Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.									
3	All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.									
Schedule 21- B										
CRAR										
	Items	Current Year	Previous Year							
(i)	CRAR (%)	17.51	17.73							
(ii)	CRAR - Tier I capital (%)	12.92	16.68							
(iii)	CRAR - Tier II Capital (%)	4.59	1.05							
Exposures										
Exposure to Real Estate Sector										
	Category	Current year	(₹ in crores) Previous year							
(a)	Direct exposure									
(i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakhs may be shown separately).	NIL	NIL							
(ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	1407.66	67.48							
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -									
a.	Residential	NIL	NIL							
b.	Commercial Real Estate	NIL	NIL							
(ii)	Indirect Exposure Fund base and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	NIL	NIL							
Asset Liability Management										
Maturity pattern of certain items of Assets and Liabilities										
										(₹ in crore)
	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years		Total
Liabilities										
Borrowings from banks	84.56	79.54	122.30	48.53	1,072.98	1,403.00	155.58	—		2,966.50
Market borrowings *	307.31	1,496.90	286.97	165.73	52.40	1,058.50	41.21	527.08		3,936.11
Assets										
Advances **	1,299.42	501.51	376.51	547.65	1,108.99	1,441.53	540.74	1,174.98		6,991.33
Investments	2.03	—	74.34	60.00	83.48	245.60	94.96	38.48		598.90
Stock of Securities	569.02	—	—	—	—	—	—	—		569.02
* Net of Unamortized Discounting charges on Commercial Paper and Non convertible Debentures amounting to ₹ 36.42 Cr.										
** a) Overdue Receivable on account of Corporate Finance Activities have been slotted in respective time bucket category as per instructions contained in Appendix 1 of Guidelines for Assets Liabilities Management (ALM) system in NBFC.										
b) Advances includes Loan and Advances in the nature of Loans and excludes Advances Recoverable in cash or kind or for value to be received and Advance Payment of Taxes and Other Deposits.										

ADITYA BIRLA FINANCE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 22

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the guidelines issued by Reserve Bank of India (RBI) as applicable to Non Banking Finance Company (NBFC). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non current.

2. USE OF ESTIMATES

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

3. TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Tangible fixed assets is provided on Straight Line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV of the Companies Act, 1956 whichever is higher. The Company has used the following useful life to provide depreciation on its fixed assets. Tangible fixed assets costing below Rs. 5000 should be capitalized and 100% depreciation should be charged in the year of acquisition.

	Estimated useful life
Building	20 Years
Office Computers and Electronic Equipments	4 Years
Vehicles	5 years
Furniture, Fixtures and Other Office Equipments	7 years
Leasehold Land/Improvements	Over the primary period of the lease

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

4. INTANGIBLE ASSETS

Intangible Assets are stated at acquisition cost, net of accumulated amortization and impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives as under:-

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets

are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic lives as under:-

Computer Software	3 years
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Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end.

Gains or losses arising from derecognition of an intangible asset 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.

5. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

6. INVESTMENTS

Investments that are readily realisable 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. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

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7. INVENTORIES

Stocks of securities are valued at lower of cost and net realizable value. Cost includes cost of purchase and other directly attributable purchase costs

Net realizable value is the estimated fair value of securities as on the Balance Sheet date.

8. REVENUE RECOGNITION

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.

Interest income is recognised in the Statement of Profit and Loss on accrual basis, except in the case of non-performing assets.

Income recognised and remaining unrealised after installments become overdue for six months or more in case of secured/ unsecured loans are reversed and are accounted as income when these are actually realised.

Income on discounted instruments is recognised over the tenor of the instrument on a straight line basis.

Fees and commission income is recognised when due.

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

Sales are recorded net of trade discounts, rebates and securities transaction tax.

9. TAXATION

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. 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 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.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

10. RETIREMENT BENEFITS

(i) Defined Contribution Plan

The Company makes defined contribution to Government managed Employee Provident Fund, Government managed Employee Pension Fund, Employee Deposit Linked Insurance, Employee State Insurance and Superannuation Schemes which are recognised in Statement of Profit and Loss on accrual basis.

(ii) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses

are recognised immediately in Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Ultimate Holding Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Ultimate Holding Company is additionally provided for. Actuarial losses/ Gains are recognized in Statement of Profit and Loss in the year in which they arise.

11. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of an asset. All other borrowing costs are expensed in the period they occur.

12. CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

14. PROVISION AND CONTINGENCIES

Provisions are recognized when there is 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.

Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision on standard assets is made @ 0.25% as per the notification DNBS.PD.CC.No.207/03.02.002/2010-11 issued by Reserve Bank of India.

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

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Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. Contingent Liabilities are not provided for and disclosed by way of notes.

15. LEASES

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Statement of Profit and Loss on straight line basis.

16. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items include general corporate income and expense item which are not allocated to any business segment.

NOTES FORMING PARTS OF ACCOUNTS 22

1) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 4,383,727(31st March, 2012 Rs. 20,749,863).

2) Contingent Liabilities not provided for as on 31st March, 2013:-

(a) Disputed Income tax Liability Rs. 17,510,154 (31st March, 2012 Rs. 8,927,545).*

(b) Claims against the Company not acknowledged as debts Rs. 81,200,000 (31st March, 2012 Rs. 81,200,000)**

(c) Liabilities for pro-rata refund on insurance claim to the Insurance Company arising as a result of any part of outstanding debt not recognized in the final judgement, is not ascertainable as the legal matter for recovery of such amounts is still under process.

*Disputed Income Tax liability includes Disallowance u/s 14A read with rule 8D for financial year 2009-10 Rs. 4,123,838, financial year 2007-08 Rs. 6,073,820 and for financial year 2006-07 Rs.1,083,581.

The matter is pending before Income tax Appellate Tribunal.

The claims against the Company comprise of:-

** Two of our clients have filed the Claim Petition as per High Court Order dated 27.10.2009 for an amount of Rs. 51,200,000 along with damages with interest. The matter is pending before Arbitrator.

We had filed an appeal on 30.06.2011 before The Securities and Appellate Tribunal (SAT) against the communication of SEBI dated 28.03.2011 restraining certain entities to access the securities market and further prohibited them from buying, selling or dealing in securities in any manner. The appeal has been allowed by SAT in our favour. We have undertaken that in the event it is called upon by the Tribunal or Board to bring back money of Rs. 30,000,000 which we have realized by the sale of shares, we shall do so forthwith.

3) The Company is in the process of identifying the parties which are covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMD Act). As of March 31, 2013, the Company is not aware of any party which gets covered under MSMD Act. Thereby, the Company does not have any outstanding balance due as on March 31, 2013 (March 31, 2012: NIL).

4) Related party disclosures

(i) List of related parties

- a) Where control exists :
- Aditya Birla Financial Services Private Limited (ABFSPL) (Holding Company)
 - Aditya Birla Nuvo Limited (Ultimate Holding Company)
- b) Subsidiaries/
Fellow Subsidiaries:
- Aditya Birla Customer Services Private Limited (ABCSPL)-
 - Aditya Birla Trustee Company Private Limited (ABTCPL)
 - Aditya Birla Financial Shared Services Limited (ABFSSL)
 - Aditya Birla Money Limited (ABML)
 - Aditya Birla Commodities Broking Limited (ABCBL)
 - Aditya Birla Insurance Brokers Limited (ABIBL)
 - Aditya Birla Securities Private Limited (ABSPL)
 - Aditya Birla Money Mart Limited (ABMML)
 - Aditya Birla Money Insurance Advisory Services Limited (ABMIASL)
 - Birla Sun Life Insurance Company Limited (BSLICL)
 - ABNL Investment Limited (ABNLIL)
 - Madura Garments Lifestyle Retail Company Limited (MGLRCL)
 - Aditya Birla Minacs Worldwide Limited (ABMWL)
 - Birla Sun Life Asset Management Company Limited (BSAMCL) (w.e.f 10th October 2012)
 - Birla Sun Life Trustee Company Private Limited (BSTPL) (w.e.f 10th October 2012)
 - Aditya Birla Housing Finance Limited (ABHFL)(earlier known as LIL Investment Limited)
- c) Key management :
personnel
- Mr. K. G. Ajmera till 4th January, 2013
 - Mr. Sekhar Mosur from 5th January, 2013

ADITYA BIRLA FINANCE LIMITED

(ii) Transactions with Related parties:

(Rs.)

Particulars	Referred in (i) (a) above	Referred in (i) (b) above	Referred in (i)(c) above	Total
Remuneration	–	–	10,837,830	10,837,830
	(–)	(–)	(6,514,357)	(6,514,357)
Rent/Brokerage Other Expenses	(–)	2,774,169	–	2,774,169
	(20,336)	(–)	(–)	(20,336)
Interest	14,598,905	17,627,032	–	32,225,937
Expenses	(11,317,124)	(12,149,164)	(–)	(23,466,288)
Administrative Expenses	–	15,632,054	–	15,632,054
	(42,811)	(8,203,027)	(–)	(8,245,838)
Dividend	75,000	225,822	–	(300,822)
	(–)	(–)	(–)	(–)
Interest Income	866,438	15,500,710	–	16,367,148
	(–)	(21,686,499)	(–)	(21,686,499)
Administrative Income	–	129,370	–	129,370
	(–)	(2,810,101)	(–)	(2,810,101)
Others / Brokerage	–	14,647	–	14,647
	(–)	(121,070)	(–)	(121,070)
Loan granted (including ICDs)	250,000,000	194,600,000	–	444,600,000
	(–)	(570,316,235)	(–)	(570,316,235)
Loan granted received back (including ICDs)	250,000,000	589,200,000	–	839,200,000
	(–)	(350,000,000)	(–)	(350,000,000)
Loan obtained (including ICBs)	9,200,000,000	421,766,199	–	9,621,766,199
	(7,060,000,000)	(423,781,607)	(–)	(7,483,781,607)
Loans repaid (including ICBs)	9,570,000,000	424,270,110	–	9,994,270,110
	(6,690,000,000)	(412,155,172)	(–)	(7,102,155,172)
Preference Share Capital	1,000,000,000	1,250,000,000	–	2,250,000,000
	(–)	(750,000,000)	(–)	(750,000,000)
Equity Share Capital	403,250,000	–	–	403,250,000
	(–)	(–)	(–)	(–)
Equity Share Premium	846,825,000	–	–	846,825,000
	(–)	(–)	(–)	(–)
Purchase of Share/others	4,265,025	953,479,352	–	957,744,377
	(–)	(–)	(–)	(–)
Sale of Share	22,447,500	–	–	22,447,500
	(–)	(–)	(–)	(–)
Purchase of Fixed Assets	–	5,935,188	–	5,935,188
	(–)	(3,475,164)	(–)	(3,475,164)
Sale of Fixed Assets	–	–	–	–
	(–)	(1,224,775)	(4,000)	(1,228,775)
Preference Share capital outstanding	1,750,000,000	4,250,000,000	–	6,000,000,000
	(750,000,000)	(3,000,000,000)	(–)	(3,750,000,000)
Loan taken	–	192,800,947	–	192,800,947
	(370,000,000)	(95,304,858)	(–)	(465,304,858)
Amount Payable	–	13,581,291	–	13,581,291
	(–)	(1,898,091)	(–)	(1,898,091)
Loan Granted	–	–	–	–
	(–)	(394,600,000)	(–)	(394,600,000)
Amount Receivable	–	108,751	–	108,751
	(–)	(771,508)	(–)	(771,508)

ADITYA BIRLA FINANCE LIMITED

(iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	Current Year (₹)	Previous Year (₹)
Rent/other expenses		
Aditya Birla Nuvo Limited	—	20,336
Aditya Birla Money Mart Limited	2,774,169	—
Dividend expenses		
Aditya Birla Financial Services Private Limited	75,000	—
Madura Garments Lifestyle Retail Company Limited	225,822	—
Remuneration		
Mr. K.G. Ajmera	9,330,045	6,514,357
Mr. Sekhar Mosur	1,507,785	—
Administrative Expenses		
Aditya Birla Money Mart Limited	—	99,270
Aditya Birla Minacs Worldwide Limited	1,856,552	2,562,442
Aditya Birla Insurance Brokers Limited	651,956	—
Aditya Birla Financial Shared Services Limited	5,433,414	4,730,754
Birla Sun Life Insurance Company Limited	5,791,979	685,393
Aditya Birla Money Limited	446,223	125,168
Aditya Birla Nuvo Limited	—	42,811
Birla Sun Life Asset Management Company Limited	1,451,930	—
Interest expenses		
Aditya Birla Nuvo Limited	14,598,905	11,317,124
ABNL Investment Limited	—	920,548
Aditya Birla Insurance Brokers Limited	13,491,489	4,172,502
Birla Sun Life Insurance Company Limited	4,135,543	6,864,333
Aditya Birla Money Limited	—	191,781
Interest Income		
Aditya Birla Money Limited	1,687,671	5,572,054
Aditya Birla Customer Services Private Limited	13,813,039	16,114,445
Aditya Birla Nuvo Limited	866,438	—
Brokerage and Other Income		
Aditya Birla Money Limited	14,647	121,070
Administrative Income		
Aditya Birla Insurance Brokers Limited	—	2,565,143
Aditya Birla Customer Services Private Limited	—	14,862
Birla Sun Life Insurance Company Limited	129,370	230,096
Loan granted (including ICDs)		
Aditya Birla Money Limited	—	450,000,000
Aditya Birla Customer Services Private Limited	194,600,000	120,250,000
Aditya Birla Nuvo Limited	250,000,000	—
Loan granted received back(including ICDs)		
Aditya Birla Money Limited	200,000,000	350,000,000
Aditya Birla Nuvo Limited	250,000,000	—
Aditya Birla Customer Services Private Limited	389,200,000	—
Loan obtained (including ICBs)		
Aditya Birla Nuvo Limited	9,200,000,000	7,060,000,000
Aditya Birla Insurance Brokers Limited	421,766,199	227,917,150
Birla Sun Life Insurance Company Limited	—	95,864,457
Aditya Birla Money Limited	—	100,000,000
Loan repaid (including ICBs)		
Aditya Birla Nuvo Limited	9,570,000,000	6,690,000,000
Aditya Birla Insurance Brokers Limited	324,270,110	132,155,172
Birla Sun Life Insurance Company Limited	100,000,000	100,000,000
Aditya Birla Money Limited	—	100,000,000
ABNL Investment Limited	—	80,000,000
Preference Share Capital		
Madura Garments Lifestyle Retail Company Limited	1,250,000,000	750,000,000
Aditya Birla Financial Services Private Limited	1,000,000,000	—
Equity Share Capital		
Aditya Birla Financial Services Private Limited	403,250,000	—
Share Premium		
Aditya Birla Financial Services Private Limited	846,825,000	—
Purchases of Share/others		
Aditya Birla Nuvo Limited	4,265,025	—
Madura Garments Lifestyle Retail Company Limited	953,479,352	—
Sale of Share		
Aditya Birla Financial Services Private Limited	22,447,500	—
Purchases of Fixed Assets		
Aditya Birla Minacs Worldwide Limited	2,802,541	3,075,164
Aditya Birla Money Limited	—	400,000
Birla Sun Life Insurance Company Limited	3,132,647	—
Sale of Fixed Assets		
Aditya Birla Money Mart Limited	—	1,224,775

Particulars	Current Year (₹)	Previous Year (₹)
Payable		
Aditya Birla Nuvo Limited	—	370,000,000
Aditya Birla Insurance Brokers Limited	192,800,947	96,304,858
Aditya Birla Money Insurance Advisory Services Limited	77,207	77,207
Aditya Birla Minacs Worldwide Limited	1,220,820	250,343
Birla Sun Life Insurance Company Limited	7,935,211	96,355,295
Aditya Birla Money Mart Limited	1,220,783	20,981
Aditya Birla Financial Shared Services Limited	1,398,337	1,058,722
Birla Sun Life Assets Management Company Limited	1,306,737	—
Aditya Birla Money Limited	422,196	—
Receivable		
Aditya Birla Customer Services Private Limited	6,382	194,614,862
Aditya Birla Money Limited	—	200,690,411
Aditya Birla Securities Private Limited	102,369	66,235
Preference Share Capital Outstanding		
Madura Garments Lifestyle Retail Company Limited	4,250,000,000	3,000,000,000
Aditya Birla Financial Services Private Limited	1,750,000,000	750,000,000

Notes:-

- The related party relationships have been as identified by the management on the basis of the requirements of the Accounting Standard AS-18 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India and the same have been relied upon by the auditors.
- The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.
- Figures in brackets represent corresponding amounts of previous year.

5) Retirement Benefits:

The details of the Company's defined benefit plans for its employees are given below:

Amount recognized in the Balance Sheet in respect of gratuity (funded by the Company)

	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
Present Value of Funded defined benefit obligation at the end of the year	23,311,483	15,527,295
Fair Value of Plan Assets	14,176,950	9,638,598
Net Liability/(Assets)	9,134,533	5,888,697
Amount recognized in Salary, Wages and Employees Benefits in the Statement of Profit and Loss Account in respect of gratuity (funded by the Company):		
Current Service Cost	4,730,859	2,722,860
Interest on Defined Benefit Obligation	1,591,436	1,388,536
Expected Return on Plan Assets	(856,469)	(962,751)
Net Actuarial Gains/(Loss) recognized during the year	3,668,707	1,558,724
Net Gratuity Cost	9,134,533	4,707,369
Actual Return on Plan assets	1,570,496	403,968

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

	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
Opening Defined Benefit Obligation	15,527,295	14,597,840
Current Service Cost	4,730,859	2,722,860
Interest Cost	1,591,436	1,388,536
Actuarial Losses/(Gain)	4,382,734	999,941
Liabilities assumed on acquisition/ (settled on divesture)	246,155	(4,048,424)
Benefit Paid	(3,166,996)	(133,458)
Closing Defined Benefit Obligation	23,311,483	15,527,295
Change in Plan Assets		
Opening Fair Value of the Plan Assets	9,638,598	11,512,664
Expected Return on Plan Assets	856,469	962,751
Actuarial Gains/(Losses)	714,027	(558,783)
Contributions by the Employer	5,888,697	1,903,848
Assets acquired on acquisition/ (distributed on divesture)	246,155	(4,048,424)
Benefit Paid	(3,166,996)	(133,458)
Closing Fair Value of the Plan Assets	14,176,950	9,638,598
Investment details of Plan assets		
100% of plan assets are invested with Insure Managed Funds	—	—

ADITYA BIRLA FINANCE LIMITED

	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)	As at 31st March, 2009 (₹)
Experience Adjustment					
Defined Benefit Obligation	23,311,483	15,527,295	14,597,840	8,742,429	7,120,310
Plan Assets	14,176,950	9,638,598	11,512,664	8,804,566	8,065,626
Surplus/(Deficit)	(9,134,533)	(5,888,697)	(3,085,176)	62,137	945,316
Experience Adjustment on Plan Liabilities	2,776,462	1,590,052	251,520	(216,809)	407,018
Experience Adjustment on Plan Assets	714,027	(558,783)	1,104,276	60,747	102,457
Principal Actuarial Assumptions at the Balance Sheet Date:-					
Discount Rate (p.a.)	7.90%	8.40%	8.10%	8.15%	7.75%
Expected Rate of return on Assets (p.a.)	8.50%	8.50%	8.00%	8.00%	8.00%

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.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.

Investment in Plan Asset with Birla Sun Life Insurance Company Limited is ₹ 14,176,950 (31st March, 2012 ₹ 9,638,598).

Estimated amount of contribution expected to be paid to the gratuity fund during the annual period after the Balance Sheet date is ₹ 4,500,000 (31st March 2012 ₹ 6,000,000).

During the year the following cost has been incurred on account of:-

Defined Benefit Plan

	Current Year	Previous Year
Contribution to Company owned Provident Fund	6,699,698	3,451,262

The Guidance Note on implementation of AS-15, Employee Benefits (Revised 2005), issued by the ICAI states that Provident Fund set up by the employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefits plan. The Ultimate Holding Company's set up Provident Fund does not have existing deficit of interest shortfall. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Central Government'.

Defined Contribution Plans

Amount recognised as an expense and included in Note 17 - 'Contribution to Provident and Other Funds:-

	Current Year	Previous Year
i) Contribution to Govt. Employees Provident Fund	7,593,528	4,105,283
ii) Contribution to Govt. Employees Pension Fund	1,174,262	758,734
iii) Contribution to Superannuation Fund	709,211	657,016
iv) Contribution to ESIC Fund	14,602	33,358
v) Contribution to MLW Fund	1,272	1,440

- 6) The Company had entered into an operating lease agreements for use of premises which is non cancellable for a period of three years.

Future lease payments for these leases at the date are as follows:-

The future minimum lease payments for the leases at the Balance Sheet date are as follows:

Future minimum lease payments payable for the period	As at 31st March, 2013	As at 31st March, 2012
1) Not later than one year	-	-
2) Later than one year and not later than five years	-	-
3) Later than five years	-	-

The amount of lease payments recognized in the Statement of Profit and Loss Account for the year is ₹ 49,240,933 (31st March, 2012 ₹ 43,458,088)

- 7) Details of Auditors Remuneration:-

Particulars	Current Year	Previous Year
Audit Fees (including Limited Review Fees)	2,200,000	1,269,457
Tax Audit Fees	225,000	200,000
Certification work	200,000	-
Out of Pocket Expenses	184,760	40,410

- 8) Aditya Birla Management Corporation Private Limited (ABMCL), a Company limited by guarantee, formed to provide a common pool of facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost to each member. The Company's share of expenses under the common pool has been accounted for under the appropriate heads of account.

- 9) The Company is primarily engaged in financing activities. It operates in single business and geographical segment. The Company earned some treasury income, these income have been classified as "Unallocated reconciling item" as per requirements of AS- 17 on Segment Reporting.

Particulars	Current Year (₹)			Previous Year (₹)		
	Financing Activities	Unallocated reconciling items	Total	Financing Activities	Unallocated reconciling items	Total
Segment Revenue	6,850,002,490	350,081,852	7,200,084,342	3,337,069,061	168,318,188	3,505,387,249
Segment Results (Profit before tax and after interest on Financing segment)	1,376,100,691	349,081,852	1,725,182,543	784,327,612	167,318,188	951,645,800
Less: Interest on unallocated reconciling items	NA	253,710,104	253,710,104	NA	115,437,252	115,437,252
Net profit before tax	1,376,100,691	95,371,748	1,471,472,439	784,327,612	51,880,936	836,208,548
Less: Income taxes	NA	NA	468,437,640	NA	NA	273,908,842
Net profit after tax	NA	NA	1,003,034,799	NA	NA	562,299,706
Other Information						
Segment Assets	76,062,004,567	5,690,202,960	81,752,207,527	35,750,152,354	1,608,139,203	37,358,291,557
Unallocated Corporate Assets	—	—	246,006,062	—	—	114,975,326
Total Assets	76,062,004,567	5,690,202,960	81,998,213,589	35,750,152,354	1,608,139,203	37,473,266,883
Segment Liabilities	66,470,311,272	4,74,18,35,800	71,212,147,072	29,849,646,721	1,340,116,003	31,189,762,724
Unallocated Corporate Liabilities	—	—	—	—	—	—
Total Liabilities	66,470,311,272	4,74,18,35,800	71,212,147,072	29,849,646,721	1,340,116,003	31,189,762,724
Capital expenditure	7,88,46,156	—	7,88,46,156	52,424,077	—	52,424,077
Depreciation	2,52,43,940	—	2,52,43,940	23,688,334	—	23,688,334
Other non-cash expenses	337,317,700	1,00,000	337,417,700	148,341,427	90,000	148,431,427

ADITYA BIRLA FINANCE LIMITED

10) During the current year, management has re-formulated a provisioning policy which covers the RBI mandated specific provision on Standard Assets and NPAs along with additional specific provision on NPAs based on management estimates and additional contingency provision based on risk category assessment. These additional provisions would be over and above the provisioning on standard assets as required by Reserve Bank of India vide its notification DNBS.PD.CC.No.207/03.02.002 /2010-11 dated January 17, 2011. Based on this policy, an additional specific provision of ₹ 64,682,600 and an additional contingency provision of ₹ 52,548,477 has been made in the current year's financial statements.

11) Other Income includes cenvat credit of ₹ 30,544,453 pertaining to period April 2008 to March 2012.

12) Details of Opening Stock, Purchases, Sales and Closing Stock in respect of trading in Securities are as follows:

Particulars/Year	Opening	Purchase	Sales	Closing
Units of Mutual	Nil	74,688,000,000	74,717,638,645	Nil
Funds 2012-2013				
2011-12	Nil	22,299,623,340	22,307,991,444	Nil
Stock of Bonds/Govt. Securities-2012-2013	1,608,139,203	33,511,835,085	29,642,622,324	5,690,202,960
2011-2012	1,645,978,234	18,214,981,277	20,019,906,260	1,608,139,203

13) Previous year/period's figures have been regrouped/ rearranged, wherever considered necessary, to conform with Current year/ period's presentation.

As per our report of even date

For **S.V. Ghatalia & Associates LLP**
ICAI Firm Registration No. 103162W
Chartered Accountants

per **Amit Kabra**
Partner
Membership No.094533

Mumbai
Dated: 17th April, 2013

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

B N Puranmalka **Ajay Srinivasan** **Rakesh Singh**
Director Director Chief Executive Officer

Sachinn Joshi **Sekhar Mosur**
Chief Financial Officer Manager

Mumbai
Dated: 17th April, 2013

ADITYA BIRLA FINANCE LIMITED

STATEMENT PURSUANT TO SECTION 212 (1)(E) OF THE COMPANIES ACT, 1956 AS AT 31st MARCH, 2013

Name of the Subsidiary	Aditya Birla Securities Pvt Ltd (ABSL)
1. Financial year end of the Subsidiary Company	31st March, 2013
2. No. of Equity Shares held at the end of the financial year of the Company	
a. By the Company	30,000
b. By its Holding Company	—
c. By its Subsidiary Companies	—
d. Total holding	30,000
e. Face value of Equity Share (Rs.)	10
3. Extent of interest in subsidiary Company (%)	
a. By the Company	100%
b. By its Holding Company	—
c. By its Subsidiary Companies	—
d. Total	100%
4. Net Aggregate Profit/ (Loss) of the subsidiary so far as it concerns the members of the Company (Amount Rs. in lacs)	
Not dealt with in the Accounts of the Company	
I. For the financial year of the company	(52,710)
II. For the previous years since it became a subsidiary of the Company	(223,736)
Dealt with in the Accounts of the Company	
I. For the financial year of the Company	—
II. For the previous years since it became a subsidiary of the Company	—

STATEMENT PURSUANT TO SECTION 212 (1) (F) OF THE COMPANIES ACT, 1956

As the financial year of the above subsidiary company coincides with the financial year of the Company, Section 212 (5) of the Companies Act, 1956 is not applicable.

For and on behalf of the Board

Place: Mumbai
Date: 24th July, 2013

B.N. Puranmalka
Director

Ajay Srinivasan
Director

ADITYA BIRLA SECURITIES PRIVATE LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting to you the Fifth Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2013.

Financial Results

(Amt in ₹)

Particulars	FY 2012-13 Current Year	FY 2011-12 Previous year
Income	NIL	NIL
Less: - Expenditure	52,710	74,636
Profit / (Loss) before Tax	(52,710)	(74,636)
Less: - Provision for Taxation	NIL	NIL
Add: - Balance of profit / loss brought from the previous year	(171,026)	(96,390)
Profit/(Loss) after Tax carried forward to Balance Sheet	(223,736)	(1,71,026)

During the period under review, your Company reported a Net Loss of Rs. 52,710/- as against Rs. 74,636/- in the previous year.

Business Operations

Your Company has not yet started its business operations. Your Directors are hopeful that the business operations will be started in the current fiscal.

Dividend

In view of the loss incurred during the year, your Directors are unable to recommend any dividend for the year under review.

Directors

Mr. Sushil Agrawal, Director retires by rotation from the Board and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

Your Directors confirm that, to the best of their knowledge and belief that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year ended on 31st March, 2013 and of the loss of the Company for that year;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the

Company and for preventing and deleting fraud and other irregularities;

- the annual accounts have been prepared on a going concern basis;
- proper systems are in place to ensure compliance of all laws applicable to the Company; and
- all related party transactions are disclosed in Note 8 (G) of significant accounting policies notes to accounts in terms of Accounting Standard 18.

Public Deposits

The Company has not accepted any deposits from the public during the year under review.

Particulars of Employees

During the year under review, there were no employees in the Company and therefore the disclosure as prescribed under section 217(2A) of the Companies Act, 1956 and the rules made there under are not applicable to the Company.

Auditors

M/s. S. V. Ghatalia Associates & LLP, Chartered Accountants (Firm Registration No.103162W), the Statutory Auditors of the Company retire at the ensuing Annual General Meeting (AGM) of the Company and being eligible offers themselves for re-appointment. The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956.

Auditors Report

The observations made in the Auditors Report are self explanatory and therefore, do not call for any further comments.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the fact that the Company has not undertaken any manufacturing activity during the year under review.

Further during the year under review, the Company has neither earned nor used any foreign exchange.

Appreciation

Your Directors place on record their deep appreciation and contribution received from their bankers, shareholders, etc.

For and on behalf of the Board of Directors

Ajay Srinivasan
Director

Pankaj Razdan
Director

Place : Mumbai
Date : 20th May, 2013

ADITYA BIRLA SECURITIES PRIVATE LIMITED

Independent Auditors' Report

TO,
THE MEMBERS OF ADITYA BIRLA SECURITIES PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Securities Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 4 and 5 of 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, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S.V. Ghatalia & Associates LLP
Chartered Accountants
ICAI Firm registration number: 103162W

per Amit Kabra
Partner
Membership No.: 94533

Place : Mumbai
Date : 20th May, 2013

ADITYA BIRLA SECURITIES PRIVATE LIMITED

Balance Sheet as at March 31, 2013

	Notes	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	1	300,000	300,000
Reserves and surplus	2	(223,736)	(171,026)
		76,264	128,974
Current liabilities			
Other current liabilities	3	136,069	87,502
Total		212,333	216,476
Assets			
Current assets			
Current investment	4	200,000	200,000
Cash and cash equivalent	5	12,333	16,476
Total		212,333	216,476
Summary of Significant accounting policies and Notes to account			
8			
The accompanying notes are integral part of the financial statements.			

Statement of Profit and Loss for the year ended March 31, 2013

	Notes	Year Ended March 31, 2013 ₹	Year Ended March 31, 2012 ₹
Income			
Revenue from operations		—	—
Total		—	—
Expenses			
Other expenses	6	52,710	74,636
Total		52,710	74,636
Loss before Tax		(52,710)	(74,636)
Tax expenses		—	—
Current tax		—	—
Loss for the period/year		(52,710)	(74,636)
Basic and Diluted Earning per share (Face Value Rs.10)	7	(1.76)	(2.49)
Summary of Significant accounting policies and Notes to account			
8			
The accompanying notes are integral part of the financial statements.			

As per our Report of even date

For S.V. Ghatalia & Associates LLP For and on behalf of the Board of Directors of
Chartered Accountants Aditya Birla Securities Private Limited
Firm Registration no-103162W

per Amit Kabra
Partner
Membership No. 94533

Ajay Srinivasan
Director
Place : Mumbai
Date : 20 May 2013

Pankaj Razdan
Director

As per our Report of even date

For S.V. Ghatalia & Associates LLP For and on behalf of the Board of Directors of
Chartered Accountants Aditya Birla Securities Private Limited
Firm Registration no-103162W

per Amit Kabra
Partner
Membership No. 94533

Ajay Srinivasan
Director
Place : Mumbai
Date : 20 May 2013

Pankaj Razdan
Director

ADITYA BIRLA SECURITIES PRIVATE LIMITED

Cash flow statement for the year ended March 31, 2013

Particulars	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
A. Cash Flow From Operating Activities		
Loss before tax	(52,710)	(74,636)
Operating Loss before working capital changes	<u>(52,710)</u>	<u>(74,636)</u>
Adjustment for changes in working capital:		
Increase/(Decrease) in current liabilities	48,567	70,956
Cash from operating activities	<u>(4,143)</u>	<u>(3,680)</u>
Income taxes paid	—	—
Net Cash From Operating Activities (A)	<u>(4,143)</u>	<u>(3,680)</u>
B. Cash Flow From Investing Activities		
Purchase of securities	—	—
Net Cash used in Investing Activities (B)	<u>—</u>	<u>—</u>
C. Cash Flow From Financing Activities		
Proceeds from issue of Share capital	—	—
Proceeds from unsecured Loan (Net)	—	—
Net Cash From Financing Activities (C)	<u>—</u>	<u>—</u>
Net increase in Cash and Cash Equivalents (A + B + C)	<u>(4,143)</u>	<u>(3,680)</u>
Cash and cash equivalent at beginning of the year	16,476	20,156
Cash and cash equivalent at end of the year	12,333	16,476
Notes :		
Cash and Cash Equivalents include :		
Balance with Banks	12,333	16,476
	<u>12,333</u>	<u>16,476</u>

The figures for the previous year have been re-grouped/re-arranged wherever necessary.

As per our Report of even date

For S.V. Ghatalia & Associates LLP
Chartered Accountants
Firm Registration no-103162W

per Amit Kabra
Partner
Membership No. 94533

Place : Mumbai
Date : 20 May 2013

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

Ajay Srinivasan
Director

Pankaj Razdan
Director

Place : Mumbai
Date : 20 May 2013

ADITYA BIRLA SECURITIES PRIVATE LIMITED

Notes annexed to and forming part of the balance sheet

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Note 1 - Share capital		
Authorised		
60,000 (previous year 60,000) Equity Shares of ₹10/- each	600,000	600,000
	<u>600,000</u>	<u>600,000</u>

Equity Share Capital

Issued, Subscribed and Paid Up

30,000 (previous year 30,000) Equity Shares of ₹10/- each, fully paid up	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

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

Description	March 31, 2013		March 31, 2012	
	No. of Shares	₹	No. of Shares	₹
No. of Shares outstanding at the beginning of the year	30,000	300,000	30,000	300,000
No of Shares issued during the year	—	—	—	—
No of Shares outstanding at the end of the year	30,000	300,000	30,000	300,000

2) Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of Share Holder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares held	% of total paid-up equity share capital	Number of Shares held	% of total paid-up equity share capital
Aditya Birla Finance Limited (including legal and beneficial ownership)	30,000	100	30,000	100

Note:

Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be receiving 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.

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
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Note 2 - Reserves and surplus

Loss as per Statement of Profit and Loss		
Balance as per last financial statement	(171,026)	(96,390)
Loss for the period/year	(52,710)	(74,636)
	<u>(223,736)</u>	<u>(171,026)</u>

Note 3 - Current liabilities

Other current liabilities	136,069	87,502
	<u>136,069</u>	<u>87,502</u>

Note 4 - Current investment

Investment in Mutual Fund (Unquoted) 825.542 units (previous year 825.542) of Birla Sunlife Cash Plus - Retail Growth of ₹100 each (previous year ₹100 each)	200,000	200,000
Aggregate net assets value ₹Rs 253,001 (previous year ₹232,677)		
Total	<u>200,000</u>	<u>200,000</u>

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Note 5 - Cash and cash equivalent		
Cash in hand	—	—
Balances with Banks in Current Account	12,333	16,476
	<u>12,333</u>	<u>16,476</u>

Notes annexed to and forming part of the Statement of profit and loss account

	Year Ended March 31, 2013 ₹	Year Ended March 31, 2012 ₹
Note 6 - Other expenses		
Filing fees	124	1,230
Legal and professional expenses (Refer note 8J)	48,861	71,623
Miscellaneous Expenses	3,725	1,783
	<u>52,710</u>	<u>74,636</u>

Note 7 - Earnings/(Loss) per share

Particulars	Current Year	Previous Year
Loss after tax available for equity shareholders (₹)	(52,710)	(74,636)
Shares outstanding (Numbers)	30,000	30,000
Basic and Diluted EPS (₹)	(1.76)	(2.49)

NOTE 8 - Significant Accounting Policies and Notes to Accounts

A. Corporate Information

Aditya Birla Securities Private Limited (the 'Company') was incorporated on February 22, 2008 under the provisions of Companies Act, 1956. The main object of the Company is to carry on dealing in securities. The Company has not commenced its business operations. Accordingly, during the year the Company has not carried out any activities.

B. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

C. Summary of Significant accounting policies

(i) Use of Estimates

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

(ii) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, 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 in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

(iii) Taxation

Tax expense comprises of current and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

ADITYA BIRLA SECURITIES PRIVATE LIMITED

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.

(iv) Earnings per share

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

(v) Provisions and Contingent Liabilities

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.

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 recognize a contingent liability but discloses its existence in the financial statements.

(vi) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

D. Capital Commitments

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

E. Deferred tax

The Company has not recognized deferred tax asset in respect of timing difference related to preliminary expenses and unabsorbed losses at the end of the year as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

F. Dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2013. 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.

G. Related Party Disclosure

a) List of Related Parties:-

Name and relationship with the parties:-

Parties where control exist:

Ultimate Holding Company : Aditya Birla Nuvo Limited

Holding of Parent Company : Aditya Birla Financial Services Private Limited

Parent Company : Aditya Birla Finance Limited

(b) During the year following transactions were carried out with the related parties in the ordinary course of business:-

Transactions	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
Aditya Birla Finance Limited		
Interest free advance taken	36,134	66,235
Balance payable:		
Aditya Birla Finance Limited	102,369	66,235

H. Segmental Reporting

The Company has not commenced its business activities during the year. Hence, no disclosure is required pursuant to 'AS17 - Segmental Reporting' issued by ICAI.

I. Contingent liabilities

Contingent liabilities as at March 31, 2013 are ₹ Nil (Previous year - ₹ Nil).

J. Details of Auditors Remuneration:

Particulars	Current Year (₹)	Previous Year (₹)
Audit Fees (Excluding service tax)	15,000	15,000
Tax Audit Fees	—	—
Certification work	—	—
Out of Pocket Expenses	1,444	878

K. Previous year figures

Previous year figures have been re-grouped/re-arranged, wherever considered necessary, to conform with the current year's presentation.

As per our Report of even date

For S.V. Ghatalia & Associates LLP For and on behalf of the Board of Directors of
Chartered Accountants **Aditya Birla Securities Private Limited**
Firm Registration no-103162W

per Amit Kabra
Partner
Membership No. 94533

Ajay Srinivasan
Director

Pankaj Razdan
Director

Place : Mumbai
Date : 20 May 2013

Place : Mumbai
Date : 20 May 2013

ADITYA BIRLA MONEY MART LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors present the 16th Annual Report, the audited annual accounts of Aditya Birla Money Mart Limited ("the Company") for the year ended 31st March 2013.

1. FINANCIAL PERFORMANCE SUMMARY

(₹ in Crore)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Total Revenue	67.70	53.84
Less: Total Expenditure	70.09	69.12
Loss before Depreciation and Tax	(2.39)	(15.28)
Less: Depreciation	0.83	1.14
Less: Exceptional item	—	—
Loss Before tax	(3.22)	(16.42)
Less: Provision for Taxation	—	(0.01)
Loss After Tax	(3.22)	(16.42)
(Loss) brought forward from previous year	(136.47)	(120.05)
Balance carried to the Balance sheet	(139.69)	(136.47)

2. BUSINESS PERFORMANCE

Your Company achieved gross revenue of ₹ 67.70 Crores during the year under review as against the gross revenue of ₹ 53.84 Crores during the previous year, an increase of 26%. The total loss before depreciation and tax was ₹ 2.39 Crores as against a loss of ₹ 15.28 Crores in previous year. The Company continues to focus on asset growth, quality customer addition, expand its distribution channel across various asset classes of financial products and product offering for its clients.

The mutual fund asset under advice touched all time high of ₹ 21,984 Crores on November 30, 2012 before the impact of direct plan which led to the fall in the AUA. As a result, as at March 31, 2013, the mutual fund Assets under Advice (AUA) was ₹ 11,177 Crores compared to ₹ 12,545 Crores last year, a decrease of 11%. The market share of the Company's average AUA stood at 1.67%, which makes it 6th largest Corporate Distributors in terms of Closing AUA as on 31st March 2013 (as per CAMS report).

3. RESERVES

There was no amount which was transferred to reserves during the period under review.

4. DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend for the year under review.

5. SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 125 Crore. The Paid up Capital, Issued and Subscribed Capital of the Company was ₹ 120 Crore, comprising of 2,00,00,000 equity shares of 10 each and 10,00,00,000 preference shares of ₹ 10 each of, as on March 31, 2013.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Economy & Market

During the Financial Year 12-13 (FY13), the economy remained weak as slowdown in the global economy impacted the domestic growth and so the Industrial Production which showed a declining trend whole of FY13. In FY 13, India's Gross Domestic Product (GDP) growth was around 5%, compared to a level of 6.2% in FY 12 and the industrial production was drastically low at 0.89% compared to the 3.50% in the previous year. Inflation continues

to remain high as crude prices rose during the year. Equity markets witnessed turbulence however despite weak macro-economic indicators, the equity markets were up 7.3% YoY in FY13. A favorable global liquidity environment and economic reform measures like liberalization of FDI in retail and aviation, decontrol of fuel prices to contain subsidies and the attractive valuations of equities after the sharp fall in 2011 also helped in creating momentum in equities market. Positive FII inflows in the capital market kept the markets afloat while domestic investors and institutions largely remained sellers. FIIs invested USD 31bn in FY13 compared to USD 18.9bn in FY12.

The Markets saw some volatility as it remains attached to the global developments such as the sovereign debt crisis in Europe and crisis in the Middle East region. Chinese economic growth showed signs of slowdown in FY 13. US markets have made a strong rebound and it's economy has started recovering.

In FY 14, World Economic growth is likely to remain subdued due to weak economic indicators in US, China and Europe. While the long term potential of Indian economy remains strong and the current level of low growth is expected to pick up momentum, however government's proactive actions on getting the domestic real investment going and on the speedy implementation of economic reforms, would be the key driver for Indian economy and markets in FY14.

Business Outlook

The investment management and distribution industry as a whole is witnessing structural changes due to series of regulatory changes. The introduction of direct plans without any brokerage and broker plans with brokerage has led to a substantial shift in the assets under advice from broker plans to direct plans. The role of research based advice therefore would be the key and creating the value added services for the investors.

The debt market seems to be poised to perform well due to the likelihood of interest rates coming down. Equities are expected pick up with revival of the signs of economic growth. Capital expenditure and reforms will be the key to the improved market conditions. Though the MF industry continues to be under pressure and the revenue is on the decline, the Company has plans to strengthen its wealth management segment, streamline its retail distribution network, focus on client acquisition and engagement through its product offering across all segments, improved processes to increase the revenue streams and at the same time work on cost optimization measures. The overall focus would be on to create service differentiator and product offering range for the clients.

7. CORPORATE GOVERNANCE

Your Company believes in transparency, empowerment, accountability and following fair business practices and takes pride in adhering to the corporate culture and values set by Aditya Birla Group. The Company strives to take all the necessary steps to fulfill its role as a good corporate citizen and is committed to uphold the core values of transparency, integrity, honesty and accountability. A report on Corporate Governance is included as part of the Directors' Report.

8. SUBSIDIARY COMPANY

Your Company's wholly owned subsidiary - Aditya Birla Money Insurance Advisory Services Limited (ABMIAS), which is engaged in distribution of life insurance products as a Corporate Agent of Birla Sun Life Insurance Company Limited.

During the year, ABMIAS posted total revenue of ₹ 9.98 Crores as against ₹ 8.42 Crores last year. The profit before Depreciation and tax was ₹ 1.58 Crores compared to loss of ₹ 4.42 Crores in previous year.

ABMIAS continues to increase its focus on growth & expansion in life insurance business and tap the opportunities presented by this sector in significantly enhancing its business volume.

9. PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public, during the year under review.

ADITYA BIRLA MONEY MART LIMITED

10. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The information relating to the conservation of Energy and Technology Absorption required under section 217(1)(e) of the Companies Act, 1956 ("the Act") 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. In accordance with the provisions of section 217 (2A) of the Act, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out as Annexure – I to this report.

11. DIRECTORS

As on March 31, 2013, your Board of Directors comprises of 4 Directors, all of whom are Non –Executive Directors. In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Pankaj Razdan retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. Resolution seeking his re-appointment as Director has been included in the notice of the ensuing AGM. Your Board recommends his re-appointment. The Company has also received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), 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, 2013 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, 2013 have been prepared on a "going concern basis";
- v. proper systems are in place to ensure compliance of all laws applicable to the Company; and
- vi. all related party transactions are disclosed in notes to accounts at Note 27 in terms of Accounting Standard 18.

13. AUDITORS & AUDITOR'S REPORT

M/s. S R B C & Co LLP (formerly S R B C & Co) Chartered Accountants (firm Registration no. 324982E), Mumbai, hold office as the Statutory Auditors of the Company upto the ensuing AGM and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI. The Board proposes the re-appointment of M/s. S R B C & Co LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company, on the recommendations of the Audit Committee. 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.

14. APPRECIATION

The Board would like to express its deep sense of gratitude to every employee for the commendable contribution made by them to the Company. The Board also acknowledges the support that it has received from various fund houses and expresses its gratitude to the regulatory authorities and other Government agencies for their continuous support. Your Directors also wish to express their gratitude to banks, valued clients, business associates and shareholders for their continued support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 30, 2013

Ajay Srinivasan
Director

Pankaj Razdan
Director

ADITYA BIRLA MONEY MART LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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 effective monitoring by the Board.

2. BOARD OF DIRECTORS

Composition, Category, Size of the Board.

The Board of Directors of the Company consists of four Non-Executive Directors. The Company does not have an appointed Chairman and the same is appointed for each such Board Meeting. The Company has a Chief Executive Officer. The Company has appointed a manager to meet the requirement of Section 269 of the Companies Act, 1956.

Number of Board Meetings

The Board of Directors met four times during the year ended March 31, 2013 i.e. on April 30, 2012, July 25, 2012, October 29, 2012 and January 30, 2013. The maximum gap between the two Board Meetings was not more than four months.

COMPOSITION OF THE BOARD AND EXTERNAL DIRECTORSHIPS HELD AND ATTENDANCE

Name of Director	Position	No. of Board Meetings attended	No. of other directorships held as on March 31, 2013*
Mr. Ajay Srinivasan	Non Executive Director	4	3
Mr. B. N. Puranmalka	Non Executive Director	4	2
Mr. Pankaj Razdan	Non Executive Director	3	5
Mr. Sushil Agarwal	Non Executive Director	2	12

* Excluding Private Limited Companies and Section 25 Companies.

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. 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 approval of minutes of the previous Board & Committee meetings, review of compliance reports / compliance certificate 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 strategy 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. The quarterly, half yearly and annual financial results are first placed before the Audit Committee for their review and thereafter the same are placed before the Board of Directors for their approval. A structured process has been put in place for post meeting follow up, review and reporting for action item / decisions taken at the Board / Audit Committee meetings. The Company Secretary liaison with the respective function including with internal audit team for closure and submission of status update report on the follow up action item at each board / audit committee meeting based on the suggestions / instructions of the Board / Committee meeting.

Compliance Structure

The Board also periodically reviews status of compliance of all laws applicable to the Company and also the initiatives taken to improve the standards of compliance adherence. Compliance certificate / compliance status report is collected from each of the department concerned duly certified by the respective functional head including deviation if any during the quarter in provided and based on that the compliance status report a consolidated compliance certificate / report placed before the Board for its review and perusal.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE

In terms of the provisions of Section 292A of the Company Act 1956, the Company has constituted an Audit Committee. As on March 31, 2013, the Audit Committee of the Company consists of following members:

1. Mr. B.N.Puranmalka - Chairman
2. Mr. Ajay Srinivasan
3. Mr. Sushil Agarwal

All the members of the Audit Committee are financially literate and all of them have accounting and related financial management expertise. The Chairman of the Audit Committee was also present at the previous Annual General Meeting. The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

The Audit Committee met four times during the year ended March 31, 2013 i.e. on April 30, 2012, July 25, 2012, October 29, 2012 and January 30, 2013. The details of the attendance of the Committee members are as follows:

NUMBER OF AUDIT COMMITTEE MEETINGS AND ATTENDANCE DURING FINANCIAL YEAR 2012-2013

Name of Members	No. of Audit Committee Meetings held during the year	No. of Audit Committee Meetings attended
Mr. Ajay Srinivasan	4	4
Mr. B. N. Puranmalka	4	4
Mr. Sushil Agarwal	4	2

At every Audit Committee Meeting, Statutory Auditors, Internal Auditors are present 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 transaction as well as the financial results of the subsidiary company. The audit committee extensively deliberates on various audit reports and the action plan. These are put on a tracker and monitored closely and status update report is placed before each audit committee meeting until the action is closed / implemented. Respective department functional head is also invited to attend the audit committee meeting to respond to queries and observations arising out of the audit report pertaining to their respective department.

B. SHARE ALLOTMENT AND TRANSFER COMMITTEE

The Company has constituted the Share Allotment and Transfer Committee of the Company to inter-alia approve matters connected with allotment of shares, issuance of share certificates and approve request for transfer / transmission of shares, dematerialization etc.

The Share Allotment and Transfer Committee of the Company consists of following members

1. Mr. Ajay Srinivasan
2. Mr. Pankaj Razdan
3. Mr. Sushil Agarwal

No meeting of Share Allotment and Transfer Committee has been held during the period under review.

ADITYA BIRLA MONEY MART LIMITED

4. REMUNERATION TO DIRECTORS

No fees (including sitting fees) or compensation has been paid to the Directors of the Company.

5. CEO/CFO CERTIFICATION

The CEO / CFO certification on financial results and financial controls for the year ended 31st March 2013 duly signed by CEO and CFO was also placed before the meeting of the Board of Directors held on April 30, 2013 for their review and perusal.

6. SUBSIDIARY COMPANY

The Company has a wholly subsidiary company – Aditya Birla Money Insurance Advisory Services Limited which is engaged in the business of Corporate Agent of Birla Sun Life Insurance Company Limited.

7. RELATED PARTY TRANSACTIONS

The details of Related party transactions during the year have been disclosed in Note 27 forming part of Annual Accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

8. WHISTLE BLOWER POLICY

The Company has implemented a whistle blower policy and every employee including ex-employee of the Company has the right to report to the Whistle Blower Committee unethical behaviors, malpractices, wrongful conduct, fraud, violation of the Company's policies & values, violation of law without any fear of retaliation.

9. 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.

10. SHAREHOLDERS – RE-APPOINTMENT OF DIRECTOR

The detail of Director seeking re-appointment in the Annual General Meeting has been included in the Notice of AGM.

11. GENERAL BODY MEETINGS:

Details of General Meetings:-

Location and time, where Annual General Meetings (AGMs) and Extra Ordinary General Meeting (EOGMs) in the last three years were held:-

Year	AGM/EOGM (and details of special resolution, if any)	Day & Date	Venue	Time
2010-2011	AGM (Special Resolutions were passed for shifting of registered office from state of Maharashtra to State of Gujarat, Alteration of situation clause of Memorandum of Association, Approval of payment of remuneration paid to Manager and Reappointment of Manager)	May 21, 2010	One Indiabulls Centre, Tower-1, 14th floor, Jupiter Mill Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013	10.00 A.M
	EOGM	September 28, 2010	One Indiabulls Centre, Tower-1, 14th floor, Jupiter Mill Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013	10.00 A.M
	EOGM (Special Resolution was passed for alteration of Memorandum of	October 28, 2010	One Indiabulls Centre, Tower-1, 14th floor, Jupiter Mill Compound, 841, S.B. Marg,	10.30 A.M

	Association in Main Objects & Other Objects clause)		Elphinstone Road, Mumbai 400 013	
	EOGM (Special Resolution passed for alteration in capital clause of AOA and for issuance of Redeemable Non Cumulative Preference Shares)	March 29, 2011	One Indiabulls Centre, Tower-1, 14th floor, Jupiter Mill Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013	10.30 A.M
2011-2012	AGM (Special Resolution was passed for appointment of Manager)	Aug 19, 2011	Indian Rayon Compound, Veraval, Gujarat - 362266:	11.00 A.M
2012-2013	AGM (Special Resolution was passed for appointment of Manager)	Aug 3, 2012	Indian Rayon Compound, Veraval, Gujarat - 362266:	12.30 P.M.

12. GENERAL SHAREHOLDERS' INFORMATION

Date, Time and Venue of the Annual General Meeting	As per AGM notice
Financial Year	2012-13
Registrar and Transfer Agents	Link Intime India Pvt. Ltd.
Corporate Identification Number (CIN)	U61190GJ1997PLC062406
ISIN	INE462K01013
Permanent Account Number (PAN)	AAACB8843M
Registered office* / address for correspondence	Regd Office: Indian Rayon Compound, Veraval, Gujarat Corporate office: One Indiabulls Centre, Tower 1, 15th & 16th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013
Website	www.adityabirlamoney.com

13. Shareholding pattern of the Company as on 31st March, 2013 is as follows

Details of Paid up Equity Share capital of the Company

No of Equity Shares	Face Value
200,00,000	10

*All equity shares are held by Aditya Birla Financial Services Private Limited jointly with others

Details of Paid up Preference Share capital of the Company

No of Equity Shares	Face Value
**10,00,00,000	10

**The preferences shares are in the nature of 0.01% Redeemable Non Convertible Cumulative Preference Shares and were issued on private placement basis to Aditya Birla Financial Services Private Limited (Holding Company)

14. Dematerialization of Equity Shares

Particulars	% of share capital
NSDL	99.99997
Physical	0.00003
Total	100.00%

ADITYA BIRLA MONEY MART LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Money Mart Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Money Mart Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 33 to the financial statements. As at March 31, 2013, the Company has accumulated losses of ₹ 1,396,912,930 against equity of ₹ 200,000,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders. These mitigating factors have been more fully discussed in Note 33 to the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

Place of Signature: Mumbai
April 30, 2013

per Shrawan Jalan
Partner
Membership Number: 102102

ADITYA BIRLA MONEY MART LIMITED

Annexure 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 Mart Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company is engaged in the business of distribution of financial products and derives commission income from sale of Mutual Funds, Fixed Deposits, Bonds, Real Estate and Alternate Products etc., therefore the provisions of clause (ii) of paragraph 4 of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (v) (b) of paragraph 4 of the Order are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*.
- (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 material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax as well as service tax on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands raised against the Company	21,393,767	A.Y. 2000-01	Income Tax Appellate Tribunal (ITAT)
		2,391,552	A.Y. 2001-02	ITAT
		5,397,705	A.Y. 2002-03	ITAT
		1,491,094	A.Y. 2003-04	ITAT
		920,397	A.Y. 2004-05	ITAT
		639,329	A.Y. 2005-06	ITAT
		619,830	A.Y. 2006-07	ITAT
		186,354	A.Y. 2009-10	Commissioner of Income Tax (Appeals)
		564,699	A.Y. 2010-11	Commissioner of Income Tax (Appeals)
Finance Act		Service Tax demands raised on the Company	2,341,846	F.Y. 2002-03 Commissioner of Central Excise (Appeals)

- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the year and also in the immediately preceding financial year.*
- (xi) The Company has not taken any loans from financial institution, bank and not issued any debentures.
- (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 loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (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.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (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 year.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Shrawan Jalan
Partner
Membership Number: 102102

Place of Signature: Mumbai
April 30, 2013

ADITYA BIRLA MONEY MART LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	1,200,000,000	1,200,000,000
Reserves and Surplus	4	(1,358,540,431)	(1,326,373,136)
		(158,540,431)	(126,373,136)
Non Current Liabilities			
Long Term Borrowings	5	424,300,000	424,300,000
Other Long-term liabilities	6	17,569,982	12,135,867
		441,869,982	436,435,867
Current liabilities			
Trade Payables	7	124,472,659	78,772,533
Other Current Liabilities	8	9,248,838	13,939,070
Short-Term Provisions	9	19,978,241	9,563,801
		153,699,738	102,275,404
TOTAL		437,029,289	412,338,135
ASSETS			
Fixed Assets			
Tangible assets	10	32,042,090	39,151,278
Intangible assets	11	—	63,090
Intangible assets under development		1,494,312	1,388,859
		33,536,402	40,603,227
Non-Current Investments	12	4,900,000	4,900,000
Long-Term Loans and Advances	13	208,689,847	211,339,657
		247,126,249	256,842,884
Current Assets			
Current Investments	14	19,476,353	—
Trade receivables	15	78,247,546	43,474,831
Cash and Bank Balance	16	25,012,158	44,075,912
Short-term loans and advances	17	67,166,983	67,944,508
		189,903,040	155,495,251
TOTAL		437,029,289	412,338,135

Summary of Significant Accounting Policies

2.1

The accompanying Notes are an integral part of the Financial Statements

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Notes	For the Year Ended 31st March, 2013 ₹	For the Year Ended 31st March, 2012 ₹	
Revenue from Operations	18	658,722,986	517,660,333
Other Income	19	18,286,193	20,751,888
Total Revenue		677,009,179	538,412,221
Expenses			
Employee benefits expenses	20	412,562,205	398,451,609
Finance Cost	21	—	724,658
Depreciation and amortisation expenses	10 & 11	8,283,173	11,423,417
Other expenses	22	288,331,096	292,103,297
Total Expenses		709,176,474	702,702,981
Profit / (Loss) before tax		(32,167,295)	(164,290,760)
Tax expenses			
(Excess) / Short provision relating to earlier years		—	(81,403)
		(32,167,295)	(164,209,357)

Earning per Equity Share

Basic Earnings per Share - ₹	23	(1.61)	(8.21)
Diluted Earnings per Share - ₹	23	(1.61)	(8.21)

(Face Value of ₹ 10/- each)

Summary of Significant Accounting Policies

2.1

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

For **S R B C & Co LLP**
ICAI Firm Registration No: 324982E
Chartered Accountants

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

As per our report of even date

For **S R B C & Co LLP**
ICAI Firm Registration No: 324982E
Chartered Accountants

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

per Shrawan Jalan
Partner
Membership No: 102102

Ajay Srinivasan
Director

Pankaj Razdan
Director

per Shrawan Jalan
Partner
Membership No: 102102

Ajay Srinivasan
Director

Pankaj Razdan
Director

Sudhakar Ramasubramanian
Chief Executive Officer

Manoj Kumar Gandhi
Chief Finance Officer

Sudhakar Ramasubramanian
Chief Executive Officer

Manoj Kumar Gandhi
Chief Finance Officer

Mumbai
Date: 30th April, 2013

Amber Gupta
Manager and Company Secretary

Mumbai
Date: 30th April, 2013

Amber Gupta
Manager and Company Secretary

ADITYA BIRLA MONEY MART LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31st March, 2013 ₹	31st March, 2012 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	(32,167,295)	(164,290,760)
Non Cash Adjustments to reconcile Profit (Loss) before tax to Net Cash Flows :		
Depreciation / Amortisation	8,283,173	11,423,417
Loss on Sale of Assets	2,074,469	2,952,775
Dividend on Current Investments	(1,666,774)	(927,013)
Interest Income	(2,359,539)	(1,570,565)
Interest on Unsecured Loan	—	724,658
Bad Debts / Advances written off	883,769	650,505
Provision for Bad Debts / Advances and Trade Receivables	(0)	14,897,505
Cenvat Credit Written off	—	2,468,018
Excess provision written back - Trade Receivables	(2,052,486)	—
Excess provision written back - Loan & Advances	(71,715)	—
Excess provision written back - Others	(12,135,679)	(18,254,310)
Operating Profit before Working Capital Changes	<u>(39,212,077)</u>	<u>(151,925,770)</u>
Movements in Working Capital		
Increase / (Decrease) in Trade Payables	57,835,805	(22,677,959)
Increase / (Decrease) in Other Current Liabilities	(4,690,232)	(27,502,798)
Increase / (Decrease) in Short Term Provisions	10,414,440	7,345,916
Increase / (Decrease) in Other Long term Liabilities	5,434,115	8,985,867
Decrease / (Increase) in Trade Receivables	(33,603,997)	16,318,580
Decrease / (Increase) in Long Term Loans & Advances	2,649,809	(187,590,883)
Decrease / (Increase) in Short Term Loans & Advances	(24,041,630)	151,737,977
Cash Generated from / (used in) Operations	<u>(25,213,769)</u>	<u>(205,309,068)</u>
Short Provision for taxes relating to earlier years	—	81,403
Income Tax Refund Received	24,890,870	18,335,712
Net Cash Flow from / (used in) Operations (A)	<u>(322,899)</u>	<u>(186,891,953)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,905,546)	(6,365,133)
Proceeds from Sale of Fixed Assets	(279,818)	2,977,486
(Increase) / Decrease in Capital Work in Progress	(105,453)	—
(Increase) / Decrease in Current Investments	(19,476,353)	—
Dividend on Current Investments	1,666,774	927,013
Interest Income (On Deposit and Income Tax Refund)	2,359,539	1,570,565
Net Cash Flow from / (used in) Investing Activities (B)	<u>(18,740,857)</u>	<u>(890,069)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest on Unsecured Loan	—	(724,658)
Unsecured Loan repaid	—	(221,300,000)
Unsecured Loan taken	—	424,300,000
Net Cash Flow from / (used in) Financing Activities (C)	<u>—</u>	<u>202,275,342</u>
D Net Increase / (Decrease) in Cash & Cash Equivalent (A) + (B) + (C)	<u>(19,063,755)</u>	<u>14,493,319</u>
E Cash and Cash Equivalent at the beginning of the Year	44,075,912	29,582,593
F Cash and Cash Equivalent at the end of the Year (D + E)	<u>25,012,158</u>	<u>44,075,912</u>
Components of Cash and Cash Equivalents :		
With Banks in Current Account	21,712,158	34,575,912
With Banks in Deposit Account	3,300,000	9,500,000
Total Cash and Cash Equivalents	<u>25,012,158</u>	<u>44,075,912</u>
Summary of Significant Accounting Policies	2.1	

As per our report of even date

For **S R B C & Co LLP**
ICAI Firm Registration No: 324982E
Chartered Accountants

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

per Shrawan Jalan
Partner
Membership No: 102102

Ajay Srinivasan
Director

Pankaj Razdan
Director

Sudhakar Ramasubramanian
Chief Executive Officer

Manoj Kumar Gandhi
Chief Finance Officer

Mumbai
Date: 30th April, 2013

Amber Gupta
Manager and Company Secretary

ADITYA BIRLA MONEY MART LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(1) CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is engaged in Distribution of Financial Products like Mutual Funds, Fixed Deposits, Bonds, IPO, Private Equity and other Alternate Products, Real Estate and Broking and other allied services.

(2) BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current – Non Current classification of assets and liabilities.

(2.1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates :

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

(b) Tangible Fixed Assets :

Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use :

- (i) Depreciation on Tangible assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets added/ disposed off during the year is provided on prorata basis with reference to the month of addition / deduction.
- (ii) Assets costing ₹ 5,000 or less are written off in the year of purchase.
- (iii) Leasehold improvements are amortised over the lease period or six years, whichever is earlier.
- (iv) Following rates are used to provide depreciation on Tangible fixed assets

Leasehold Improvements	Lease period or six years, whichever is earlier
Computers	16.21 %
Equipments	4.75 %
Furniture & fixture	6.33 %
Vehicles	9.50 %

(c) Intangible Fixed Assets :

Intangible Assets are stated at cost less accumulated amortisation 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 :

- (i) Intangible assets, viz. Trade Names and other business rights and Software are amortised over a period of ten years and three financial years respectively.

(d) Impairment of Assets :

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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

(e) Borrowing Costs :

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit & Loss in the period in which they are incurred.

(f) Investments :

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realizable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

(g) Revenue Recognition :

Revenue from Operations primarily includes Brokerage on Mutual Funds, Bonds, Fixed Deposits, IPOs, Private Equity and other Alternate Products, Real Estate and Management Fees, which is recognised when due, on completion of transaction or service. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

(h) Retirement and Other Employee Benefits :

(a) Defined Contribution Plan :

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes which are recognised in the Statement Profit and Loss on accrual basis.

(b) Defined Benefit Plan :

The Company's liabilities under Payment of Gratuity Act and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(i) Employee Deferred Compensation Plan (EPOP) :

The Deferred Employee Compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the Plan after making estimates for Employee Attrition. Credit to Employee Deferred Compensation expense equal to the amortised portion of the Plan is made on exit of the employees from the Deferred Employee Compensation Plan

(j) Income Taxes :

Tax expense comprises of current and deferred tax

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

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.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each balance sheet date the Company reassesses unrecognized deferred tax assets.

(k) Operating Leases :

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Statement of Profit and Loss on a straight line basis over lease term.

(l) Contingent Liabilities and Provisions :

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is a present obligation as a result of past

ADITYA BIRLA MONEY MART LIMITED

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 best estimate required to settle the obligation at the balance sheet date.

Contingent liability includes the Income Tax that might arise on account of pending Income Tax and Service Tax assessments at various levels.

(m) **Cash and Cash Equivalent :**

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

(n) **Segment Reporting :**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products

Unallocated items include general corporate income and expense item which are not allocated to any business segment.

(o) **Earnings per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

NOTE 3

SHARE CAPITAL	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Authorised :		
25,000,000 (31st March, 2013 : 25,000,000 Equity Shares of ₹ 10 each)	250,000,000	250,000,000
100,000,000 (31st March, 2013 : 100,000,000) 0.01% Redeemable Non Convertible Cumulative Preference Shares of ₹ 10 each	1,000,000,000	1,000,000,000
	1,250,000,000	1,250,000,000
Issued, Subscribed and Paid up :		
Equity Share Capital		
20,000,000 (31st March, 2013 : 20,000,000 Equity Shares of ₹ 10 each)	200,000,000	200,000,000
Preference Share Capital		
100,000,000 (31st March, 2013 : 100,000,000) 0.01% Redeemable Non Convertible Cumulative Preference Shares of ₹ 10 each	1,000,000,000	1,000,000,000
	1,200,000,000	1,200,000,000

1. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	31st March, 2013		31st March, 2012	
	No of Shares	₹	No of Shares	₹
At the beginning of the period	20,000,000	200,000,000	20,000,000	200,000,000
Issued during the period	—	—	—	—
Outstanding at the end of the period	20,000,000	200,000,000	20,000,000	200,000,000
Preference Shares				
At the beginning of the period	100,000,000	1,000,000,000	—	—
Issued during the period	—	—	100,000,000	1,000,000,000
Outstanding at the end of the period	100,000,000	1,000,000,000	100,000,000	1,000,000,000

2. **Terms / Rights attached to Equity Shares :**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3. **Terms / Rights attached to Preference Shares :**

0.01% Redeemable Non Convertible Cumulative Preference Shares (RNCCPS), confer on the holders thereof the following rights and privileges:

- the right to a cumulative preferential dividend of 0.01% on the nominal value of the RNCCPS every year, till the redemption of these RNCCPS, subject to the availability of the distributable profits, free of Company's Income-tax, but subject to deduction of taxes at source at the rate or rates prescribed from time to time. The dividend will be calculated on a day count of 365 days a year basis and are cumulative in nature. The dividend shall be paid to such Preference Shareholders whose names appears on the Register of Preference Shareholders on the Record Date, as may be declared by the Company.
- the right in the event of winding up to the payment of such capital and arrears of dividend, whether earned, accrued, declared or not, down to the commencement of the winding up in priority to the equity Shares but shall not confer any further right to participate in profits or assets.
- Except as provided under section 87 of the Companies Act, 1956, Preference Shareholders have no voting rights. The RNCCPS shall carry a preferential right over the Equity Shares of the Company as regards to payment of dividend and as regards to repayment of the capital in the event of winding up.
Put/ Call Option at any time after 5 years from the date of allotment with either the Company/Preference Shareholder. RNCCPS are issued for a period of 10 years At the expiry of 10 years, the Preference shareholder will be redeemed at a premium of ₹ 5/- per share over and above the face value.

4. **Shares held by the Holding Company :**

All the Equity and Redeemable Non Convertible Cumulative Preference Shares are held by the holding company - Aditya Birla Financial Services Private Limited.

5. **Shareholders holding more than 5% shares in the Company**

Equity Share Capital

Aditya Birla Financial Services Private Limited - 20,000,000 Equity Shares - 100%
(Previous Year - Aditya Birla Financial Services Private Limited - 20,000,000 Equity Shares - 100%)

Preference Share Capital

Aditya Birla Financial Services Private Limited - 100,000,000 Redeemable Non Convertible Cumulative Preference Shares - 100%
(Previous Year - Aditya Birla Financial Services Private Limited - 100,000,000 Redeemable Non Convertible Cumulative Preference Shares - 100%)

6. For a five year period immediately preceding the date at which Balance Sheet is prepared:

- No Shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash
- No Shares were allotted as fully paid up by way of bonus shares.

NOTE 4

RESERVES AND SURPLUS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Capital Redemption Reserve	28,250,000	28,250,000
General Reserve (Refer Note 4.1)	10,122,500	10,122,500
Surplus / (Deficit) as per Statement of Profit & Loss :		
Balance as on April 1, 2012	(1,364,745,636)	(1,200,536,281)
Loss for the year	(32,167,295)	(164,209,355)
Net Surplus / (Deficit) in the Statement of Profit & Loss :	(1,396,912,930)	(1,364,745,636)
Total Reserves and Surplus	(1,358,540,431)	(1,326,373,136)

NOTE 4.1

Under the Companies Act, a general reserve is created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers is to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the company for that year, then the total dividend distribution is less than the total distributable results for that year.

NOTE 5

LONG TERM BORROWINGS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Unsecured Loan from Related Party	424,300,000	424,300,000
	424,300,000	424,300,000

ADITYA BIRLA MONEY MART LIMITED

Terms and Conditions

Repayment :

- ₹ 424,300,000 - Repayable in 24 Months
- All Unsecured Loan is Interest Free

NOTE 6

OTHER LONG TERM LIABILITIES	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Liability for Rent Straightlining	7,193,707	8,985,867
Liability for Deferred Compensation	7,776,275	3,150,000
Security Deposit Received	2,600,000	—
	17,569,982	12,135,867

NOTE 7

TRADE PAYABLES	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Trade Payables	64,155,007	57,625,029
Salaries, Wages, Bonus & Other Employee Benefits	60,317,652	21,147,504
	124,472,659	78,772,533

NOTE 10

TANGIBLE ASSETS

	As at 31st March, 2013						As at 31st March, 2012					
	Leasehold Improvements	Computers	Office Equipment	Furniture and Fixtures	Vehicles	Total	Leasehold Improvements	Computers	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross Block												
As at 1st April, 2012	14,724,716	28,879,992	12,766,235	16,720,000	1,447,136	74,538,079	14,599,580	35,650,453	13,596,248	17,890,792	4,517,968	86,255,041
Additions	1,948,307	604,061	269,176	84,002	—	2,905,546	743,481	2,902,371	719,405	1,109,009	890,867	6,365,133
Less : Disposals	812,764	96,318	117,617	1,442,923	556,269	3,025,891	618,345	9,672,832	1,549,418	2,279,802	3,961,699	18,082,096
As at 31st March, 2013	15,860,259	29,387,735	12,917,794	15,361,079	890,867	74,417,734	14,724,716	28,879,992	12,766,235	16,719,999	1,447,136	74,538,078
Accumulated Depreciation												
As at 1st April, 2012	7,941,278	17,901,709	3,146,751	6,103,145	293,918	35,386,801	5,727,693	22,958,572	3,077,886	5,864,913	1,269,585	38,898,649
For the year	2,743,496	3,958,763	606,565	815,361	95,898	8,220,083	2,651,938	3,704,350	763,645	1,196,079	323,975	8,639,987
Less : Disposals	505,959	61,753	29,251	427,449	206,828	1,231,240	438,354	8,761,213	694,780	957,847	1,299,642	12,151,835
As at 31st March, 2013	10,178,815	21,798,719	3,724,065	6,491,057	182,988	42,375,644	7,941,277	17,901,709	3,146,751	6,103,145	293,918	35,386,801
Net Block as on 31st March	5,681,444	7,589,016	9,193,729	8,870,022	707,879	32,042,090	6,783,439	10,978,283	9,619,484	10,616,854	1,153,218	39,151,278

NOTE 11

INTANGIBLE ASSETS

	As at 31st March, 2013			As at 31st March, 2012		
	Trade Names and Other Business Rights	Software	Total	Trade Names and Other Business Rights	Software	Total
Gross Block						
As at 1st April, 2012	36,718,080	22,554,922	59,273,002	36,718,080	25,950,346	62,668,426
Additions	—	—	—	—	—	—
Less : Disposals	—	—	—	—	3,395,424	3,395,424
As at 31st March, 2013	36,718,080	22,554,922	59,273,002	36,718,080	22,554,922	59,273,002
Accumulated Depreciation						
As at 1st April, 2012	36,718,080	22,491,832	59,209,912	36,718,080	23,103,826	59,821,906
For the year	—	63,090	63,090	—	2,783,430	2,783,430
Less : Disposals	—	—	—	—	3,395,424	3,395,424
As at 31st March, 2013	36,718,080	22,554,922	59,273,002	36,718,080	22,491,832	59,209,912
Net Block as on 31st March	—	—	—	—	63,090	63,090

NOTE 12

NON CURRENT INVESTMENTS

	Face Value	As at 31st March, 2013		As at 31st March, 2012	
	(₹)	Numbers	(₹)	Numbers	(₹)
TRADE INVESTMENTS (valued at cost unless stated otherwise) (Unquoted) Equity Shares (fully paid up) Investment in Subsidiary Company Aditya Birla Money Insurance Advisory Services Limited	10	490,000	4,900,000	490,000	4,900,000
TOTAL			4,900,000		4,900,000

Aggregate amount of unquoted investment ₹ 4,900,000 (Previous Year : 4,900,000)

Micro and Small Scale Business Entities

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, 2013. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company

NOTE 8

OTHER CURRENT LIABILITIES	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Statutory Dues	7,361,641	8,934,502
Book Overdraft	—	2,474,789
Liability for Rent straightlining	1,484,698	2,103,668
Income Received in Advance	402,499	426,111
	9,248,838	13,939,070

NOTE 9

SHORT TERM PROVISIONS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Provision for Employee Benefits :		
Leave Encashment	19,760,644	9,563,801
Gratuity	217,597	—
	19,978,241	9,563,801

(Amount in ₹)

ADITYA BIRLA MONEY MART LIMITED

NOTE 13

LONG TERM LOANS & ADVANCES (Unsecured, considered good unless stated otherwise)	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Advances to Employees	7,090,277	8,531,464
Due from Subsidiary Company	176,141,759	178,327,822
Security Deposits		
Unsecured, considered good	25,457,811	24,480,371
Doubtful	300,000	300,000
	25,757,811	24,780,371
Provision for Doubtful Security Deposits	300,000	300,000
	25,457,811	24,480,371
	208,689,847	211,339,657

Disclosure pursuant to Clause 32 of Listing Agreement

Amount Receivable From	Balance as on 31.3.2013	Balance as on 31.3.2012
Aditya Birla Insurance Advisory Services Limited	176,141,759	178,327,822
Employee Loan	7,090,277	8,531,464

NOTE 14

CURRENT INVESTMENTS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Birla Cash Plus IP Daily Dividend (194384 units Birla Cash Plus IP Daily Dividend of ₹100.1950 each Current Investment valued at lower of cost and fair value unless treated otherwise)	19,476,353	—
	19,476,353	—

NOTE 15

TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Due for a period exceeding six months from the date they are due for payment :		
Unsecured, considered good	1,819,396	—
Doubtful	7,388,969	4,180,074
	9,208,365	4,180,074
Provision for Doubtful Receivables	7,388,969	4,180,074
(A)	1,819,396	—
Other Receivables		
Unsecured, considered good	76,428,150	43,474,831
Doubtful	4,192,904	9,454,286
	80,621,054	52,929,117
Provision for Doubtful Receivables	4,192,904	9,454,286
(B)	76,428,150	43,474,831
Total (A) + (B)	78,247,546	43,474,831

NOTE 16

CASH AND BANK BALANCE	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Cash and Cash Equivalent		
Balances with Scheduled Banks		
in Current Account	21,712,158	34,575,912
in Deposit Account	3,300,000	9,500,000
	25,012,158	44,075,912

NOTE 17

SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless stated otherwise)	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Advance Taxes (on account of Income Tax) (Net of Provision ₹30,225,188; Previous Year ₹ 59,564,246)	45,038,601	43,745,222
Advances to Employees		
Unsecured, considered good	5,595,938	7,278,980
Doubtful	750,138	830,421
	6,346,076	8,109,401
Provision for Doubtful Advances	750,138	830,421
	5,595,938	7,278,980
Security Deposits		
Unsecured, considered good	—	—
Doubtful	132,724	132,724
	132,724	132,724
Provision for Doubtful Security Deposits	132,724	132,724
	—	—
Prepaid Expenses	10,161,477	13,036,445
Statutory Deposits and Dues from Government	5,501,824	2,920,723
Advance funding to Gratuity Trust	—	846,938
Other Advances		
Unsecured, considered good	869,143	116,200
Doubtful	8,568	—
	877,711	116,200
Provision for Doubtful Advances	8,568	—
	869,143	116,200
	67,166,983	67,944,508

Disclosure pursuant to Clause 32 of Listing Agreement

Amount Receivable From	Balance as on 31st March, 2013	Balance as on 31st March, 2012
Employee Loan	2,703,452	1,958,209
Maximum amount due at any time during the year ended	31st March, 2013	31st March, 2012
Employee Loan	2,900,002	1,996,771

NOTE 18

REVENUE FROM OPERATIONS	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Sale of Services		
Income from Mutual Funds	388,792,869	272,883,377
Income from Alternate Products	68,912,069	58,569,921
Income from Fixed Deposits and Bonds	15,969,432	23,320,536
Income from Real Estate	80,915,059	77,224,406
Management Fees	75,094,928	68,844,143
Marketing / Promotion Expenses Recovery	24,579,107	13,392,291
	654,263,464	514,234,674
OTHER OPERATING REVENUE		
Income from Advertisement in Investime	4,459,522	3,425,659
	658,722,986	517,660,333

NOTE 19

OTHER INCOME	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Interest Income		
– On Deposits	92,263	135,203
– Others	2,267,276	1,435,362
Dividend Income on Current Investment	1,666,774	927,013
Excess Provision Written Back - Trade Receivables	2,052,486	—
Excess Provision Written Back - Loans & Advances	71,715	—
Excess Provision and Cenvat Credit Written Back	12,135,679	18,254,310
	18,286,193	20,751,888

ADITYA BIRLA MONEY MART LIMITED

NOTE 20

EMPLOYEE BENEFITS EXPENSE	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Salary and Wages (Refer Note 24)	384,499,422	365,764,634
Contribution to Provident and Other Funds	15,545,686	17,700,481
Gratuity	1,212,361	1,316,541
Staff Welfare Expenses	11,304,736	13,669,953
	412,562,205	398,451,609

NOTE 21

FINANCE COST	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Interest on Loan	—	724,658
	—	724,658

NOTE 22

OTHER EXPENSES	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Lease Rent (Refer Note 30 & 31)	53,676,114	64,538,889
Sub Brokerage & Fees	62,095,204	52,843,229
Repairs and Maintenance:		
Computers & Equipments	4,610,598	3,123,679
Buildings	16,106,054	14,570,559
Others	1,976,060	3,074,326
Information Technology Charges	14,693,602	5,213,284
Insurance	133,021	190,394
Rates and Taxes	395,081	2,233,306
Legal and Professional Charges (Refer Note 22.1 below)	8,498,965	10,639,677
Communication Expenses	11,511,848	15,488,222
Travelling and Conveyance	12,471,225	19,700,639
Printing and Stationery	6,167,279	8,306,301
Advertisement and Sales Promotion	6,410,909	6,023,990
Convat Credit Written off	—	2,468,018
Call Centre and Portal Expenses	5,927,633	8,584,114
Electricity charges	6,450,032	7,807,034
Staff Recruitment Expenses	3,707,811	12,039,998
Research and Development Expenses	996,309	1,375,373
Provision for Doubtful Debts / Advances	—	1,263,145
Provision for Doubtful Debts / Advances - Trade Receivables	—	13,634,360
Bad Debts / Advances Written off	883,769	650,505
Bank charges	283,912	368,417
Seminar and Conference	2,472,732	2,778,455
Loss on sale of Fixed Assets (Net)	2,074,469	2,952,775
Asset Utilisation Charges	778,687	3,595,318
Outsourcing Expenses	64,431,566	28,270,681
Miscellaneous Expenses	1,578,216	368,608
	288,331,096	292,103,297

NOTE 22.1

Particulars	As at 31.3.2013 ₹	As at 31.3.2012 ₹
As Auditor		
- Statutory Audit Fee	520,000	537,500
- Tax Audit Fee	80,000	50,000
- Reimbursement of Expenses	26,142	36,031
Total	626,142	623,531

NOTE 23

EARNINGS PER SHARE	31st March, 2013 ₹	31st March, 2012 ₹
Earnings per Share (EPS) is calculated as under :		
Net Profit as per Statement of Profit and Loss Account :	(32,167,295)	(164,209,357)
Less : Preference Dividend and Tax thereon	—	—
Net Profit for Basic EPS (A)	(32,167,295)	(164,209,357)
Weighted Average number of Outstanding Equity Shares for EPS :		
- Basic (B)	20,000,000	20,000,000
- Diluted (C)	20,000,000	20,000,000
Earnings per Share (₹)		
- Basic (A) / (B)	(1.61)	(8.21)
- Diluted (A) / (C)	(1.61)	(8.21)
Nominal value of Shares (₹)	10	10

24 RETIREMENT BENEFITS

The company operates two defined plans, viz., Gratuity and Leave Encashment for its employees. Under the Gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The Scheme is funded with an Insurance company in the form of qualifying insurance policy. Under the Leave Encashment Plan, Privilege Leave can be encashed on separation from the Company on the basis of the last drawn basic salary

The following tables summarise the components of net benefit expense recognised in Statement of Profit and Loss Account and the funded status and the amounts recognised in the Balance Sheet for the respective plans

Statement of Profit and Loss

Net Employee Benefit Expense recognized in the Employee Cost

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.3.2013	For the year ended 31.3.2012	For the year ended 31.3.2013	For the year ended 31.3.2012
Current service cost	2,625,831	2,829,760	802,896	1,273,968
Interest cost on obligation	997,292	930,317	246,427	188,040
Expected return on Plan Assets	(1,055,956)	(572,035)	—	—
Net Actuarial (gain) / loss recognised	(1,354,806)	(1,871,501)	1,048,310	2,968,313
Expense recognised in Statement of Profit and Loss	1,212,361	1,316,541	2,097,633	4,430,321

Previous year the company has valued Sick leave on actual basis. The sick leave valuation of ₹ 6,664,661 is not included above

Balance Sheet

Benefit Asset / Liability

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Present Value of Defined Benefit Obligation	12,993,162	11,732,843	2,861,874	2,899,140
Fair Value of Plan Assets	(12,775,565)	(12,579,781)	—	—
Plan (Asset) / Liability - Excess Funded to Gratuity Trust	217,597	(846,938)	2,861,874	2,899,140

Previous year the company has valued Sick leave on actual basis. The sick leave valuation of ₹ 6,664,661 is not included above

Changes in the present value of the Defined Benefits Obligation are as follows :

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Opening Defined Benefit Obligation	11,732,843	7,046,213	2,899,140	2,212,231
Liability in respect of Employees transferred	—	3,898,690	—	—
Current service cost	2,625,831	2,829,760	802,896	1,273,968
Interest Cost	997,292	930,317	246,427	188,040
Benefits paid	(1,134,827)	(887,480)	(2,484,899)	(3,743,412)
Actuarial (gains) / losses on obligation	(1,227,977)	(2,084,657)	1,398,310	2,968,313
Closing Defined Benefit Obligation	12,993,162	11,732,843	2,861,874	2,899,140

Changes in the Fair Value of Plan Assets are as follows :

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Opening Fair Value of Plan Assets	12,579,781	7,150,433	—	—
Expected Return	1,055,956	572,035	—	—
Contributions by Employer	147,826	5,957,949	—	—
Benefits paid	(1,134,827)	(887,480)	—	—
Actuarial (gains) / losses	126,829	(213,156)	—	—
Closing Fair Value of Plan Assets	12,775,565	12,579,781	—	—

ADITYA BIRLA MONEY MART LIMITED

Actual Return on Plan Assets

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.3.2013	For the year ended 31.3.2012	For the year ended 31.3.2013	For the year ended 31.3.2012
Expected return on Plan Assets	610,414	572,035	—	—
Actuarial Gain / (Loss) on Plan Assets	12,382,748	(213,156)	—	—
Actual return on Plan Assets	12,993,162	358,879	—	—

Plan Assets of Gratuity have been invested in Insurer Managed Fund (Birla Sun Life Insurance Group Money Market Fund-Plan I and Group Secure Fund-Plan I)

The expected gratuity contribution for the next year ended 31st March, 2013 will be ₹ 3,130,803

The principal assumptions used in determining Gratuity and Leave Encashment obligations for the company's plans are shown below:

	For Year ended 31st March, 2013	For Year ended 31st March, 2012
Rate of Interest	8.25%	8.50%
Salary growth	6.00%	6.00%
Withdrawals rate	1%	1%
Mortality rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates
Retirement age	60 years	60 years
Expected Return on Plan Assets	8.00%	8.00%

Experience Adjustment

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Present Value of Defined Benefit Obligation	12,993,162	11,732,843	2,861,874	2,899,140
Fair Value of Plan Assets	12,775,565	12,579,781	—	—
(Surplus)/Deficit	217,597	(846,938)	2,861,874	2,899,140
Experience adjustment on Plan Liability - (Gain) / Loss	(2,084,657)	(2,084,657)	2,968,313	2,968,313
Experience adjustment on Plan Assets - Gain / (Loss)	(213,156)	(213,156)	—	—

Experience Adjustment for :

Particulars	Gratuity			Leave Encashment		
	As at 31.3.11	As at 31.3.10	As at 31.3.09	As at 31.3.11	As at 31.3.10	As at 31.3.09
Present value of defined benefit obligation	7,046,213	4,633,033	2,722,774	2,212,231	5,464,888	4,180,675
Fair value of Plan Assets	7,150,433	4,666,645	2,722,774	—	—	—
(Surplus) / Deficit	(104,220)	(33,612)	—	2,212,231	5,464,888	4,180,675
Experience Adjustment on Plan Liability (Gain) / Loss	(75,885)	(135,931)	653,982	718,751	584,031	754,810
Experience Adjustment on Plan Assets Gain / (Loss)	(41,170)	294,592	(27,604)	—	—	—

Defined Contribution Plan :

The Company has recognized the following amounts as expenses and included in Note 20 in "Contribution to Provident and Other Funds"

Particulars	As at 31.3.2013	As at 31.3.2012
Contribution to Government Employees Provident Fund	13,336,626	15,116,529
Contribution to Superannuation Fund	1,747,192	1,941,205
Contribution to ESIC	448,448	623,583
Contribution to Labour Welfare Fund	13,420	19,164

25 LEASES

(a) Operating Lease Payments recognised in the Profit and Loss Account ₹ 53,676,114 (Previous Year ₹ 64,538,889)

The Company has taken certain office premises on cancellable and non cancellable operating lease

(b) The future minimum lease rental payments in respect of non cancellable operating lease are as follows :

Particulars	31st March, 2013	31st March, 2012
Not later than one year	52,467,216	49,969,694
Later than One year and Not later than five years	102,992,385	114,945,764
Later than five years	17,523,590	36,909,986

ADITYA BIRLA MONEY MART LIMITED

- 26 The segment reporting format is determined to be business segments as the company's risks and returns are predominantly affected by the differences in products and services produced. The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products

The 'Distribution' segment is engaged in Distribution of Financial Products like Mutual Funds, Fixed Deposits, Bonds, IPO, Private Equity and other Alternate Products, Real Estate and Broking

The 'Advertisement' segment is engaged in deriving income from various mutual funds from sale of space to various in an Inhouse magazine

Business segments

Particulars	For the year ended 31st March, 2013			For the year ended 31st March, 2012		
	Distribution	Advertisement	Total	Distribution	Advertisement	Total
Revenue	654,263,464	4,459,522	658,722,986	514,234,674	3,425,659	517,660,333
Results						
Segment results	(51,803,530)	1,350,042	(50,453,488)	(184,065,886)	(252,105)	(184,317,991)
<u>Unallocated Income / (Expense)</u>						
Finance cost			—			(724,658)
Other Income including finance income			18,286,193			20,751,888
Profit / (Loss) before tax			(32,167,295)			(164,290,761)
(Excess) / Short provision relating to earlier years						
(Income tax)			—			(81,403)
Net Profit / (Loss)			(32,167,295)			(164,209,358)
Assets						
Segment assets	431,308,998	820,291	432,129,289	406,678,435	759,700	407,438,135
Unallocated assets			4,900,000			4,900,000
Total assets	431,308,998	820,291	437,029,289	406,678,435	759,700	412,338,135
Liabilities						
Segment liabilities	171,269,720	—	171,269,720	112,751,514	1,659,757	114,411,271
Unallocated liabilities			265,759,569			297,926,864
	171,269,720	—	437,029,289	112,751,514	1,659,757	412,338,135
Other segment information						
Capital expenditure						
– Tangible assets	2,905,546	—	2,905,546	6,365,133	—	6,365,133
– Intangible assets	—	—	—	—	—	—
Depreciation	8,220,083	—	8,220,083	8,639,987	—	8,639,987
Amortisation	63,090	—	63,090	2,783,430	—	2,783,430

27 RELATED PARTY DISCLOSURES

Names of Related Parties and Related Party relationship :

Related Parties where Control exist :

Holding Company	Aditya Birla Financial Services Private Limited
Ultimate Holding Company	Aditya Birla Nuvo Limited
Subsidiary Company	Aditya Birla Money Insurance Advisory Services Limited

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

Fellow Subsidiaries	Aditya Birla Finance Limited
	Aditya Birla Minacs Worldwide Limited
	Aditya Birla Money Limited
	Aditya Birla Commodities Broking Limited
	ABNL Investments Limited
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Customer Services Private Limited
	Birla Sun Life Insurance Company Limited
	Birla Sunlife Asset Management Company Limited (w.e.f.10.10.12; Earlier it was Joint Venture)

Key Management Personnel

Mr Amber Gupta, Manager

ADITYA BIRLA MONEY MART LIMITED

Loans taken and given and repayment thereof

(Amount in ₹)

Particulars	Year Ended	Loans taken		Loans given		Closing Balance	
		Loans taken	Repayment	Loans given	Repayment	Amounts owed to Related Parties	Amounts owed by Related Parties
Aditya Birla Financial Services Private Limited	31-Mar-13	—	—	—	—	—	—
	31-Mar-12	—	—	—	—	—	—
Aditya Birla Nuvo Limited	31-Mar-13	—	—	—	—	424,300,000	—
	31-Mar-12	(203,000,000)	—	—	—	(424,300,000)	—
Aditya Birla Money Insurance Advisory Services Limited	31-Mar-13	13,300,000	—	10,750,000	—	—	176,141,753
	31-Mar-12	(40,400,000)	—	(79,127,822)	—	—	(178,327,822)
Fellow Subsidiaries							
Aditya Birla Finance Limited	31-Mar-13	—	—	—	—	—	—
	31-Mar-12	—	—	—	—	—	—
Aditya Birla Money Limited	31-Mar-13	—	—	—	—	—	—
	31-Mar-12	(50,000,000)	(50,000,000)	—	—	—	—
Aditya Birla Customer Services Pvt. Ltd.	31-Mar-13	—	—	6,000,000	6,000,000	—	—
	31-Mar-12	—	—	—	—	—	—
ABNL Investments Limited	31-Mar-13	—	—	—	—	—	—
	31-Mar-12	—	—	—	—	—	—

Previous year numbers are shown in brackets

Share Capital

(Amount in ₹)

Particulars	Year Ended	Share Issued	Share Application money	Shares Bought Back	Closing Balance
Holding Company					
Aditya Birla Financial Services Private Limited					
Equity Share Capital	31-Mar-13	-	-	-	200,000,000
	31-Mar-12	-	-	-	(200,000,000)
Preference Share Capital	31-Mar-13	-	-	-	1,000,000,000
	31-Mar-12	-	-	-	(1,000,000,000)

Previous year numbers are shown in brackets

Remuneration to Key Management Personnel

(Amount in ₹)

	31st March, 2013	31st March, 2012
Salary, Allowances and Others	2,787,470	1,912,796
Contribution to Provident and Other Funds	114,795	68,910
Total	2,902,265	1,981,706

The Remuneration to Key Management Personnel does not include Provision for Gratuity and Leave Encashment as they are determined on an actuarial basis for the company as a whole

28 CONTINGENT LIABILITIES

Contingent Liabilities not provided for :

Claims against the Company not acknowledged as Debts :

Particulars	As at 31.3.2013 ₹	As at 31.3.2012 ₹
Income Tax	39,002,241	32,400,699
Service Tax	2,341,846	2,341,846
Total	41,344,087	34,742,545

Level at which pending	Contingent Liability	Grounds of Appeal
Pending at Income Tax Appellate Tribunal	32,853,674	Depreciation on Intangibles, Disallowance u/s 14A, Depreciation Motor car
Pending at Commissioner of Income Tax (Appeals)	6,148,568	
	39,002,241	

Additionally there is one service tax appeal order awaited. If the said order goes against the company then the total liability will be ₹ 23,41,686

29 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 2,294,150 (Previous year Nil)

30 Lease rent includes Prior period items ₹ Nil (Previous year ₹ 72,39,408) due to adoption of AS—19 'Accounting for Leases', Salaries and Bonus include Prior period items ₹ Nil (Previous Year ₹ 47,72,943) due to valuation of Sick leave and Privilege leave balance and ₹ 84,27,875 due to Incentive expense (Previous Year ₹ Nil)

31 During the year under review Company has entered into Amendment Agreement with India Bulls Properties Private Limited with regard to Companies office, wherein it is agreed that;

(a) There will not be any escalations in the License fees during the License period of the Agreement.

(b) License fees shall be inclusive of Property tax

Accordingly Provisions made towards Rent straightlining provisions amounting to ₹ 35,32,478 and Property tax amounting to ₹ 47,87,640 on the basis of the original License Agreement, from the commencement of License period till the date of Amendment Agreement, has been credited to the income of the Company.

ADITYA BIRLA MONEY MART LIMITED

32 DEFERRED TAX

The breakup of Net Deferred Tax Asset arising on account of following timing differences is as under :

Particulars	As at 31.3.2013 ₹	As at 31.3.2012 ₹
Deferred Tax Assets		
Expenses allowed on payment basis	6,281,426	895,834
Unabsorbed Depreciation and Carry forward losses	416,995,291	371,544,068
Deferred Tax Liabilities		
Depreciation / amortisation	1,227,472	(895,834)
Net Deferred Tax Asset / (Liability)	424,504,189	371,544,068

Deferred tax assets have been created only to the extent of Deferred tax liability. Accordingly Deferred tax asset for Section 43B items to the extent of ₹ 424,504,190 (Previous Year ₹ 37,15,44,068) is not recognised in the Accounts

33 The Company has accumulated losses of ₹ 1,396,912,930 (Previous year ₹ 1,364,745,636) as at the balance sheet date, resulting in a complete erosion of company's Net Worth. However, the company has been able to meet its obligations in the ordinary course of business and considering the financial support received and also the Letter of Support received from Aditya Birla Nuvo Limited (Ultimate Holding Company) these financial statements have been prepared assuming that the company will continue as a going concern.

34 PREVIOUS YEARS FIGURES

The Company has reclassified previous years figures to conform to this years classification.

As per our report of even date

For **S R B C & Co LLP**
ICAI Firm Registration No: 324982E
Chartered Accountants

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

per Shrawan Jalan
Partner
Membership No: 102102

Ajay Srinivasan
Director

Pankaj Razdan
Director

Sudhakar Ramasubramanian
Chief Executive Officer

Manoj Kumar Gandhi
Chief Finance Officer

Mumbai
Date: 30th April, 2013

Amber Gupta
Manager and Company Secretary

ADITYA BIRLA MONEY MART LIMITED

Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 and forming part of the Directors' Report dated April 30, 2013 for the financial year ended March 31, 2013

A) Employees who were employed throughout the Financial Year 2012 - 2013 and were in receipt of remuneration in aggregate of not less than ₹60,00,000/- per annum.

Name	Designation	Remuneration (₹)	Qualifications	Age (Years)	Experience (Years)	Date of Joining	Name of Employer	Designation	Period of Service
SUDHAKAR RAMASUBRAMANIAN	CEO	12,267,465	Associate CWA, Post Grad. Dip. In Management, Bachelor Of Commerce	45	19	1-Jul-10	Aditya Birla Finance Ltd	CEO	1 Yr
V GIRISH	EXECUTIVE VICE PRESIDENT - WEALTH MANAGEMENT	6,666,494	MBA , Bachelor Of Commerce	41	18	12-Nov-08	ICICI Bank Ltd	Head Private Banking Group	10 yrs

B) Employees who were employed for a part of the Financial Year 2012 - 2013 and were in receipt of remuneration in aggregate of not less than ₹5,00,000/- per month.

Name	Designation	Remuneration (₹)	Qualifications	Age (Years)	Experience (Years)	Date of Joining	Name of Employer	Designation	Period of Service
SUDHAKAR	CEO	12,267,465	Associate CWA, Post Grad. Dip. In	45	19	1-Jul-10	Aditya Birla	CEO	1 Yr
			NIL						

For and on behalf of the Board of Directors

Place: Mumbai

Date : April 30, 2013

Pankaj Razdan
Director

Ajay Srinivasan
Director

Notes:

1. Remuneration includes salary, bonus, incentive, allowances, medical benefits, Company's contribution to Provident Fund and Superannuation Fund, wherever applicable, leave encashment, leave travel assistance, and monetary value of taxable perquisites wherever applicable.
2. None of above employees are related to any Director of the Company.
3. All appointments are non - contractual, terminable on appropriate notice on the either side. Other terms and conditions are as per rules of the Company.

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors present the 12th Annual Report, the audited annual accounts of Aditya Birla Money Insurance Advisory Services Limited ("the Company") for the year ended 31st March 2013.

1. FINANCIAL PERFORMANCE SUMMARY (Rs. in Crore)

PARTICULARS	Current Year March 31, 2013	Previous Year March 31, 2012
Total Income	9.98	8.42
Total Expenditure	8.40	12.85
Profit/(Loss) Before Depreciation and Tax	1.58	(4.42)
Less: Depreciation	0.21	0.22
Less: Provision for Taxation	—	0.03
Profit / (Loss) After Tax	1.37	(4.67)
Loss brought forward from previous year	(18.78)	(14.11)
Balance carried to Balance Sheet	(17.41)	(18.78)

2. BUSINESS PERFORMANCE

Your Company is engaged in distribution of life insurance and pension products as a corporate agent of Birla Sun Life Insurance Company Limited ('BSLI'). During the year under review, your Company recorded the total revenue of Rs. 9.98 Crore as against Rs. 8.42 Crore in the previous year, an increase of 19%. The total expenditure was at Rs. 8.40 Crore as against Rs. 12.85 Crore in previous year, a reduction of 35%. As a result, company achieved net profit of Rs. 1.37 Crore against a loss of Rs. 4.67 Crore in previous year. During the year under review, new modal premium on policies issued was Rs. 23.67 Crore as against Rs. 28.34 Crore during the previous year, a decrease of 16%. The average policy size of your Company during the year under review was approximately Rs. 30,800 as against the previous year's average of Rs. 44,300. The number of policies sourced during the year was 7692 as against 6396 in the previous financial year. However, your Company's share in BSLI's non group business grew from 2.45 % in the previous year to 2.65% in the year under review.

3. RESERVES

There was no amount which was transferred to reserves during the period under review.

4. DIVIDEND

In view of accumulated losses, your Directors do not recommend any dividend for the year under review.

5. SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 50 Lakh. The Paid up, Issued and Subscribed Capital of the Company was Rs. 49 Lakh comprising of 4,90,000 shares of Rs. 10 each, as on March 31, 2013. There was no capital infusion during the year under review.

6. MARKET OUTLOOK, CHALLENGES AND OPPORTUNITIES

Overall, the Life Insurance (LI) industry (Group and Non Group, annualized premium) witnessed change in the Financial Year 2012-13 (FY 13). On an industry level, the total LI industry witnessed a 6.32 % de growth in FY 13. Private life premium de grew by 5.97% from Rs. 32718 Crore in FY 12 to Rs. 30765 Crore in FY 13. Budgetary changes, high inflation, volatile equity markets and new norms contributed to decrease in business volumes as also due to changes in product mix and decrease in productivity as the industry took time to align with new product requirements. The overall outlook, however looks bullish with rapid development in Tier II & III cities and growth in new bankable households have led to the emergence of a large insurable class. Regulatory

environment remained dynamic with IRDA notifying various new policies and guidelines which will require complete overhaul and change in the product portfolio in the ensuing year including commissions. Thus, the industry remains dynamic and poses challenges while providing opportunities for growth and expansion as Indian insurance market continues to be underpenetrated. Your Company has plans to work closely with BSLI to further strengthen its distribution network by selling the right product mix, new processes and areas to meet the customer's requirements aligned with the needs of the prospective policyholders.

7. SUBSIDIARY

Your Company do not have any subsidiary.

8. PUBLIC DEPOSITS

The Company has not accepted any fixed deposits as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

9. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The information relating to the conservation of Energy and Technology Absorption required under section 217(1)(e) of the Companies Act, 1956 ("the Act") 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. There were no employees falling under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, and hence the particulars are not furnished.

10. DIRECTORS

As on March 31, 2013, your Board of Directors comprises of 3 Directors.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Sudhakar Ramasubramanian retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself of re-appointment. The Board recommends his re-appointment. The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 1956 and other applicable statutes.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors confirm that, to the best of their knowledge and belief:

- in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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;
- the attached Statement of Accounts for the period ended March 31, 2013 have been prepared on a "going concern basis";

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

- e. proper systems are in place to ensure compliance of all laws applicable to the Company; and
- f. all related party transactions are disclosed in notes to accounts at Note 28 in terms of Accounting Standard 18.

12. AUDITORS & AUDITOR'S REPORT

M/s S R B C & Co LLP (formerly S. R. B C & Co.), Chartered Accountants, Mumbai, (Registration No 324982E), hold office as the Statutory Auditors of the Company up to the ensuing AGM and have offered themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Act. The Auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI. The Board proposes the re-appointment of M/s. S R B C & Co LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company. 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.

13. SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act 1956, a Secretarial Compliance Certificate under Companies (Compliance Certificate) Rules, 2001 issued by M/s Aashish Bhatt & Associates, Practising Company Secretaries is attached to this report.

14. APPRECIATION

Your Directors wish to place their sincere appreciation for the valuable advice, guidance and support provided by all stakeholders and regulatory authorities from time to time. Your Directors express their gratitude to the clients, bankers and BSLI for their support and patronage to the Company. Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board of Directors

Sudhakar Ramasubramanian
Director

Manoj Kumar Gandhi
Director

Place : Mumbai
Date : April 30, 2013

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

COMPLIANCE CERTIFICATE

Corporate Identity Number (CIN) : U66030GJ2001PLC062240
Nominal Share Capital : Rs. 50,00,000/-

To,
The Members,

Aditya Birla Money Insurance Advisory Services Limited

I have examined the registers, records, books and papers of **Aditya Birla Money Insurance Advisory Services 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 financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial 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 duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. No forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being Public Limited Company has the paid-up capital of Rs. 49,00,000/- (Forty Nine Lakhs only) as on 31st March, 2013.
4. The Board of Directors duly met 4 (four) times on 30th April, 2012, 25th July, 2012, 29th October, 2012 and 30th January, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 3rd August, 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company during the period under review has not advanced loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into contracts within the purview of Section 297 of the Act.
10. The Company was not required to make entries in the register maintained under Section 301 of the Act.
11. Pursuant to the provisions of Section 314 of the Act, the Company was not required to obtain approvals from the Board of Directors, members or the Central Government.
12. The Company has not issued duplicate Share Certificates during the financial year.
13. The Company has:
 - (i) Delivered share certificates on transfer of Equity Shares. No allotment or transmission has been done during the financial year under review;
 - (ii) Not declared dividend during the financial year under review;
 - (iii) Not been required to post dividend warrants, as dividend was not declared;
 - (iv) Not been required to transfer 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 period of seven years to Investor Education and Protection Fund;
- (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. No appointment of alternate director, additional Director or director to fill casual vacancies has been made during the financial year. Mr. Manojkumar Gandhi has been confirmed as Director in the Annual General Meeting.
15. The Company has not appointed Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed Sole - selling Agent during the financial year.
17. The Company was not required to obtain approvals from the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
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 there under.
19. The Company has not issued shares, debentures or other securities during the financial year.
20. The Company has not bought back equity shares during the financial year.
21. The Company has not redeemed preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividends, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted deposits falling within the purview of Section 58A of the Act during the financial year.
24. The Company has not borrowed from banks and / or financial institutions; loan has been obtained from Bodies Corporate.
25. The Company has not made advances or given guarantees or provided securities to other bodies corporate, Inter Corporate Loan has been obtained and granted.
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.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered the provision of its articles of association during the financial year.
31. As informed by the management of the Company, there was no prosecution initiated against or show cause notices received by the Company during the financial year for alleged offences under the Act.
32. The Company has not received amount as security money from employees.
33. The Company has deposited its contribution pertaining to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Mumbai
Date: 30/4/2013

Signature:
Name of Company Secretary: **Aashish Bhatt**
C. P. No. : **7023**

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

Annexure A : Registers and Records as maintained by the Company

Sr. No	Particulars	Section
1	Register of Members	150
2	Minutes book of General Meeting	193
3	Minutes book of Board Meeting	193
4	Books of Accounts	209
5	Register of Directors	303
6	Register of Directors Shareholding	307

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2013.

Sr. No.	Form No. / Return	Filed under Section	Description	Date of Filing	Whether filed within prescribed time limit Yes / No	If delay in filing Whether requisite additional fees paid Yes / No
1	32	260	Confirmation of Mr. Manojkumar Chandulal Gandhi as Director	28.8.12	Yes	NA
2	32	—	Resignation of Ms. Moushmi Barve as Company Secretary and Appointment of Ms. Priyanka Chatterjee as Company Secretary	14.5.12	Yes	NA
3	66	383A	Compliance Certificate for the year ended 31st March, 2012	30.08.12	Yes	NA
4	20B	159	Annual Return for the year ended 31st March, 2012	17.09.12	Yes	NA
5	23AC – XBRL, 23ACA - XBRL	220	Balance Sheet, Profit and Loss Account, notes to accounts and its annexure for the year ended 31st March, 2012	07.12.12	Yes	NA

With Regional Director : Not Applicable

With Central Government or other authorities : Not Applicable

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of
Aditya Birla Money Insurance Advisory Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Money Insurance Advisory Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 33 to the financial statements. As at March 31, 2013, the Company has accumulated losses of Rs 174,167,897 against equity of Rs 4,900,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders. These mitigating factors have been more fully discussed in Note 33 to the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E

per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date : April 30, 2013

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

Annexure 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 Insurance Advisory Services Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company did not have any inventory during the year. Accordingly the clause 4(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (v) (b) of paragraph 4 of the Order are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (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 material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax :

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands raised against the Company	3,661,231	A.Y. 2009-10	Income Tax Appellate Tribunal (ITAT)
	Income Tax demands raised against the Company	1,736,284	A.Y. 2010-11	Commissioner of Income Tax (Appeals)

- (x) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash loss during the year. In the immediately preceding financial year, the Company had incurred cash loss.
- (xi) The Company has not taken any loans from financial institution, bank and not issued any debentures.
- (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 loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (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.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (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 year.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

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

Place of Signature: Mumbai
Date : April 30, 2013

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	4,900,000	4,900,000
Reserves and Surplus	4	(174,167,897)	(187,850,172)
		(169,267,897)	(182,950,172)
Non Current Liabilities			
Long Term Borrowings	5	176,141,753	210,727,816
Other Long-term liabilities	6	3,721,804	2,863,891
Long-term provisions	7	1,203,689	1,475,246
		181,067,246	215,066,953
Current liabilities			
Short Term Borrowings	8	32,400,000	—
Trade payables	9	8,314,283	4,933,892
Other Current liabilities	10	1,504,457	1,551,449
Short-term provisions	11	3,885,641	3,135,953
		46,104,381	9,621,294
TOTAL		57,903,730	41,738,075
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible assets	12	8,234,093	10,466,559
Intangible assets	13	—	—
Capital Work-in-progress		—	12,632
		8,234,093	10,479,191
Long-term loans and advances	14	7,011,000	7,011,000
		7,011,000	7,011,000
Current Assets			
Current Investments	15	25,054,783	—
Trade receivables	16	1,162,482	1,527,520
Cash and Bank Balance	17	2,184,730	6,636,132
Short-term loans and advances	18	14,256,642	16,084,232
		42,658,637	24,247,884
TOTAL		57,903,730	41,738,075

Summary of Significant Accounting Policies 2.1
The accompanying Notes are an integral part of the Financial Statements

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Notes	For the Year Ended 31st March, 2013 ₹	For the Year Ended 31st March, 2012 ₹	
Revenue from operations	19	98,859,711	79,540,279
Other Income	20	932,118	4,693,086
Total Revenue		99,791,829	84,233,365
Expenses			
Employee benefits expenses	21	59,541,891	94,202,801
Finance Charges	22	447,386	—
Depreciation and amortisation expenses	12 & 13	2,125,140	2,158,998
Other expenses	23	23,995,137	34,271,018
Total Expenses		86,109,554	130,632,817
Profit / (Loss) before tax		13,682,275	(46,399,452)
Tax expenses			
Short Provision for taxes relating to earlier years		—	308,719
Profit / (Loss) for the year	13,682,275	(46,708,171)	

Earning per Equity Share

Basic Earnings per Share - ₹	24	27.92	(95.32)
Diluted Earnings per Share - ₹	24	27.92	(95.32)

(Face Value of ₹ 10/- each)

Summary of Significant Accounting Policies 2.1

The accompanying Notes are an integral part of the Financial Statements

As per our attached report of even date

For **S R B C & Co LLP** Chartered Accountants
CAI Firm Membership No : 324982E
For and on behalf of the Board of Directors of
**Aditya Birla Money Insurance
Advisory Services Limited**

per **Shrawan Jalan** Partner
Membership No: 102102
Sudhakar Ramasubramanian Director
Manoj Kumar Gandhi Director

Mumbai
Date: April 30, 2013

As per our attached report of even date

For **S R B C & Co LLP** Chartered Accountants
CAI Firm Membership No : 324982E
For and on behalf of the Board of Directors of
**Aditya Birla Money Insurance
Advisory Services Limited**

per **Shrawan Jalan** Partner
Membership No: 102102
Sudhakar Ramasubramanian Director
Manoj Kumar Gandhi Director

Mumbai
Date: April 30, 2013

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

CASH FLOW STATEMENT AS ON 31ST MARCH, 2013

	31st March, 2013	(Amount in ₹) 31st March, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	13,682,275	(46,399,452)
Non Cash Adjustments to reconcile Profit (Loss) before tax to Net Cash Flows :		
Depreciation / Amortisation	2,125,140	2,158,998
Loss on Sale of Assets (Net)	310,280	176,922
Interest Income (On Income Tax Refund)	(287,784)	(563,888)
Dividend on Current Investments	(625,216)	(175,897)
Provision for Doubtful advances	—	50,020
Excess Provision written back	(19,118)	(3,953,301)
Operating Profit before Working Capital Changes	<u>15,185,577</u>	<u>(48,706,598)</u>
Movements in Working Capital		
Increase / (Decrease) in Other Long Term Liabilities	857,913	2,863,891
Increase / (Decrease) in Long Term Provisions	(271,557)	217,443
Increase / (Decrease) in Trade Payables	3,399,509	(8,837,387)
Increase / (Decrease) in Other Current Liabilities	(46,992)	(46,958,022)
Increase / (Decrease) in Short Term Borrowings	32,400,000	—
Increase / (Decrease) in Short Term Provisions	749,688	2,399,700
Decrease / (Increase) in Trade Receivables	365,038	20,597,016
Decrease / (Increase) in Long Term Loans & Advances	—	607,519
Decrease / (Increase) in Short Term Loans & Advances	(2,569,612)	(1,866,083)
Cash Generated from Operations	<u>50,069,564</u>	<u>(79,682,522)</u>
Short Provision for taxes relating to earlier years	—	(308,719)
Income Tax Refund Received	4,397,202	8,765,192
Net Cash Flow from / (used in) Operations (A)	<u>54,466,766</u>	<u>(71,226,049)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds from Fixed Assets	(190,322)	26,726
Purchases of Fixed assets	—	(1,244,812)
(Increase) / Decrease in Current Investments	(25,054,783)	—
Interest Income (On Income Tax Refund)	287,784	563,888
Dividend on Current Investments	625,216	175,897
Net Cash Flow from / (used in) Investing Activities (B)	<u>(24,332,105)</u>	<u>(478,301)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loan repaid	—	(139,600,000)
Unsecured Loan taken	(34,586,063)	210,727,816
Net Cash Flow from / (used in) Financing Activities (C)	<u>(34,586,063)</u>	<u>71,127,816</u>
Net Increase / (Decrease) in Cash & Cash Equivalent (A) + (B) + (C)	<u>(4,451,402)</u>	<u>(576,534)</u>
Cash and Cash Equivalent at the beginning of the Year	6,636,132	7,212,666
Cash and Cash Equivalent at the end of the Year	<u>2,184,730</u>	<u>6,636,132</u>
Components of Cash and Cash Equivalents :		
With Banks in Current Account	2,184,730	6,636,132
Total Cash and Cash Equivalents	<u>2,184,730</u>	<u>6,636,132</u>
Summary of Significant Accounting Policies	2.1	

As per our attached Report of even date

For **S R B C & Co**
Chartered Accountants
Firm Membership No : 324982E

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

per **Shrawan Jalan**
Partner
Membership No: 102102

Sudhakar Ramasubramanian
Director

Manoj Kumar Gandhi
Director

Mumbai
Date: 30th April, 2013

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(1) CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is a Corporate Agent of Birla Sun Life Insurance Company Limited and is engaged in Distribution of Life Insurance.

(2) BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except given in 2.1(a).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current – Non Current classification of assets and liabilities.

(2.1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates :

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

(b) Tangible Fixed Assets :

Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use:

- (i) Depreciation on Tangible assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets added/ disposed off during the year is provided on prorata basis with reference to the month of addition / deduction.
- (ii) Assets costing Rs. 5,000 or less are written off in the year of purchase.
- (iii) Leasehold improvements are amortised over the lease period or six years, whichever is earlier.
- (iv) Following rates are used to provide depreciation on Tangible fixed assets

Leasehold Improvements	Lease period or six years, whichever is earlier
Computers	16.21%
Equipments	4.75%
Furniture & fixture	6.33%

(c) Intangible Fixed Assets :

Intangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Software is amortised over a period of three financial years.

(d) Impairment of Assets :

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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

(e) Revenue Recognition :

Insurance Commission income is accounted in case of first/ single premium in the year in which the policy is issued and thereafter, on receipt of renewal premium and as per the terms agreed with the Insurance Company.

Charge back of Commission (i.e. refund of Commission) on account of lapsation of the issued policy or any reduction in the sum assured under the policy, during the stipulated initial period of the policy is accounted for in the year of occurrence of the aforesaid events.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

(f) Retirement and Other Employee Benefits :

- (a) Defined Contribution Plan :

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes which are recognised in the Statement Profit and Loss on accrual basis.

(b) Defined Benefit Plan :

The Company's liabilities under Payment of Gratuity Act and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(g) Taxation :

Tax expense comprises of current and deferred tax

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

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.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each balance sheet date the Company reassesses unrecognized deferred tax assets.

(h) Operating Leases :

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Statement of Profit and Loss on a straight line basis over lease term.

(i) Contingent Liabilities and Provisions :

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is 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 best estimate required to settle the obligation at the balance sheet date.

(j) Cash and Cash Equivalent :

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

(k) Segment Reporting :

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products

Unallocated items include general corporate income and expense item which are not allocated to any business segment.

(l) Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

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

NOTE 3 SHARE CAPITAL	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Authorised : 500,000 (31st March, 2013 : 500,000) Equity Shares of ₹ 10 each	5,000,000	5,000,000
Issued, Subscribed and Paid up : Equity Shares Capital : 490,000 (31st March, 2013 : 490,000) Equity Shares of ₹ 10 each	4,900,000	4,900,000
	4,900,000	4,900,000

1. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

Equity Shares

	31st March, 2013		31st March, 2012	
	No of Shares	₹	No of Shares	₹
At the beginning of the period	490,000	4,900,000	490,000	4,900,000
Issued during the period	—	—	—	—
Outstanding at the end of the period	490,000	4,900,000	490,000	4,900,000

2. Terms / Rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3. Shares held by the Holding Company :

All the Equity Shares are held by the Holding Company - Aditya Birla Money Mart Limited
(Previous Year - All the Equity Shares are held by the Holding Company - Aditya Birla Money Mart Limited)

4. Shareholders holding more than 5% shares in the Company

Aditya Birla Money Mart Limited - 490,000 Equity Shares – 100%
(Previous Year - Aditya Birla Money Mart Limited - 490,000 Equity Shares – 100%)

5. There are no shares reserved for issue under options and contracts/ commitments for the sale of shares / disinvestment for last five years.

NOTE 4 RESERVES & SURPLUS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Surplus / (Deficit) as per Statement of Profit & Loss :		
Balance as on April 1, 2012	(187,850,172)	(141,142,001)
Profit / (Loss) for the year	13,682,275	(46,708,171)
	(174,167,897)	(187,850,172)

NOTE 5 LONG TERM BORROWINGS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Unsecured Loan from Related Party	176,141,753	210,727,816
	176,141,753	210,727,816

Terms and Conditions

Repayment :

- i) Rs 176,141,753 - Repayable in 15 Months

NOTE 6 OTHER LONG TERM LIABILITIES	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Liability for Rent Straightlining	3,721,804	2,863,891
	3,721,804	2,863,891

NOTE 7 LONG TERM PROVISIONS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Provisions for Employee Benefits		
Provision for Gratuity	1,203,689	1,475,246
	1,203,689	1,475,246

NOTE 8 SHORT TERM BORROWINGS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Unsecured Loan from Related Party	32,400,000	—
	32,400,000	—

Terms and Conditions

Repayment :

- i) ₹ 32,400,000 - Repayable on February 12, 2014
ii) Rate of Interest is 10.50% per annum

NOTE 9 TRADE PAYABLES	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Trade Payables	2,471,347	1,602,613
Salaries, Wages, Bonus & Other Employee Benefits	5,842,936	3,331,279
	8,314,283	4,933,892

Micro & Small Scale Industries

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, 2013. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company

NOTE 10 OTHER CURRENT LIABILITIES	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Liability for Rent straightlining	85,431	19,118
Others	18,333	—
Statutory Dues	1,400,693	1,532,331
	1,504,457	1,551,449

NOTE 11 SHORT TERM PROVISIONS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Provisions for Employee Benefits		
Provision for Gratuity	21,831	28,434
Provision for Leave Encashment	3,863,810	3,107,519
	3,885,641	3,135,953

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

NOTE 12 TANGIBLE ASSETS	As at 31st March, 2013				As at 31st March, 2012			
	Computers	Furniture and Fixtures	Office Equipment	Total	Computers	Furniture and Fixtures	Office Equipment	Total
Gross Block								
As at 1st April, 2012	13,407,955	1,559,064	446,432	15,413,451	12,714,908	1,473,874	350,245	14,539,027
Additions	-	-	12,632	12,632	1,063,435	85,190	96,187	1,244,812
Less : Disposals	68,765	207,075	-	275,840	370,388	-	-	370,388
As at 31st March, 2013	13,339,190	1,351,989	459,064	15,150,243	13,407,955	1,559,064	446,432	15,413,451
Accumulated Depreciation								
As at 1st April, 2012	4,453,151	422,803	70,938	4,946,892	2,598,605	346,626	9,403	2,954,634
For the Year	2,017,649	75,703	31,788	2,125,140	2,021,286	76,177	61,535	2,158,998
Less : Disposals	24,175	131,707	-	155,882	166,740	-	-	166,740
As at 31st March, 2013	6,446,625	366,799	102,726	6,916,150	4,453,151	422,803	70,938	4,946,892
Net Block as on 31st March	6,892,565	985,190	356,338	8,234,093	8,954,804	1,136,261	375,494	10,466,559

NOTE 13 INTANGIBLE ASSETS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
	Software	Software
Gross Block		
As at 1st April, 2012	429,376	429,376
Additions	—	—
Less : Disposals	—	—
As at 31st March, 2012	429,376	429,376
Accumulated Depreciation		
As at 1st April, 2012	429,376	429,376
For the Year	—	—
Less : Disposals	—	—
As at 31st March, 2013	429,376	429,376
Net Block as on 31st March	—	—

NOTE 14 LONG TERM LOANS & ADVANCES (Unsecured, considered good unless stated otherwise)	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Security Deposits	7,011,000	7,011,000
	7,011,000	7,011,000

NOTE 15 CURRENT INVESTMENTS	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Birla Cash Plus IP Daily Dividend (250,060 units Birla Cash Plus IP Daily Dividend of Rs.100.1950 each Current Investment valued at lower of cost and fair value unless treated otherwise)	25,054,783	—
	25,054,783	—

NOTE 16 TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Due for a period exceeding six months from the date they are due for payment : Unsecured, considered good	—	—
Doubtful	—	—
Provision for Doubtful Receivables (A)	—	—
Other Receivables Unsecured, considered good	1,162,482	1,527,520
Doubtful	—	—
Provision for Doubtful Receivables (B)	1,162,482	1,527,520
	1,162,482	1,527,520

NOTE 17 CASH AND BANK BALANCE	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Cash and Cash Equivalent		
Balance with Scheduled Banks		
In Current Accounts	2,184,730	6,636,132
	2,184,730	6,636,132

NOTE 18 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless stated otherwise)	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Advance Tax (Net of provisions Rs.1,05,000 ; Previous Year Rs 1,05,000)	7,572,162	8,749,428
Advances to Employees		
Unsecured, considered good	240,001	97,960
Doubtful	50,000	50,000
Provision for Doubtful Advances	290,001	147,960
	50,000	50,000
Prepaid Expenses	240,001	97,960
Statutory Deposits and Dues from Government	1,676,986	1,923,635
Other Advances	4,663,546	5,055,253
Security Deposits	26,740	97,794
Loans and Advances to Related Parties	—	82,955
	77,207	77,207
	14,256,642	16,084,232

NOTE 19 REVENUE FROM OPERATIONS	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Commission	80,169,784	70,863,170
Marketing / Promotion Expenses recovery	18,689,927	8,677,109
	98,859,711	79,540,279

NOTE 20 OTHER INCOME	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Interest Income		
- Others	287,784	563,888
Dividend Income on Current Investment	625,216	175,897
Excess Provision Written Back	19,118	3,953,301
	932,118	4,693,086

NOTE 21 EMPLOYEE BENEFITS EXPENSES	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Salary and Wages (Refer Note 25 and Note 31)	55,909,297	87,191,754
Contribution to Provident and Other Funds	2,081,514	3,624,692
Gratuity	(75,309)	377,344
Staff Welfare expenses	1,626,389	3,009,011
	59,541,891	94,202,801

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

NOTE 22 FINANCE COST	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Interest on Loan	447,386	—
	447,386	—

NOTE 23 OTHER EXPENSES	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Lease Rent (Refer Note 26 and Note 31)	9,535,831	15,115,057
Rates and Taxes	3,805	12,793
Call Centre / Lead generation expenses	3,424,991	—
Communication Expenses	1,642,360	3,308,238
Repairs and Maintenance:		
Computers & Equipments	515,620	972,737
Buildings	2,675,178	3,231,413
Others	257,890	438,706
Information Technology Charges	288,831	779,335
Outsourcing Expenses	—	272,710
Printing and Stationery	353,711	822,265
Advertisement and Business Promotion	193,385	545,766
Staff Recruitment Expenses	54,188	44,954
Asset utilisation charges	577,702	1,284,581
Provision for doubtful advances	50,020	—
Legal and Professional Charges (Refer Note 23.1 below)	944,594	1,044,322
Bank charges	468,980	413,610
Travelling and Conveyance	1,241,690	4,044,675
Insurance	107,155	102,101
Electricity Charges	1,385,029	1,605,630
Loss on sale of Fixed Assets (Net)	310,280	176,922
Debit balances written off	8,916	—
Miscellaneous Expenses	5,001	5,183
	23,995,137	34,271,018

NOTE 23.1 Particulars	As at 31.3.2013	As at 31.3.2012
As Auditor		
- Audit Fee	250,000	212,500
- Tax Audit Fee	50,000	50,000
- Reimbursement of Expenses	12,661	21,646
	312,661	284,146

24 EARNINGS PER SHARE

	31st March, 2013 ₹	31st March, 2012 ₹
Earnings per Share (EPS) is calculated as under :		
Net Profit as per Profit and Loss Account :	13,682,275	(46,708,171)
Less : Preference Dividend and Tax thereon	—	—
Net Profit for Basic EPS (A)	13,682,275	(46,708,171)
Weighted Average number of Outstanding Equity Shares for EPS :		
- Basic (B)	490,000	490,000
- Diluted (C)	490,000	490,000
Earnings per Share (Rs)		
- Basic (A)/(B)	27.92	(95.32)
- Diluted (A)/(C)	27.92	(95.32)
Nominal value of Shares (₹)	10	10

25 RETIREMENT BENEFITS

The company operates two defined plans, viz., Gratuity and Leave Encashment for its employees. Under the Gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. Under the Leave Encashment Plan, Privilege Leave can be encashed on separation from the Company on the basis of the last drawn basic salary

The following tables summarise the components of net benefit expense recognised in Statement of Profit and Loss Account and the funded status and the amounts recognised in the Balance Sheet for the respective plans

Statement of Profit and Loss

Net Employee Benefit Expense recognized in the Employee Cost Amount in ₹

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.3.2013	For the year ended 31.3.2012	For the year ended 31.3.2013	For the year ended 31.3.2012
Current service cost	395,066	632,623	15,298	124,643
Interest cost on obligation	127,813	107,284	54,755	62,211
Expected return on Plan Assets	—	—	—	—
Net Actuarial (gain) / loss recognised	(598,188)	(362,563)	(20,216)	529,555
Expense recognised in Statement of Profit and Loss	(75,309)	377,344	49,837	716,409

During the previous year the company has valued Sick leave on actual basis.
The sick leave valuation of ₹ 2,463,343 is not included above

Balance Sheet

Benefit Asset / Liability

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Present Value of Defined Benefit Obligation	1,225,520	1,503,680	262,839	644,176
Fair Value of Plan Assets	—	—	—	—
Present Value of Defined Benefit Obligation	1,225,520	1,503,680	262,839	644,176

During the previous year the company has valued Sick leave on actual basis.
The sick leave valuation of ₹ 2,463,343 is not included above

Changes in the present value of the Defined Benefits

Obligation are as follows :

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Opening Defined Benefit Obligation	1,503,680	1,262,162	644,176	731,894
Current service cost	395,066	632,623	15,298	124,643
Interest Cost	127,813	107,284	54,755	62,211
Benefits paid	(202,851)	(135,826)	(431,174)	(804,127)
Actuarial (gains) / losses on obligation	(598,188)	(362,563)	(20,216)	529,555
Closing Defined Benefit Obligation	1,225,520	1,503,680	262,839	644,176

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

The principal assumptions used in determining Gratuity and Leave Encashment obligations for the company's plans are shown below:

	For Year ended 31st March, 2013	For Year ended 31st March, 2012
Rate of Interest	8.25%	8.50%
Salary growth	6.00%	6.00%
Withdrawals rate	1%	1%
Mortality rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates
Retirement age	60 years	60 years
Expected Return on Plan Assets	8.00%	8.00%

Experience Adjustment

Amount in ₹

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Present Value of Defined Benefit Obligation	1,225,520	1,503,680	262,839	644,176
Fair Value of Plan Assets	—	—	—	—
(Surplus)/Deficit	1,225,520	1,503,680	262,839	644,176
Experience adjustment on Plan Liability - (Gain) / Loss	(636,216)	(362,563)	(34,583)	529,555

Experience Adjustment for :

Amount in ₹

Particulars	Gratuity			Leave Encashment		
	As at 31.3.11	As at 31.3.10	As at 31.3.09	As at 31.3.11	As at 31.3.10	As at 31.3.09
Present value of defined benefit obligation	1,262,162	538,968	78,011	731,894	780,559	629,191
Fair value of Plan Assets	—	—	—	—	—	—
(Surplus) / Deficit	1,262,162	538,968	78,011	731,894	780,559	629,191
Experience Adjustment on Plan Liability (Gain) / Loss	(196,648)	(106,073)	(23,585)	862,505	134,778	472,919
Experience Adjustment on Plan Assets Gain / (Loss)	—	—	—	—	—	—

Defined Contribution Plan :

The Company has recognized the following amounts as expenses and included in Note 20 in "Contribution to Provident and Other Funds"

Particulars	As at 31.3.2013	As at 31.3.2012
Contribution to Government Employees Provident Fund	2,028,431	3,472,462
Contribution to ESIC	49,617	146,142
Contribution to Labour Welfare Fund	3,466	6,088

26 LEASES

- (a) Operating Lease Payments recognised in the Profit and Loss Account ₹ 95,35,831 (Previous Year ₹ 1,51,15,057)
The Company has taken certain office premises on cancellable and non cancellable operating lease
- (b) The future minimum lease rental payments in respect of non cancellable operating lease are as follows :

Particulars	31st March, 2013	31st March, 2012
Not later than one year	13,724,703	13,931,161
Later than One year and Not later than five years	32,803,464	40,212,447
Later than five years	4,157,285	10,473,006

27 SEGMENT REPORTING

Since the company operates in a single segment i.e distribution of Life Insurance Products, no further disclosure is required to be given as per notified AS-17 'Segmental Reporting'

28 RELATED PARTY DISCLOSURES

Names of Related Parties and Related Party relationships :

Related Parties where Control exist :

Holding Company Aditya Birla Money Mart Limited
Ultimate Holding Company Aditya Birla Nuvo Limited

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

Fellow Subsidiaries Aditya Birla Finance Limited
Aditya Birla Insurance Brokers Limited
Birla Sun Life Insurance Company Limited
Birla Sun Life Asset Management Company Limited (w.e.f 10.10.12; Earlier it was Joint Venture)

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

Amount in ₹

Particulars	Year Ended	Expenses		Income		Other	Closing Balance	
		Reimbursement of Cost	Interest on Loan	Commission	Marketing / Promotion Expenses Recovery		Reimbursement of Cost	Advance Against Renewal Commission
Holding Company								
Aditya Birla Money Mart Limited	31-Mar-13	12,946,944	—	—	—	—	—	176,141,753
	31-Mar-12	(55,047,856)	—	—	—	—	—	—
Fellow Subsidiaries								
Aditya Birla Finance Limited	31-Mar-13	—	—	—	—	—	77,207	—
	31-Mar-12	—	—	—	—	—	(77,207)	—
Aditya Birla Insurance Brokers Limited	31-Mar-13	—	—	—	—	—	—	—
	31-Mar-12	—	—	—	—	—	—	—
Birla Sunlife Asset Management Company Limited (TDS - 44,739)	31-Mar-12	—	447,386	—	—	—	—	402,647
	31-Mar-12	—	—	—	—	—	—	—
Birla Sun Life Insurance Company Limited (Net of Service Tax - ₹ 10,655)	31-Mar-13	—	—	80,169,782	18,689,928	—	1,162,482	—
	31-Mar-12	—	—	(70,863,170)	(8,677,109)	—	(1,527,520)	—

Previous year numbers are shown in brackets

ADITYA BIRLA MONEY INSURANCE ADVISORY SERVICES LIMITED

Amount in ₹

Particulars	Year Ended	Loans taken		Loans given		Closing Balance	
		Loans taken	Repayment	Loans given	Repayment	Amounts owed to Related Parties	Amounts owed by Related Parties
Holding Company and Ultimate Holding Company							
Aditya Birla Nuvo Limited	31-Mar-13	—	32,400,000	—	—	—	—
	31-Mar-12	(32,400,000)	—	—	—	(32,400,000)	—
Aditya Birla Money Mart Limited	31-Mar-13	10,750,000	—	13,300,000	—	176,141,753	—
	31-Mar-12	(79,127,816)	—	(40,400,000)	—	(178,327,816)	—
Fellow Subsidiaries							
Birla Sun Life Asset Management Company Limited	31-Mar-13	32,400,000	—	—	—	32,400,000	—
	31-Mar-12	—	—	—	—	—	—

Previous year numbers are shown in brackets

Share Capital

Amount in ₹

Particulars	Year Ended	Share Issued	Shares Bought Back	Closing Balance
Aditya Birla Money Mart Limited	31-Mar-13	—	—	4,900,000
	31-Mar-12	—	—	(4,900,000)

Previous year numbers are shown in brackets

29 CONTINGENT LIABILITIES

Contingent Liabilities not provided for :

Claims against the Company not acknowledged as Debts :

Particulars	As at 31.3.2013	As at 31.3.2012
Income Tax	5,397,515	3,661,231
Total	5,397,515	3,661,231

The matter is pending at the level of CIT (Appeals).

30 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ Nil (Previous Year - Nil)

31 Lease rent includes prior period items Rs Nil (Previous year ₹ 16,24,501) due to adoption of AS-19 'Accounting for Leases', Salaries and Bonus includes prior period items ₹ Nil (Previous Year ₹ 11,52,541) due to valuation of Sick leave balance and ₹ 25,04,849 due to Incentive expense (Previous Year ₹ Nil)

32 DEFERRED TAX

The breakup of Net Deferred Tax Asset arising on account of following timing differences is as under :

Particulars	As at 31.3.2013	As at 31.3.2012
Deferred Tax Assets		
Expenses allowed on payment basis	378,686	464,637
Unabsorbed Depreciation and Carry forward losses	54,012,913	39,837,461
Deferred Tax Liabilities		
Depreciation / amortisation	(1,835,517)	(1,948,591)
Net Deferred Tax Asset / (Liability)	52,556,082	38,353,507

Deferred tax assets have been created only to the extent of Deferred tax liability. Accordingly Deferred tax asset for Section 43B items to the extent of ₹ 52,556,082 (Previous Year ₹ 38,353,507) is not recognised in the Accounts

33 The Company has accumulated losses of ₹ 174,167,897 (Previous year ₹ 187,850,172) as at the balance sheet date, resulting in a complete erosion of Company's Net Worth. However, the Company has been able to meet its obligations in the ordinary course of business and considering the financial support received and also the Letter of Support received from Aditya Birla Nuvo Limited (Ultimate Holding Company) these financial statements have been prepared assuming that the Company will continue as a going concern.

34 PREVIOUS YEARS FIGURES

The Company has reclassified previous years figures to conform to this years classification.

As per our attached report of even date

For **S R B C & Co LLP** Chartered Accountants
CAI Firm Membership No : 324982E

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

per **Shrawan Jalan** Partner
Sudhakar Ramasubramanian Director
Membership No: 102102

Mumbai
Date: April 30, 2013

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Nineteenth Annual Report together with the audited financial statements of the Company for the year ended March 31, 2013.

1. FINANCIAL PERFORMANCE SUMMARY

The performance of the Company for the Financial Year ended March 31, 2013 (FY 13) is summarised below:

(₹ in Crore)

Particulars	FY 2012-13	FY 2011-12
Management, Advisory and Portfolio, Real Estate Management Fees	396.39	307.35
Investment and Other Income	38.66	41.97
Total Income	435.05	349.32
Total Expenditure (excl. Depreciation)	303.27	230.72
Profit/(Loss) before Depreciation and Taxation	131.78	118.60
Less: Depreciation	10.41	12.43
Profit Before Taxation	121.37	106.17
Less: Provision for Taxation (Net of deferred tax adjustment)	34.06	29.86
Profit After Taxation	87.31	76.31

2. REVIEW OF OPERATIONS

The Company is the investment manager to Birla Sun Life Mutual Fund (Fund), which, based on the Average Assets Under Management (AAUM) as on March 31, 2013, is the 4th largest Mutual Fund in India.

Domestic Assets Under Management (excluding Fund of Fund and Interscheme Investments AUM) was at ₹ 66,609 Crore and Offshore Assets Under Management (monthwise) was at ₹ 1729 Crore as on March 31, 2013.

The quarterly average domestic assets under management for quarter ended March 2013 stood at ₹ 77,046 Crores, an increase of around 24% from ₹ 62,352 Crore for quarter ended March 31, 2012.

The total revenue for the year under review registered a growth of 24.54% to ₹ 435.05 Crore and the profit before tax (PBT) grew by 14.31% to ₹ 121.37 Crore mainly due to higher AAUM as well as higher fees in fixed income schemes.

During the year under review, the Company increased the number of distributors (including Individual Financial Advisors) to 36,341 (an increase of approx.5% Year-on-Year basis).

With a view to bring in more operational efficiencies and reduce cost, the Company during the year under review carried out an exercise of consolidation of multiple folios. As a result, the numbers of investor folios reduced to around 19.42 lacs as on March 31, 2013 from over 23.56 lacs as on March 31, 2012.

Your Directors are happy to state that the year under review was the first full year of operations for the subsidiaries of the Company in Singapore and Dubai in which the subsidiaries have generated revenue of ₹ 4.3 Crore and ₹ 2.1 Crore respectively from their business operations. However, contribution to the profits of the Company by the subsidiaries is likely to happen in the succeeding financial years.

Further, the Company also launched innovative Service Solutions for its Investors such as (a) introduction of 7 regional languages at call centre for customers across different states to converse in language of their choice (b) Electronic transaction receipt introduced through SMS to customers to instantly confirm receipt of Transaction type and Value date and (c) Click-in - transaction acceptance made instant, on the spot, anywhere, through mobile platform.

3. DIVIDEND

With a view to conserve financial resources for the development plans of the Company, your Directors do not recommend any dividend for the year ended March 31, 2013.

4. SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 20 Crore. The Paid up Capital, Issued and Subscribed Capital of the Company was at ₹ 18 Crore as on March 31, 2013. There was no capital infusion during the year under review.

Change in shareholding:

The Company's Joint Venture (JV) partners viz. Aditya Birla Group and Sun Life Financial Inc. have, on October 10, 2012, changed the shareholdings pattern by Sun Life (India) AMC Investments Inc. transferring 1% shares (i.e. 180,000 shares) of the Company to Aditya Birla Financial Services Private Limited (ABFSPL), wholly owned subsidiary of Aditya Birla Nuvo Ltd (ABNL). With the aforesaid transfer of shares ABFSPL now holds 50.9995% shares of the Company and therefore the Company is now a subsidiary company of ABFSPL. Further pursuant to provisions of section 4(1)(c) of the Companies Act, 1956, the Company has become subsidiary of ABNL as ABFSPL is a subsidiary company of ABNL.

5. MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report is attached to this report and forms a part of this Annual Report.

Internal Control Systems and their adequacy

The Company has an adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly.

The Company carries out extensive and regular internal audits programs, policy reviews, guidelines and procedures to ensure that the internal control systems are adequate enough to protect the Company against any loss or misuse of the Company's assets.

Risk Management

Risk Framework in the Company is designed to assist in the identification and assessment of risks in order that they can be managed in an efficient manner and that informed decisions can be taken to manage threats and exploit opportunities. The framework applies to the Company and would cover all sections, departments, locations and Units including outsourced activities to the extent applicable.

The organizational structure to address the risk consists of "Three lines of defense":

- Risk Management (First Line of Defense) – Line Management (Functional Heads), to ensure that accountability and ownership is as close as possible to the activity that creates the risks.
- Risk Oversight (Second Line of Defense) – Risk Function, which includes Risk Management Team, CEO and the Risk Review Committee (RRC)
- Independent Assurance (Third Line of Defense) – Internal Audit, conducted by Independent Internal Auditors, JV partners and Group Auditors and its findings are further reviewed by the Audit Committee

Independent committees have been set-up to oversee various types of risks in the business. These committees are:

- **Risk Review Committee** reviews adequacy of and compliance with risk management policies including investment policies, asset-liability risk management, operational risk, management of risk to reputation, management of outsourcing arrangements and approves changes to the foregoing as appropriate.
- **Investment Committee** evaluates the risk reports covering various facets of Investment Risk such as Investment Policy, Credit Policy, Dealing Error Policy, Scheme performance vis-a-vis benchmarks and peers, Scheme wise Ratings & Quartile Returns analysis, liquidity risk, concentration risk, credit & liquidity scoring, deviations from prescribed investment mandates etc. Scheme wise attributions are

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

carried out using advanced tools such as MSCI Barra and deliberations are held to understand out/under-performance of portfolios vis-à-vis benchmarks and peers.

- **Audit Committee** reviews financials of the Company and schemes, internal audit related issues and oversees Risk Controls in the system.

Material development in Human resources, including number of people employed

Your company has 584 employees as on March 31, 2013. The Company commends the commitment, dedication and competence shown by its employees in all aspects of business. With the growing requirements of the Company, HR has taken various initiatives to ensure not only the retention of the employees but also their growth and development. It has a structured induction process, robust Talent Management Process & Systems, Employee Value Proposition – “World of Opportunities” and structured Training & Developing programmes across all the levels along with a thorough Rewards & Recognition Framework to celebrate valued behaviour and competencies.

6. CORPORATE GOVERNANCE

Your Directors reaffirm their commitment to the corporate governance standards and hence voluntarily implemented the same as part of best practices. A detailed Corporate Governance Report forms a part of this Annual Report.

7. SUBSIDIARIES

Details pertaining to the subsidiaries are covered under the Corporate Governance Section of this report.

Statement pursuant to Section 212 of the Companies Act, 1956 is attached to this report as Annexure

8. PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit as covered under Section 58A of the Act read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

9. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Conservation of energy and technology absorption: The particulars required to be furnished in this report under the section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 relating to the conservation of the energy and technology absorption are not applicable due to nature of business of the Company, and hence not furnished.

Personnel: As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to this Report.

Foreign Exchange earnings and expenditure during the year:

Foreign Exchange Earnings (on accrual basis): ₹ 9.67 (previous year ₹ 16.59 Crore)

Foreign Exchange Expenditure (on payment basis): ₹ 0.55 Crore (previous year ₹ 0.86 Crore)

10. DIRECTORS

As on date, your Board of Directors comprises of 12 Directors including 6 Independent Directors.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Kumar Mangalam Birla, Mr. Pankaj Razdan and Prof. R. Vaidyanathan directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible offer themselves for re-election. Your Directors recommend their re-election as Directors, liable to retire by rotation.

Resolution(s) seeking re-election/ of appointment of Mr. Kumar Mangalam Birla, Mr. Pankaj Razdan and Prof. R. Vaidyanthan, have been included in the notice of the ensuing AGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby wish to state that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed;
- b) the accounting policies have been selected and applied consistent with the judgments and estimates that are reasonable and prudent and give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2013;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended till date for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts the year ended March 31, 2013 have been prepared on a going concern basis.
- e) All related party transactions as per the Accounting Standard 18 are disclosed in Schedule 17 regarding Significant Accounting policies and Notes to Accounts which is forming part of the Annual Accounts.
- f) proper systems are in place to ensure compliance of all laws applicable to the Company.

12. AUDITORS AND AUDITORS' REPORT

Messrs. Haribhakti and Co., Statutory Auditors (Firm Registration No. 103523VV) hold office until the conclusion of the ensuing AGM of the Company. The Company has received a certificate of eligibility from Messrs. Haribhakti and Co., to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the “Peer Review Board” of ICAI.

Your Directors recommend the re-appointment of Messrs. Haribhakti and Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of ensuing AGM up to the conclusion of the next AGM of the Company, upon recommendation of the Audit Committee of the Company.

The observations, if any, made by the auditors in their report read with relevant Notes to the Accounts are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

13. ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the continued support and assistance from the Trustees of Birla Sun Life Mutual Fund, Securities and Exchange Board of India, Reserve Bank of India, Custodians, Bankers, Registrars, Stock Exchanges, Clearing Corporations, Depositories, Shareholders, Distributors and Agents, Employees of the Company and other valuable business constituents associated with the Company.

Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the exemplary commitment and contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

We look forward to the same support from all our stakeholders as we build our Company to be a leader and the role model in the industry.

For and On behalf of the Board of Directors

Place: Mumbai
Date: June 24, 2013

Pankaj Razdan
Director

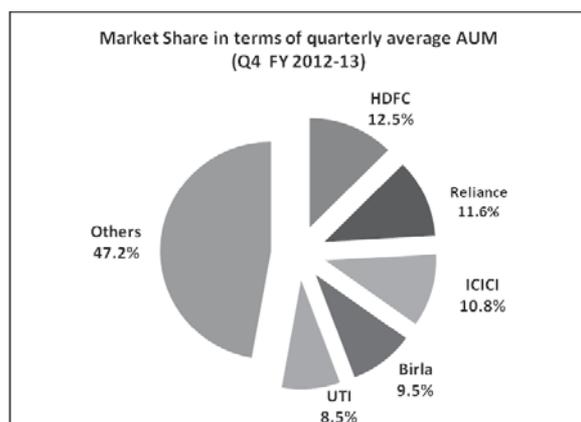
Sandeep Asthana
Director

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31ST MARCH, 2013

Industry Overview

The Indian mutual fund industry comprises 43 asset management companies. Dominance of Top 5 asset management companies continues with these companies contributing to 52.8% of industry's AAUM¹. After continuous decline in last few years (CAGR FY10 to FY12 - 6.7 %), in the current year the industry witnessed growth of 22 % mainly through sales of duration products. AAUM grew from about ₹ 664,800 Crore (~USD 133 billion) in quarter ended March 2012 to around ₹ 8,15,300 Crore (~ USD 148 billion) in quarter ended March 2013.

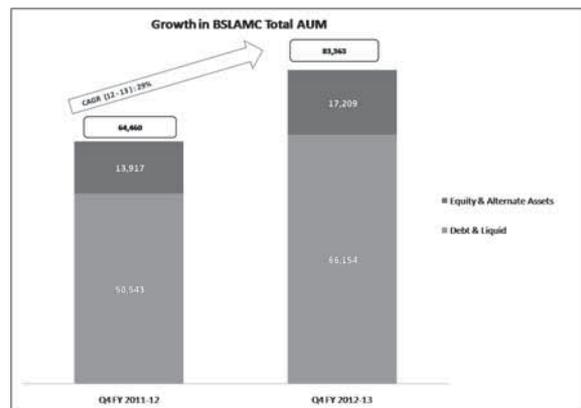


[Source : Association of Mutual Funds in India ("AMFI"), www.amfiindia.com].

AAUM de grew to 25%. Non-equity assets witnessed 31.47% growth during the year largely due to higher liquidity and higher interest rate.

Performance Review

Birla Sun Life Asset Management Company Limited ("BSLAMC") completed 18 years of its journey towards offering wealth creation solutions to its customers. During the year, BSLAMC increased its market share to 9.45% in terms of domestic AAUM¹. (Source: AMFI). With a yearly AAUM of ₹ 73,510 Crore (~ USD 13 billion), BSLAMC maintained its ranking as 4th largest asset management company in India. BSLAMC became No.1 debt fund house on yearly AAUM.



Note 1: Average AUM for the fourth quarter ended 31st March of the respective year.

Note 2: Equity AAUM (Domestic + Offshore) + PMS + Real Estate Onshore Fund.

Birla Sun Life Asset Management	2012-13	2011-12
Average Assets under Management¹		
Equity	10,892	10,631
Debt and Liquid	66,154	50,543
Domestic	77,046	61,174
Off shore	4,604	2,065
Real Estate Onshore Fund	1,070	1,078
PMS	643	142
Total	83,363	64,460
Operating Revenue	441	348
Earnings before tax	107	89
Net Profit	73	59
Net Worth	357	283

BSLAMC reported highest growth in domestic AAUM¹ among the top 5 players during the fourth quarter. It continued to focus on alternate assets. Real estate fund successfully completed second draw down and investment process is on track. PMS business consolidated its operations and managed average asset of ₹ 481 Crore. Offshore business is showing momentum and managed average assets of ₹ 3,704 Crore.

With increase in AAUM earnings grew for BSLAMC. Revenue of BSLAMC grew from ₹ 348 Crore to ₹ 441 Crore and earnings before tax from ₹ 89 Crore to ₹ 107 Crore.

BSLAMC is serving its large investor base through a strong distribution network of 95 branches and about 36,341 financial advisors.

Fixed Income continues to perform well with 95% of AAUM in top 2 quartiles over 1 Year return. Equity performance registered 83% of AAUM in top 2 quartiles over 1 Year Return. Frontline Equity has completed 10 years in existence and has delivered return in excess of 4% over BSE 200 for almost most of the period.

As an acknowledgement of its investment performance, following awards and recognitions were conferred on BSLAMC at various forums:

- "The Best Debt Fund House of the year 2012" by CNBC TV 18 – CRISIL, UTV Bloomberg
- "Hybrid Schemes were awarded by Lipper
- "International Service excellence Award" by Customer Service Institute of Australia
- "Golden Peacock Award, 2012" for Business Excellence.

Company Launched innovative product offering through its Recurring Saving Plan for the retail investor by investment in two of its schemes, Monthly Income Plan & Medium Term Plan.

Industry Outlook

Indian mutual fund industry started showing growth. The long term outlook for the mutual fund industry remains attractive backed by lower mutual fund penetration, growing incomes and savings level. Furthermore, with regulatory changes the increasing focus of asset management companies for increasing retail participation in smaller cities will help to increase retail participation in mutual fund industry.

With a target of profitable growth in AUM size, BSLAMC will focus on enhancing distribution capacity and productivity across the channels, improving customer engagement and costs rationalisation. Having a strong brand name, experienced management and proven track record of investment performance, BSLAMC is well positioned as a leading player in the Indian mutual fund industry.

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

Equity Outlook

In current fiscal, 2013-14, we are likely to witness moderation in key macroeconomic variables towards their mean. First, inflation would be significantly lower than current year – within 5-7% range with downside bias. Second, interest rates should also head south as lower inflation provides the RBI with enough room to focus on growth. This would, in turn, push down borrowing costs for financial institutions, corporates and consumers. Third, policy paralysis is giving way to urgency towards decision making.

Corporate earnings growth, which has lagged nominal GDP for last 4 years, is likely to catch up with 12-14% estimated increase. This would be driven by recovery in revenue growth and improvement in net profit margins.

Based on current valuations and relative price movements, in our view, equity markets may deliver post-tax total return better than some other popular assets like Gold or Real Estate over a longer time horizon of 5 years.

Debt Outlook

From a GDP growth of 9.3% in Financial Year 2010-11, GDP growth has slowed down to around 5% for 2012-13. For context, India's FY13 growth will be lower than the 6.7% experience in FY09 during the 2008 financial crisis. In fact, growth at ~5% has moderated to FY02-FY03 levels and is now significantly below the 8.7% levels experienced during the FY04-FY08 boom period. While slowdown in industrial economy was a big part of our growth slowdown in FY12, its spillover to the services sector was the primary reason that growth slowed to ~5% in FY13 from 6.2% in FY12.

Going forward, our expectation is that growth will remain subdued at ~5.5% (with a downside bias) for FY14, mainly because the recovery in our capital expenditure is expected to be very gradual. Based on Centre for Monitoring Indian Economy Pvt. Ltd. (CMIE) data, new project investments have dropped to 2003-2004 levels. The good news is that after a long lull, the government in the second half of the last fiscal had unleashed a slew of reforms. We expect the government to continue with this painful but much needed reformist journey. Add to this, further interest rate cuts over FY14 should hopefully lead to a bottoming out in India's growth story.

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

CORPORATE GOVERNANCE REPORT

Philosophy of Corporate Governance

The philosophy and objective of Corporate Governance at Birla Sun Life Asset Management Company Limited ("the Company") is "about working ethically and finding a balance between economic and social goals including the ability to function profitably while complying with the applicable laws, rules and regulations."

Effective corporate governance requires a clear understanding of the respective roles of the Board and the senior management, and their relationships with others in the corporate structure. The relationship of the Board and the Management with stockholders should be characterized by candor; their relationship with employees should be characterized by fairness; their relationship with the communities in which they operate should be characterized by good citizenship; and their relationship with the Government should be characterized by a commitment to compliance.

The Company is committed to uphold the core values of transparency, integrity, honesty, compliance and accountability. This commitment lays the foundation for further development of superior governance practices, which are vital for growing a successful business creating sustainable long term shareholder value and balancing it with the interests of other stakeholders in the Company. It is not a discipline necessarily imposed by a regulator rather a culture that guides the Board, the Management and employees to function towards best interest of the various stakeholders.

Reporting under Clause 49 of the Listing Agreement

The Company is an unlisted company and hence Clause 49 of the listing agreement is not applicable to the Company. Yet the Company on a suo moto basis, has taken all necessary initiatives to comply with the provisions of the said clause to the maximum extent possible and endeavors, in true spirit, to go well beyond the mandatory provisions.

I. Board of Directors ("Board")

The Directors are elected by shareholders of the Company with a responsibility to set strategic objectives for the management and to ensure that the long term interests of all stakeholders are served by adhering to and enforcing the principles of sound corporate governance.

The Board members have diverse areas of knowledge and expertise, which is necessary in providing an independent and objective view on business issues and assess them from the standpoint of the stakeholders of the Company. The Board is independent of the management.

A. Composition of the Board

The Board comprised of twelve Directors as on date, of which six are Independent directors. As per the provisions of the Companies Act, 1956, the Company has a Manager who is not a part of the Board of Directors.

'Independent Director' shall mean a non- executive director of the Company who:

- apart from receiving director's remuneration does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company which may affect independence of the director;
- is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;

- has not been an executive of the Company in the immediately preceding three financial years;
- is not a partner or an executive or was not partner or an executive during the preceding three financial years, of any of the following:
 - the statutory audit firm or the internal audit firm that is associated with the Company, and
 - the legal firm(s) and consulting firm(s) that have a material association with the Company.
- is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director;
- is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares;

Following are the Independent Directors of the Company as on date

- Mr. N N Jambusaria
- Mr. N C Singhal
- Mr. Sundar Raman
- Mr. Bobby Parikh
- Prof. R Vaidyanathan
- Mr. Bharat Patel

The current Chairman of the Board is Mr. Donald Stewart.

B. Details of Directorships/Committee membership

The composition of our Board, their Directorships/Committee memberships and Chairmanships as on date is given in the table below:

Name of Director	Designation	Directorship in other Public Companies	Committee Membership of other Public Companies*	Chairmanship in Committees of other Public Companies**
Mr. Donald Stewart	Chairman	1	Nil	Nil
Mr. Kumar Mangalam Birla	Director	9	Nil	Nil
Mr. Ajay Srinivasan	Director	3	1	Nil
Mr. N N Jambusaria	Director	Nil	Nil	Nil
Mr. N C Singhal	Director	9	9	6
Mr. Sundar Raman	Director	Nil	Nil	Nil
Mr. Sandeep Asthana	Director	Nil	Nil	Nil
Mr. Pankaj Razdan	Director	4	Nil	Nil
Mr. Bobby Parikh	Director	4	12	3
Prof. R Vaidyanathan	Director	4	2	Nil
Mr. Kevin Strain	Director	1	1	Nil
Mr. Bharat Patel*	Director	3	4	1

* Not including companies incorporated outside India and Private Limited Companies and companies under section 25 of the Companies Act, 1956.

**Only Audit Committee and Shareholders' Grievance Committee of all public limited companies (whether listed or not) have been considered for the purpose of the Committee positions (membership and chairmanship), as per Clause 49 of listing agreement.

^Mr. Bharat Patel was appointed as Additional Director w.e.f. June 27, 2012

C. Non-Executive Directors' compensation and disclosures

The Company pays sitting fees of ₹ 20,000 to the Independent Directors for attending each Board Meeting and Board Committee meetings viz. Audit Committee, Product Committee and Risk Review Committee.

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

The details of sitting fees paid to these Independent Directors during the FY 2012 –2013 are given in the table below:

(Amount in ₹)

Name of the Director	Sitting Fees for the Board Meeting	Sitting Fees for the Audit Committee Meeting	Sitting Fees for the Product Committee Meeting	Sitting Fees for the Risk Review Committee Meeting	Sitting Fees for the Sub Committee Meeting for Custodian
Mr. N C Singhal	80,000	NA	20,000	NA	20,000
Mr. N N Jambusaria	1,00,000	1,00,000	20,000	NA	NA
Mr. S S Raman	100,000	100,000	NA	60,000	NA
Prof. R Vaidyanathan	1,00,000	NA	NA	60,000	NA
Mr. Bobby Parikh	1,00,000	NA	NA	NA	NA
Mr. Bharat Patel*	80,000	NA	NA	NA	NA

*Mr. Bharat Patel was appointed as Additional Director w.e.f. June 27, 2012

D. Board Meetings

Agenda and Minutes

The Company Secretary receives details on the matters which require the approval of the Board/ Board Committees, from various departments of the Company well in advance, so that they can be included in the Board/ Board Committee agenda. All material information is incorporated, in detail, in the agenda papers for facilitating meaningful and focused discussions at the meetings.

In compliance of the statutory requirements, the following minimum information is supplied to the Board in the agenda of every quarterly Board Meeting:

- Minutes of meetings of previous board and committee meetings;
- Quarterly results of the Company;
- Annual operating plans and quarterly variance analysis;
- Presentation on the financial results which generally includes the financials for the quarter and its analysis, profitability drivers, investment performance, yearly plan vs actuals and an action taken report on the implementation of decisions taken in last Board meeting;
- Compliance certificate by the functional heads;
- Other statutory agenda;
- The information on recruitment and remuneration of senior officers just below the Board level;
- Show cause, demand, prosecution notices and penalty notices which are materially important or involve possible public or product liability claims of substantial nature;
- Any material default in financial obligations to and by the Company;
- Half yearly unaudited/ annual audited scheme financials of the schemes of Birla Sun Life Mutual Fund
- Portfolio Management Services Reports

The draft minutes of the proceedings of each previous Board/ committee meeting is circulated along with the agenda. The Board also takes note of minutes of committee meetings at every Board meeting.

Board meetings and attendance of directors

As a good practice a yearly calendar is prepared and circulated to all the Directors so that they can adequately plan their schedule. This ensures optimum presence of the Directors at each meeting.

During the FY 2012-13, five Board meetings were held as below:

- (1) April 28, 2012
- (2) June 27, 2012
- (3) July 24, 2012
- (4) October 23, 2012
- (5) February 02, 2013

The attendance of the Directors at the above Board meetings and at the last Annual General Meeting is given in the table below:

Name of Directors	No. of Board meetings held during the FY 2012-13		Attendance in the last AGM dated July 24, 2012
	Held	Attended	
Mr. Kumar Mangalam Birla	05	01	Yes
Mr. Ajay Srinivasan	05	05	Yes
Mr. N C Singhal	05	04	Yes
Mr. Donald A Stewart	05	04	No
Mr. N N Jambusaria	05	05	Yes
Mr. S S Raman	05	05	No
Mr. Pankaj Razdan	05	04	No
Prof R Vaidyanathan	05	05	Yes
Mr. Sandeep Asthana	05	05	Yes
Mr. Bobby Parikh	05	05	No
Mr. Bharat Patel*	05	04	No

*Mr. Bharat Patel was appointed as Additional Director w.e.f. June 27, 2012

E. Code of Conduct

The Company has designed and implemented a Code of Conduct for all the employees of the Company. The senior management of the Company is governed by this Code of Conduct. The salient features of the said Code of Conduct policy is as under:

The policy is bifurcated into two parts, internal and external factors;

1. Internal: It talks about adherence of law, fairness in workplace, culture of openness, avoiding conflict of interest.
2. External: This talks about the Courtesy and elegance while dealing investors, officials, guests etc. prompt, concise and accurate communication with all parties with whom it deals, either internally or externally (including government agencies and other stakeholders)

II. Audit Committee

The provisions of Section 292A of the Companies Act, 1956, prescribes that every public company having paid-up capital of not less than Rupees five Crore shall constitute a committee of the Board known as "Audit Committee".

The Audit Committee of the Company is primarily responsible to review the internal control systems and financial operating systems of the company, ensure legislative and regulatory compliances, accounting policies and audit reports, and report to the Board of Directors on significant results of the foregoing activities. The Committee also serves the Board of Directors by providing qualitative inputs to financial statements and brings in a degree of financial expertise. The Audit Committee scrutinizes the quarterly / yearly unaudited / audited financial statements of the company as

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

well as half yearly unaudited and annual audited scheme financials of Birla Sun Life Mutual Fund and satisfies itself with the accuracy and correctness of these statements.

In addition, the Audit Committee also reviews the management letters issued by the Statutory Auditors, the Internal Audit Reports and appointment, removal and terms of remuneration of the Internal Auditor.

A. Composition of Audit Committee

Our Audit Committee comprised of four members as on date viz. Mr. Ajay Srinivasan, Mr. N N Jambusaria, Mr. S S Raman and Mr. Sandeep Ashthana. Out of the above members, two members viz. Mr. N N Jambusaria and Mr. S S Raman are Independent Directors. Mr. N N Jambusaria is the Chairman of the Audit Committee.

All members of the Audit Committee are financially literate and have the necessary accounting and related financial management expertise.

The Chief Executive Officer, the Chief Financial Officer/ Vice President- Finance, the Compliance Officer/ Company Secretary, Head- Risk Management, the Internal Auditors and the Statutory Auditors of the Company are invited for each of the Audit Committee meeting of the Company.

The Company Secretary acts as the Secretary to the Committee.

B. Meetings of Audit Committee and attendance of Audit Committee members

During the FY 2012-13, the Audit Committee met five times on the following dates:

- i. April 28, 2012
- ii. June 27, 2012
- iii. July 24, 2012
- iv. October 23, 2012
- v. February 02, 2013

The attendance of the Audit Committee members at the Audit Committee meetings during the F.Y. 2012-13 is given in the table below:

Name of the Committee member	No. of Audit Committee meetings held during the F.Y. 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	05	05
Mr. N N Jambusaria	05	05
Mr. S S Raman	05	05
Mr. Sandeep Ashthana	05	05

III. Other Committees of the Company

For ensuring smooth business activities, the Company has constituted certain Board Committees with well defined charters for each one of them. The prominent Board Committees, other than the Audit Committee, are as under:

1. Risk Review Committee

In view of the growing scale of the Company, the Board of the Company at its meeting held on May 24, 2008 constituted the Risk Review Committee as a sub-committee of the Board, to oversee the risk management and compliance activities of the Company.

As per the documented charter, duly approved by the Board of Directors, the primary function of the Risk Review Committee is to assist the Board of Directors with its oversight role with respect to ensuring the identification of major areas of risk faced by the Company and the development of strategies to manage those risks, to review compliance with risk

management policies implemented by the Company and reports related to compliance with legal and regulatory matters.

A. Composition of Risk Review Committee

The Risk Review Committee comprises of four members as on date viz: Mr. Ajay Srinivasan, Mr. S S Raman, Mr. Sandeep Ashthana and Prof. R Vaidyanathan. Out of the above members Mr. S S Raman and Prof. R Vaidyanathan are Independent Directors.

Mr. S S Raman is the Chairman of this Committee.

The Company Secretary acts as the Secretary to the Committee.

B. Meetings of Risk Review Committee and attendance of Risk Review Committee members

During the F.Y. 2012-13, the Risk Review Committee met three times on the following dates viz: June 27, 2012, October 09, 2012 and January 17, 2013.

The attendance of the Risk Review Committee members at the Risk Review Committee meetings during the FY 2012-13 is given in the table below:

Name of the Committee member	No. of Risk Review Committee meetings held during the F.Y. 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	03	03
Mr. S S Raman	03	03
Mr. R Vaidyanathan	03	03
Mr. Sandeep Ashthana	03	02

2. Product Committee

Considering the market conditions and needs of clients Birla Sun Life Mutual Fund, the Board of the Company at its meeting held on May 24, 2012 established a "Product Committee", which would have authority to review and approve new products.

A. Composition of Product Committee

The Product Committee comprises of four members as on date viz: Mr. Ajay Srinivasan, Mr. N C Singhal, Mr. N N Jambusaria and Mr. Sandeep Ashthana. Out of the above members, Mr. N C Singhal and Mr. N N Jambusaria are Independent Directors.

Mr. N C Singhal is the Chairman of this Committee.

The Company Secretary acts as the Secretary to the Committee

B. Meetings of Product Committee and attendance of Committee members

During the F.Y. 2012-13, the Product Committee once i.e. on October 16, 2012

The attendance of the Product Committee members at the Product Committee meeting during the FY 2012-13 is given in the table below:

Name of the Committee member	No. of Product Committee meetings held during the F.Y. 2012-13	
	Held	Attended
Mr. Ajay Srinivasan	01	01
Mr. N C Singhal	01	01
Mr. N N Jambusaria	01	01
Mr. Sandeep Ashthana	01	01

IV. Subsidiary Companies

The Company has four wholly owned subsidiary companies viz Birla Sun Life AMC (Mauritius) Ltd., India Advantage Fund Ltd.

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(incorporated in Mauritius), Aditya Birla Sun Life Asset Management Company Pte Ltd. (incorporated in Singapore) and Aditya Birla Sun Life Asset Management Company Ltd. (incorporated in Dubai). India Advantage Fund Ltd. is an open ended investment company and is presently listed on Channel Islands, whereas Birla Sun Life AMC (Mauritius) Ltd is an unlisted company and is an Investment Manager.

V. Disclosures

A. Related Party Transactions

The related party transactions of the Company are periodically placed and reviewed by the Audit Committee of the Company and necessary briefing is given to the Board also.

B. Remuneration of Directors

Apart from sitting fees, travelling, lodging and other incidental expenses with respect to attending Meetings of Board/ Committees payable to the Independent Directors, no other remuneration is paid to any of the Directors.

C. Shareholders & General information

- i) Brief profile of Directors to be re-appointed in the 19th Annual General Meeting of the Company:

Mr. Kumar Mangalam Birla

Mr. Kumar Mangalam Birla is the Chairman of the Aditya Birla Group, which is among India's largest business houses. Among its major companies in India are Grasim, Hindalco, Idea Cellular, UltraTech Cement and Aditya Birla Nuvo. While Mr. Birla is the Chairman of all of the Group's blue-chip companies in India, he also serves as a Director on the Board of the Group's international companies spanning US, Thailand, Indonesia, Philippines and Egypt.

- ii) General Body Meetings

The particulars of the last three Annual General Meetings (AGMs) of the Company are provided in the below Table:

AGM	Financial Year	Date of the AGM	Time	Venue
16th	2009-2010	July 23, 2010	02:00 P.M.	One Indiabulls Centre, Tower-1 I 17th floor, Jupiter Mill Compound 841, S.B. Marg, Elphinstone Road, Mumbai 400 013
17th	2010-11	July 26, 2011	02.00 p.m.	Aditya Birla Centre, 5th Floor, S. K. Ahire Marg, Worli, Mumbai – 400 030.
18th	2011-12	July 24, 2012	02.00 p.m.	Aditya Birla Centre, 5th Floor, S. K. Ahire Marg, Worli, Mumbai – 400 030.

- iii) General Shareholder Information

Date, Time and Venue of the 19th Annual General Meeting	Tuesday, the 26th day of July, 2013, at Aditya Birla Centre, Worli, Mumbai, at 2.00 P.M.
Financial Year	2012-2013
Registration no. of the Company as per Companies Act with the Registrar of Companies	11-80811
Corporate Identification Number (CIN)	U65991MH1994PLC080811
Permanent Account Number (PAN)	AAACB6134D
Address for correspondence	Aditya Birla Centre, 5th Floor, S. K. Ahire Marg, Worli, Mumbai – 400 030.

- iv) Distribution of Shareholding

The Shareholding pattern of the Company as on March 31, 2013 is provided in Table below:

Sr. No.	Name of the Shareholder(s) (for each class of shares)	Percentage ownership held by the shareholder	Number of Equity shares owned by the shareholder
1	Aditya Birla Financial Services Private Limited & Others	51.0000%	9180000
2	Sun Life (India) AMC Investment Inc.	49.0000%	8820000
	Total	100%	18000000

The Group's operations extend to Canada, China, USA, U.K. and Australia as well. He is also on the Board of Reserve Bank of India. Additionally, he is on the Board of the G.D. Birla Medical Research & Education Foundation, a Member of the Board of Governors of the Birla Institute of Technology & Science (BITS), Pilani, and the prestigious Indian Institute of Management, Ahmedabad as well. He is a Member of the London Business School's Asia Pacific Advisory Board, which provides counsel on the school's strategy and curriculum. He is "Honorary Fellow" of the London Business School (LBS), a title conferred upon him by the Governing Board of the LBS.

Mr. Pankaj Razdan

He is the Deputy Chief Executive Officer – Financial Services of the Aditya Birla Group. He has rich experience and knowledge in Sales, Distribution and Marketing in financial services businesses.

Prof. R Vaidyanathan

Prof. R. Vaidyanathan is Professor of Finance and Control and UTI Chair Professor in the area of Capital Markets. He is Chairperson for the Centre for Capital Market and Risk Management (CCMR) at IIMB. He is a National Fellow of ICSSR. Prof. Vaidyanathan is a member of the "Advisory Committee" on Secondary Markets of the Security Exchange Board of India (SEBI). He is the member of Technical Committee on Market intelligence of SEBI. He was a member of the expert committee (L.C. Gupta committee) on derivative trading appointed by SEBI. He has been appointed as a trustee for the New Pension System (NPS) by the Pension Fund Regulatory and Development Authority of India (PFRDA)

For and On behalf of the Board of Directors

Pankaj Razdan
Director

Sandeep Asthana
Director

Place: Mumbai
Date: June 24, 2013

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of
Birla Sun Life Asset Management Company Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Birla Sun Life Asset Management Company Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For *Haribhakti & Co.*
Chartered Accountants
Firm Registration No. 103523W

Rakesh Rathi
Partner
Membership No.45228
Mumbai: April 26, 2013

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Birla Sun Life Asset Management Company Ltd on the financial statements for the year ended March 31, 2013]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the period by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) The clause (ii), Para 4 is not reported upon as it is not applicable to the Company.
- (iii) 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. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
 - (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the providing services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) According to the information and explanations given to us, we are of the opinion that the Company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, profession tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, profession tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, wealth-tax, service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	17,12,092	2007-08	CIT (A)
Income Tax Act, 1961	Income Tax	16,34,200	2010-11	CIT (A)

- (x) The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from financial institution, bank and Company has not issued any debenture.
- (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 loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

maintained under section 301 of the Companies Act, 1956.

- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to

us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For *Haribhakti & Co.*
Chartered Accountants
Firm Registration No.103523W

Rakesh Rathi
Partner
Membership No.45228
Mumbai: April 26, 2013

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

Balance Sheet as at 31st March 2013

EQUITY AND LIABILITIES	Note No	31-Mar-2013 In ₹	31-Mar-2012 In ₹
(A) Shareholders' funds			
Share Capital	1	180,000,000	180,000,000
Reserves and Surplus	2	3,706,880,856	2,833,792,419
Sub total -(A)		3,886,880,856	3,013,792,419
(B) Non-current liabilities			
Other Long-term liabilities	3	10,634,082	62,566,548
Long-term provisions	4	4,207,007	43,406,941
Sub total -(B)		14,841,089	105,973,489
(C) Current liabilities			
Trade payables	5	578,269,675	472,453,592
Other Short-term liabilities	3	73,314,768	34,715,748
Short-term provisions	4	426,586,400	287,621,276
Sub total -(C)		1,078,170,843	794,790,616
TOTAL (A)+(B)+(C)		4,979,892,788	3,914,556,524
ASSETS			
(D) Non Current Assets			
Fixed Assets			
Tangible assets	6	78,610,963	95,690,775
Intangible assets	7	138,919,231	193,086,240
		217,530,194	288,777,015
Non-current investments	8	426,171,454	573,480,063
Deferred tax assets (net)	9	28,685,245	29,259,552
Long-term loans and advances	10	397,480,072	1,046,762,304
Sub total -(D)		1,069,866,965	1,938,278,934
(E) Current Assets			
Current Investments	8	2,128,681,542	1,133,269,161
Trade receivables	11	139,463,646	76,801,213
Cash & Cash Equivalent	12	40,658,542	45,465,733
Short-term loans and advances	10	1,147,162,807	370,394,251
Other Current Assets	13	454,059,286	350,347,232
Sub total -(E)		3,910,025,823	1,976,277,590
TOTAL (D) + (E) (D)+(E)		4,979,892,788	3,914,556,524
Significant Accounting Policies	22		
The accompanying notes are integral part of the financial statements.			

Statement of Profit and Loss for the year ended 31st March 2013

Income	Note No	31-Mar-2013 In ₹	31-Mar-2012 In ₹
Revenue from operations	14	3,963,895,760	3,073,508,398
Other Income	15	386,631,338	419,763,769
Total Income		4,350,527,098	3,493,272,167
Expenses			
Employee benefits expenses	16	971,760,267	808,295,801
Administrative and other expenses	17	620,681,076	614,914,168
Distribution and schemes expenses	18	1,433,705,536	882,146,263
Finance cost	19	6,494,674	1,881,997
Depreciation and amortisation expenses	20	104,188,446	124,308,056
Total Expenses		3,136,829,999	2,431,546,285
Profit before tax		1,213,697,099	1,061,725,882
Tax expenses			
Current tax		340,500,000	322,000,000
Deferred tax		574,307	(17,450,192)
(Excess)/Short Provision for Tax of earlier years		(465,645)	(5,922,733)
Profit after tax		873,088,437	763,098,807
Basic/Diluted Earning Per Share ₹ (Refer to note 30)		48.50	42.39

As per our report attached

Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W

For and on behalf of the Board of Directors of
Birla Sun Life Asset Management Company Limited

Rakesh Rathi
Partner
Membership No.: 45228

Pankaj Razdan
Director

Sandeep Asthana
Director

Place: Mumbai
Date: 26th April 2013

A. Balasubramanian
Chief Executive Officer

Parag Joglekar
Head Finance

Rajiv Joshi
Company Secretary

As per our report attached

Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W

For and on behalf of the Board of Directors of
Birla Sun Life Asset Management Company Limited

Rakesh Rathi
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Place: Mumbai
Date: 26th April 2013

A. Balasubramanian
Chief Executive Officer

Parag Joglekar
Head Finance

Rajiv Joshi
Company Secretary

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

Cash Flow Statement for the year ended March 31, 2013

Particulars	2012-2013 In ₹	2011-2012 In ₹
Cash Flow from Operating Activities		
Profit Before Tax	1,213,697,099	1,061,725,884
Adjustments for:		
Depreciation	104,188,446	124,308,056
Profit on sale of Investments (net)	(90,630,495)	(60,344,941)
Dividend on Investments	(56,239,001)	(41,850,904)
Dividend from Subsidiary	(32,262,000)	(96,648,500)
Loss on sale of Fixed Assets (net)	—	—
Investment in 0.01% Non-Convert Cumu Redeemable Pref Shares	40,684,939	(11,301,379)
Interest on Fixed Deposits / ICD's	(113,054,103)	(76,172,178)
Operating profit before working capital changes	1,066,384,886	899,716,038
(Increase)/Decrease in Trade receivables	(62,662,433)	(18,556,366)
(Increase)/ Decrease in Long-term loans and advances	583,318,422	42,035,540
(Increase)/ Decrease in Short-term loans and advances	(776,768,555)	(95,510,016)
(Increase)/ Decrease in Other Current Assets	(103,712,055)	(106,548,183)
Increase/ (Decrease) in Non-current liabilities	(91,132,400)	(89,857,440)
Increase/ (Decrease) in Current liabilities	283,380,227	(64,120,823)
(Increase)/ Decrease in Non-current Deposits	—	392,340
Cash generated from operations	898,808,093	567,551,090
Taxes paid (Net)	(270,402,416)	(368,725,287)
Cash flow before extraordinary item	628,405,676	198,825,803
Net cash from operating activities	628,405,675	198,825,802
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(43,406,325)	(44,251,076)
Sale proceeds from Fixed Assets	6,796,566	1,012,681
Interest on Fixed Deposits / ICD's	113,054,103	76,172,178
Dividend from Subsidiary	32,262,000	96,648,500
Dividend on Other Investments	56,239,023	41,850,904
Purchase of Investments	(8,475,272,679)	(5,357,049,187)
Sale of Investments	7,677,114,447	4,973,955,536
Net cash used in investing activities	(633,212,865)	(211,660,464)
Cash Flow from Financing Activities		
Dividend Paid (including tax thereon)	—	—
Inter-corporate deposit	—	—
Net cash used in financing activities	—	—
Net increase in Cash and Cash Equivalents	(4,807,191)	(12,834,661)
Cash and Cash Equivalents at beginning of the year	45,465,733	58,300,394
Cash and Cash Equivalents at end of the year	40,658,542	45,465,733

Notes to financial statements for the year ended 31st March 2013

As per our report attached

Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W

Rakesh Rathi
Partner
Membership No.: 45228

Place: Mumbai
Date: 26th April 2013

For and on behalf of the Board of Directors of
Birla Sun Life Asset Management Company Limited

Pankaj Razdan
Director

Sandeep Asthana
Director

A. Balasubramanian
Chief Executive Officer

Parag Joglekar
Head Finance

Rajiv Joshi
Company Secretary

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

Notes to financial statements for the year ended 31st March 2013

	31-Mar-13 In ₹	31-Mar-12 In ₹
NOTE: 1		
Share Capital		
Authorised:		
Equity Shares of ₹ 10 each 20,000,000 (31 March 2012 : 20,000,000)	200,000,000	200,000,000
Equity Shares fully paid up		
Issued, Subscribed and Paid up		
Equity Shares of ₹ 10 each 18,000,000 (31 March 2012 : 18,000,000)	180,000,000	180,000,000
Equity Shares fully paid up		
Total Issued, Subscribed and Paid up	180,000,000	180,000,000

Term/right attached to equity shares

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

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company after distributions of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in the proportion to the number of equity shares held by the shareholders.

Reconciliation of the shares outstanding at the beginning and at the end of the period.

Description	31-Mar-2013		31-Mar-2012	
	No. of Eq shares	Amount In ₹	No. of Eq shares	Amount In ₹
No of Shares outstanding at the beginning of the period	18,000,000	180,000,000	18,000,000	180,000,000
Issued during the period	—	—	—	—
No of Shares outstanding at the end of the period	18,000,000	180,000,000	18,000,000	180,000,000

Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Name of Share Holder	31-Mar-2013		31-Mar-2012	
	No. of Shares held	% of total paid-up equity share capital	No. of Shares held	% of total paid-up equity share capital
Aditya Birla Financial Services Private Limited and its Nominees	9,179,980	50.9999%	8,999,980	49.9999%
Sun Life (India) AMC Investment Inc Canada	8,820,000	49.0000%	9,000,000	50.0000%

Shares held by holding/ ultimate holding company and or their subsidiaries/associates

Name of Share Holder	31-Mar-2013 In ₹	31-Mar-2012 In ₹
Aditya Birla Financial Services Private Limited, the holding company (Effective from 10th October 2012)	9,179,980	8,999,980

	31-Mar-13 In ₹	31-Mar-12 In ₹
--	-------------------	-------------------

NOTE: 2

Reserves and Surplus

1) Securities Premium Account

Balance as per the last financial statement	26,423,250	26,423,250
Addition during the year	—	—
Closing Balance	26,423,250	26,423,250

2) General Reserve *

Balance as per the last financial statement	68,666,244	68,666,244
Addition during the year	—	—
Closing Balance	68,666,244	68,666,244

3) Surplus as per Profit & Loss Account

Balance as per the last financial statement	2,738,702,925	1,975,604,118
Add: Profit for the year	873,088,437	763,098,807
Closing Balance	3,611,791,362	2,738,702,925
Total Reservers and Surplus	3,706,880,856	2,833,792,419

* Under the Companies Act, a general reserve is created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers is to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the company for that year, then the total dividend distribution is less than the total distributable results for that year.

	Long-Term		Short-Term	
	31-Mar-13 In ₹	31-Mar-12 In ₹	31-Mar-13 In ₹	31-Mar-12 In ₹
NOTE: 3				
Other Liabilities				
Other Payable			11,316,642	10,162,178
Future lease rent liability	10,634,082	62,566,548	15,126	-
Payables for Capital Expenditure	—	—	7,756,521	794,642
Investors Education Fund *	—	—	15,589,194	7,541,449
Payable on account of Statutory Dues :				
- Withholding Tax payable	—	—	15,726,674	11,185,981
- Service-Tax payable	—	—	17,644,852	156,720
- Professional Tax payable	—	—	95,026	67,083
- Employee provident fund & Other dues payable	—	—	5,170,733	4,807,695
	10,634,082	62,566,548	73,314,768	34,715,748

* Fund for educating investors about Mutual Fund Investments

	Long-Term		Short-Term	
	31-Mar-13 In ₹	31-Mar-12 In ₹	31-Mar-13 In ₹	31-Mar-12 In ₹
NOTE: 4				
Provisions				
Provision for Employee Benefits				
Leave Encashment	—	—	19,214,526	15,387,686
Gratuity	—	—	1,969,325	4,148,057
Provision for salaries and allowances	4,207,007	43,406,941	405,302,472	267,911,273
Other Provision				
Wealth Tax	—	—	100,077	174,260
	4,207,007	43,406,941	426,586,400	287,621,276

NOTE: 5

Trade Payables

Trade Payables	578,269,675	472,453,592
Total Trade Payables	578,269,675	472,453,592

"Micro and Small Scale Business Entities :

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, 2013. 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."

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

NOTE: 6

Tangible Assets						In ₹
	Computers	Furniture & Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Total
Gross Block						
As at 1 April 2011	80,501,575	18,966,413	34,820,535	74,281,168	144,287,509	352,857,200
Additions	15,296,264	2,162,576	8,148,676	5,470,695	10,703,694	41,781,905
Disposals	288,989	921,870	4,280,278	4,204,415	5,781,534	15,477,086
As at 31 March 2012	95,508,850	20,207,119	38,688,933	75,547,448	149,209,669	379,162,019
Additions	7,205,950	823,902	2,800,000	6,855,865	19,970,716	37,656,433
Disposals	1,162,573	1,362,576	7,438,279	5,621,249	32,018,058	47,602,735
As at 31 March 2013	101,552,227	19,668,445	34,050,654	76,782,064	137,162,327	369,215,717
Accumulated Depreciation						
As at 1 April 2011	68,570,581	12,231,065	14,370,354	40,491,445	96,046,033	231,709,478
Charge for the year	13,043,514	3,557,768	7,057,800	13,335,873	29,231,216	66,226,171
Disposals	242,090	890,091	3,585,778	3,978,273	5,768,173	14,464,405
As at 31 March 2012	81,372,005	14,898,742	17,842,376	49,849,045	119,509,076	283,471,244
Charge for the year	7,590,853	2,637,610	7,270,372	12,782,870	17,657,974	47,939,679
Disposals	1,162,581	1,113,828	4,171,965	4,523,830	29,833,965	40,806,169
As at 31 March 2013	87,800,277	16,422,524	20,940,783	58,108,085	107,333,085	290,604,754
Net block amount as at 31 March 2012	14,136,845	5,308,377	20,846,557	25,698,403	29,700,593	95,690,775
Net block amount as at 31 March 2013	13,751,950	3,245,921	13,109,871	18,673,979	29,829,242	78,610,963

Included in the above is the Company's share of fixed assets jointly owned with other corporates as follows

	Computers	Furniture & Fixtures	Vehicles	Office Equipment	Leasehold Improvements	In ₹
Gross Block						
As at 1 April 2011	13,086,037	1,934,793	59,103	3,882,919	2,380,341	21,343,193
Additions/ (Disposals)	-	-	(59,103)	-	-	(59,103)
As at 31 March 2012	13,086,037	1,934,793	-	3,882,919	2,380,341	21,284,090
Additions	-	-	-	-	-	-
Additions/ (Disposals)	-	-	-	-	-	-
As at 31 March 2013	13,086,037	1,934,793	-	3,882,919	2,380,341	21,284,090
Accumulated Depreciation						
As at 1 April 2011	13,086,037	1,586,501	59,103	3,381,807	2,380,341	20,493,789
Charge for the year	-	154,596	-	218,531	-	373,127
Disposals	-	-	59,103	-	-	59,103
As at 31 March 2012	13,086,037	1,741,097	-	3,600,338	2,380,341	20,807,813
Charge for the year	-	154,596	-	211,710	-	366,306
Disposals	-	-	-	-	-	-
As at 31 March 2013	13,086,037	1,895,693	-	3,812,048	2,380,341	21,174,119
Net block amount as at 31 March 2012	-	193,696	-	282,581	-	476,277
Net block amount as at 31 March 2013	-	39,100	-	70,871	-	109,971

NOTE: 7

Intangible Assets				In ₹	Intangible Assets				In ₹	
	Software	Investment Management Right	Total		Software	Investment Management Right	Total		Total	
Gross Block										
As at 1 April 2011	24,465,707	538,432,324	562,898,031	As at 1 April 2011	8,159,012	-	8,159,012			
Additions	4,030,978	-	4,030,978	Additions/ (Disposals)	-	-	-			
Disposals	-	-	-	As at 31 March 2012	8,159,012	-	8,159,012			
As at 31 March 2012	28,496,685	538,432,324	566,929,009	Additions/ (Disposals)	-	-	-			
Additions	2,081,763	-	2,081,763	As at 31 March 2013	8,159,012	-	8,159,012			
Disposals	-	-	-	Accumulated Amortization						
As at 31 March 2013	30,578,448	538,432,324	569,010,772	As at 1 April 2011	7,734,420	-	7,734,420			
Accumulated Amortization										
As at 1 April 2011	19,623,108	296,137,776	315,760,884	Charge for the year	424,592	-	424,592			
Charge for the year	4,238,653	53,843,232	58,081,885	As at 31 March 2012	8,159,012	-	8,159,012			
Disposal	-	-	-	Charge for the year	-	-	-			
As at 31 March 2012	23,861,761	349,981,008	373,842,769	As at 31 March 2013	8,159,012	-	8,159,012			
Charge for the year	2,405,540	53,843,232	56,248,772	Net block amount as at 31 March 2012	-	-	-			
Disposals	-	-	-	Net block amount as at 31 March 2013	-	-	-			
As at 31 March 2013	26,267,301	403,824,240	430,091,541							
Net block amount as at 31 March 2012	4,634,924	188,451,316	193,086,240							
Net block amount as at 30 March 2013	4,311,147	134,608,084	138,919,231							

Included in the above is the Company's share of fixed assets jointly owned with other corporates

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

	31-Mar-13 In ₹	31-Mar-12 In ₹		31-Mar-13 In ₹	31-Mar-12 In ₹
NOTE: 8					
Non Current Investments (Non Trade, At cost)					
Investment in Equity Shares Subsidiary Companies (Unquoted)					
90 Shares (31 March 2012: 90) of USD 10 each in Class A in India Advantage Fund Limited, Mauritius	37,564	37,564			
40 Shares (31 March 2012: 40) of USD 10 each in Class B in India Advantage Fund Limited, Mauritius	909	909			
4,500 Shares (31 March 2012: 4,500) of USD 10 each in Birla Sun Life AMC (Mauritius) Limited, Mauritius	382,481	382,481			
6,750,000 Shares (31 March 2012: 2,250,000) of SG\$ 1 each in Aditya Birla Sun Life AMC Pte. Ltd., Singapore	263,034,500	167,383,500			
3,125,000 Shares (31 March 2012 : 2,500,000) Aditya Birla Sun Life AMC Ltd., Dubai	151,090,000	117,840,000			
Investment in Fund (Unquoted)					
1 Unit(31 March 2012) Investment in Class B Units of Aditya Birla Real Estate Fund	500,000	500,000			
Investment in Preference Shares (Unquoted)					
Nil Shares (31 March 2012 : 8,136,989) 0.01% Non-Convertible Cumulative Redeemable Preference					
Investment in Preference Shares (Quoted)					
Nil Shares (31 March 2012 : 8) 0.001% Preference Shares of ICICI Bank Ltd	-	34,800,000			
Investment in Bonds (Quoted)					
11,126 Bonds (31 March 2012 :11,126) Investment in NHAI Bonds	11,126,000	11,126,000			
Investment in Mutual Fund (Unquoted)					
Nil Units (31 March 2012 : 1,002 Units) BSL Floating Rate Fund - Short Term - IP - Growth	-	104,647			
Nil Units (31 March 2012 : 2,603 Units) BSL Floating Rate Fund - Short Term - IP - Weekly Div - Reinvestment	-	260,623			
Investment in Mutual Fund (Quoted)					
Nil Units (31 March 2012 : 20,035,940 Units) BSL Fixed Term Plan Series -DD	-	200,359,400			
Total Non Current Investments	426,171,454	573,480,063			
Aggregate Book Value — Quoted	11,126,000	246,285,400			
— UnQuoted	415,045,454	327,194,663			
Aggregate Market Value / NAV — Quoted	11,797,120	262,051,117			
Current Investments (Non- Trade)					
Investment in schemes of Mutual Fund (Valued at cost or fair value whichever is lower, Unquoted)					
Nil Units (31 March 2012 : 1,177,642 Units) BSL Savings Fund Institutional WK Div Reinvestment	-	117,940,141			
Nil Units (31 March 2012 : 1,648,357 Units) BSL Cash Plus Inst Premium WK-DIV-Reinvestment	-	165,358,520			
8,145,795 Units (31 March 2012 : Nil Units) BSL Cash Plus-Weekly Dividend-Direct-Reinvestment	817,300,158	-			
272 Units (31 March 2012 : Nil Units) BSL Cash Plus-Growth-Direct	50,000	-			
17,524,143 Units (31 March 2012 : Nil Units) BSL Short Term Fund-Monthly Div-Reinvestment	204,301,443	-			
481,844 Units (31 March 2012 : Nil Units) BSL Gilt Plus -Liquid -Qtr-Dividend-Reinvestment	5,166,140	-			
2,018,352 Units (31 March 2012 : Nil Units) BSL Medium Term Plan Qtr Div-Reinvestment	20,677,294	-			
19,760,870 Units (31 March 2012 : Nil Units) BSL Short Term Opp F-GR	361,386,793	-			
1,983,200 Units (31 March 2012 : Nil Units) BSL Short Term Opp. Fund-Q Div-Reinvestment	20,399,854	-			
3,795 Units (31 March 2012 : Nil Units) BSL Floating Rate Fund-STP-IP-Weekly-Direct Div-Reinvestment	380,245	-			
1,330 Units (31 March 2012 : Nil Units) BSL Floating Rate Fund-Short Term-IP-Direct-Growth	203,615	-			
54,195 Units (31 March 2012 : Nil Units) BSL GILT PLUS-Regular-Growth	2,000,000	-			
Investment in schemes of Mutual Fund (Valued at cost or fair value whichever is lower, Quoted)					
Nil Units (31 March 2012 :32,676,300 Units) BSL Fixed Term Plan Series -DX	-	326,763,000			
Nil Units (31 March 2012 :27,320,750 Units) BSL Fixed Term Plan Series - EB	-	273,207,500			
Nil Units (31 March 2012 :10,000,000 Units) BSL Fixed Term Plan Series - EI	-	100,000,000			
15,000,000 Units (31 March 2012 : 15,000,000 Units) BSL Fixed Term Plan Series - EV	150,000,000	150,000,000			
5,000,000 Units (31 March 2012 : Nil Units) BSL Fixed Term Plan Series - FH	50,000,000	-			
22,020,900 Units (31 March 2012 : Nil Units) BSL Fixed Term Plan Series - FO	220,209,000	-			
6,000,000 Units (31 March 2012 : Nil Units) BSL Fixed Term Plan Series - GB	60,000,000	-			
6,660,700 Units (31 March 2012 : Nil Units) BSL Fixed Term Plan Series - GF	66,607,000	-			
5,000,000 Units (31 March 2012 : Nil Units) BSL Fixed Term Plan Series - GS	50,000,000	-			
5,000,000 Units (31 March 2012 : Nil Units) BSL Fixed Term Plan Series - HE	50,000,000	-			
5,000,000 Units (31 March 2012 : Nil Units) BSL Fixed Term Plan Series - HF	50,000,000	-			
Total Current Investments	2,128,681,542	1,133,269,161			
Aggregate Book Value — Quoted	696,816,000	849,970,500			
— UnQuoted	1,431,865,542	283,298,661			
Aggregate Market Value / NAV — Quoted	738,285,597	864,066,662			
NOTE: 9					
DEFERRED TAX ASSETS					
Deferred Tax Asset at the period end comprise timing differences on account of:					
Expenditure/Provisions allowable :					
Leave Encashment	6,235,114	4,993,304			
Rent Equalisation	3,455,668	20,302,845			
Depreciation	18,994,463	3,963,403			
Gross Deferred Tax Asset	28,685,245	29,259,552			
Deferred Tax Liability at the year end	-	-			
Gross Deferred Tax Liability	-	-			
Net Deferred Tax Asset	28,685,245	29,259,552			
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	
	In ₹	In ₹	In ₹	In ₹	
NOTE: 10					
Loans & Advances					
(Unsecured, Considered Good except otherwise stated)					
Inter Corporate Deposits (Secured)	-	744,565,678	-	-	
Loans & Advances to Related Party (Unsecured)	2,600,000	-	750,000,000	-	
Capital advance for Tangible Assets	4,791	625,763	-	-	
Capital advance for Intangible Assets	4,409,093	119,992	-	-	
Deposits	43,866,916	65,997,171	22,541,709	-	
Staff Loan	-	-	22,607	359,377	
Prepaid expenses including brokerage	240,730,623	204,805,676	268,517,624	289,814,815	
Advance Tax (Net of Provision ₹ 1,381,755,883, Previous Year 1,055,966,956)	105,868,649	29,298,024	59,829,347	30,077,711	
Advance for materials & Services	-	1,350,000	28,377,714	8,738,945	
Service Tax Input Credit	-	-	12,749,552	36,498,998	
Receivable - Others	-	-	1,672,225	1,932,096	
Receivable from related party	-	-	3,452,029	2,972,309	
Total Loans & Advances	397,480,072	1,046,762,304	1,147,162,807	370,394,251	

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

	31-Mar-13 In ₹	31-Mar-12 In ₹		31-Mar-13 In ₹	31-Mar-12 In ₹
NOTE: 11			NOTE: 17		
Trade Receivables			Administrative and Other Expenses		
Unsecured, considered good, less than 6 months			Rent	147,434,529	171,751,600
Asset Management Fees receivable	127,036,050	67,304,333	Repairs and maintenance (Others)	51,581,120	52,480,106
Portfolio Management Fees receivable	12,427,596	9,496,880	Insurance	11,441,482	9,095,321
Total Trade Receivables	139,463,646	76,801,213	Rates and Taxes	2,412,960	7,527,415
NOTE: 12			Electricity	18,429,912	16,996,683
Cash & Cash Equivalent			Software and Technology Expenses	60,777,715	35,602,577
Balances with Bank			Database Research Expenses	20,023,765	14,844,459
- Current Accounts	30,085,627	16,533,718	Travelling and Conveyance	60,847,255	57,696,729
- Deposit Accounts (with original maturity less than 3 months)	10,532,288	28,875,572	Communication Expenses	31,834,724	31,643,721
Cash on Hand	40,627	56,443	Outsourced Fund Accounting Expenses	53,670,428	42,962,086
Total Cash & Cash Equivalent	40,658,542	45,465,733	Legal and Professional Charges	53,885,069	60,172,197
NOTE: 13			Auditors Remuneration :		
Other Current Assets			- Audit Fees	1,250,000	1,100,000
(Unsecured, Considered Good except otherwise stated)			- Tax Audit Fees	300,000	200,000
Recoverable From Schemes	453,190,782	334,953,948	- Other Services	375,000	375,000
Dividend Receivable from Subsidiary	-	15,123,000	- Reimbursement of expenses	14,357	29,535
Interest accrued on			Outsourcing Charges	53,242,933	60,712,515
- Loans & Advances	402,647	-	Registration fees	14,265,239	18,543,137
- Fixed Deposit	10,941	107,814	Directors Sitting Fees	940,000	740,000
- Investments	454,916	162,470	Printing and Stationery	12,009,471	13,290,701
Total Other Current Asset	454,059,286	350,347,232	Asset Utilisation Charges	4,480,274	2,963,497
NOTE: 14			Bank Charges	127,777	1,275,620
Income From Operations			Brokerage & Commission	644,235	386,852
Management and Advisory Fees	3,712,389,484	2,818,898,494	Hire Charges	640,959	933,883
Portfolio Management Fees	37,601,276	37,080,904	Miscellaneous Expenses	20,051,872	13,590,534
Real Estate Fund Management Fees	213,905,000	217,529,000	(Misc Exps includes Newspaper & Periodicals, Membership & Subscription, Office Exps, Recruitment Exp)		
	3,963,895,760	3,073,508,398		620,681,076	614,914,168
NOTE: 15			NOTE: 18		
Other Income			Distribution And Schemes Expenses		
Interest Income			Brokerage & Scheme Expenses	1,224,617,954	762,561,178
- Non-Current Investments	95,512,343	75,523,245	Business Promotion Expenses	209,087,582	119,585,085
- Others	21,489,980	10,871,361		1,433,705,536	882,146,263
Dividend Income :			NOTE: 19		
- Current Investments	56,239,001	41,850,904	Finance Cost		
- Non-Current Investments	32,262,000	96,648,500	Interest Expenses	6,494,674	1,881,997
Gain on sale of Investments(Net)	-	-		6,494,674	1,881,997
- Current Investments	69,802,075	1,938,998	NOTE: 20		
- Non-Current Investments	20,828,420	58,405,943	Depreciation and Amortisation Expenses		
Other non-operating income :			Depreciation on Tangible Assets	47,939,674	66,226,171
-Profit on sale of Fixed Assets (Net)	179,740	729,605	Amortisation of Intangible Assets	56,248,772	58,081,885
- Foreign Exchange Gain (Net)	382,118	366,356		104,188,446	124,308,056
- Provision no Longer Required	81,407,438	132,272,911			
- Miscellaneous income	8,528,223	1,155,946			
	386,631,338	419,763,769			
NOTE: 16					
Employee Benefit Expenses					
Salaries and allowances	874,355,351	740,307,241			
Contribution to provident & other funds	41,087,023	39,255,327			
Staff welfare expenses	56,317,893	28,733,233			
	971,760,267	808,295,801			

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

21. Company Overview

Birla Sun Life Asset Management Company Limited ("the Company") was incorporated on September 5, 1994. The Company is a joint venture between the Aditya Birla Group and Sun Life Financial, Inc. The share capital of the Company is owned by Aditya Birla Financial Services Pvt Ltd (Wholly owned Subsidiary of Aditya Birla Nuvo Limited) - and Sun Life (India) AMC Investments Inc., (wholly owned subsidiary of Sun Life Financial, Inc.)

The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 and the principal activity is to act as an investment manager to Birla Sun Life Mutual Fund. The Company manages the investment portfolios of Birla Sun Life Mutual Fund, India Advantage Fund Ltd, Mauritius, India Excel (Mauritius) Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides portfolio management services and investment advisory services to offshore funds and high net worth investors.

22. Significant Accounting Policies

(i) Basis of Preparation of Financial Statement

The financial statements have been prepared on accrual basis of accounting in accordance with historical cost convention, Accounting Standards notified by the Institute of Chartered Accountants of India and relevant provisions of The Companies Act, 1956 to the extent applicable.

(ii) Use of estimate

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates will be recognised prospectively in the current and future periods.

(iii) Cash and cash Equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

(iv) Tangible Fixed Assets

Tangible Fixed Assets are stated at their cost of acquisition less accumulated depreciation, and impairment losses. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets.

(v) Intangible Fixed Assets

Intangible assets are recognized at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortised on straight line basis over the estimated useful economic life.

(vi) Depreciation on Tangible & Intangible Fixed Assets

Depreciation on fixed assets is calculated on a straight line method basis using the rates arrived at based on the useful lives estimates by the management or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

No.	Particulars	Rate
A	Depreciation on tangible assets	
1	Computers	33.33%
2	Office Equipment	20.00%
3	Vehicles – Motor Car & Two Wheelers	20.00%
4	Furniture & Fixtures	20.00%
5	Mobile Phone (Included in office equipments)	50.00%
6	Lease Hold Improvements	Lease period
B	Amortisation of Intangible assets	
1	Investment Management Rights	10.00%
2	Software	33.33%

All fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase / acquisition.

(vii) Impairment of Assets

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 asset is treated impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss Account in the year in which an asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exists or have decreased.

(viii) Investments

- Long term investments are stated at cost. In case of diminution, other than temporary, in the value thereof, a provision is made for the same.
- Current investments are valued at lower of cost and fair market value.

(ix) Revenue Recognition

- Management fees are recognized on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- Portfolio Management Fees are recognized on an accrual basis as per the terms of the contract with the customers.
- Advisory fees are recognized on an accrual basis.
- Dividend income is recognised when the right to receive dividend is established.
- Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

(x) Foreign currency transactions & balances

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the Statement of Profit & Loss. Other non-monetary items, like Tangible Assets/ Intangible Assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

(xi) Employee Benefits

- Provident Fund: All eligible employees are covered under statutory provident fund and contributions are accounted on an accrual basis.
- Superannuation: Superannuation benefit for the eligible employees is covered by the Superannuation Scheme with Life Insurance Corporation of India (LIC) and Birla Sun Life Insurance Company Ltd. the contribution is accounted on an accrual basis.
- Gratuity: Gratuity for employees is covered by Gratuity Scheme with LIC and Birla Sun Life Insurance Company Ltd. and the contribution is accounted for on an accrual basis as per the actuarial valuation done at the year end.
- Leave Encashment: Provision for leave encashment is made on the basis of actuarial valuation of the expected liability.
- Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(xii) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases.

Lease rental payments for operating leases are recognized as an expense on a straight-line basis over the lease term and paid/provided for as per the terms of the agreement on an accrual basis.

(xiii) Earning Per Share

Company reports the basic and diluted earnings per share in accordance with AS-20, Earnings per Share notified Accounting Standard by Institute of Chartered Accountants of India. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period/year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period/year. Diluted earning per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at period/year end.

(xiv) Distribution and Scheme Expenses

- New Fund Offer expenses
Expenses relating to New Fund Offer are charged to the Profit and Loss Account in the year in which they are incurred.
- Scheme expenses
Expenses of schemes of Birla Sun Life Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 and Expenses incurred directly (inclusive of advertisement/brokerage expenses) on behalf of schemes of Birla Sun Life Mutual Fund are charged to the Profit and Loss Account.
- Brokerage/Commission
Commission paid for future period for Equity Link Saving Schemes, Fixed Tenure Schemes, Close ended schemes and Systematic Investment Plans (SIPs) in the different schemes during the year are treated as prepaid expenses and such brokerage and commission are expensed out over three years in case of ELSS or duration of closed schemes or over the duration of the SIP. Any other brokerage/commission is expensed in the year in which they are incurred.

(xv) Accounting for Taxes on Income

Tax expense comprises of current and deferred tax.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

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.

(xvi) Provision, Contingent Asset & Contingent Liability

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is 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 best estimate required to settle the obligation at the balance sheet date.

OTHER NOTES TO ACCOUNTS :

23. Contingent Liability

(i) Contingent Liabilities not provided for in respect of:

a. Disputed taxation matters :

Department has issued order for AY 2007-08 for imposing Penalty of ₹ 1,712,092 (Previous Year 1,712,092) on certain disallowance, The matter is under appeal with CIT(A).

Department has issued Assessment order for AY 2010-11 of ₹ 1,634,200 (Previous Year Nil) on certain disallowance, The Company have filed appeal with CIT(A).

Show Cause cum Demand Notice from Service Tax Authorities issued for the AY 2007-08 to AY 2012-13 disputing Cenvat Credit claim of the Company to the tune of ₹ 1,040,431,280 (Previous Year 848,386,482). The matter was heard before the Commissioner for adjudication & the order is being awaited.

Disallowing initial issue Expenses, Repairs and Renovation Expenses and Fund Migration Exps on the alleged contention that the same were capital in nature. The tax impact of ₹ 40,196,901 (Previous Year 40,196,901). The matter is pending before High Court.

b. Disputed legal claims :

Investor claims pending in Consumer Redressal Forums of ₹ 271,194 (Previous Year ₹ 296,194)

Investor claims pending in other courts/authorities of ₹ 106,000 (Previous Year ₹ 106,000)

Disputed other legal matters ₹ 228,888 (Previous year ₹ 228,888)

The management has taken a legal opinion on the above matters. The chances of losing the above legal matters is unlikely and so no provision for the liability is been made in the books.

c. Unexecuted Contracts :

Estimated amount of contracts (net of advances) remaining to be executed on capital account is ₹ 2,671,718 (Previous year ₹ 600,000)

24. Management Rights

During financial year ended March 31, 2006 Birla Sun Life Trustee Company Private Limited took over the mutual fund schemes from ACAM Trust Company Private Limited and simultaneously the company acquired the right to manage the said schemes from Alliance Capital Asset Management (India) Private Limited.

The consideration paid to acquire the right to manage the said schemes along with the incidental expenditure incurred thereon aggregating to ₹ 538,432,324/- has been treated as Investment Management Right. The Investment Management Right will be amortized over a period of 120 months. For the year ended March 31, 2013, an amount of ₹ 53,843,232/- has been amortised. Balance life of Investment Management Right is 3 year

25. Defined Contribution Plan

Defined Contribution Plan – The Company has recognized the following amounts in Profit & Loss Account which are included under contribution to Provident Fund and other Funds.

Particulars	As at March 31, 2013	As at March 31, 2012
Employers Contribution to Provident Fund	23,723,501	22,811,470
Employers Contribution to Family Pension Fund	3,800,653	3,936,363
Employers Contribution to Superannuation Fund	3,717,235	3,725,409
Employers Contribution to ESIC	—	127,303
Employers Contribution to Labour Welfare Fund	24,366	21,734

26. Gratuity

The following table sets out the status of the gratuity plan as required under AS 15(Revised) as certified by actuary. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	As at March 31, 2013	As at March 31, 2012
Obligations at Year beginning	36,437,710	27,442,138
Service cost	8,524,328	7,627,364
Interest Cost	3,188,300	2,332,582
Actuarial (Gain)/ Loss	853,261	1,117,449
Benefits Paid	(2,630,653)	(2,081,823)
Obligations at Year end	46,372,946	36,437,710
Defined Benefits obligation liability as at B/S is wholly funded by the company		
Change in Plan Assets		
Plans Assets at year beginning, at fair values	32,289,653	28,757,027
Expected Return on Plan Assets	2,744,621	2,444,347
Actuarial Gain / (Loss)	-	-
Contributions	12,000,000	3,170,102
Benefits paid	(2,630,653)	(2,081,823)
Plan Assets at Year end, at fair value	44,403,621	32,289,653
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair Value of Plan Assets at the end of the Year	(44,403,621)	(32,289,653)
Present Value of the defined benefits obligations at the end of the Year	46,372,946	36,437,710
(Asset)/Liability recognized in the balance sheet	1,969,325	4,148,057
Gratuity Cost for the Year		
Service Cost	8,524,328	7,627,364
Interest Cost	3,188,300	2,332,582
Expected Return on Plan Assets	(2,744,621)	(2,444,347)
Actuarial (Gain)/ Loss	853,261	1,117,449
Net Gratuity Cost	9,821,268	8,633,048
Investments details of Plan Assets		
Plan assets are invested with :		
Life Insurance Corporation of India	2,663,546	3,603,654
Birla Sun Life Insurance Co. Ltd	41,740,075	28,685,999
Actual return on Plan Assets	9%	9%
Assumptions		
Interest rate	8.75%	8.75%

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

Estimated amount of Contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ 12,000,000 (Previous year 12,000,000)

Experience Adjustment	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Defined Benefit Obligation	46,372,946	36,437,710	27,442,138	19,521,606	13,603,512
Plan Assets	44,403,621	32,289,653	28,757,027	18,563,069	4,179,329
Surplus/(Deficit)	-1,969,325	-4,148,057	1,314,889	958,537	9,424,183
Experience Adjustment on Plan Liabilities	3,528,337	60,231	1,590,346	619,810	-

27. Foreign Currency Transactions

a. Earnings in foreign currency

Particulars	As at March 31, 2013	As at March 31, 2012
Management and Advisory Fees	64,565,214	69,253,993
Dividend	32,262,000	96,648,500

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b. Expenditure in foreign currency

Particulars	As at	
	March 31, 2013	March 31, 2012
Professional Charges	3,087,124	4,578,660
Professional Charges - Software	Nil	175,125
Conference and Meeting	3,926	231,574
Software Revenue Expenditure	1,624,351	1,261,732
Software Capital Expenditure	Nil	1,538,423
Annual Maintenance Contract	Nil	76,909
Office Expenses	Nil	766,748
Courier Charges	5,978	Nil
Membership and Subscription	641,339	Nil
Seminar and Training Expenditure	136,045	Nil
Miscellaneous Expenditure	1,092	Nil

28. Disclosure in respect of Related Party pursuant to Accounting Standard 18:

a. List of Related Parties:

Related Party

A Parties where Control exists (Subsidiaries)

India Advantage Fund Limited
Birla Sun Life AMC (Mauritius) Limited
Aditya Birla Sun Life AMC Limited, Dubai
Aditya Birla Sun Life AMC Pte. Limited, Singapore

B Ultimate Holding Company

Aditya Birla Nuvo Limited

C Holding Company

Aditya Birla Financial Services Private Limited

D Other Related Party

Sun Life (India) AMC Investments Inc., Canada

E Related Parties with whom the Company has entered into transactions during the Year:

i Fellow Subsidiaries of Ultimate Holding Company

Birla Sun Life Insurance Company Limited
Birla Sun Life Trustee Company Private Limited
Aditya Birla Money Mart Limited
ABNL Investment Limited
Aditya Birla Finance Limited
Aditya Birla Money Limited
Aditya Birla Financial Shared Services Limited
Aditya Birla Minacs Worldwide Limited
Aditya Birla Insurance Brokers Limited
Aditya Birla Money Insurance Advisory Services Limited
Aditya Birla Customer Services Private Limited
IDEA Cellular Limited

ii Directors and Key Management Personnel

Note: Related parties are as identified by the Company and relied upon by the Auditors

b. Transactions with Related Parties:

Sr. No.	Particulars Category		For the year	
			2013	2012
1	Income			
	India Advantage Fund Limited	A	43,766,233	19,782,857
	Birla Sun Life AMC (Mauritius) Limited	A	32,262,000	96,648,500
	Aditya Birla Sun Life AMC Pte. Limited, Singapore	A	10,382,696	2,856,756
2	Expenses			
	Rent			
	Birla Sun Life Insurance Company Limited	E(i)	1,793,330	2,044,788
	Aditya Birla Money Mart Limited		3,899,334	-
	Aditya Birla Finance Limited	E(i)	-	409,351
	Brokerage			
	Aditya Birla Money Mart Limited	E(i)	2,825,427	1,628,634

Sr. No.	Particulars Category		For the year	
			2013	2012
	Contribution to Super Annuation Fund			
	Birla Sun Life Insurance Company Limited	E(i)	15,415,302	6,322,229
	Business Promotion Expenses			
	Birla Sun Life Insurance Company Limited *	E(i)	26,880,363	23,155,283
	Software & Technology Charges			
	Aditya Birla Minacs Worldwide Limited	E(i)	1,437,532	6,064,464
	Outsourcing Charges			
	Aditya Birla Minacs Worldwide Limited	E(i)	20,720,718	23,940,208
3	Reimbursements of Costs Paid			
	Aditya Birla Finance Limited	E(i)	154,231	96,606
	Aditya Birla Money Mart Limited	E(i)	1,499,768	54,214
	Birla Sun Life Insurance Company Limited	E(i)	875,732	38,305
	Aditya Birla Financial Shared Services Limited	E(i)	33,056,552	23,932,101
	Aditya Birla Customer Services Private Limited	E(i)	221,008	-
	Aditya Birla Insurance Brokers Limited	E(i)	6,246	-
4	Reimbursements of Costs Received			
	Aditya Birla Finance Limited	E(i)	1,451,930	287,471
	Aditya Birla Money Mart Limited	E(i)	5,129,111	5,065,003
	Birla Sun Life Insurance Company Limited	E(i)	1,454,678	108,244
	Aditya Birla Insurance Brokers Limited	E(i)	-	10,931
	Aditya Birla Financial Services Private Limited	E(i)	-	22,642
	Aditya Birla Insurance Brokers Limited	E(i)	40,935	-
	Sun Life Assurance Company	A	254,907	-
5	Managerial Remuneration**	E(ii)		
	Salaries and Allowances		4,138,944	3,941,708
	Contribution to Provident and Other Funds		236,979	217,176
6	Deposit Paid			
	Aditya Birla Money Mart Limited	E(i)	2,600,000	-
7	Intercompany Deposit (ICD) Given			
	Aditya Birla Minacs Worldwide Limited	E(i)	325,000,000	-
	Aditya Birla Customer Services Private Limited	E(i)	424,100,000	-
	ABNL Investment Limited	E(i)	37,100,000	-
	Aditya Birla Money Insurance Advisory Services Limited	E(i)	32,400,000	-
8	Intercompany Deposit (ICD) repaid out of above			
	Aditya Birla Minacs Worldwide Limited	E(i)	31,500,000	-
	ABNL Investment Limited	E(i)	37,100,000	-
9	Intercompany Deposit (ICD) pending receivable			
	Aditya Birla Minacs Worldwide Limited	E(i)	293,500,000	-
	Aditya Birla Customer Services Private Limited	E(i)	424,100,000	-
	Aditya Birla Money Insurance Advisory Services Limited	E(i)	32,400,000	-
10	Interest Income on Intercompany Deposit (ICD)			
	Aditya Birla Minacs Worldwide Limited	E(i)	4,424,240	-
	Aditya Birla Customer Services Private Limited	E(i)	5,221,866	-
	ABNL Investment Limited	E(i)	262,673	-
	Aditya Birla Money Insurance Advisory Services Limited	E(i)	447,386	-

* Total Amount paid ₹ 26,880,363/-, out of which ₹ 20,328,341/- debited to profit and loss during the year and balance amortised.

** Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and accordingly have not been considered in the above information.

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

c. Outstanding Balances

Sr. No.	Particulars	Category	As at March 31, 2013	As at March 31, 2012
1	Payable			
	Aditya Birla Money Mart Limited	E(i)	880,902	-
	Aditya Birla Financial Shared Services Limited	E(i)	-	3,173,019
	Aditya Birla Minacs Worldwide Limited	E(i)	1,577,548	1,609,414
2	Receivable			
	India Advantage Fund Limited	A	1,300,150	931,801
	Aditya Birla Sun Life AMC Pte. Limited, Singapore	A	5,628,861	2,856,756
	Birla Sun Life AMC(Mauritius) Limited	A	-	15,123,000
	Aditya Birla Money Mart Limited (Deposit Receivable)	E(i)	2,600,000	-
	Aditya Birla Money Mart Limited	E(i)	-	2,972,309
	Birla Sun Life Insurance Company Limited	E(i)	1,105,052	-
	Aditya Birla Financial Shared Services Limited	E(i)	1,771,620	-
	Aditya Birla Minacs Worldwide Limited(ICD)	E(i)	293,500,000	-
	Aditya Birla Finance Limited	E(i)	1,306,737	-
	Aditya Birla Insurance Brokers Limited	E(i)	37,292	-
	Aditya Birla Customer Services Private Limited(ICD)	E(i)	424,100,000	-
	Aditya Birla Money Insurance Advisory Services Limited(ICD)	E(i)	32,400,000	-
	Aditya Birla Money Insurance Advisory Services Limited(Interest on ICD)	E(i)	402,648	-

Closing balances are inclusive of service tax if any.

- 29 The Birla Sun Life Mutual fund has invested in the "Pass Through Certificates" (PTC) issued by various securitisation trusts. The Income Tax Department treated the interest Income from the PTC as taxable in the hands of such Securitisation Trusts. The Department has also issued the demand notices to the various Mutual Funds who are the beneficiaries in such trusts. The Birla Sun Life Mutual Fund has also received the demand notice for AY 2009-10 and AY 2010-11. The Fund had filed Writ Petitions for both the years before the Honourable High Court and the Honourable High Court has stayed all action by Income Tax Department (including recovery of demand) till the disposal of the appeal by the CIT(A) and for six weeks thereafter.

Based on the expert's advise the management doesn't expect the liability to crystallise hence no provision is made in the books of account.

30. Earning Per Share

Earnings per Share (EPS) is calculated as under:		As at March 31, 2013	As at March 31, 2012
Net Profit as per Profit and Loss account		873,088,437	763,098,807
Less: Preference Dividend and tax thereon			
Net Profit for EPS -	A	873,088,437	763,098,807
Weighted average number of Equity Shares for calculation of Basic EPS	B	18,000,000	18,000,000
Basic and Diluted Earning Per Share (₹)	A/B	48.50	42.39
Nominal Value of Shares (₹)		10	10

31. Segment information for the year ended 31st March 2013

The Company's Operations mainly relate to providing asset management services and portfolio management services. In the opinion of the management, the risks & rewards attached to the business are similar in nature. Hence separate Segment under Accounting Standard 17 on "Segment Reporting" is not required to be reported as the Company's business is restricted to single Segment i.e. Asset Management Services.

32. Assets taken under Operating Lease

a) The Details of future rental payable on non-cancelable operating lease are given below

Particulars	Current year	Previous Year
Not later than one year	Nil	Nil
Later than one year and not later than five years	13,904,835	Nil
Later than five years	Nil	Nil

b) Lease payment recognized in the statement of profit and loss for the year is ₹147,434,529/- (Previous Year ₹ 171,751,600/-)

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

For and of behalf of the Board of Directors of

Birla Sun Life Asset Management Company Limited

sd/-
Pankaj Razdan
Director

sd/-
Sandeep Asthana
Director

sd/-
A. Balasubramanian
Chief Executive Officer

sd/-
Parag Joglekar
Head-Finance

sd/-
Rajiv Joshi
Company Secretary

Date : April 26, 2013

BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED

Statement under Section 212 of the Companies Act, 1956

Name of the Subsidiary Company	Birla Sun Life AMC (Mauritius) Limited	India Advantage Fund Limited	Aditya Birla Sun Life Asset Management Company Pte. Ltd.	Aditya Birla Sun Life Asset Management Company Ltd.
Financial year of the Subsidiary Company ended on	December 31, 2012	December 31, 2012	March 31, 2013	March 31, 2013
Number of shares held in Subsidiary	Equity Shares - 4500 of USD 10 each	Equity Shares - Class A 90 of USD 10 each Equity Shares - Class B 40 of USD 10 each	Ordinary Shares- 6750000 shares of 1Singapore \$ each	3125000 shares of USD 1 each
Total issued Share Capital of the Subsidiary Company	Equity Shares - 4500 of USD 10 each	Equity Shares - Class A 90 of USD 10 each Equity Shares - Class B 40 of USD 10 each	Ordinary Shares- 6750000 shares of 1Singapore \$ each	3125000 shares of USD 1 each
Percentage of shares held in the Subscribed Capital of the Subsidiary	100%	100%	100%	100%
The net aggregate amount of profits less losses of the Subsidiary company for the financial year, so far as they concern the members of Birla Sun Life Asset Management Company Limited.				
A. Dealt with in the accounts of Birla Sun Life Asset Management Co. Ltd. for the year ended March 31, 2013	Nil	Nil	Nil	Nil
B. Not dealt with in the accounts of Birla Sun Life Asset Management Co. Ltd. for the year ended March 31, 2013	USD 742602	USD 22211913	Singapore \$ (2450693)	USD (697793)
The net aggregate amount of profits less losses for previous Financial years since it became a Subsidiary so far as they concern the members of Birla Sun Life Asset Management Company Limited :				
A. Dealt with in the accounts of Birla Sun Life Asset Management Co. Ltd. for the year ended March 31, 2013	Nil	Nil	Nil	Nil
B. Not dealt with in the accounts of Birla Sun Life Asset Management Co. Ltd. for the year ended March 31, 2013	USD 475414	USD 92597966	Singapore \$ (6258280)	USD (2006598)
Change in the Holding Company's interest in the Subsidiary between the end of the financial year or of the last of the financial years of the Subsidiary and the end of the Holding Company's financial Year	Nil	Nil	Nil	Nil
Material changes which have occurred between the end of subsidiary's I fixed assets II its investment III the money lent by it IV the money borrowed by it for any purpose other than that of meeting current liabilities	Nil	Nil	Nil	Nil

sd/-
Pankaj Razdan
Director

sd/-
Sandeep Asthana
Director

sd/-
A. Balasubramanian
Chief Executive Officer

sd/-
Parag Joglekar
Head-Finance

sd/-
Rajiv Joshi
Company Secretary

Date : April 26, 2013

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 December 2012

The Directors present their commentary and the audited financial statements of Birla Sun Life AMC (Mauritius) Limited (the 'Company') for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an investment manager to India Advantage Fund Limited, a related entity.

RESULTS

The results for the year ended 31 December 2012 are shown in the statement of comprehensive income and related notes.

DIRECTORS

The present membership of the board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and has no reason to believe that the business will not be a going concern in the year ahead.

AUDITORS

The auditors, Ernst & Young, have indicated their willingness to continue in office.

CERTIFICATE FROM THE SECRETARY

UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **BIRLA SUN LIFE AMC (MAURITIUS) LIMITED** under Section 166(d) of the Companies Act 2001, for the financial year ended 31 December 2012.

For International Financial Services Limited

Secretary

Registered Office:

IFS Court
TwentyEight, Cybercity
Ebene
Mauritius

Date: March 28, 2013

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED

Independent Auditors' Report

To the Members of Birla Sun Life AMC (Mauritius) Limited

Report on the Financial Statements

We have audited the financial statements of Birla Sun Life AMC (Mauritius) Limited (the "Company") on pages 7 to 23 which comprise the statement of financial position as at 31 December, 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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 auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's

internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Opinion

In our opinion, the financial statements on pages 7 to 23 give a true and fair view of the financial position of the Company as at 31 December, 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Other matter

This report, including the opinion, has been prepared for and only for the Company's member, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacities as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG

ANDRE LAI WAN LOONG, A.C.A

Ebène, Mauritius

Date: March 28, 2013

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED

Dear Sir

Representation letter – Audit for the year ended 31 December 2012

This representation letter is provided in connection with your audit of the financial statements of BIRLA SUN LIFE AMC (MAURITIUS) LIMITED ("the Company") for the year ended 31 December 2012. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of (or 'present fairly, in all material respects,') the financial position of BIRLA SUN LIFE AMC (MAURITIUS) LIMITED as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial statements and financial records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 29 December 2011, for the preparation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001. We acknowledge, as members of management of the Company, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001, and are free of material misstatements, including omissions. The financial statements have been considered and approved at a duly convened meeting of the Board of Directors at which the attention of the Board was drawn to their responsibilities in connection therewith. The undersigned were authorized to sign the financial statements on behalf of the Board and to give the assurance below.
2. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements. Furthermore, each element of the financial statements is properly classified, described and disclosed in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001.
3. As members of management of the Company, we believe that the Company has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001 that are free from material misstatement, whether due to fraud or error.
4. There is no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud
2. We are not aware of any frauds, suspected frauds or allegations of fraud that may have affected the Company (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), whether involving management or employees who have significant roles in internal control. Similarly, we are not aware of frauds affecting the entity involving others where the fraud could have a material effect on the financial statements. We are not aware of any allegations of fraud communicated by employees, former employees, analysts, regulators or others, that could affect the financial statements.

We have no knowledge of any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the

fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company.

C. Compliance with Laws and Regulations

1. We have disclosed to you that we are not aware of any known actual or suspected non compliance with laws and regulations (including money laundering laws and regulations) whose effects should be considered when preparing the financial statements.

D. Information provided and completeness of information and transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - Additional information that you have requested from us for the purpose of the audit and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors held through the year ended 31 December 2012 to the most recent meeting on the following date: 11 February 2013.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Company's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties as at 31 December 2012. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you that the Company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. No other claims in connection with litigation have been or are expected to be received.

F. Subsequent Events

Other than that described in Note 15 to the financial statements, there have been no events subsequent to year end which require adjustment of or disclosure in the financial statements or notes thereto. Should any such events occur before the date of the annual meeting, we will advise you accordingly.

Yours faithfully

Kapildeo Joory
Director

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 December 2012

	Notes	2012 USD	2011 USD
INCOME			
Investment management income	4	857,057	1,656,777
Commission income		—	2,252
Exchange gain		—	13
		<u>857,057</u>	<u>1,659,042</u>
EXPENSES			
Directors' fees		20,000	20,000
Professional fees		17,212	25,506
Salary		8,275	40,728
Bank charges		2,141	2,979
Licence fees		3,875	3,750
Audit fees		14,482	9,689
Other expenses		9,349	4,893
Local office expenses		13,647	14,062
Accounting fees		2,033	1,500
Depreciation	7	466	466
		<u>91,480</u>	<u>123,573</u>
Operating profit		765,577	1,535,469
Finance income	6	—	215
Profit before tax		765,577	1,535,684
Income tax expense	5	(22,975)	(46,074)
Profit for the year		742,602	1,489,610
Total comprehensive income, net of tax		742,602	1,489,610

The notes on pages 396 to 399 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 December 2012

	Notes	2012 USD	2011 USD
ASSETS			
Non current asset			
Office equipment	7	387	853
		<u>387</u>	<u>853</u>
Current assets			
Other receivables	8	80,787	113,240
Cash and cash equivalent		451,736	130,479
		<u>532,523</u>	<u>243,719</u>
TOTAL ASSETS		532,910	244,572
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	45,000	45,000
Retained earnings		475,414	182,812
Total equity		520,414	227,812
Current liabilities			
Other payables		6,910	7,100
Income tax payable	5	5,586	9,660
Total liabilities		12,496	16,760
TOTAL EQUITY AND LIABILITIES		532,910	244,572

Approved by the Board of Directors and authorised for issue on and signed on its behalf by:

Kapildeo Joory
Director

Fareed Soreefan
(Alternate Director to Kishore Sunil Banymandhub)

The notes on pages 396 to 399 form an integral part of these financial statements.

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 December 2012

	Stated capital	Retained earnings	Total
	USD	USD	USD
At 1 January 2011	45,000	643,202	688,202
Profit for the year/total comprehensive income	—	1,489,610	1,489,610
Dividends (note 10)	—	(1,950,000)	(1,950,000)
At 31 December 2011	45,000	182,812	227,812
Profit for the year/total comprehensive income	—	742,602	742,602
Dividends (note 10)	—	(450,000)	(450,000)
At 31 December 2012	45,000	475,414	520,414

The notes on pages 396 to 399 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 December 2012

	Notes	2012	2011
		USD	USD
Operating activities			
Profit before tax		765,577	1,535,684
<i>Non-cash adjustment to reconcile profit before tax to net cash flows:</i>			
Finance income	6	—	(215)
Depreciation	7	466	466
		766,043	1,535,935
<i>Working capital adjustments:</i>			
Decrease in other receivables		32,453	400,886
(Decrease)/increase in other payables		(190)	1,918
		798,306	1,938,739
Interest received	6	—	215
Income tax paid	5	(27,049)	(50,771)
Net cash flows from operating activities		771,257	1,888,183
Financing activities			
Dividend paid	10	(450,000)	(1,950,000)
Loan advanced	13	—	(150,000)
Loan repaid	13	—	150,000
Net cash flows used in financing activities		(450,000)	(1,950,000)
Net increase / (decrease) in cash and cash equivalent		321,257	(61,817)
Cash and cash equivalents at 1 January		130,479	192,296
Cash and cash equivalents at 31 December		451,736	130,479

The notes on pages 396 to 399 form an integral part of these financial statements.

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED

Notes to the Financial Statements FOR THE YEAR ENDED 31 December 2012

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was incorporated in Mauritius on 20 May 1996 as a private company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The Company's registered office is at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The principal activity of the Company is to act as investment manager to India Advantage Fund Limited (the "Fund"), a related entity.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Statement compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

The financial statements are prepared under the historical cost convention. The preparation of financial statements in accordance with IFRS requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. One of the specific recognition criteria that must also be met before revenue is recognised:

(i) Interest income

Interest income is accounted for on a time proportion basis.

(ii) Investment management income

Investment management income is recognised in accordance with the terms of the relevant agreement in place and is disclosed under Note 4.

(iii) Commission income

Commission income is recognised on an accrual basis.

(d) Foreign currencies

Functional and presentation currency

The financial statements are presented in United States Dollars ("USD") which is also the currency of the primary economic environment in which the Company operates (functional currency).

Functional and presentation currency (Continued)

The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

(e) Office equipment

Office equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated to write off the cost of the assets on a straight line basis over the expected useful lives of such assets. Additions during the year bear a due proportion of the annual depreciation charge. The annual depreciation rate used for the purpose of calculating depreciation is 33.33%.

Gains and losses on disposal of plant and equipment are determined by reference to their written down value and are included in determining operating profit.

(f) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-

for-sale financial assets. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Other receivables

Other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired;

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(ii) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include other payables.

Subsequent measurement

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

Other payables

Other payables are stated at their nominal value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

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(i) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(j) Provisions

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

2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2012:

- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets
- IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters IFRS 7 Financial Instruments: Disclosures (Amendments)
- IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after 1 January 2012 and has no effect on the Company's financial position, performance or its disclosures.

IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters

The IASB provided guidance on how an entity should resume presenting IFRS financial statements when its functional currency ceases to be subject to hyperinflation. The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment has no impact to the Company.

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Company does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements. This standard is not applicable to the Company.

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings) would be presented separately from items that will never be reclassified (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets). The amendment affects presentation only and has no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013. This standard is not applicable to the Company.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard becomes effective for annual periods beginning on or after 1 January 2013. This standard is not applicable to the Company.

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems

(such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Company's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

IFRS 1 Government Loans – Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013. This standard is not applicable to the Company.

IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Company's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. This amendment has no impact on the Company.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation—Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of the Company.

This standard becomes effective for annual periods beginning on or after 1 January 2013. This standard is not applicable to the Company.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities—Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after 1 January 2013. This standard is not applicable to the Company.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013. This standard is not applicable to the Company.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard is not applicable to the Company.

IFRS 20 Stripping Costs in the Production Phase of a Surface Mine

This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual periods beginning on or after 1 January 2013. The new interpretation is not applicable to the Company.

Annual Improvements May 2012

These improvements will not have an impact on the Company, but include:

IFRS 1 First-time Adoption of International Financial Reporting Standards

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

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IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after 1 January 2013.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements

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

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

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

No significant accounting estimates and assumptions were used in the preparation of the financial statements.

4. INVESTMENT MANAGEMENT AND COMMISSION INCOME

Management income

The Company has entered into an Investment Management Agreement with India Advantage Fund Limited (the "Fund"), a related party. Under the Investment Management Agreement, the Company is entitled to a fee, accruing at the annual rate of 0.25% of the net proceeds of the initial placing to 30 September 1996 and subsequently at the annual rate of 0.25% of the net asset value of the Fund on the last Business day in each calendar month until 31 July 2005.

The annual rate was afterwards revised as follows:

- 1.25% of the daily NAV of the Fund with effect from 1 August 2005.
- 0.75% of the daily NAV of the Fund with effect from 1 February 2012.

The agreement shall be effective until terminated by either party giving at least ninety days' notice in writing on the Valuation Day falling in March, June, September or December in any year on or after December 1999. The Fund will indemnify the Company against any claim as specified in clause 17.3 of the Investment Management Agreement and to the extent that such claim is not due to breach of duty, negligence, wilful default or liability on the part of the Company.

At 31 December 2012, the Company held 100% of the Class A and B shares in the Fund.

5. TAXATION

The Company being the holder of a Category 1 Global Business Licence is liable to income tax on its chargeable income at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritian tax chargeable on its foreign source income. Capital gains of the Company are exempt from tax in Mauritius.

(a) Reconciliation of the tax charge and accounting profit

	2012 USD	2011 USD
Profit before tax	765,577	1,535,684
Tax calculated at the rate of 15%	114,837	230,353
<i>Tax effect of:</i>		
Allowable expenses	(26)	(52)
Non allowable expenses	70	70
Foreign tax credit	(91,905)	(184,297)
Income tax charge	22,975	46,074

(b) In the statement of financial position

Income tax payable

	2012 USD	2011 USD
At 1 January	9,660	14,357
Paid during the year	(27,049)	(50,771)
Charge for the year	22,975	46,074
At 31 December	5,586	9,660

	2012 USD	2011 USD
6. FINANCE INCOME		
Interest on loan (note 13)	—	21
7. OFFICE EQUIPMENT		
Cost		
At 1 January	1,397	1,397
Additions during the year	—	—
At 31 December	1,397	1,397
Depreciation		
At 1 January	544	78
Depreciation charge for the year	466	466
At 31 December	1,010	544
Net Book Value		
At 31 December	387	853
8. OTHER RECEIVABLES		
Amount due from India Advantage Fund Limited (note 13)	74,225	107,400
Deposit for office rental	1,085	1,085
Prepayments	5,477	4,755
	80,787	113,240

The amount due from India Advantage Fund Limited, is unsecured, interest free and receivable on demand.

9. STATED CAPITAL

Issued share capital

4,500 (2011: 4,500) ordinary shares of USD 10 each	45,000	45,000
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10. DIVIDEND PAID

During the year ended 31 December 2012, the directors paid a dividend of USD450,000 representing USD100 per share (2011: USD433.33 per share).

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), liquidity risk and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

Cash flow interest rate risk

The Company's income and operating cash flows are substantially independent of changes in interest rates. The Company's only significant interest earning financial asset is cash at bank. Interest income from cash and short term deposits may fluctuate in amount, in particular due to changes in market interest rates. In view of the small average balance held in cash and short term deposits, the directors are of the opinion that interest rate changes will not have a material impact on the Company's profit and equity.

(b) Liquidity risk

The Company is not exposed to any significant liquidity risk.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2012 based on contractual undiscounted payments:

	Less than 3 months 2012 USD	Total 2012 USD	Less than 3 months 2011 USD	Total 2011 USD
Other payables	6,910	6,910	7,100	7,100

(c) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's main credit risk concentration is its other receivables and cash and short term deposits.

With respect to credit risk arising from financial assets, which are comprised of other receivables and cash and short term deposits, the Company's exposure to credit risk arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these financial assets.

The maximum exposure to credit risk at the statement of financial position date was:

	Carrying amount 2012 USD	2011 USD
Other receivables	75,310	108,485
Cash and cash equivalents	451,736	130,479
	527,046	238,964

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Other receivables exclude prepayments amounting to USD75,310 (2011: USD108,485)

The financial assets were neither past due nor impaired at statement of financial position date. The cash and short term deposits are maintained with a regulated financial institution.

(d) Currency risk

All of the Company's financial assets and liabilities are denominated in USD and therefore it is not exposed to currency risk.

(e) Fair values of financial instruments

Except where otherwise stated the carrying amounts of financial assets and liabilities approximate their fair value.

12. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance.

13. RELATED PARTY TRANSACTIONS

During the year, the Company transacted with related entities. Details of the nature, volume of transactions and the balances with the entities are as follows:

	2012 USD	2011 USD
(i) Amount due from India Advantage Fund Limited (the Fund)		
At 1 January	107,400	507,576
Investment management fees	857,057	1,656,777
Commission income	—	2,252
Amount received	(890,232)	(2,059,205)
Other receivables	—	—
At 31 December (note 8)	<u>74,225</u>	<u>107,400</u>

(ii) One director of the Company, Mr Kapildeo Joory is also a director of International Financial Services Limited and hence deemed to have beneficial interest in the administrative agreement between the Company and the administrator.

	2012 USD	2011 USD
Transactions with International Financial Services Limited (Administrator)		
At 1 January	1,000	1,000
Administrative and secretarial fees for the year	13,500	13,500
Amount paid during the period	<u>(13,500)</u>	<u>(13,500)</u>
At 31 December	<u>1,000</u>	<u>1,000</u>

Transactions with Aditya Birla Sun Life Assets Management Company Pte Ltd (Borrower)

Balance at 1 January	—	—
Loan advanced during the year	—	150,000
Interest on loan (note 6)	—	215
Amount paid during the period	<u>—</u>	<u>(150,215)</u>
Balance at 31 December	<u>—</u>	<u>—</u>

The Company granted a loan to Aditya Birla Sun Life Assets Management Company Pte Ltd. The rate is 0.95% per annum and has been settled in full on 25 March 2011.

14. HOLDING AND ULTIMATE HOLDING COMPANIES

The directors consider Birla Sun Life Asset Management Company Limited, a company incorporated in India, as the immediate holding company. The Company is ultimately owned jointly by the Aditya V. Birla Group and Sun Life (India) AMC Investments Inc. incorporated in Singapore and India respectively.

15. EVENTS AFTER THE REPORTING DATE

The Company had declared a dividend of USD450,000 on 11 February 2013.

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED DIFC, DUBAI

Independent auditors' report

To the shareholder of Aditya Birla Sun Life Asset Management Company Limited, Dubai

Report on the financial statements

We have audited the accompanying financial statements of Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai ("the Company") which comprise the statement of financial position as at March 31, 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' 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 auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the aforementioned financial statements present true and fair view, in all material respects, the financial position of Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai as at March 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 2 to the financial statements which describes the uncertainty related to continuance of the Company. The continuance of the Company's operations is dependant on the introduction of sufficient funds by the shareholders and its future profitability. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

We have obtained all the information and explanations, which were necessary for the purposes of our audit and no violation of Companies Law, Law No. 2 of 2009 issued by the Dubai International Financial Centre (DIFC) came to our attention which would materially affect the Company's financial position.

The regulatory returns specified by the applicable Rules in PIB have been properly prepared by the Company and provide a true and fair representation of the financial position of the Company, as at March 31, 2013. The Company is subject to an expenditure based requirement which has been calculated in accordance with the Rules. The regulatory returns to the DFSA have been properly reconciled with the appropriate audited accounts. The financial resources of the Company as at March 31, 2013 have been properly calculated in accordance with the Rules and are sufficient to meet the minimum financial resources requirement. The Company has kept proper accounting records and regulatory returns, in compliance with Chapter 8.3 of the DFSA Rulebook.

BDO Chartered Accountants & Advisors

Dubai

April 24, 2013

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED DIFC, DUBAI

STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2013

	Note	USD	2012 USD
Non current assets			
Property, plant and equipment	6	57,818	81,367
Current assets			
Other receivables	7	49,255	56,793
Due from related parties	8	155,340	34,265
Bank balances	9	1,166,287	1,285,826
Total current assets		1,370,882	1,376,884
Current liabilities			
Accruals and other payables	10	101,870	80,701
Due to related parties	8	177,662	172,366
Total current liabilities		279,532	253,067
Net current assets		1,091,350	1,123,817
Non current liabilities			
Provision for employees' end of service gratuities		30,766	13,989
Net assets		1,118,402	1,191,195
Equity			
Share capital	11	3,125,000	2,500,000
Accumulated deficit		(2,006,598)	(1,308,805)
Total equity		1,118,402	1,191,195

The financial statements have been approved by the Board of Directors on April 24, 2013. These financial statements are signed on it's behalf by:

The notes on pages 7 to 15 from part of these financial statements

A. Dhananjaya
Director
Date : April 24, 2013

Ram Goyal
Senior Executive Officer

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2013

	Note	USD	2012 USD
Revenue			
Other income		370,962	34,265
		9,123	14,307
		380,085	48,572
Administration, selling and general expenses	12	(1,077,878)	(1,021,913)
Total comprehensive income for the year		(697,793)	(973,341)

The notes on pages 7 to 15 from part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2013

	Share capital USD	Accumulated deficit USD	Total equity USD
Balance at April 01, 2011	1,500,000	(335,464)	1,164,536
Additional capital introduced	1,000,000	-	1,000,000
Total comprehensive income for the year	-	(973,341)	(973,341)
Balance at March 31, 2012	2,500,000	(1,308,805)	1,191,195
Additional capital introduced	625,000	-	625,000
Total comprehensive income for the year	-	(697,793)	(697,793)
Balance at March 31, 2013	3,125,000	(2,006,598)	1,118,402

The notes on pages 403 to 405 from part of these financial statements

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED DIFC, DUBAI

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2013

	Note	2012 USD	USD
Cash flows from operating activities			
Net loss for the year		(697,793)	(973,341)
Adjustments for:			
Depreciation	6	24,697	23,494
Loss on disposal of property, plant and equipment		119	-
Provision for employees' end of service gratuities		16,777	12,534
Operating loss before working capital changes		<u>(656,200)</u>	<u>(937,313)</u>
Decrease/(increase) in receivables	7	7,538	(33,335)
(Increase)/decrease in due from related parties	8	(121,075)	5,929
Increase in accruals and other payables	10	21,169	67,088
Increase/(decrease) in due to related parties	8	5,296	(68,547)
Cash used in operations		<u>(743,272)</u>	<u>(966,178)</u>
<i>Net cash used in operating activities</i>		<u>(743,272)</u>	<u>(966,178)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,267)	(9,098)
<i>Net cash used in investing activities</i>		<u>(1,267)</u>	<u>(9,098)</u>
Cash flows from financing activities			
Additional capital introduced		625,000	1,000,000
<i>Net cash from financing activities</i>		<u>625,000</u>	<u>1,000,000</u>
Net (decrease)/increase in cash and cash equivalents		(119,539)	24,724
Cash and cash equivalents at beginning of the year		1,285,826	1,261,102
Cash and cash equivalents at end of the year	9	<u>1,166,287</u>	<u>1,285,826</u>

The notes on pages 403 to 405 from part of these financial statements

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED DIFC, DUBAI

Notes to the financial statements for the year ended March 31, 2013

1 Status and activity

Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai ("the Company") is registered with limited liability under the Companies Law No. 2 of 2009 issued by the Dubai International Financial Centre (DIFC). The principal place of business of the Company is located at Al Fattan Currency House, Tower 1, DIFC, Dubai - U.A.E.

The principal activities of the Company include arranging credit & deals in investment, advising on financial procedures.

The Company is the subsidiary of Birla Sun Life Asset Management Company Limited ("the Ultimate Parent Company"), a company registered in India.

The financial statements for the year ended March 31, 2013 were authorised for issue by the Board of Directors on April 24, 2013.

These financial statements are presented in US Dollars (USD).

2 Going concern considerations

These financial statements are prepared on a going concern assumption, which assumes that the Company will continue to operate as a going concern for the foreseeable future. During the year, the Company had incurred a net loss of USD 697,793 (2012: USD 973,341). The continuance of the Company's operations is dependent on the introduction of sufficient funds by the shareholders and its future profitability. The shareholders of the Company have resolved that they will continue to support financially the future operations of the Company.

3 Application of new and revised International Financial Reporting Standards (IFRSs)

There are no IFRSs or IFRIC interpretations that are effective for the first time for annual periods beginning on or after 1 April 2012 that would be expected to have a material impact on the Company.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective for annual periods beginning on or after 1 April 2012:

- **IFRS 9 'Financial instruments' (Effective for annual periods beginning on or after 1 January 2013)**

The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no earlier than the accounting period beginning on or after 1 January 2015.

- **IFRS 13 'Fair value measurement' (Effective for annual periods beginning on or after 1 January 2013)**

The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2013.

- **Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income (Effective for annual periods beginning on or after 1 July 2012)**

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are

met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

4 Significant accounting policies

These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The significant accounting policies adopted are as follows:

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is provided consistently on a straight line basis so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:

Office equipment	5 years
Computers & softwares	3 years
Furniture & fixtures	5 years

Impairments

The carrying amounts of the Company's assets are reviewed annually at each date of statement of financial position to determine whether the assets have been impaired during the year. Where an asset has been impaired, the recoverable amount of the asset is determined. Where the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount. The resultant impairment loss is recognised as an expense in the statement of comprehensive income.

Financial assets

All financial assets are recognised and derecognised on trade date and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and available for sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

- Financial assets are classified as fair value through profit or loss when the financial asset is either a held for trading investment or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if, it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.
- Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.
- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

The Company's financial assets consist of loans and receivables. Loans and receivables comprise of due from related parties and other receivables that have fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Employees' end of service gratuities

Provision is made for employees' end of service gratuities on the basis prescribed in the Employment Law Amendment Law, DIFC Law No. 3 of 2012 for the accumulated period of service at the statement of date of statement of financial position.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Company's financial liabilities consist of other payables and due to related parties. The other payables and due to related parties are stated at cost. The subsequent measurement is at amortized cost using the effective interest method, with expense recognised on an effective yield basis.

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED DIFC, DUBAI

Revenue recognition

Revenue from referral fees is recognised when the referral client has transferred the agreed investment amount to the designated fund of the group company. It is calculated as a agreed percentage of the management fees earned by the group company on the referred fund.

Revenue from marketing fees is determined on daily basis which is calculated as a agreed percentage of the net asset value of the India Advantage Fund.

Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Foreign currencies

Transactions in foreign currencies during the year are converted into USD at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies are translated to USD at the rates of exchange ruling at the date of statement of financial position. All gains and losses on exchange are taken to the statement of comprehensive income.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include bank balances.

5 Critical accounting judgemental and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

6 Property, plant and equipment

Movements in property, plant and equipment are given on page 15.

7 Other receivables

	USD	2012 USD
Prepayments	27,482	25,094
Staff advances	-	9,244
Other receivables	21,773	22,455
	<u>49,255</u>	<u>56,793</u>

8 Related party disclosures

Related parties include the ultimate parent company, the shareholders, key management personnel, associates and any businesses which are controlled directly or indirectly by the Company or over which they exercise significant management influence. The balances due to/from such parties, which have been disclosed separately in the financial statements, are unsecured, interest-free and are repayable on demand.

The significant related party transactions during the year are as follows:

	USD	2012 USD
Management remuneration		
- Short term benefits	414,818	390,211
- Long term benefits	8,427	7,642
Other related parties		
- Referral fee income	143,220	34,265
- Marketing fee income	227,742	-
	<u>227,742</u>	<u>-</u>

Related party balances are as under :

	USD	2012 USD
Payables:		
- Key management personnel	177,662	172,366
Receivables:		
- Other related parties	155,340	34,265
	<u>155,340</u>	<u>34,265</u>

The Company has not made any provision for bad or doubtful debts in respect of related party receivables.

9 Bank balances

Current accounts with bank	1,166,287	1,285,826
	<u>1,166,287</u>	<u>1,285,826</u>

10 Accruals and other payables

Accruals	99,645	78,335
Other payables	2,225	2,366
	<u>101,870</u>	<u>80,701</u>

The Company has financial risk management policies in place to ensure that payables are paid within the credit time frame.

11 Share capital

Authorised capital:

5,000,000 shares of USD 1 each (2012: 2,500,000 shares of USD 1 each)	5,000,000	2,500,000
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Issued and paid up capital:

3,125,000 shares of USD 1 each (2012: 2,500,000 shares of USD 1 each)	3,125,000	2,500,000
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12 Administration, selling and general expenses

Salaries and other benefits	721,963	638,422
Director's remuneration	15,000	15,000
Rent and license fees	88,407	79,658
Communication	34,639	31,630
Travelling, conveyance and vehicle expenses	39,615	27,298
Entertainment and business promotion	64,242	60,340
Legal and professional fees	64,264	121,855
Depreciation	24,697	23,494
Other	25,051	24,216
	<u>1,077,878</u>	<u>1,021,913</u>

13 Financial instruments - risk management

Capital risk management

The capital is managed by the Company in a way that it is able to continue as a going concern while maximising returns to shareholders.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders, comprising of issued capital and accumulated deficit.

As a risk management policy, the Company reviews its cost of capital and risks associated with capital. The Company balances its capital structure based on the above review.

Market risk management

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk).

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. The Company is mainly exposed to UAE Dirham (AED). But, as US Dollar is pegged to the UAE Dirham (AED), the Company is not exposed to any significant exchange rate fluctuations.

Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED DIFC, DUBAI

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, other receivables and amounts due from related parties. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables and related parties are subjected to credit evaluations.

As at date of statement of financial position, the Company's exposure to credit risk from amount due from related parties situated outside the UAE is as follows:

	USD	2012 USD
Mauritius	67,238	-
Singapore	88,102	34,265

Financial instruments by category

The carrying amounts for each class of financial instrument are listed below:

Financial assets

Loans and receivables		
- Other receivables	21,774	31,699
- Due from related parties	155,340	34,265
- Bank balances	1,166,287	1,285,826

Financial liabilities

- Accruals and other payables	101,870	80,701
- Due to related parties	177,662	172,366

14. Operating leases

The future minimum lease payments under non-cancelable operating leases are payable as below:

Not later than one year	31,745	58,607
Later than one year and not later than five years	-	31,745
	31,745	90,352

During the year an amount of AED 58,607 (2011: AED 69,595) was recognised as an expense in the statement of comprehensive income in respect of the operating lease.

15 Comparative figures

Previous year's figures which were not material have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.

Schedule of property, plant and equipment

	Office equipment & softwares USD	Computers & softwares USD	Furniture & fixtures USD	Total USD
Cost				
At April 1, 2011	13,414	10,000	76,645	100,059
Additions	1,708	7,390	-	9,098
At March 31, 2012	15,122	17,390	76,645	109,157
Additions	1,267	-	-	1,267
Disposals	(168)	-	-	(168)
At March 31, 2013	16,221	17,390	76,645	110,256
Depreciation				
At April 1, 2011	908	833	2,555	4,296
Charge for the year	2,626	5,539	15,329	23,494
At March 31, 2012	3,534	6,372	17,884	27,790
Charge for the year	3,603	5,765	15,329	24,697
On disposals	(49)	-	-	(49)
At March 31, 2013	7,088	12,137	33,213	52,438
Net Book Value				
At March 31, 2013	9,133	5,253	43,432	57,818
At March 31, 2012	11,588	11,018	58,761	81,367

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LIMITED

Report of the Directors

The Directors of the Company present their report to the member together with the audited financial statements of the Company for the financial year ended 31 March 2013.

1. Directors

The Directors in office at the date of this report are:

Anantha Subrahmanya Dhananjaya
Asher Mukulchandra Govindji
Mark Christopher Rogers
Balasubramanian Athmanathan
Vikas Gautam (Appointed on 1 April 2013)

2. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3. Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act").

4. Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which is required to be disclosed by Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain Directors received remuneration from related corporations in their capacity as directors and executives of those related corporations.

5. Share options

There were no share options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option as at the end of the financial year.

6. Auditors

The auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Vikas Gautam
Director

Anantha Subrahmanya Dhananjaya
Director

10 June 2013

Statement of Directors

In the opinion of the Board of Directors

- (a) the accompanying financial statements together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Vikas Gautam
Director

Anantha Subrahmanya Dhananjaya
Director

10 June 2013

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LIMITED

Independent Auditor's Report to the Member of Aditya Birla Sun Life Asset Management Company Pte. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Sun Life Asset Management Company Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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 judgement, 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 control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

BDO LLP

Public Accountants and
Certified Public Accountants

Singapore
10 June 2013

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 \$	2012 \$
Revenue	4	987,741	275,487
<i>Other items of expense</i>			
Employee benefits expense	5	(1,559,836)	(1,083,417)
Depreciation of plant and equipment		(81,396)	(77,234)
Allowance of impairment loss on plant and equipment		(105,305)	—
Operating lease expenses – office premises		(183,352)	(150,201)
Legal and professional fees		(704,460)	(1,085,324)
Travelling expenses		(61,065)	(84,587)
Other expenses		(743,020)	(274,902)
Loss before income tax	6	(2,450,693)	(2,480,178)
Income tax	7	—	—
Loss for the financial year, representing total comprehensive income for the financial year		<u>(2,450,693)</u>	<u>(2,480,178)</u>

The accompanying notes form an integrate part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	2013 \$	2012 \$
ASSETS			
Non-current asset			
Plant and equipment	8	—	186,701
Current assets			
Trade and other receivables	9	778,367	381,654
Cash and bank balances	10	591,112	945,965
Total current assets		<u>1,369,479</u>	<u>1,327,619</u>
Total assets		<u>1,369,479</u>	<u>1,514,320</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	6,750,000	4,600,000
Accumulated losses		(6,258,280)	(3,807,587)
Total equity		<u>491,720</u>	<u>792,413</u>
Current liabilities			
Trade and other payables	12	397,716	446,679
Provisions	13	480,043	275,228
Total current liabilities		<u>877,759</u>	<u>721,907</u>
Total equity and liabilities		<u>1,369,479</u>	<u>1,514,320</u>

The accompanying notes form an integrate part of these financial statements.

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Share capital \$	Accumulated losses \$	Total \$
Balance as at 1.4.2012	4,600,000	(3,807,587)	792,413
Loss for the financial year, representing total comprehensive income for the financial year	—	(2,450,693)	(2,450,693)
<i>Contribution by owner of the Company</i>			
Issuance of shares (Note 11)	2,150,000	—	2,150,000
Balance as at 31.3.2013	<u>6,750,000</u>	<u>(6,258,280)</u>	<u>491,720</u>
Balance as at 1.4.2011	2,250,000	(1,327,409)	922,591
Loss for the financial year, representing total comprehensive income for the financial year	—	(2,480,178)	(2,480,178)
<i>Contribution by owner of the Company</i>			
Issuance of shares (Note 11)	2,350,000	—	2,350,000
Balance as at 31.3.2012	<u>4,600,000</u>	<u>(3,807,587)</u>	<u>792,413</u>

The accompanying notes form an integrate part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

	2013 \$	2012 \$
Cash flows from operating activities		
Loss before income tax	(2,450,693)	(2,480,178)
Adjustments for:		
Allowance of impairment loss on plant and equipment	105,305	—
Depreciation of plant and equipment	81,396	77,234
Provision for a Director's fee	—	3,628
Provision for bonus	365,257	89,256
Operating cash flows before working capital changes	(1,898,735)	(2,310,060)
Working capital changes:		
Trade and other receivables	(396,713)	(315,390)
Trade and other payables	(48,963)	362,249
Provisions	(160,442)	(170,327)
Net cash used in operating activities	<u>(2,504,853)</u>	<u>(2,433,528)</u>
Cash flow from investing activity		
Purchase of plant and equipment, representing net cash used in investing activity	—	(41,595)
Cash flow from financing activity		
Proceeds from issuance of ordinary shares, representing net cash from financing activity	2,150,000	2,350,000
Net change in cash and bank balances	(354,853)	(125,123)
Cash and bank balances at the beginning of the financial year	945,965	1,071,088
Cash and bank balances at the end of the financial year	<u>591,112</u>	<u>945,965</u>

The accompanying notes form an integrate part of these financial statements.

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

1. General corporate information

Aditya Birla Sun Life Asset Management Company Pte. Ltd. (the "Company") is a private company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office at One Marina Boulevard #28-00, Singapore 018989 and principal place of business at 65 Chulia Street, #42-08 OCBC Centre, Singapore 049513. The Company's registration number is 201001946G.

The Company's immediate and ultimate holding company is Birla Sun Life Asset Management Company Limited, a company incorporated in the Republic of India. Related corporations in the financial statements refer to companies within Birla Sun Life Asset Management Company Limited group.

The principal activities of the Company are that of fund management and investment advisory.

The financial statements of the Company for the financial year ended 31 March 2013 were authorised for issue in accordance with a Directors' resolution dated 10 June 2013.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are measured and presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in the Singapore dollar ("S\$"), which is the functional currency of the Company and the presentation currency for the financial statements.

During the financial year, the Company adopted the new or revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. Changes to the Company's accounting policies have been made as required in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The adoption of the new or revised FRS and INT FRS did not result in any substantial changes to the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years.

FRS and INT FRS issued but not yet effective

Certain new standards, amendments and interpretations to existing standards have been published and are relevant for the Company's accounting periods beginning on or after 1 March 2013 or later periods and which the Company has not early adopted.

The management anticipates that the adoption of the new or revised accounting standards and interpretations in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption except as disclosed below.

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The amendments to FRS 1 changes the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the amendments only affect the presentation of items that are already recognised in other comprehensive income, the Company does not expect any impact on their financial position or performance upon adoption of this standard in the financial year beginning 1 April 2013.

FRS 113 Fair Value Measurement

FRS 113 is a new standard that applies to both financial and non-financial items providing guidance on how to measure fair value in situations where fair value measurement is required by other FRSs. It provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, as well as disclosure requirements. FRS 113 will be effective prospectively from the financial year beginning on 1 April 2013.

The Company does not expect that the adoption of FRS 113 will have any impact on the financial position or financial performance of the Company, however there may be changes to disclosures in the financial statements.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the Company's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3.

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

Income from provision of advisory services is recognised as revenue as the services are provided.

Income from management of investments is recognised as revenue as the services are provided.

2.3 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.4 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the financial year.

2.5 Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.6 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other financial periods and it further excludes items that are not taxable or tax deductible. The liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

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The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

2.7 Foreign currency transactions and translations

In preparing the financial statements, transactions in currencies other than the Company's functional currency ("foreign currencies") are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

2.8 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the plant and equipment when it is probable that the future economic benefits, in excess of the standard of performance of the plant and equipment before the expenditure was made, will flow to the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is charged so as to write off the depreciable amount of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	5 years
Computers	3 years
Furniture and fittings	5 years
Leasehold improvements	4 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.9 Impairment of tangible assets

At the end of each financial year, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its 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 the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments.

Financial assets

Financial assets are initially measured at fair value, plus transactions costs.

The Company classifies its financial assets as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

Non-derivative financial assets that have fixed or determinable payments that are not quoted in active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables in the statement of financial position comprise trade and other receivables (excluding prepayments) and cash and bank balances.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the financial assets have been impacted.

The amount of the impairment is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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The carrying amounts of all financial assets are reduced by the impairment losses directly with the exception of trade and other receivables where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Company classifies its financial liabilities as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Impairment of financial assets

The Company follows the guidance of FRS 39 in determining when a financial asset is impaired. This determination requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(ii) Determination of functional currency

In determining the functional currency of the Company, judgement is required to determine the currency that mainly influences sales prices for services and of the country whose competitive forces and regulations mainly determines the sales prices of its services. The functional currency of the Company is determined based on management's assessment of the economic environment in which the Company operates and the Company's process of determining sales prices.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses within the next financial year, are discussed below.

(i) Depreciation of plant and equipment

The Company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the Company intends to derive future economic benefits from the use of the plant and equipment. The residual values reflect management's estimated amount that the Company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics and useful lives which could then consequently impact future depreciation charges. The carrying amount of the plant and equipment as at 31 March 2013 was Nil (2012: \$186,701).

(ii) Allowance for impairment of receivables

The management establishes allowance for impairment of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amount of trade and other receivables (excluding prepayments) as at 31 March 2013 was \$700,193 (2012: \$327,495).

(iii) Provision for income taxes

The Company has exposure to income taxes of which a portion of this tax arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of current income tax payable and deferred tax liabilities as at 31 March 2013 were Nil (2012: Nil). The Company has unrecognised deferred tax assets as at 31 March 2013 of \$902,880 (2012: \$561,312).

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(iv) Provisions

The Company recognises provisions when it has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. The carrying amount of provisions as at 31 March 2013 was \$480,043 (2012: \$275,228).

4. Revenue		
	2013	2012
	\$	\$
Management fee income	937,626	256,887
Advisory fee income	43,870	18,600
Other service income	6,245	—
	<u>987,741</u>	<u>275,487</u>

5. Employee benefits expense		
	2013	2012
	\$	\$
Salaries, bonus and allowances	1,406,407	927,134
Contributions to defined contribution plans	21,345	13,199
Other benefits*	132,084	143,084
	<u>1,559,836</u>	<u>1,083,417</u>

The above includes key management personnel remuneration as disclosed in Note 15 to the financial statements.

*This includes operating lease expense on staff accommodation amounting to \$108,000 (2012: \$112,725) for a Director.

6. Loss before income tax		
The above is arrived at after charging:		
	2013	2012
	\$	\$
Other expenses		
Database research expenses	104,821	69,490
Entertainment expenses	13,310	11,825
Foreign exchange loss	8,439	9,836
Fund expenses	452,255	—
Insurance expenses	29,160	21,712
MAS registration and license expenses	4,278	15,917
Membership and subscription expenses	13,087	18,862
Recruitment expenses	—	26,750
Telecommunication expenses	29,293	23,789

7. Income tax		
There is no income tax expense for the financial year as the Company has no chargeable income for the financial year.		
The income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2011: 17%) to loss before income tax as a result of the following differences:		
	2013	2012
	\$	\$
Loss before income tax	(2,450,693)	(2,480,178)
Income tax at statutory tax rate of 17% (2012: 17%)	(416,618)	(421,630)
Tax effect of expenses not deductible for tax purposes	75,050	167,266
Deferred tax assets not recognised in profit or loss	341,568	271,637
Others	—	(17,273)
	<u>—</u>	<u>—</u>

Unrecognised deferred tax assets

Movement in unrecognised deferred tax assets during the financial year is as follows:

	Plant and equipment	Unutilised tax losses	Others	Total
	\$	\$	\$	\$
Balance as at 1.4.2012	45,564	515,748	—	561,312
Amount not recognised during the financial year	31,739	301,634	8,195	341,568
Balance as at 31.3.2013	77,303	817,382	8,195	902,880
Balance as at 1.4.2011	14,463	275,212	—	289,675
Amount not recognised during the financial year	31,101	240,536	—	271,637
Balance as at 31.3.2012	45,564	515,748	—	561,312

As at the end of the financial year, the Company has unutilised tax losses of \$4,808,000 (2012: \$3,033,000) available for offset against future taxable profits subject to agreement with the local tax authorities. No deferred tax asset has been recognised due to the unpredictability of profit streams. The realisation of deferred tax benefit arising from the above is available for unlimited period subject to there being no substantial changes in shareholders as required in the provisions of the Income Tax Act.

8. Plant and equipment

	Office equipment	Computers	Furniture and fittings	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Cost					
Balance as at 1.4.2012 and 31.3.2013	13,839	78,354	5,309	205,778	303,280
Accumulated depreciation					
Balance as at 1.4.2012	2,636	31,667	1,593	80,683	116,579
Depreciation for the financial year	2,768	26,122	1,062	51,444	81,396
Balance as at 31.3.2013	5,404	57,789	2,655	132,127	197,975
Allowance for impairment loss					
Balance as at 1.4.2012	—	—	—	—	—
Allowance during the financial year	8,435	20,565	2,654	73,651	105,305
Balance as at 31.3.2013	8,435	20,565	2,654	73,651	105,305
Carrying amount					
Balance as at 31.3.2013	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cost					
Balance as at 1.4.2011	4,167	48,802	5,309	203,407	261,685
Additions	9,672	29,552	—	2,371	41,595
Balance as at 31.3.2012	13,839	78,354	5,309	205,778	303,280
Accumulated depreciation					
Balance as at 1.4.2011	555	8,921	531	29,338	39,345
Depreciation for the financial year	2,081	22,746	1,062	51,345	77,234
Balance as at 31.3.2012	2,636	31,667	1,593	80,683	116,579
Carrying amount					
Balance as at 31.3.2012	<u>11,203</u>	<u>46,687</u>	<u>3,716</u>	<u>125,095</u>	<u>186,701</u>

9. Trade and other receivables

	2013	2012
	\$	\$
Trade receivables – third parties	549,464	270,305
Other receivables		
– third parties	—	535
– a related corporation	20,010	—
Deposits	68,687	56,655
Advances	62,032	—
Prepayments	78,174	54,159
Trade and other receivables	<u>778,367</u>	<u>381,654</u>
Add: Cash and bank balances	591,112	945,965
Less: Prepayments	(78,174)	(54,159)
Total loans and receivables	<u>1,291,305</u>	<u>1,273,460</u>

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Trade receivable from third parties have normal credit terms of 30 to 90 days (2012: 30 days).

Other receivables from third parties are repayable on demand. Other receivable from a related corporation is unsecured, non-interest bearing and repayable on demand.

Deposits comprise mainly rental deposits for office premise and accommodation for a former Director of the Company.

Advances are provided to a fund managed by the Company for a bid made by the fund.

9. Trade and other receivables (Continued)

Trade and other receivables are denominated in the following currencies:

	2013	2012
	\$	\$
Singapore dollar	555,444	124,483
United States dollar	222,923	257,171
	<u>778,367</u>	<u>381,654</u>

10. Cash and bank balances

Cash and bank balances are denominated in the following currencies:

	2013	2012
	\$	\$
Singapore dollar	590,010	944,895
Others	1,102	1,070
	<u>591,112</u>	<u>945,965</u>

11. Share capital

	2013		2012	
	Number of ordinary shares	\$	Number of ordinary shares	\$
Issued and paid up:				
Balance as at the beginning of the financial year	4,600,000	4,600,000	2,250,000	2,250,000
Issued during the financial year	2,150,000	2,150,000	2,350,000	2,350,000
Balance as at the end of the financial year	<u>6,750,000</u>	<u>6,750,000</u>	<u>4,600,000</u>	<u>4,600,000</u>

The Company has one class of ordinary shares which carries no right to fixed income. The holder of ordinary shares is entitled to receive dividends as declared from time to time by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

On 5 October 2011, 11 October 2011 and 3 February 2012, the Company issued 1,115,000, 1,200,000 and 35,000 ordinary shares to its ultimate holding company for cash at an aggregate consideration of \$1,115,000, \$1,200,000 and \$35,000 respectively, totaling \$2,350,000 for working capital purposes.

On 29 June 2012, 17 September 2012 and 31 January 2013, the Company issued 400,000, 1,000,000 and 750,000 ordinary shares to its ultimate holding company for cash at an aggregate consideration of \$400,000, \$1,000,000 and \$750,000 respectively, totaling \$2,150,000 for working capital purposes.

12. Trade and other payables

	2013	2012
	\$	\$
Trade payables		
- ultimate holding company	125,621	69,557
- a related corporation	108,806	43,271
	234,427	112,828
Other payables		
- third parties	63,325	198,126
- a Director	9,230	9,514
	72,555	207,640
Accrued operating expenses	90,734	126,211
Trade and other payables, representing other financial liabilities at amortised cost	<u>397,716</u>	<u>446,679</u>

The amounts due to the ultimate holding company, a related corporation and a Director are unsecured, non-interest bearing and repayable on demand.

Other payable to third parties have credit terms of 90 days (2012: 90 days).

Trade and other payables are denominated in the following currencies:

	2013	2012
	\$	\$
Singapore dollar	333,045	393,894
United States dollar	64,671	52,785
	<u>397,716</u>	<u>446,679</u>

13. Provisions

	Provision for bonus	Provision for Restoration costs	Total
	\$	\$	\$
Balance as at 1.4.2012	240,747	34,481	275,228
Provision made during the financial year	445,560	—	445,560
Provision utilised during the financial year	(160,442)	—	(160,442)
Provision written back during the financial year	(80,303)	—	(80,303)
Balance as at 31.3.2013	<u>445,562</u>	<u>34,481</u>	<u>480,043</u>

13. Provisions (Continued)

	Provision for bonus	Provision for a Director's fee	Provision for Restoration costs	Total
	\$	\$	\$	\$
Balance as at 1.4.2011	299,218	18,972	34,481	352,671
Provision made during the financial period	245,856	3,628	—	249,484
Provision utilised during the financial year	(147,727)	(22,600)	—	(170,327)
Provision written back during the financial year	(156,600)	—	—	(156,600)
Balance as at 31.3.2012	240,747	—	34,481	275,228

The provision for bonus represents the management's best estimate of the bonus to be paid to the employees based on the Company's and individual's performance during the current financial year.

The provision for a Director's fee is the estimated fees to be paid to a Director for his services rendered during the current financial year.

The provision for restoration costs are the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of plant and equipment.

14. Operating lease commitments

As at the end of the financial year, commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and staff accommodation are as follows:

	2013	2012
	\$	\$
Not later than one year	302,028	67,175
Later than one year but not later than five years	89,845	—
	<u>391,873</u>	<u>67,175</u>

Operating lease payments represent rental payable for the Company's office premises and accommodation provided to a former Director. The lease agreement on the accommodation provided to a former Director was reassigned to the former Director on 20 May 2013. The lease terms are negotiated for an average term of 2 years, and rentals are not subject to an escalation clause. The lease terms do not provide for any contingent rentals or restrictions on the Company's activities concerning dividends, additional debt or further leasing.

15. Significant related party transactions

A related party is defined as follows:

- A person or a close member of that person's family is related to the Company if that person:
 - Has control or joint control over the Company;
 - Has significant influence over the Company; or
 - Is a member of the key management personnel of the Company or of a parent of the Company.

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(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Company entered into the following transactions with related parties:

	2013	2012
	\$	\$

With a related corporation

Payments made on behalf of a related corporation	20,010	—
Referral fee charged by a related corporation	177,560	43,271

With ultimate holding company

Advisory fee paid to ultimate holding company	234,999	69,557
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Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company's key management personnel are mainly the Directors of the Company.

	2013	2012
	\$	\$
Director's fee	18,630	22,413
Short-term employment benefits	463,553	500,485
	<u>482,183</u>	<u>522,898</u>

16. Financial instruments and financial risks

The Company's activities expose it to credit risk, market risk (foreign currency risk) and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management then establishes the detailed policies such as risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

16.1 Credit risks

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company's major classes of financial assets are trade and other receivables (excluding prepayments) and cash and bank balances.

Cash and bank balances comprise mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

As at the end of the financial year, the Company's credit risk is concentrated on one customer whose receivable represented 82% (2012: 95%) of trade receivables. Trade receivables that are neither

past due nor impaired are substantially companies with good collection track record with the Company.

The age analysis of trade receivables from third parties that are past due but not impaired is as follows:

	2013	2012
	\$	\$
Past due for 1 to 90 days	231,334	50,477

The Company's management is of the opinion that these trade receivables that are past due but not impaired are substantially companies with good collection track record with the Company. As such, no allowance for impairment is required.

16.2 Market risks

Except for foreign currency risks arising from the operations of the Company, the Company's activities are not significantly exposed to market risks including equity price risk and interest rate risk, as it does not hold any quoted equity investments and does not have any financial instruments with interest rates.

Foreign currency risks

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the Company. The currency that gives rise to this risk is primarily United States dollar. These risks are managed by natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount.

The carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency at the end of the financial year are disclosed in the respective notes to the financial statements. The Company has not entered into any currency forward exchange contracts during the current financial year.

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% change in United States dollar against Singapore dollar. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of the financial year, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in United States dollar are included in the analysis.

	Increase/(decrease) profit or loss	
	2013	2012
	\$	\$
<u>United States dollar</u>		
Strengthens 10%	15,825	20,438
Weakens 10%	(15,825)	(20,438)

The potential impact of foreign exchange rate fluctuation in profit or loss as described in the sensitivity analysis above is attributable mainly to foreign exchange rate fluctuations of the Company's foreign exchange exposure on foreign currency denominated receivables and payables at the end of the financial year.

16.3 Liquidity risks

Liquidity risks refer to the risks in which the Company encounters difficulties in meeting its short-term obligations.

The Company actively manages its operating cash flows so as to finance the Company's operations and to ensure that all repayment needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements.

The financial liabilities disclosed on the statement of financial position are non-interest bearing and to be settled within 12 months from the end of the financial year.

17. Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relative short-term maturity of these financial instruments.

18. Capital management policies and objectives

The Company manages its capital to ensure that it is able to continue as going concern and maintains an optimal capital structure so as to maximise shareholder value.

The capital structure of the Company consists of equity attributable to owner, comprising issued capital and accumulated losses.

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LIMITED

The management constantly reviews the capital structure to ensure that the Company is able to service any debt obligation based on its operating cash flows. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Company will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debts.

The Company is required to maintain a minimum paid-up capital of \$250,000 under the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations issued by the Monetary Authority of Singapore. In addition, the Company is required, at all times, to maintain a base capital of not less than 120% of its total risk requirement which is calculated the highest of (a) 10% of the average annual adjusted gross income of the Company for the last preceding three financial years; (b) 5% of the average annual gross income of the Company for the last preceding three financial years; or (c) \$100,000. The Company is in compliance with these requirements for the financial years ended 31 March 2013 and 31 March 2012.

Other than mentioned above, the Company does not have any other externally imposed capital requirements for the financial years ended 31 March 2013 and 31 March 2012.

19. Event subsequent to the reporting date

On 30 April 2013, the Company issued 500,000 ordinary shares to its ultimate holding company for cash at an aggregate consideration of \$500,000 for working capital purposes.

20. Comparative figures

Certain prior year's comparatives have been reclassified to conform with the current year's presentation as follows:

	As reclassified	As previously
	\$	reported
		\$
Statement of comprehensive income		
Legal and professional fees	1,085,324	1,154,814
Other expenses	274,902	205,412

The above reclassification was made to present the data research expenses more appropriately.

No statement of financial position as at 1 April 2012 is presented as there is no impact of the above reclassification on the statement of financial position.

INDIA ADVANTAGE FUND LIMITED

INVESTMENT MANAGER'S REPORT

Macro Environment

After a long period of policy inaction, the Indian Government announced much-awaited policy reforms towards the end of the year. The following factors were responsible for the series of announcements: a) Threat of a sovereign rating downgrade by the international rating agencies b) Focus on GDP growth which has fallen to a 10 year low c) Need to attract capital (FDI as well as Foreign Institutional Investor ("FII")) to finance the Current Account Deficit (CAD). Slow reforms, stalled projects and corruption allegations had resulted in a sharp deceleration in the investment cycle. The recent measures and the proposal to create a Cabinet Committee on Investment should address the "execution" related issues. The Prime Minister's office is directly monitoring the push on infrastructure. We expect investments to rise in the coming year as many sectors are seeing high capacity utilization and there would be a reversal of the negative sentiment in the private sector.

From a structural standpoint, India's growth mix changed from "high investment, good consumption" during 2003-08 to "high consumption, low investment" since the 2008 financial crisis. Big fiscal transfers significantly boosted rural consumption, while a weak business environment impacted the investment cycle. This growth mix shift has been primarily responsible for India's current low growth, high inflation problems now. Hence, to correct this imbalance, the growth mix has to reverse to "high investment, low consumption". To achieve this, support is required from both macro and micro factors. The recent reform policy initiatives by the Government to kick start domestic growth will take care of the micro issues. On the macro front, global growth remains a big issue, but the Reserve Bank of India should stimulate growth by starting the rate easing cycle. The recent initiatives will be unlikely to revive growth in the short term, as investment led recovery germinates slowly.

The key concerns holding back India's growth are gradually being neutralized or turning into positives. Tail-risk in the developed world has been eliminated with global central bank actions; domestic policy inaction has given way to new-found vigour with tough administrative and political decisions being taken. Inflation has shown signs of cooling and the monetary easing will lead to a benign interest rate regime going forward. Couple this with reasonable valuations for the Indian markets and it makes a very interesting case for investing in Indian equities.

Equity Strategy and portfolio positioning

The last 18 months have been eventful for the Indian economy. India's GDP growth rate slowed from over 9% in March'11 quarter to 5.3% in September'12 quarter. For context, the 5.4% average growth seen in the last 2 quarters is similar to the 5% growth India experienced in worst of the 2008 financial crisis. Indian equities underperformed developed as well as emerging markets during CY2011. The underperformance was driven mostly by India-specific events like higher inflation, interest rates, corruption scandals, which led to policy paralysis and halt of the economic reform process. Global risk-off sentiment did not help. Indian markets reacted positively to the risk-on rally during early part of CY2012 and outperformed most other markets. As the risk-on trade faded, Indian markets drifted down weighing under the concerns of slower growth and lack of policy action. However, the market finally broke out of the narrow band after the policy initiatives announced by the Government during the later part of the year.

Corporate earnings growth, which has lagged nominal GDP for last 4 years, is likely to catch up with 14% estimated increase. This would be driven by recovery in revenue growth and improvement in net profit margins. Economic recovery would shore up the topline as manufacturing recovers from 2012 lows. This is further supported by trend of already easing monetary conditions. In addition, reduction in interest cost itself would add significantly to net profits as median interest expenses to PAT ratio has doubled from 2010 to about 40% now, currently eating into a big chunk of profits. The earnings downgrade cycle is coming to an end. Starting from this point, there is limited risk of downgrades to FY14 estimate of 14% earnings growth.

We expect equity market returns to be in line with earnings growth sans any valuation re-rating. However, there are significant opportunities

available to generate excess returns. Sensex valuation masks the historically high divergence between defensives and cyclical valuations. As economic recovery unfolds, cyclicals would see the same reflected in their earnings growth and normalization of valuations, driving significantly higher returns than market averages.

Therefore, we expect interest rates sensitives, domestic cyclical and select asset plays to outperform. Given this, the portfolio is overweight in consumer discretionary, financials and industrials sectors to capitalize on an expected domestic growth recovery. The portfolio has neutral position in Information Technology and Healthcare sector. The portfolio continues to remain underweight on Consumer Staples and Energy sectors.

Globally, over the past 4 years, financial markets have gone through multiple phases of 'risk-on' and 'risk-off' environments. The impact on world economy and markets, if timely actions are not taken, is well understood. We expect a continuation of the accommodative stance by global central banks and a benign environment for risk. This ensures elimination of tail risk from these economies. Should there be meaningful recovery in these economies, India's growth would also have a positive rub off. In such a scenario, both earnings growth and valuation re-rating can drive market returns higher than earnings growth. From India's perspective, the risks remain from any possible derailment of the reform process because of political compulsions, its ability to manage twin deficits – current account deficit and fiscal deficit (very crucial from maintaining India's sovereign rating) and sharp rise in global commodity prices, especially crude oil.

The Directors present their commentary and the audited separate financial statements of India Advantage Fund Limited (the "Company") for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The Company's investment objective is to achieve long-term growth of capital through a diversified, research-based approach to investment in Indian securities. The Company has invested more than 90 per cent of its assets in India Advantage (Offshore) Fund (the "Sub Fund") a scheme of the Birla Sun Life Mutual Fund which has been sponsored by Aditya Birla Financial Services Private Limited and Sun Life (India) AMC Investments Inc. The Sub Fund has in turn invested in domestic Indian securities. The Company is the sole unit holder of the Sub Fund. Birla Mutual Fund and its Indian advisor, Birla Sun Life Asset Management Company Limited ("BSLAMC") are regulated by the Securities and Exchange Board of India.

RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 35.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position

INDIA ADVANTAGE FUND LIMITED

of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' INTERESTS

There are no service contracts in existence between the Company and any of its directors, nor are any such contracts proposed.

Mr Couldip Basanta Lala is also a director of the Administrator and Secretary.

Details of related party transactions are set out in Note 15 to the financial statements.

DIRECTORS' FEES

Directors, Mr Subhas Lallah and Mr Mohamad Vayid, independent of the service providers are entitled to receive fees of up to **USD10,000** and **USD12,000** (2011: USD10,000 and USD12,000) each per annum respectively.

MATERIAL CONTRACTS

Details of material contracts between the Company and its various service providers are set out in Note 6 to the financial statements.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office until the next Annual Meeting.

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of India Advantage Fund Limited under section 166(d) of the Companies Act 2001 during the financial year ended 31 December 2012.

For **International Financial Services Limited**
Secretary

Registered Office:

IFS Court
TwentyEight, Cybercity
Ebène
Mauritius

Date: 28 March, 2013

INDIA ADVANTAGE FUND LIMITED

INDEPENDENT AUDITORS' REPORT

To The Members of India Advantage Fund Limited

Report on the Financial Statements

We have audited the financial statements of India Advantage Fund Limited (the "Company") on pages 9 to 34 which comprise the statements of financial position as at 31 December 2012 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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 auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of accounting estimates made by the 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.

Opinion

In our opinion, the financial statements on pages 9 to 34 give a true and fair view of the financial position of the Company as at 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors, and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG
Ebene, Mauritius

ANDRE LAI WAN LOONG, A.C.A
Licensed by FRC

Date : March 28, 2013

INDIA ADVANTAGE FUND LIMITED

India Advantage Fund Limited

IFS Court, TwentyEight, Cybercity, Ebene, Mauritius
Tel: (230) 467 3000 Fax: (230) 467 4000

Ernst & Young
9th Floor, NeXTeracom – Tower 1,
Cybercity, Ebene, Mauritius

28 March 2013

Representation letter for the audit for the financial year ended 31 December 2012

This representation letter is provided in connection with your audit of the financial statements of India Advantage Fund Limited ("the Company") for the year ended 31 December 2012. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of (or 'present fairly, in all material respects,') the financial position of India Advantage Fund Limited as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 25 January 2012, for the preparation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001. We acknowledge, as members of management of the Company, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001, and are free of material misstatements, including omissions. The financial statements have been considered and approved at a duly convened meeting of the Board of Directors at which the attention of the Board was drawn to their responsibilities in connection therewith. The undersigned and Mr Mohamad Vayid were authorized to sign the financial statements on behalf of the Board and to give the assurance below.
2. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements. Furthermore, each element of the financial statements is properly classified, described and disclosed in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001.
3. As members of management of the Company, we believe that the Company has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2001 that are free from material misstatement, whether due to fraud or error.
4. There is no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or suspected noncompliance with laws and regulations (including money laundering laws and regulations) whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors held through the year ended 31 December 2012 to the most recent meeting on the following date: 27 March 2013.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Company's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties as at 31 December 2012. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the Company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. No other claims in connection with litigation have been or are expected to be received.

F. Subsequent Events

There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto. Should any such events occur before the date of the Annual Meeting, we will advise you accordingly.

Yours faithfully

Couldip Basanta Lala
Director

INDIA ADVANTAGE FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 USD	2011 USD
Income			
Net gain on financial assets at fair value through profit or loss	8	23,756,190	—
		<u>23,756,190</u>	—
Expenses			
Management expenses	6/15	857,057	1,656,776
Marketing expenses		394,504	233,942
Trailer fees		111,067	152,762
Professional expenses	6	107,889	167,160
Audit fees		27,405	41,190
Directors' remuneration	7/15	22,000	22,000
General expenses		12,327	13,615
Bank charges		12,028	12,238
Net loss on financial assets at fair value through profit or loss	8	—	(56,986,991)
		<u>1,544,277</u>	<u>(59,286,674)</u>
Operating profit / (loss)		22,211,913	(59,286,674)
Income tax expense	13	—	—
Profit / (loss) for the year		22,211,913	(59,286,674)
Other comprehensive income		—	—
Total comprehensive income / (loss) for the year, net of tax		22,211,913	(59,286,674)

The notes on pages 424 to 432 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Notes	2012 USD	2011 USD
ASSETS			
Cash and cash equivalents	10	38,382	170,658
Prepayments		10,150	3,552
Financial assets at fair value through profit or loss	8	116,659,015	98,802,825
Total assets		116,707,547	98,977,035
LIABILITIES			
Management fees payable	15	73,372	106,548
Redemption payable		207,194	355,624
Other payables		434,597	182,737
Subscription pending allotment		—	54,000
Total liabilities		715,163	698,909
EQUITY			
Share capital- Management shares	11	1,300	1,300
Share capital- Redeemable participating shares	11	6,138	6,395
Share Premium	11	23,386,980	28,467,711
Reserves	12	92,597,966	69,802,720
		<u>115,992,384</u>	<u>98,278,126</u>
Total equity and liabilities		116,707,547	98,977,035
Number of redeemable participating shares			
Net asset value per redeemable participating share		613,815	639,520
		188.96	153.67

Approved by the Board on 28 March 2013 and signed on its behalf by:

Couldip Basanta Lala
Director

Mohamad Amade Hajee Dawjee Vayid
Director

The notes on pages 424 to 432 are an integral part of these financial statements.

INDIA ADVANTAGE FUND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

The Company	Number of redeemable participating shares	Management shares	Redeemable participating shares	Share Premium (Note 11)	Reserves (Note 12)	Total
		USD	USD	USD	USD	USD
At 1 January 2011	656,288	1,300	6,563	30,225,295	130,702,590	160,935,748
Loss for the year	—	—	—	—	(59,286,674)	(59,286,674)
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	(59,286,674)	(59,286,674)
Issue of shares	21,824	—	218	4,543,596	—	4,543,814
Redemption of shares (Note 11)	(38,592)	—	(386)	(6,301,180)	(1,613,196)	(7,914,762)
At 31 December 2011	639,520	1,300	6,395	28,467,711	69,802,720	98,278,126
Profit for the year	—	—	—	—	22,211,913	22,211,913
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	22,211,913	22,211,913
Issue of shares	11,630	—	116	2,050,008	—	2,050,124
Redemption of shares (Note 11)	(37,335)	—	(373)	(7,130,739)	583,333	(6,547,779)
At 31 December 2012	613,815	1,300	6,138	23,386,980	92,597,966	115,992,384

The notes on pages 424 to 432 are an integral part of these financial statements.

INDIA ADVANTAGE FUND LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 USD	2011 USD
Cash flows from operating activities			
Profit / (loss) before tax for the financial year		22,211,913	(59,286,674)
Adjustment to reconcile profit / (loss) for the financial year to net cash from operating activities			
Net change in the fair value of the financial assets	8	(23,756,190)	56,986,991
Net changes in operating assets and liabilities			
Increase in receivables		(6,598)	(177)
Increase / (decrease) in payables		70,254	(417,175)
Net cash used in operating activities		(1,480,621)	(2,717,035)
Cash flows from investing activities			
Proceeds from disposal of investment	8	6,710,000	6,960,000
Payment for purchase of investment	8	(810,000)	(960,000)
Net cash from investing activities		5,900,000	6,000,000
Cash flows from financing activities			
Proceeds from issue of shares		2,050,124	4,563,545
Payment for redemption of shares		(6,547,779)	(7,719,470)
Subscription monies pending allotment		(54,000)	(261,338)
Net cash flows used in financing activities		(4,551,655)	(3,417,263)
Net decrease in cash and cash equivalents		(132,276)	(134,298)
Cash and cash equivalents at 1 January		170,658	304,956
Cash and cash equivalents at 31 December	10	38,382	170,658

The notes on pages 424 to 432 are an integral part of these financial statements.

INDIA ADVANTAGE FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. GENERAL

India Advantage Fund Limited (the "Company") is an open-ended public company with limited liability incorporated in Mauritius on 23 May 1996 and holds a Category 1 Global Business Licence and a Collective Investment Scheme License issued by the Financial Services Commission. The Company's principal investment objective is to achieve long-term growth of capital through a diversified, research-based approach to investment in Indian securities.

The Company's registered address is IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The financial statements of the Company for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Board of Directors on 28 March 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

The financial statements are prepared on a historical basis except for financial assets at fair value through profit or loss in the separate financial statements that have been measured at fair value. The financial statements are presented in United States Dollar (USD).

The Company meets the definition of an investment entity as defined by IFRS 10 and its investment in the Sub Fund has been accounted as financial assets at fair value through profit and loss. These separate financial statements are the only financial statements presented by the Company.

(c) Foreign currency translation

Functional and presentation currency

The Company's financial statements are presented in United States Dollars ("USD") which is also the currency of the primary economic environment in which the Company operates (functional currency).

Management determines the functional currency of the Company to be USD. In making this judgment, management evaluates among other factors, the regulatory and competitive environments, the fee and performance reporting structures of the Company and in particular, the economic environment of its investors.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the profit or loss. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or

loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

(d) Financial instruments

(i) Financial assets

a) *Initial recognition and measurement*

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss where transaction costs are taken to profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents included under loans and receivables and financial assets at fair value through profit or loss.

b) *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as described below:

- Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.
Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.
Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied. The Company has not designated any financial assets at fair value through profit or loss.
The Company evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.
- Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are

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not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

c) *Derecognition of financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

(ii) **Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss.

(iii) **Financial liabilities**

a) *Initial recognition and measurement*

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include other short term payables.

b) *Subsequent measurement*

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

(i) *Loans and borrowings*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised

cost using the EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss.

c) *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(iv) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(v) **Determination of fair value**

All securities which are traded on a stock exchange are valued on the basis of their last traded prices. Listed securities for which there is an ascertainable market value will be valued generally at the last known price dealt with on the market on which the securities are traded on the relevant valuation day and unlisted securities for which there is no ascertainable market value will be valued at fair value. The directors may permit some other method of valuation to be used if they consider that such valuation better reflects fair value.

The investment in the Sub Fund is classified as fair value through profit or loss and is fair valued by using the net assets of the Sub Fund.

(e) **Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and cash at bank. Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value.

(f) **Share capital**

(i) *Classification of redeemable shares*

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments and all instruments in that class have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Company's net assets.

In addition to the instrument having all the above features, the Company must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company, and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

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The Company's redeemable shares meet the definition of puttable instruments classified as equity instruments under the revised IAS 32, "Financial Instruments: Presentation", given that in the event of winding up, the assets available for distribution among the shareholders shall be applied in the following priority:

- first, to the management shareholders a sum equal to the nominal amount paid up on the shares held by such holders respectively; and
- second, to the holders of the redeemable shares any balance remaining pertaining to their respective classes, as nearly as practicable in proportion to the number of redeemable shares.

Consequently, the Company's redeemable shares are classified as equity instruments.

The Company continuously assesses the classification of the redeemable shares. If the redeemable shares cease to have all the features or meet all the conditions set out in paragraphs 16A and 16B of IAS 32, the Company will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable shares subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of IAS 32, the Company will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and resale of redeemable shares are accounted for as equity transactions. Upon issuance of shares, the consideration received is included in equity.

No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

(iii) Classification of Management shares

The Class A and B management shares are non-redeemable and are classified as equity.

Capital redemption reserve

The Capital redemption reserve is used to record redemption made by investors in excess of stated capital and share premium.

(g) Net gain or loss on financial assets at fair value through profit or loss

The net changes in fair value of financial assets at fair value through profit or loss are recognised in the profit or loss.

(h) Current income tax

Current income tax assets and liabilities for the current period and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from provisions for bad debts and unrealised exchange differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to

IFRS effective as of 1 January 2012:

- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets
- IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters IFRS 7 Financial Instruments: Disclosures (Amendments)
- IFRS 7 Financial Instruments : Disclosures – Enhanced Derecognition Disclosure Requirements
- IFRS 10: Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Involvement with Other Entities
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures

The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after 1 January 2012 and has had no effect on the Company's financial position, performance or its disclosures as the Company does not hold investment property or property, plant and equipment.

IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters

The IASB provided guidance on how an entity should resume presenting IFRS financial statements when its functional currency ceases to be subject to hyperinflation. The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment had no impact to the Company as the Company is not a first-time adopter of IFRS.

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Company does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Involvement with Other Entities, with consequential amendment to IAS 27 Separate Financial Statements (as revised in 2011), IAS 28 Investments in Associates and Joint Ventures (as revised in 2011) – Early adoption

The Company has early adopted these standards retrospectively with an initial application date of 1 January 2012.

Subsidiaries

As a result of the adoption of IFRS 10 Consolidated Financial Statements, the Company has voluntarily changed its accounting policy with respect to determining whether it has control over its investees. Control arises when the Company is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over that entity. The Company re-assessed its control conclusion for its

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investees at 1 January 2012 and determined that there has been no change. The Company has not presented consolidated financial statements for the year under review since it is exempted from consolidation by meeting the criteria of being an investment entity as set out in IFRS 10.

Investment entity

The amendment to *IFRS 10 Consolidated Financial Statements* requires entities that meet the definition of an investment entity to apply exemption from consolidation and instead account for its investments in subsidiaries at fair value through profit or loss. The Company undertook an assessment as of 1 January 2012 and concluded that it is an investment entity as follows:

The Company has multiple investors and indirectly holds multiple investments through the Sub Fund. Ownership interests in the Company are in the form of redeemable shares classified as equity in accordance with IAS 32 and which are exposed to variable returns from changes in fair value of the Company's net assets. The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- (a) The Company has obtained funds for the purpose of providing investors with investment management services.
- (b) The Company's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the Sub Fund.
- (c) The performance of investments made through the Sub Fund are measured and evaluated on a fair value basis.

Since the investment in the Sub Fund was already accounted for at fair value through profit or loss, the major impact is that the Company ceases to present consolidated financial statements of the group, but only presents separate financial statements as required by IAS 27.8A.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings) would be presented separately from items that will never be reclassified (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets). The amendment affects presentation only and has no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013. These amendments are not applicable to the Company.

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Company's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

IFRS 1 Government Loans – Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013. The amendment has no impact on the Company.

IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Company's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual periods beginning on or after 1 January 2013. The new interpretation is not applicable to the Company.

Annual Improvements May 2012

These improvements will not have an impact on the Company, but include:

IFRS 1 First-time Adoption of International Financial Reporting Standards

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

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IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after 1 January 2013.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgments

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

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Determination of investment entity status

The Company's management has made an assessment of the Company's eligibility in satisfying the three elements of the definition per IFRS 10.27 as described under Note 3. Although the Company does not meet all of the typical characteristics of an investment entity (namely, the Company does not have multiple investments), it possesses the three elements of the definition of an investment entity set out in IFRS 10, and is consequently classified as an investment entity.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below. The Company has based its assumption and estimates on parameters available when the financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond control of the Company. Such changes are reflected in the assumption when they occur.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The fair value of the unquoted equity shares has been estimated using the net asset value of India Advantage (Offshore) Fund and all investment held by India Advantage (Offshore) Fund are quoted investments. Management has determined that this was the most appropriate technique to value the investments.

6. INVESTMENT MANAGEMENT, ADMINISTRATION CUSTODIAN AND TRUSTEE FEES

Management expenses

The Company has entered into an Investment Management Agreement with Birla Sun Life AMC (Mauritius) Limited (the "Investment Manager"), a related party. Under the Investment Management Agreement, the Investment Manager is entitled to a fee, accruing at the annual rate of 0.25% of the net proceeds of the initial placing to 30 September 1996 and subsequently at the annual rate of 0.25% of the net asset value of the Company on the last Business day in each calendar month until 31 July 2005.

The annual rate was afterwards revised as follows:

- 1.25% of the daily NAV of the Company with effect from 1 August 2005.
- 0.75% of the daily NAV of the Company with effect from 1 February 2012.

The agreement shall be effective until terminated by either party giving at least ninety days' notice in writing on the Valuation Day falling in March, June, September or December in any year on or after December 1999. The Company will indemnify the Investment Manager against any claim as specified in clause 17.3 of the Investment Management Agreement and to the extent that such claim is not due to breach of duty, negligence, wilful default or liability on the part of the Investment Manager.

At 31 December 2012, Birla Sun Life Asset Management Company Limited held 100% of the Class A and B shares in the Company.

Administration fees

International Financial Services Limited ("IFS") has been appointed to provide administrative, registrar and secretarial as well as tax compliance services to the Company in Mauritius. Under the Administration Agreement, IFS is entitled to a monthly fee of USD 5,500 as from 1 July 2006, payable in advance. The Administration Agreement may be terminated by either party by giving not less than ninety days notice and the Company may also terminate the appointment of IFS subject to occurrence of any of conditions as specified in Clauses 13.3 and 13.4 of the Administration Agreement. The monthly fee has been increased to USD 6,000 as from 1 January 2008. IFS also receives USD2,000 per annum for its tax compliance services to the Company. IFS further receives additional variable administration fees for the review of due diligence documents among others.

Banker fees

The Company has appointed Barclays Bank Plc (Offshore Banking Unit) in Mauritius as its banker.

Custodian fees

The Sub Fund has entered into a Custody Agreement with JP Morgan Chase Bank, Mumbai as from 1 March 2003 for the safekeeping of the Sub Fund's assets and the fees are in accordance with the standard industry practice.

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7. DIRECTORS' REMUNERATION AND INTERESTS

Directors' fees are paid to two of the Company's Mauritian directors who are independent of the Administrator and the Investment Manager.

None of the directors had any interest in the shares of the Company. Mr Lala is also a director of IFS and Mr Joory, who is a director of IFS, is also a director in Birla Sun Life AMC (Mauritius) Limited.

Directors' remuneration is disclosed under note 15.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company holds 100% unquoted equity shares in India Advantage Offshore Fund, a mutual fund incorporated in India.

	2012 USD	2011 USD
At 1 January	98,802,825	161,789,816
Additions	810,000	960,000
Disposal	(6,710,000)	(6,960,000)
Net gain/(loss) on financial assets at fair value through profit or loss	23,756,190	(56,986,991)
At 31 December	116,659,015	98,802,825

The fair value of the unquoted equity shares has been estimated using the net asset value of India Advantage (Offshore) Fund. Management has determined that this was the most appropriate technique to value the investments.

9. FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the Company's assets that are measured at fair value as at 31 December 2012.

31 December 2012	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial instruments				
Fair value through profit or loss				
- Equity securities	—	116,659,015	—	116,659,015
	—	116,659,015	—	116,659,015
31 December 2011	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial instruments				
Fair value through profit or loss				
- Equity securities	—	98,802,825	—	98,802,825
	—	98,802,825	—	98,802,825

10. CASH AND CASH EQUIVALENTS

	31 December 2012 USD	31 December 2011 USD
Cash at bank	38,382	170,658

11. SHARE CAPITAL AND SHARE PREMIUM

All issued redeemable participating shares are fully paid and are listed and traded on the Channel Islands Stock Exchange. The Company's capital is represented by the management and redeemable participating shares. Quantitative information about the Company's capital is provided in the statement of changes in equity and in the

tables below. Based on historical information, between 10% to 40% of the Company's issued shares are redeemed annually at their net asset value calculated in accordance with redemption requirements. For the purpose of calculating the net asset value attributable to holders of redeemable shares, the Company's assets and liabilities are valued using the price of the most recent transactions which provide evidence of the current fair value.

Authorised share capital

As per the terms of the Constitution, the shares of the Company consist of 120 Class A shares of USD10.00 each, 80 Class B shares of USD10.00 each, Class C shares of USD0.01 each and Participating Shares to be issued in such classes of shares as the Directors may determine with such preferred or qualified or other special rights or restrictions whether in regard to voting, dividend, return of capital or otherwise. The Directors may issue such number of Class C shares, Participating Shares or Classes of Participating Shares or fractions thereof.

	Share capital 31 December 2012 USD	Share premium 31 December 2012 USD	Total 31 December 2012 USD	Total 31 December 2011 USD
Issued share capital				
Class A of USD10 each	900	—	900	900
Class B of USD10 each	400	—	400	400
Class C shares USD0.01 each	6,138	23,386,980	23,393,118	28,474,106
	7,438	23,386,980	23,394,418	28,475,406

The share capital and share premium of the Company consists of management shares and redeemable participating shares as detailed below:

(i) Management Shares

The shares issued and fully paid at 31 December 2012 and 2011 are as follows:

	Number of shares	Share capital USD
As at 31 December 2012 and 31 December 2011		
Class A shares	90	900
Class B shares	40	400
	130	1,300

The par value of the management shares is USD10 each. At 31 December 2012, the Class A and B shares were held by Birla Sun Life Asset Management Company Limited. The Class A and Class B shares carry voting rights. No dividend is payable to the Class A and B shareholders.

(ii) Redeemable Participating Shares

The shares issued and fully paid at 31 December 2012 are as follows:

Class C shares	Number of shares	Share capital USD	Share premium USD	Capital redemption reserve USD	Total USD
At 1 January 2011	666,288	6,563	30,225,295	(62,307,920)	(32,076,062)
Issue of shares	21,824	218	4,543,596	—	4,543,814
Redemption of shares	(38,592)	(386)	(6,301,180)	(1,613,196)	(7,914,762)
At 1 January 2012	639,520	6,395	28,467,711	(63,921,116)	(35,447,010)
Issue of shares	11,630	116	2,050,008	—	2,050,124
Redemption of shares	(37,335)	(373)	(7,130,739)	583,333	(6,547,779)
At 31 December 2012	613,815	6,138	23,386,980	(63,337,783)	(39,944,665)

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The Class C shares are participating redeemable shares having par value of USD0.01 each and are entitled to notice of general meetings but are not entitled to attend or vote thereat, except in respect of a resolution to (i) vary the rights of the Class C Shares (ii) approve any material change in the principal investment objective and policies of the Company from time to time (iii) wind up the Company.

The Class C shares may be issued and redeemed at prices based on the Company's net assets value as determined in accordance with the Constitution. Redemption is at the option of the shareholders. The Directors may from time to time if they think fit pay such interim and final dividends on Class C Shares or Participating Shares in a Class out of the assets of the Class as appear to the Directors to be justified by the profits of the Class.

In case of winding-up, the assets available for distribution among the shareholders shall then be applied in the following priority:

- (i) First, to the holders of Class A, Class B and Class C Shares a sum equal to the nominal amount paid up on the shares held by such holders respectively; and
- (ii) Second, to the holders of the Class C Shares and Participating Shares any balance remaining pertaining to their respective classes, as nearly as practicable in proportion to the number of Class C Shares and Participating Shares.

12. RESERVES

Reserves are made up of:

	Retained earnings		Capital redemption reserve		Total	
	2012 USD	2011 USD	2012 USD	2011 USD	2012 USD	2011 USD
At 1 January	133,723,836	193,010,510	(63,921,116)	(62,307,920)	69,802,720	130,702,590
Profit / (Loss) for the year	22,211,913	(59,286,674)	—	—	22,211,913	(59,286,674)
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income	22,211,913	(59,286,674)	—	—	22,211,913	(59,286,674)
Movement	—	—	583,333	(1,613,196)	583,333	(1,613,196)
At 31 December	155,935,749	133,723,836	(63,337,783)	(63,921,116)	92,597,966	69,802,720

13. INCOME TAX EXPENSE

India

The Company invests in India and the directors expect to obtain benefits under the double taxation treaty between Mauritius and India. The Indian Supreme Court has re-affirmed in a ruling dated 7 October 2003 the validity of the circular 789 issued by the Central Board of Direct Taxes which provides that wherever a "Certificate of Residence" is issued by the Mauritian Tax Authorities, such certificate constitutes sufficient evidence for accepting the status of residence and beneficial ownership and for applying the benefits of the tax treaty between India and Mauritius. The Company has obtained a tax residence certification from the Mauritian authorities which is renewable annually subject to meeting certain conditions and considers such certification is determinative of its residence status for treaty purposes.

A Company which is tax resident in Mauritius under the treaty, but has no branch or permanent establishment in India, will not be subject to capital gains tax in India on the sale of securities but is subject to Indian withholding tax on interest earned on Indian securities at the basic rate of 20.6% (increased by a surcharge and education cess where applicable). Net investment income and gains derived by the Sub Fund are exempt from Indian tax as the Sub Fund qualifies as a recognised Mutual Fund under Section 10(23D), of the Income Tax Act, 1961 of India.

With effect from 1 April 2003, dividends are exempt in the hands of shareholders. Indian companies making distributions are however liable to a Dividend Distribution Tax equivalent to 16.223% of the dividends distributed effective 1 April 2011. A company holding at least 5% of the share capital of an Indian company and receiving dividends may claim a credit for tax paid by the Indian company on its profits out of which the dividends were distributed including the Dividend Distribution Tax.

Mauritius

The Company is a "Category 1 Global Business Licence Company" for the purpose of the Financial Services Act 2007. The Company is liable to pay income tax on the profit of the Company, as adjusted for income tax purposes, at a rate of 15%. The Company is entitled to a tax credit equivalent to the higher of actual foreign tax paid and 80% of Mauritius tax payable in respect of its foreign source income, thus reducing its maximum effective tax rate to 3%. There is no capital gains tax in Mauritius. The Company had a tax loss of USD nil as at 31 December 2012 (31 December 2011: nil).

Reconciliation of the tax charge and accounting profit

	2012 USD	2011 USD
Profit/(loss) before taxation	22,211,913	(59,286,674)
Tax at 15%	3,331,786	(8,893,001)
Tax effect of:		
Income not subject to tax	(3,563,429)	(700,055)
Non allowable expenses	231,643	9,593,056
Income tax charge	—	—

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's objective in managing risk is the creation and protection of shareholder's value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's continuing profitability.

The Company's activities expose it to a variety of financial risks: market risk (including price risk, cash flow interest rate and currency risk), credit risk, concentration risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management structure

The Company's Investment Manager is responsible for identifying and controlling risks. The Board of directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach within the Company.

Risk mitigation

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The stock selection strategy identifies companies with sound corporate management and prospects of good future growth. Past performance of the companies is also taken into consideration with the focus remaining on long-term fundamentally driven values. However, short-term opportunities are also considered, provided that underlying values support them.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Equity price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares.

The Company is exposed to equity price risk because of investments held by the Company and classified on the statement of financial

INDIA ADVANTAGE FUND LIMITED

position as financial at fair value through profit or loss. The Company manages the equity price risk through diversification and placing limits on individuals and total equity instruments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. If equity prices had been 1.00% higher/lower, the effect on profit or loss and equity for the period would have been as follows:

Increase/ decrease in equity prices	Effect on profit/equity	
	2012 USD	2011 USD
+1.00%	1,166,590	988,028
-1.00%	(1,166,590)	(988,028)

Cash flow interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

No interest is being generated from cash held in the bank for the Company. Therefore the Company is not exposed to cash flow interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The primary exposure of the Company is to the Sub Fund, which is denominated in Indian Rupee ("INR"). The underlying assets of the Sub Fund are only in INR. The objective is to generate returns linked to the Indian equity markets and the currency risk is borne by the investor. The currency risk is appropriately highlighted in the risk factors in the offer document. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the INR may change in a manner which has a material effect on the reported value of the Company's investments denominated in INR.

The following demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Company's profit or loss.

	Increase/decrease in foreign exchange rate	Effect on profit or loss	
		2012 USD	2011 USD
INR	+10%	(11,665,902)	(9,880,283)
INR	-10%	11,665,902	9,880,283

Currency risk (Continued)

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2012 USD	Financial Liabilities 2012 USD	Financial assets 2011 USD	Financial liabilities 2011 USD
Indian Rupee	116,659,015	—	98,802,825	—
United States dollar	38,382	715,163	170,658	644,909
	<u>116,697,397</u>	<u>715,163</u>	<u>98,973,483</u>	<u>644,909</u>

Prepayments amounting to **USD 10,150** (2011:USD 3,552) have not been included in financial assets in the above table.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's main credit risk concentration is its cash and cash equivalents.

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these financial assets.

The Company manages credit risk related to and cash and cash equivalents by banking with reputable financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount 2012 USD
Cash and cash equivalents	<u>38,382</u>
	<u>38,382</u>
	Carrying amount 2011 USD
Cash and cash equivalents	<u>170,658</u>
	<u>170,658</u>

The financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputable financial institutions.

The Company is not exposed to credit risk with respect to its investment in financial assets at fair value through profit or loss.

Concentration risk

The Company holds investments in India which involves certain considerations and risks not typically associated with investments in other more developed countries. Future economic and political developments in India could adversely affect the operations of the investee companies.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company is not exposed to any significant liquidity risk.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2012 based on contractual undiscounted payments.

	2012		2011	
	On demand USD	Total USD	On demand USD	Total USD
Redemption payable	207,194	207,194	355,624	355,624
Due to Investment Manager	73,372	73,372	106,548	106,548
Other payables	434,597	434,597	182,737	182,737
	<u>715,163</u>	<u>715,163</u>	<u>644,909</u>	<u>644,909</u>

Subscription pending allotment amounting to USD 54,000 has not been included in financial assets in the above table for 2011.

Fair values of financial instruments

The fair value of the Company's investment has been estimated using the net asset value of India Advantage (Offshore) Fund. The Company's other financial assets and liabilities approximate their fair values given their short term nature.

15. RELATED PARTY DISCLOSURES

During the year under review, the Company transacted with the following related parties. The nature, volume of transactions and balances with related parties are as follows:

Name of company	Relationship	Nature of transactions	Volume of transactions		Balances	
			2012 USD	2011 USD	2012 USD	2011 USD
Birla Sun Life AMC (Mauritius) Limited	Investment manager	Investment management fees	857,057	1,656,776	73,372	106,548
India Advantage (Offshore) Fund	Subsidiary	Additions & Disposal (Note 8)	(5,900,000)	(6,000,000)	116,659,015	98,802,825

INDIA ADVANTAGE FUND LIMITED

Name of company	Relationship	Nature of transactions	Volume of transactions		Balances	
			2012 USD	2011 USD	2012 USD	2011 USD
International Financial Services Limited	Administrator and secretary	Professional fees	103,725	134,304	(1,000)	—
Mr Mohamad Vayid	Director	Director fees	12,000	12,000	—	—
Mr Subhas Lallah	Director	Director fees	10,000	10,000	—	—

Investment management fees

The Company has entered into an Investment Management Agreement with Birla Sun Life AMC (Mauritius) Limited (the "Investment Manager"). During the period under review, the Company transacted with the Investment Manager.

As disclosed under Note 6, the Investment Manager is authorised to make a periodic charge payable out of the property of the Company. The periodic charge is accrued on a daily basis at the rate of 0.75% of the daily NAV of the Company (the annual rate has been revised from 1.25% to 0.75% with effect from 1 February 2012) and is payable monthly in arrears (within seven days of the end of the period in respect of which the payment falls to be made) in US dollars or as may otherwise be agreed.

Professional fees

One director of the Company namely, Mr Couldip Basanta Lala, exercises joint control over International Financial Services Limited ("IFS", the Administrator/Secretary) and is deemed to have beneficial interest in the Administration Agreement and the Tax Letter of Engagement between the Company and the Administrator/Secretary.

Directors' fees

Directors' fees amounting to **USD 22,000** (2011:USD 22,000) are paid to two of the Company's Mauritian directors namely Messrs

Mohamad Amade Hajee Dawjee Vayid and Subhas Chandra Lallah, who are independent of the Administrator and the Investment Manager.

The directors do not have any shareholding in the Company.

16. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary depending on the demand for redemptions and subscriptions to the Company. The Company is not subject to external imposed capital requirements.

The Company also maintains an appropriate level of liquidity, in view of meeting shareholder's redemption request and to meet its liabilities when they fall due. Therefore the Company maintains an adequate level of liquidity in its investment and mainly invest in listed equities through the sub fund which are considered as highly liquid investment and can be realised upon short term notice.

The Company meets its objectives by:

- (i) investing the proceeds from investors in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- (ii) achieving consistent returns while safeguarding investor fund by investing in diversified portfolio and by using various investment strategies;
- (iii) maintaining sufficient liquidity to meet its expenses and to meet redemption requests as they arise; and
- (iv) maintaining sufficient size to make its operation cost-efficient.

17. EVENTS AFTER THE REPORTING DATE

There are no events following the year end of the Company.

INDIA ADVANTAGE FUND LIMITED

COMPANY INFORMATION

		Date of appointment/ (resignation)
Directors	Couldip Basanta Lala *	23 May 1996
	Mohamad Amade Hajee Dawjee Vayid *	14 June 1996
	Subhas Chandra Lallah *	26 November 1999
	Sandeep Asthana	1 June 2011
	Mithilesh Lallah*	16 August 2011
	Dwarka Dass Rathi	8 August 2012
	Adesh Kumar Gupta	8 August 2012
	Bishwanath Puranmalka Kumar Mangalam Birla	(3 August 2012) (7 August 2012)

(*) Independent of Investment Managers

Investment Manager Birla Sun Life AMC (Mauritius) Limited
IFS Court
TwentyEight, Cybercity
Ebene
Mauritius

Registered Office IFS Court
TwentyEight, Cybercity
Ebene
Mauritius

Administrator, Secretary and Registrar International Financial Services Limited
IFS Court
TwentyEight, Cybercity
Ebene
Mauritius

Banker Barclays Bank Plc
Offshore Banking Unit
3rd Floor, Barclays House
68-68A, Cybercity
Ebene
Mauritius

Auditor Ernst & Young
9th Floor, NeXTeracom Tower 1
Cybercity,
Ebene
Mauritius

Legal Advisers *As to Indian Law and other jurisdictions*
ARA LAW Advocates & Solicitors
3/F, Mahatma Gandhi Memorial Building
7, Netaji Subhash Road
Charni Road (West)
Mumbai - 400 002
India

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Nineteenth Annual Report together with the audited financial statements of Birla Sun Life Trustee Company Private Limited ("the Company") for the year ended March 31, 2013.

1. FINANCIAL PERFORMANCE SUMMARY:

The performance of the Company for the Financial Year ended March 31, 2013 (FY 12-13) is summarized below:

(₹ in 000's)

Particulars	FY 2012-13	FY 2011-12
Trusteeship Fees	500.00	500.00
Profit on sale of current investments	116.26	35.38
Profit on sale of long term investments	—	109.44
Miscellaneous Income	1.758	—
Total Income	618.02	644.82
Total Expenditure	(59.47)	(136.94)
Profit/(Loss) for the year	558.55	507.89
Less: Provision For Taxation	136.70	132.70
Less: Deferred Tax	(12.55)	12.55
Add: Excess Provision for Taxation of earlier year written off	—	—
Profit after Tax	434.40	362.64
Balance brought forward from previous year	2466.97	2213.77
Balance carried to Balance Sheet	2901.37	2466.97

2. REVIEW OF OPERATIONS

The Company, through its Board of Directors, discharges its obligations as trustee of Birla Sun Life Mutual Fund, which, based on the Average Assets Under Management (AAUM) as on March 31, 2013, is the 4th largest Mutual Fund in India.

The Company had total revenue of ₹ 644.82 thousand and a profit before tax (PBT) of ₹ 507.89 thousand for the FY 2011-12. As against that the total revenue for the FY 2012-13 went down to ₹ 618.02 thousand but the PBT increased by 9.97% to ₹ 558.552 thousand. Increase in profits is primarily on account of decrease in expenditure.

Domestic Assets Under Management (excluding Fund of Fund and Inter-scheme Investments AUM) of Birla Sun Life Mutual Fund ('the Fund') was at ₹ 66,609 Crore and Offshore Assets Under Management (month wise) was at ₹ 1729 Crore as on March 31, 2013.

The quarterly average domestic assets under management for quarter ended March 2013 stood at ₹ 77,046 Crores, an increase of around 24% from ₹ 62,352 Crore for quarter ended March 31, 2012.

In FY 2012-13, the Fund launched 41 Fixed Term Plans, 5 Capital Protection Oriented Funds, 4 Interval Income Funds and 1 Rajiv Gandhi Equity Savings Scheme. The aggregate collection in the NFOs of the said schemes was over ₹ 6000/- Crores.

The schemes of the Fund continued to deliver superior performance across various fund categories through the year.

3. DIVIDEND

With a view to conserve financial resources for the development plans of the Company, your Directors do not recommend any dividend for the year ended March 31, 2013.

4. SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 1 Crore. The Paid up, Issued and Subscribed Capital of the Company was ₹ 2 Lacs as on March 31, 2013. There was no capital infusion during the year under review.

Change in shareholding:

The Company's Joint Venture (JV) partners viz. Aditya Birla Group and Sun Life Financial Inc. have, on October 10, 2012, changed the shareholding pattern by Sun Life (India) AMC Investments Inc. transferring 1% share (i.e. 200 shares) of the Company to Aditya Birla Financial Services Private Limited (ABFSPL), wholly owned subsidiary of Aditya Birla Nuvo Ltd (ABNL). With the aforesaid transfer of shares ABFSPL now holds 50.9995% shares of the Company and therefore the Company is now a subsidiary company of ABFSPL. Further pursuant to provisions of section 4(1)(c) of the Companies Act, 1956, the Company has become subsidiary of ABNL as ABFSPL is a subsidiary company of ABNL.

5. MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report is attached to this report and forms a part of this Annual Report.

6. PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit as covered under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public during the year under review.

7. CORPORATE GOVERNANCE

Board Meetings

The Board of Directors of the Company have met six times on April 26, 2012, June 28, 2012, July 27, 2012, October 26, 2012, December 21, 2012 and February 25, 2013 during the year under review.

Audit Committee Meetings

The Audit Committee comprises of three Directors viz., Mr. Prafull Anubhai (Chairman), Mr. B. N. Puranmalka and Mr. Suresh Talwar. The Committee members met six times on April 26, 2012, June 28, 2012, July 27, 2012, October 26, 2012, December 21, 2012 and February 25, 2013 during the year under review.

8. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The particulars required to be furnished in this report under the section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 relating to the conservation of the energy and technology absorption are not applicable due to nature of business of the Company, and hence not furnished.

PARTICULARS OF EMPLOYEES:

The requirements of disclosure required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable to the Company.

FOREIGN EXCHANGE, EARNINGS AND EXPENDITURE DURING THE YEAR:

Foreign Exchange Earnings:	Nil
Foreign Exchange Expenditure:	Nil

9. DIRECTORS

As on March 31, 2013, your Board of Directors comprises of 5 Directors including 3 Independent Directors.

In accordance with the provisions of Articles of Associations, Dr. V. S. Arunachalam and Mr. Prafull Anubhai are liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible offer themselves for re-election. Your Directors recommend their re-election as Directors liable to retire by rotation.

Resolution(s) seeking re-election / appointment of Dr. V. S. Arunachalam and Mr. Prafull Anubhai have been included in the notice of the ensuing AGM.

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby wish to state that:

- a) the applicable accounting standards have been followed in preparation of the annual accounts and proper explanation/disclosure have been made relating to material departures, if any;
- b) the accounting policies have been selected and applied consistent with the judgments and estimates that are reasonable and prudent and give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2013;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended till date for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts the year ended March 31, 2013 have been prepared on a going concern basis.
- e) all related party transactions as per the Accounting Standard 18 are disclosed in Schedule 17 regarding Significant Accounting policies and Notes to Accounts which is forming part of the Annual Accounts.
- f) proper systems are in place to ensure compliance of all laws applicable to the Company.

11. AWARDS AND RECOGNITIONS

The Schemes of Birla Sun Life Mutual Funds continued to deliver superior performance across various fund categories through the year.

The Fund House, the schemes of Birla Sun Life Mutual Fund and the Fund Managers of Birla Sun Life Asset Management Company Limited (BSLAMC) received various awards and recognition during the year under review of which the following are noteworthy:

- "The Best Debt Fund House of the year 2012" by CNBC TV 18 – CRISIL, UTV Bloomberg
- "Hybrid Schemes were awarded by Lipper
- "International Service excellence Award" by Customer Service Institute of Australia
- "Golden Peacock Award, 2012" for Business Excellence.

12. AUDITORS AND AUDITORS' REPORT

S. R. Batliboi & Co, LLP, Chartered Accountants, Mumbai, Statutory Auditors (Registration No. 301003E), hold office until conclusion of the ensuing Annual General Meeting (AGM) of the Company. The Company has received a certificate of eligibility from S. R. Batliboi & Co. LLP, to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The auditors have further certified that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the "Peer Review Board" of ICAI.

Your Directors recommend the re-appointment of S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of ensuing AGM up to the conclusion of the next AGM of the Company, upon recommendation of the Audit Committee of the Company.

The observations, if any, made by the auditors in their report read with relevant Notes to the Accounts are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

13. ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the co-operation and assistance received from Securities and Exchange Board of India, Reserve Bank of India, Custodians, Bankers, Registrars, Stock Exchanges, Clearing Corporations, Depositories, Shareholders, Distributors and Agents and other valuable business constituents associated with the Company.

The Director would also like to express their sincere thanks and appreciation to all the agents and Distributors for the products of the Fund for their contribution during the year. The Directors wish to express their gratitude to the members for their continued support.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

Finally, Trustees wish to express their gratitude to all the investors of the Schemes of Birla Sun Life Mutual Fund for their confidence in the fund house, which has encouraged us to give our best performance.

On behalf of the Board of Directors

Place: Mumbai
Date: June 27, 2013

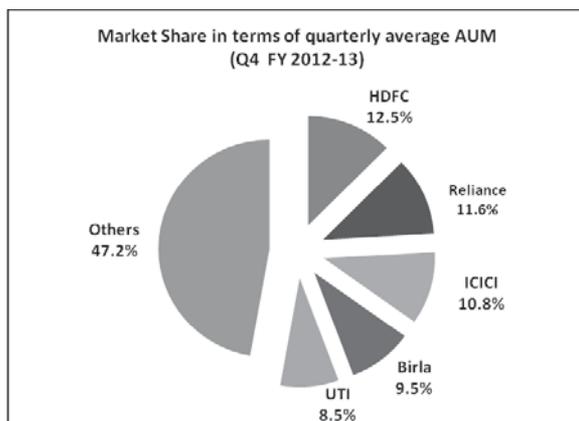
**Prafull Anubhai
Chairman**

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR ENDED MARCH 31, 2013

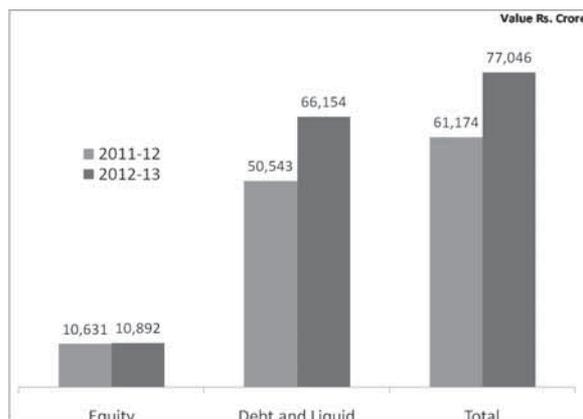
Industry Overview

The Indian mutual fund industry comprises 43 asset management companies. Dominance of Top 5 asset management companies continues with these companies contributing to 52.8% of industry's Average Assets Under Management (AAUM). After continuous decline in last few years (CAGR FY10 to FY12 - 6.7%), in the current year the industry witnessed growth of 22% mainly through sales of duration products. AAUM grew from about ₹ 664,800 Crore (~USD 133 billion) in quarter ended March 2012 to around ₹ 8,15,300 Crore (~ USD 148 billion) in quarter ended March 2013. [Source: Association of Mutual Funds in India ("AMFI"), www.amfiindia.com].



Industry's equity AUM grew by 2.35% to about ₹ 206,512 Crore (~USD 37.5 billion) on account of equity market action. Share of equity AAUM in total industry AAUM did grow to 25%. Non-equity assets witnessed 31.47% growth during the year largely due to higher liquidity and higher interest rate.

Scheme Category Wise Average Assets under Management of Birla Sun Life Mutual Fund



Note: Average AUM for the fourth quarter ended 31st March of the respective year.

Birla Sun Life Mutual Fund reported highest growth in domestic AAUM among the top 5 players during the fourth quarter. Fixed Income continues to perform well with 95% of AAUM in top 2 quartiles over 1 Year return. Equity performance registered 83% of AAUM in top 2 quartiles over 1 Year Return.

Industry Outlook

Indian mutual fund industry started showing growth. The long term outlook for the mutual fund industry remains attractive backed by lower mutual fund penetration, growing incomes and savings level. Furthermore, with regulatory changes the increasing focus of asset management companies for increasing retail participation in smaller cities will help to increase retail participation in mutual fund industry.

Equity Outlook

In current fiscal, 2013-14, we are likely to witness moderation in key macroeconomic variables towards their mean. First, inflation would be significantly lower than current year – within 5-7% range with downside bias. Second, interest rates should also head south as lower inflation provides the RBI with enough room to focus on growth. This would, in turn, push down borrowing costs for financial institutions, corporates and consumers. Third, policy paralysis is giving way to urgency towards decision making.

Corporate earnings growth, which has lagged nominal GDP for last 4 years, is likely to catch up with 12-14% estimated increase. This would be driven by recovery in revenue growth and improvement in net profit margins.

Based on current valuations and relative price movements, in our view, equity markets may deliver post-tax total return better than some other popular assets like Gold or Real Estate over a longer time horizon of 5 years.

Debt Outlook

From a GDP growth of 9.3% in Financial Year 2010-11, GDP growth has slowed down to around 5% for 2012-13. For context, India's FY13 growth will be lower than the 6.7% experience in FY09 during the 2008 financial crisis. In fact, growth at ~5% has moderated to FY02-FY03 levels and is now significantly below the 8.7% levels experienced during the FY04-FY08 boom period. While slowdown in industrial economy was a big part of our growth slowdown in FY12, its spillover to the services sector was the primary reason that growth slowed to ~5% in FY13 from 6.2% in FY12.

Going forward, our expectation is that growth will remain subdued at ~5.5% (with a downside bias) for FY14, mainly because the recovery in our capital expenditure is expected to be very gradual. Based on Centre for Monitoring Indian Economy Pvt. Ltd. (CMIE) data, new project investments have dropped to 2003-2004 levels. The good news is that after a long lull, the government in the second half of the last fiscal had unleashed a slew of reforms. We expect the government to continue with this painful but much needed reformist journey. Add to this, further interest rate cuts over FY14 should hopefully lead to a bottoming out in India's growth story.

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

Balance Sheet as at 31st March 2013

	Notes	31-Mar-13 (In ₹)	31-Mar-12 (In ₹)
Equity and Liabilities			
(A) Shareholders' funds			
Share capital	3	200,000	200,000
Reserves and surplus	4	3,279,283	2,844,884
		3,479,283	3,044,884
(B) Non current liabilities			
Deferred tax liability		—	12,547
(C) Current liabilities			
Short-term provisions	5	—	18,790
Other current liabilities	6	22,000	60,962
		22,000	79,752
TOTAL (A) + (B) + (C)		3,501,283	3,137,183
Assets			
(D) Non current assets			
Non-current investments	7A	357,268	247,828
Long-term loans and advances	8A	6,530	5,000
		363,798	252,828
(E) Current assets			
Current investments	7B	2,878,137	2,461,873
Other current assets	9	—	362,448
Cash and bank balance	10	234,455	48,238
Short-term loans and advances	8B	24,893	11,796
		3,137,485	2,884,355
TOTAL (D) + (E)		3,501,283	3,137,183

Summary of significant accounting policies

2.1

The accompanying notes are integral part of the financial statements.

Statement of Profit and Loss Account for the period ended on 31st March 2013

	Notes	31-Mar-13 (In ₹)	31-Mar-12 (In ₹)
Income			
Revenue from operations			
Trusteeship fees		500,000	500,000
Other income	11	118,021	144,828
Total Income		618,021	644,828
Expenses			
Administrative and other expenses (Includes prior period ₹ Nil (PY ₹ 64,513))	12	59,128	136,938
Finance cost		341	—
Total Expenses		59,469	136,938
Profit before tax	(A)-(B)	558,552	507,890
Tax expenses			
- Current tax		136,700	132,700
- Deferred tax		(12,547)	12,547
Profit for the year		434,399	362,643
Profit available for appropriation			
Appropriation			
Capital Fund		—	109,440
Profit carried to balance sheet		434,399	253,203
Earnings per equity shares (Nominal value of shares ₹10)			
(31 March 2012: ₹10)	13		
Basic earnings per share		Rs. 21.72	Rs. 18.13

Summary of significant accounting policies

2.1

The accompanying notes are integral part of the financial statements.

As per our report of even date

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

per **Surekha Gracias**
Partner
Membership No. 105488
Place : Mumbai
Date : April 27, 2013

For and on behalf of the Board of
**Directors of Birla Sun Life
Trustee Company Private Limited**

B N Puranmalka Prafull Anubhai
Director Director
Place : Mumbai
Date : April 27, 2013

As per our report of even date

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

per **Surekha Gracias**
Partner
Membership No. 105488
Place : Mumbai
Date : April 27, 2013

For and on behalf of the Board of
**Directors of Birla Sun Life
Trustee Company Private Limited**

B N Puranmalka Prafull Anubhai
Director Director
Place : Mumbai
Date : April 27, 2013

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March 2013

PARTICULARS	In ₹
	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit (Loss) before tax	558,552
Adjustments :	
Net Gain on sale of current investments	(116,263)
Finance Cost	341
Operating (Loss) before working capital changes	442,630
Adjustment for :	
Increase/(Decrease) in Current liabilities	(40,642)
(Increase)/Decrease in Loans and advances	349,351
Cash from operating activities	751,339
Taxes Paid	(155,340)
NET CASH(USED IN)/ FROM OPERATING ACTIVITIES A	595,999
B. CASH FLOW FROM INVESTING ACTIVITIES	
(Purchase)/ Sale of investments (Net)	(525,704)
Net Gain on sale of Current investments	116,263
NET CASH(USED IN)/ FROM INVESTING ACTIVITIES B	(409,441)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Finance Cost	(341)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES C	(341)
Net increase/(Decrease) in Cash and Cash equivalent (A + B + C)	186,217
Cash and Cash equivalent at beginning of the year	48,238
Cash and Cash equivalent at end of the year	234,455
Notes :	
1) Cash and Cash equivalent includes :	
Cash in hand	—
Balance with Banks	234,455
Total	234,455

As per our report of even date

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

per **Surekha Gracias**
Partner
Membership No. 105488
Place : Mumbai
Date : April 27, 2013

For and on behalf of the Board of Directors of Birla Sun Life
Trustee Company Private Limited

B N Puranmalka
Director
Place : Mumbai
Date : April 27, 2013

Prafull Anubhai
Director

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2013

1 Corporate Information

Birla Sun Life Trustee Company Private Limited ('the Company') is a private limited company, incorporated in India on 23 September 1994 under the provisions of the Companies Act, 1956. The principal object of the Company is to act as trustee for Birla Sun Life Mutual Fund ('the Fund') under a trust deed dated 16 December 1994, and for that purpose to set up, promote, settle and execute trusts and devise various schemes for raising funds in any manner from persons, body corporates, trust, society, association of persons in India and abroad and to deploy funds raised and earn reasonable returns on their investments and to acquire, hold, manage, dispose of all or any property or assets or securities.

2 Basis of preparation

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

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a Use of estimates

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. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b Investments

Investments that are readily realisable 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. 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 recognise a decline other than temporary in the value of the investments.

c Revenue recognition

Trusteeship fee earned by the Company for discharging its obligations as trustee to the Fund is recognised on an accrual basis, in accordance with the terms of the Deed of Trust.

Purchase and sale of investments are recorded on the trade date. The profit/loss on sale of investments are recognised in the statement of profit and loss on trade date, using weighted average cost method.

d Income taxes

Tax expense comprises current tax and deferred taxes. 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.

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 are recognized 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.

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 is 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.

e Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing net profit/loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, adjusted for the effects of all dilutive potential equity shares.

f Provisions.

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which reliable estimate can be made.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

g Contingent liability

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.

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2013

	31-Mar-13 (In ₹)	31-Mar-12 (In ₹)	31-Mar-13 (In ₹)	31-Mar-12 (In ₹)
NOTE: 3				
SHARE CAPITAL				
Authorised shares				
1,000,000 (31 March 2012 : 1,000,000) equity shares of Rs. 10/- each	10,000,000	10,000,000		
Total	<u>10,000,000</u>	<u>10,000,000</u>		
Issued, subscribed and fully paid-up shares				
20,000 (31 March 2012 : 20,000) equity shares of Rs. 10/- each	200,000	200,000		
Total Issued, subscribed and fully paid-up share capital	<u>200,000</u>	<u>200,000</u>		
NOTE: 5				
SHORT-TERM PROVISIONS				
Provision for Income Tax (Net of advance tax - Current Year Nil, Previous Year Rs. 259,910)			—	18,790
Total short term provision			<u>—</u>	<u>18,790</u>
NOTE: 6				
OTHER CURRENT LIABILITIES				
Expense payable			12,921	53,443
TDS payable			4,495	4,615
Excess income tax refund received			4,584	2,904
Total other current liabilities			<u>22,000</u>	<u>60,962</u>

a Reconciliation of shares outstanding at the beginning and at the end of the year

Sr No.	Equity shares	31-Mar-2013		31-Mar-2012	
		Number of Shares	In ₹	Number of Shares	In ₹
1	At the beginning of the year	20,000	200,000	20,000	200,000
2	Issued during the year	—	—	—	—
	Outstanding at the end of the year	20,000	200,000	20,000	200,000

b Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the year.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company after distributions of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c Details of shares held by holding company and shareholders holding more than 5 percent shares

Name of shareholder	As at 31-Mar-13			As at 31-Mar-12		
	Number of Shares held	Value of Shares In ₹	% of total paid-up equity share capital	Number of Shares held	Value of Shares In ₹	% of total paid-up equity share capital
1 Aditya Birla Financial Services Private Limited						
(Holding Company effective from 10th October 2012)	10,150	101,500	50.75%	9,950	99,500	49.75%
2 Sun Life (India) AMC Investment Inc.	9,800	98,000	49.00%	10,000	100,000	50.00%

NOTE: 4 RESERVES AND SURPLUS

a Capital Fund *			
Opening		377,911	268,471
Addition		—	109,440
Deletion		—	—
		<u>377,911</u>	<u>377,911</u>
b Surplus in the statement of profit and loss			
Balance as per last financial statements		2,466,973	2,213,770
Profit for the year		434,399	253,203
		<u>2,901,372</u>	<u>2,466,973</u>
Net surplus in the statement of profit and loss		<u>2,901,372</u>	<u>2,466,973</u>
Total reserves and surplus		<u>3,279,283</u>	<u>2,844,884</u>

* Capital fund comprises an amount received, on a non-repatriable basis from the Sponsor, as a contribution to the Birla Sun Life Mutual Fund ('the Fund') in accordance with the terms of the Trust Deed, together with accretion thereon. The amount is held by the Company in its fiduciary capacity as the trustee to the Fund and is intended to be utilised only for the purposes of settlement of claims, if any, purposes of settlement of claims, if any, from the unitholders of the mutual fund schemes launched by the Fund.

"Micro and Small Scale Business Entities :

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 2013. 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: 7A NON CURRENT INVESTMENTS (NON-TRADE)

Un-quoted mutual fund units (Valued at cost unless stated otherwise)

1,010.80 Units (31 March 2012 : 1010.80 Units) of Birla Sun Life Cash Plus - Retail Plan (Growth Option)*	247,828	247,828
583.47 Units (31 March 2012 : Nil Units) of Birla Sun Life Cash Plus - Direct Plan (Growth Option)*	109,440	—
Total non current investments	<u>357,268</u>	<u>247,828</u>

* The above investments are earmarked towards capital fund (Refer note 4)

Aggregate Market value of above Investment as on 31st March 2013	419,432	284,891
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NOTE: 7B CURRENT INVESTMENTS (NON-TRADE)

Unquoted mutual fund units (Valued at cost or market value whichever is lower)

5,151.62 Units (31 March 2012 : 5,560.57 Units) of Birla Sun Life Cash Plus - Retail Plan (Growth Option)@	1,216,794	1,313,387
1,617.82 Units (31 March 2012 : Nil Units) of Birla Sun Life Cash Plus - Direct Plan (Growth Option)	300,000	—
7441.30 Units (31 March 2012 : 6,740.81 Units) of Birla Sun Life Saving Fund - Retail Plan (Growth Option)#	1,361,342	1,148,486
Total current investments	<u>2,878,137</u>	<u>2,461,873</u>

Aggregate Market value of above Investment as on 31st March 2013	3,496,400	2,906,236
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@ includes Rs. Nil (Previous Year 109,440) earmarked towards capital fund.

BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED

	31-Mar-13 (In ₹)	31-Mar-12 (In ₹)		31-Mar-13 (In ₹)	31-Mar-12 (In ₹)
NOTE : 8A					
LONG-TERM LOANS AND ADVANCES (Unsecured, considered good except as otherwise stated)					
Advance to Birla Sun Life Mutual Fund towards corpus of the Fund*	5,000	5,000			
Advance Income Tax (Net of Provision for Tax - Current Year Rs. 269,400, Previous Year Nil)	1,530	—			
Total long-term loans and advances	6,530	5,000			
* This amount is repayable by the Fund only at the closure of the Fund.					
NOTE : 8B					
SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good except as otherwise stated)					
Others	24,893	11,796			
Total short-term loans and advances	24,893	11,796			
NOTE : 9					
OTHER CURRENT ASSETS Unsecured, considered good					
Receivable from Birla Sun Life Mutual Fund	—	362,448			
Total other current assets	—	362,448			
NOTE : 10					
CASH AND BANK BALANCE Cash & Cash Equivalent					
Balances with Bank					
Current Accounts	234,455	48,238			
Total cash and bank balance	234,455	48,238			
NOTE : 11					
OTHER INCOME					
Net Gain on sale of investments:					
Current investments	116,263	35,388			
Long term investments	—	109,440			
Miscellaneous Income	1,758	—			
Total other income	118,021	144,828			
NOTE : 12					
ADMINISTRATIVE AND OTHER EXPENSES					
Travelling and conveyance	683,669	781,174			
Directors' sitting fees	580,000	620,000			
Payment to auditors' (excluding service tax) :					
As audit fees	50,000	50,000			
Professional Charges	3,500	2,100			
Miscellaneous expenses	5,628	9			
Less: Received/Receivable from Schemes of Birla Sun Life Mutual Fund	(1,263,669)	(1,316,345)			
Total administrative and other expenses	59,128	136,938			
NOTE : 13					
EARNING PER SHARE ('EPS')					
Earnings per Share (EPS) is calculated as under:					
Net Profit as per Statement of Profit and Loss			434,399	362,643	
Net profit considered for EPS -	A	434,399	362,643		
Weighted average number of Equity Shares for calculation of Basic EPS			B	20,000	20,000
Basic and diluted EPS (Rs)	A/B	21.72	18.13		
Nominal Value of Shares (Rs.)					
			10.00	10.00	
The Company has not issued any potential equity shares and, accordingly, the basic EPS and diluted EPS are the same.					
Note 14					
Applicability of Accounting Standards					
The Company previously qualified as a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956 and accordingly was exempted from application of Accounting Standard 3 – Cash Flow Statements and AS 17 – Segment Reporting. Since this is the first year of application of these accounting standard disclosures, corresponding previous year figures have not been disclosed.					
Note 15					
Deferred taxes					
The components of deferred taxes is as under:					
Particulars			March 31, 2013	March 31, 2012	
Deferred tax liability on account of:					
Cost of investments			—	12,547	
Total			—	12,547	
Note 16					
Related party disclosures					
Name and relationship with the parties:-					
Parties where control exists:					
Ultimate Holding Company : Aditya Birla Nuvo Limited					
Holding Company : Aditya Birla Financial Services Private Limited					
The Company has not entered into any related party transactions as defined under Accounting Standard 18.					
Note 17					
Contingent liabilities and capital commitments are Nil (March 31, 2012 : Nil)					
Note 18					
Segmental Reporting					
Since the Company operates in single segment (i.e. rendering of trusteeship services), no further disclosure is required to be given as per the notified Accounting Standard -17 'Segmental Reporting'.					
Note 19					
Previous Year Comparatives					
Previous year's figures have been regrouped where necessary to conform to this year's classification.					
As per our report of even date					
For S.R. Batliboi & Co. LLP ICAI Firm Registration Number: 301003E Chartered Accountants			For and on behalf of the Board of Directors of Birla Sun Life Trustee Company Private Limited		
per Surekha Gracias Partner Membership No. 105488 Place : Mumbai Date : April 27, 2013			B N Puranmalka Director Place : Mumbai Date : April 27, 2013		Prafull Anubhai Director

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 4th Annual Report together with the audited accounts of your Company for the financial year ended March 31, 2013.

FINANCIAL PERFORMANCE

(Amt in ₹)

Particulars	FY 2012-13 Current Year	FY 2011-12 Previous year
Income	16,18,721	18,25,823
Less: - Expenditure	27,484	59,340
Profit / (Loss) before Tax	15,91,237	17,66,483
Less: - Provision for Taxation	4,93,000	5,46,000
Add: - Balance of profit / loss brought from the previous year	14,46,863	2,26,380
Profit/(Loss) after Tax carried forward to Balance Sheet	25,45,100	14,46,863

During the period under review, the Company incurred profit before tax of Rs. 15,91,237/- as compared to Rs. 17,66,483/- in previous corresponding year.

BUSINESS

The real estate sector vis a vis Housing Finance Industry has seen phenomenal growth from 2000. The demand for residential housing in the medium and long-term is likely to remain strong and is expected to grow. The Company is going through a significant business transformation exercise and has plans to scale up the business operations and activities in the fiscal year 2013-14.

DIVIDEND

Considering the growth plans of the Company the Directors do not recommend any dividend.

DEPOSITS

Your Company has not invited and accepted any Fixed Deposits from the public during the period under review.

PARTICULARS OF EMPLOYEES

During the year under review, there were no employees in the Company and therefore the disclosure as prescribed under section 217(2A) of the Companies Act, 1956 and the rules made there under are not applicable to the Company.

DIRECTORS

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Anil Rustogi, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. Resolution seeking appointment of Mr. Anil Rustogi has been included in the notice of the ensuing AGM.

During the period under review, Mr. Yogesh Thar has resigned from the Board of the Company. The Board places on record its sincere appreciation for the valuable services rendered by them during his tenure as Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under section 217 (2AA) of the Companies Act 1956, your Directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation for material departures, if any.
- the Directors have selected such accounting policies and applied them and made 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 at the end of the financial period and of profit of the Company for that period.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the annual accounts on a 'going concern basis'.

AUDITORS

M/s. Khimji & Kunverji, Chartered Accountants, Mumbai, Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility for re-appointment under the provisions of Section 224(1B) of the Companies Act, 1956. The Directors recommend their re-appointment.

AUDITOR'S REPORT

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

SECRETARIAL COMPLIANCE CERTIFICATE

As required under section 383A of the Companies Act, 1956, the Board appointed one of the Practising Company Secretary to carry out the necessary examination of secretarial records of the Company and issue a Compliance Certificate under the Companies (compliance certificate) Rules 2001. A copy of the said Compliance Certificate is enclosed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

There was no foreign exchange earnings and outgo during the period under review. In view of the nature of operation of the Company, we have nothing to report on the above matter.

APPRECIATION

The Board places on record its appreciation to the continued support and guidance of the Regulatory bodies and Company's Bankers.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 15th May, 2013

Sushil Chopra **Om Prakash Jajodia**
Director Director

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

SECRETARIAL COMPLIANCE CERTIFICATE

Company Identity Number (CIN) of the Company
Nominal Capital

: U65922MH2009PLC194378
: Rs.12.00 Crores.

To,
The Members,
ADITYA BIRLA HOUSING FINANCE LIMITED
(Formerly known as LIL INVESTMENT LIMITED)
Mumbai.

We have examined the necessary registers, records, books and papers of **ADITYA BIRLA HOUSING FINANCE LIMITED (Formerly known as LIL INVESTMENT 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 financial year ended on 31st March, 2013 (Financial year). 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 financial year:

1. The Company has kept and maintained registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and entries therein have been duly recorded.
2. Save and except filing eForm 22B, 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 Public Limited Company, comments with respect to the Compliance of Section 3(1)(iii) of the Act are not required.
4. The Board of Directors met 6 (Six) times for the meeting held on 05.05.2012, 30.07.2012, 20.11.2012, 31.12.2012, 24.01.2013 and 30.03.2013 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Circular Resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 9th August, 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra-Ordinary General Meeting was held on 29th December 2012 during the Financial Year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors and / or persons or firms or companies referred to in the Section 295 of the Act during the financial year under review.
9. There was no contract requiring the compliance of provisions of Section 297 of the Act in respect of contracts specified therein.
10. The Company was not required to make any entry 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 the Central Government in respect of the said section.
12. The Company has not issued any duplicate certificates during the Financial year.
13. The Company:
 - (i) has delivered all the certificates lodged thereof for transfer during the year. However no request for allotment/transmission of securities were received during the Financial Year.
 - (ii) has not deposited any amount in a separate Bank Account as no Dividend was declared during the Financial Year.
 - (iii) was not required to post warrants to any member of the Company as no Dividend was declared during the Financial Year.
 - (iv) has no amount to be transferred in to the Investor Education and Protection Fund in respect of unpaid dividend account or application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
- (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The appointment of Directors, Additional Directors / Managing Director to fill casual vacancy during the year were complied with.
15. The Company has not appointed any Managing Director / Whole Time Director / Manager during the Financial Year.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. 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 Financial Year.
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.
19. The Company has not issued any Shares, Debentures or Other Securities during the Financial year.
20. The Company has not bought back any shares during the financial year ended 31st March, 2013.
21. Since the Company has no Preference Shares / Debentures, the Company was not required to redeem any preference shares/ debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.
24. The amount borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and others during the Financial Year was within the borrowing limits of the Company.
25. The Company has made investments in other body corporate(s) in compliance with Section 372A of the Act and thus made entries in the register kept for the purpose.
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.
27. The Company has altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny and complied with the provisions of the Act.
28. The Company has altered the provisions of the Memorandum with respect to the Name of the Company during the year under Scrutiny and complied with the provisions of the Act.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under Scrutiny.
30. The Company has altered its Articles of Association after obtaining approval of members in the General Meeting held on 29/12/12 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the year under scrutiny.
33. The Company has no outstanding amount to be deposited with prescribed authorities in terms of provisions of Section 418 of the Act.

for **DILIP BHARADIYA & ASSOCIATES**

Sd/-

DILIP BHARADIYA

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

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

Annexure A

REGISTERS AS MAINTAINED BY THE COMPANY

A. STATUTORY REGISTERS:

Sr. No.	Registers maintained by the Company	Under Section
1.	Register of Members	150
2.	Register of Charge	143
3.	Minutes Books of proceedings of :	
	1. Meetings of the Board of Directors /	
	2. General Meetings	193
4.	Register of Contracts, Companies and firms in which Directors are interested	301
5.	Register of Directors, Managers and Secretary	303
6.	Register of Directors Shareholding	307
7.	Register of Loans, Investments, Etc.	372A

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the year under Report ending 31.03.2013.

- Form No. 23AC XBRL and 23ACA XBRL pertaining to filing of Annual accounts in the XBRL mode for the year ended 31.03.2012 filed on 26.11.2012 vide SRN Q02493922.
- Form No. 20B pertaining to filing of Annual return filed on 12.09.2012 vide SRN P88862016.
- Form No. 66 pertaining to Compliance Certificate for the year ended 31.03.2012 filed on 31.08.2012 vide SRN P88695283.
- Form 1A pertaining to Name Availability filed on 15.12.2012 vide SRN B63953269.
- Form 23 pertaining to Special Resolution filed on 07.01.2013 vide SRN B65322166.
- Form 1B pertaining to Change of Name of the Company filed on 07.01.2013 vide SRN B65358301.
- Form 32 pertaining to Change in the Management filed on 03.08.12 vide SRN B44705515.

for **DILIP BHARADIYA & ASSOCIATES**

Sd/-

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

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

Auditor's Report

**TO THE MEMBERS
ADITYA BIRLA HOUSING FINANCE LIMITED
FORMERLY KNOWN AS LIL INVESTMENT LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of Aditya Birla Housing Finance Limited (Formerly known as LIL Investment Limited) (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

5. In our Opinion and to the best of our information and according to the explanations given to us, the 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:

- a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 4 and 5 of the Order.
7. As required by section 227(3) of the Act, we report that:
 - a. we have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

Khimji Kunverji & Co.
Chartered Accountants
ICAI Registration No. 105146W

Place : Mumbai
Date 15 May, 2013

Gautam V Shah
Partner (F-117348)

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

Annexure referred to in paragraph 6 of our report of even date

Re : Aditya Birla Housing Finance Limited (Formerly known as LIL Investment Limited)

- i. The Company does not have any fixed assets, hence clause 4(i)(a) to 4(i)(c) of the order are not applicable.
- ii. The company does not hold any inventories, hence clause 4(ii)(a) to 4(ii)(c) of the Order are not applicable to the company.
- iii. As informed, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence clause 4(iii)(a) to 4(iii)(g) of the Order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the sale of services. Further, on the basis of examination of books and records of the Company and according to the information and explanations given, and as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been reported for any continuing failure to correct major weaknesses in the internal control system relating to the aforesaid.
- v. Based on the audit procedures applied and according to the information and explanations provided by the management, there are no transactions that need to be entered in the register maintained under section 301 of the Act, hence clause 4(v)(b) of the Order is not applicable to the company.
- vi. In our opinion and according to the information and explanations given, the Company has not accepted deposits from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vii. The Company did not deem it necessary to have a formal internal audit system during the year in view of the control existing in the company.
- viii. As informed, the company is not required to maintain any cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- ix. a. As informed, the Company is not liable to pay Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess.
- Company is generally regular in depositing with appropriate authorities undisputed Income-tax, and other statutory dues, There were no arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given, there are no dues of Income-Tax which have not been deposited on account of any dispute.
- x. Since the Company is registered for less than five years, the provisions of clause 4(x) of the Order, not applicable to the Company.
- xi. There are no loans taken from financial institutions and banks nor has the company issued any debentures, hence clause 4(xi) of the Order is not applicable to the company.
- xii. In our opinion and based on the documents and records produced, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii)(a) to 4(xiii)(d) of the Order are not applicable to the company.
- xiv. According to the information and explanations given, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to information and explanations given, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given, the company has not raised any term loans. Accordingly, the provision of clause 4(xvi) of the Order is not applicable to the company.
- xvii. According to the information and explanations given to us and on the overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix. According to the information and explanations given, the company has not issued any debentures. Therefore, the provision of clause 4(xix) of the Order is not applicable to the company.
- xx. The Company has not raised any money through a public issue during the year. Accordingly, the provision of clause 4(xx) of the Order is not applicable to the company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor we have been informed of such case by the management.

For and on behalf of

Khimji Kunverji & Co.
Chartered Accountants
ICAI Registration No. 105146W

Place : Mumbai
Date 15 May, 2013

Gautam V Shah
Partner (F-117348)

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

Balance Sheet as at 31st March, 2013

Note No.	As at 31 March, 2013 (₹)	As at 31 March, 2012 (₹)
EQUITY AND LIABILITIES		
(A) Shareholders' Funds		
Share Capital		
Equity	20,500,000	20,500,000
Reserves & Surplus	2,545,100	1,446,863
Sub-Total - (A)	<u>23,045,100</u>	<u>21,946,863</u>
(B) Current Liabilities		
Trade Payables	13,483	46,080
Other Current Liabilities	13,250	3,861
Short-term Provisions	159,801	158,586
Sub-Total - (B)	<u>186,534</u>	<u>208,527</u>
Total (A)+(B)	<u>23,231,634</u>	<u>22,155,390</u>
ASSETS		
(C) Current Assets		
Current Investments	—	650,000
Cash & Cash Balances	23,079,389	26,442
Short-term Loans and Advances	—	21,100,000
Other Current Assets	152,245	378,947
Sub Total - (C)	<u>23,231,634</u>	<u>22,155,389</u>
Total - (C)	<u>23,231,634</u>	<u>22,155,389</u>
Significant Accounting Policies	1	

The accompanying Notes are an integral part of the Financial Statements

Statement of Profit & Loss Account for the year ended 31st March, 2013

Note No.	Year ended 31 March, 2013 (₹)	Year ended 31 March, 2012 (₹)
Revenue from Operations		
Other Income	1,618,721	1,825,823
Total Revenue	<u>1,618,721</u>	<u>1,825,823</u>
Expenses		
Other Expenses	27,484	59,340
Total Expenses	<u>27,484</u>	<u>59,340</u>
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)	<u>1,591,237</u>	<u>1,766,483</u>
Finance Cost	—	—
Profit before Exceptional Item and Tax	<u>1,591,237</u>	<u>1,766,483</u>
Exceptional Items	—	—
Profit Before Tax	<u>1,591,237</u>	<u>1,766,483</u>
Tax Expenses		
— Current Tax	493,000	546,000
Profit for the Year	<u>1,098,237</u>	<u>1,220,483</u>
Basic/Diluted Earnings per Share (Face Value of ₹ 10/- each)	15	0.54
Significant Account Policies	1	

The accompanying Notes are an integral part of the Financial Statements

As per our attached report of even date
For **KHIMJI KUNVERJI & CO.**,
Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Place : Mumbai
Dated: 15 May, 2013

For and on behalf of Board of Directors

Anil Rustogi **Shriram Jagetiya**
Director Director

As per our attached report of even date
For **KHIMJI KUNVERJI & CO.**,
Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Place : Mumbai
Dated: 15 May, 2013

For and on behalf of Board of Directors

Anil Rustogi **Shriram Jagetiya**
Director Director

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

Cash Flow Statement for the year ended 31st March, 2013

(Amount in ₹)

PARTICULARS		2012-13		2011-12
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(loss) before tax		1,591,237		1,766,483
Adjustments for:				
Interest Income	(1,602,588)		(1,539,640)	
Profit on Sale of Mutual Fund	(16,133)	(1,618,721)	(255,794)	(1,795,434)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		(27,484)		(28,951)
Increase / (Decrease) in trade payables and other liabilities	(23,208)	(23,208)	25,329	25,329
CASH GENERATED FROM OPERATIONS		(50,692)		(3,622)
Income Taxes Paid		(491,783)		(699,019)
NET CASH FROM OPERATING ACTIVITIES		(542,475)		(702,641)
B CASH FLOW FROM INVESTING ACTIVITIES				
Sale / (Purchase) of Investment (Net)	650,000		(650,000)	
Profit on Sale of Mutual Fund	16,133		255,794	
Inter Corporate Deposits (Given)/Received back	21,100,000		(21,100,000)	
Interest Income	1,829,290	23,595,423	1,384,207	(20,109,999)
NET CASH (DECREASE)/INCREASE FROM INVESTING ACTIVITIES		23,595,422		(20,109,999)
C CASH FLOW FROM FINANCING ACTIVITIES				
NET CASH (DECREASE)/INCREASE FROM FINANCING ACTIVITIES		—		—
NET INCREASE IN CASH AND EQUIVALENTS		23,052,947		(20,812,640)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		26,442		20,839,082
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		23,079,389		26,442
1. Cash and cash equivalents include cheques in hand and remittance in transit				
Cash at bank		379,389		26,442
Fixed Deposit with Bank		22,700,000		—
		23,079,389		26,442

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

As per our attached report of even date
For **KHIMJI KUNVERJI & CO.**,
Chartered Accountants

For and on behalf of Board of Directors

Gautam V. Shah
Partner
Membership No. F-117348

Anil Rustogi
Director

Shriram Jagetiya
Director

Place : Mumbai
Dated: 15 May, 2013

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION

(I) BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in the accounting policy as specified below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current – noncurrent classification of assets and liabilities.

(II) USE OF ESTIMATES

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

(III) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realizable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

(IV) REVENUE RECOGNITION

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

Interest Income is recognized on a time proportion basis taking into account outstanding and applicable interest rate.

(V) TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

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.

(VI) CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is 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 best estimate required to settle the obligation at the balance sheet date.

(VII) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity

period of three months and short term highly liquid investments with an original maturity of three months or less.

(VIII) MEASUREMENT OF PROFIT BEFORE DEPRICATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operation. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

(IX) CASH FLOW STATEMENT

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

(X) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting attributable tax thereto for the period.

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

NOTE-2

	Numbers	Amount in ₹	
		As at 31st March, 2013	As at 31st March, 2012
SHARE CAPITAL			
Authorised:			
Equity shares of ₹ 10 each	5,000,000 (5,000,000)	50,000,000	50,000,000
Preference shares of ₹ 10 each	7,000,000 (7,000,000)	70,000,000	70,000,000
Total		120,000,000	120,000,000
Issued, Subscribed and paid-up:			
EQUITY SHARES CAPITAL			
Equity shares of ₹ 10 each fully paid up	2,050,000 (2,050,000)	20,500,000	20,500,000
Total		20,500,000	20,500,000

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

S.No.	Description	As at 31st March, 2013		31st March, 2012	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares outstanding at the beginning of the period @ ₹10 each	2,050,000	—	2,050,000	—
2	Issued during the year	—	—	—	—
3	No of Shares outstanding at the end of the period @ ₹10 each	2,050,000	—	2,050,000	—

2 Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

3. All equity shares are held by Aditya Birla Financial Services Pvt. Ltd. (No. of Share - 2,050,000)

4. Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held:

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

Equity Shares

S.No.	Name of Share Holder	As at 31st March, 2013		31st March, 2012	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited	—	—	389,500	19.00%
2	Indigold Trade & Services Limited	—	—	1,024,997	50.00%
3	Peter England Fashion & Retail Limited	—	—	317,748	15.50%
4	Madura Garments Lifestyle Retail Company Limited	—	—	317,749	15.50%
5	Aditya Birla Financial Services Pvt. Ltd.	2,050,000	100.00%	—	0.00%

5. Figures in brackets represent corresponding number of shares for previous year.

NOTE-3

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
RESERVES & SURPLUS		
Surplus/(Deficit) in the statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	1,446,863	226,380
Addition		
Profit for the Year	1,098,237	1,220,483
Closing Balance	2,545,100	1,446,863

NOTE-4

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
TRADE PAYABLES		
Trade Payables	13,483	46,080
	13,483	46,080

Detail of dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

There are no Micro, Small & Medium Enterprise, to whom the unit owes dues, which are outstanding for more than 45 days as at 31st March, 2012 and no interest payment made during the year to any Micro, Small & Medium Enterprises. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available.

NOTE-5

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
OTHER CURRENT LIABILITIES		
Statutory Dues	13,250	3,861
	13,250	3,861

NOTE-6

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
SHORT - TERM PROVISION		
Provisions for		
Taxation (Net of Advance Tax ₹ 1,547,589/- (Previous Year ₹ 1,055,806/-))	159,801	158,586
	159,801	158,586

NOTE-7

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
INVESTMENTS: CURRENT UNQUOTED		
Investments in		
Mutual Funds	—	650,000
	—	650,000
Aggregate Book Value of Unquoted Investments	—	650,000

NOTE-8

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
CASH AND BANK BALANCE		
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	379,389	26,442
Deposit Accounts (with original maturity less than three months)	22,700,000	—
	23,079,389	26,442

NOTE-9

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
SHORT TERM LOANS AND ADVANCES		
(unsecured, Considered Good, except otherwise stated)		
Loan and Advances given to Related parties @ [Refer Note 16 (b)]	—	21,100,000
	—	21,100,000

@ Includes Receivable from group company
ABNL Investment Limited 8,600,000
Aditya Birla Nuvo Limited 12,500,000
Maximum Balance due during the year 21,100,000

NOTE-10

	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
OTHER CURRENT ASSETS		
(unsecured, Considered Good, except otherwise stated)		
Interest Accrued on loans and Advances	—	378,947
Interest Accrued on Fixed Deposits	152,245	—
	152,245	378,947

NOTE-11

	Amount in ₹	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
OTHER INCOME		
Interest Income - Others	1,602,588	1,570,029
Net Gain on Sale of Investments Current	16,133	255,794
	1,618,721	1,825,823

NOTE-12

	Amount in ₹	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
OTHER EXPENSES		
Rates & Taxes	13,250	—
Legal & Profession Expenses	—	47,275
Bank Charges	743	827
Auditors' Remuneration: For Audit Fees	13,483	11,236
Miscellaneous Expenses	8	2
	27,484	59,340

NOTE-13

	Amount in ₹	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
FINANCE COST		
Interest Expenses	—	—
	—	—

14. CONTINGENT LIABILITY

There is no contingent liability as on 31st March, 2013. (Previous year : Nil)

15. EARNING PER SHARE (EPS)

Earning per share calculated as under:

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
Net Profit as per the statement of Profit and Loss	1,098,237	1,220,483
Weighted Average Number of Equity share	2,050,000	2,050,000
Basic/Diluted EPS	0.54	0.60
Nominal value of Shares (₹)	10	10

16. Disclosure in respect of Related Parties pursuant to Accounting Standard 18:

a) List of Related parties:

- Ultimate Holding Company**
Aditya Birla Nuvo Limited.
- Holding Company**
Aditya Birla Financial Services Private Limited.
- Fellow Subsidiaries**
Indigold Trade & Services Limited.
Madura Garments Lifestyle Retail Company Limited.
Peter England Fashion and Retail Limited.
ABNL Investment Limited.

ADITYA BIRLA HOUSING FINANCE LIMITED (EARLIER KNOWN AS LIL INVESTMENT LIMITED)

b) Transaction with related parties as per Annexure "A"

Related Party Transaction	Holding Co./ Ultimate Holding Co.	Fellow Subsidiaries
Sales, Service and other Income		
Interest Income		
ABNL Investment Limited		139,956 (1,539,641)
Inter Corporate Deposit paid		
ABNL Investment Limited		— (21,100,000)
Inter Corporate Deposit paid received back		
ABNL Investment Limited		8,600,000 (12,500,000)
Security Deposit Given		
Aditya Birla Nuvo Limited	— (12,500,000)	
Security Deposit Given Recd Back		
Aditya Birla Nuvo Limited	(12,500,000) (—)	
Other Payable paid		
Aditya Birla Nuvo Limited	— (13,482)	
Closing Balance as on 31.03.2013		
Inter Corporate Deposit given outstanding		
ABNL Investment Limited		— (8,600,000)
Interest Receivable on Inter corporate Deposit		
ABNL Investment Limited (Net of TDS)		— (378,948)
Security Deposit Given		
Aditya Birla Nuvo Limited	— (12,500,000)	

Related Party Transaction	Holding Co./ Ultimate Holding Co.	Fellow Subsidiaries
Share Capital		
Aditya Birla Nuvo Limited	— (3,895,000)	
Aditya Birla Financial Services Pvt. Ltd.	20,500,000 (—)	
Indigold Trade and Services Limited		— (10,249,970)
Madura Garments Lifestyle Retail Company Limited		— (3,177,490)
Peter England Fashions & Retail Limited		— (3,177,480)

- No amount in respect of related parties have been written off/back are provided for during the period.
- Related party relationship have been identified by the management and relied upon by the auditors
- Figures in brackets represent corresponding amount of previous year

17. During the year, (i) Name of the Company has been changed from LIL Investment Limited to Aditya Birla Housing Finance Limited; (ii) Object clause of the Company has been altered to include business of housing Finance as main object of the Company. The Company has applied to National Housing Board (NHB) for license to commence business of housing finance. As at 31st March, 2013, the Company is awaiting response from NHB in this regard.

18. Figures of previous year have been regrouped/rearranged wherever necessary.

As per our attached report of even date For and on behalf of Board of Directors
For **KHIMJI KUNVERJI & CO.**,
Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Anil Rustogi **Shriram Jagetiya**
Director Director

Place : Mumbai
Dated: 15 May, 2013

ABNL INVESTMENT LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present 19th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2013.

FINANCIAL PERFORMANCE

The financial performance for the Financial Year ended March 31, 2013 is summarized in the following table :

(Figures in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Profit before Tax	26,314,559	22,977,352
Less: Provision for Tax	6,287,000	6,700,000
Net Profit after Tax	20,027,559	16,277,352
Provision of tax for earlier written back	—	—
Add: Balance brought forward from earlier year	104,102,551	91,125,199
Profit available for appropriation	127,430,110	107,402,551
Appropriations:		
Special Reserve	4,010,000	3,300,000
Balance carried forward to next year	120,120,110	104,102,551

DIVIDEND

With a view to conserve resources, your Directors do not consider it appropriate to recommend dividend on Equity Shares for the financial year ended on 31st March 2013.

DEPOSITS

Your Company has not invited and accepted any Fixed Deposits from the public during the year. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies (Reserve Bank) Directions, 1998.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

There are no employees of the Company drawing more than Rupees Sixty Lakhs per annum or Rupees Five Lakhs per month as the case may be and therefore no particulars are required to be given under the Companies (Particulars of Employees) Rules, 1975.

Fair Practices Code

In compliance with Circular No. DNBS.CC.PD.No.320/03.10.01/2012-13 dated 18th February, 2013 issued by Reserve Bank of India (RBI), your Company made the suitable amendments in the existing Guidelines on Fair Practice Code (the "FPC") by including the specific provision relating to set-up / lay down appropriate grievance redressal mechanism within the organization to resolve disputes between the Company and its customers. Such amendments in the FPC have been approved by the Board of Directors of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made 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 at the end of the Financial Year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Anil Rustogi, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

AUDITORS & AUDITOR'S REPORT

Appointment of M/s. Khimji & Kunverji, Chartered Accountants, Mumbai, as Statutory Auditors of the Company is valid only upto the ensuing Annual General Meeting. They have confirmed their eligibility for re-appointment under the provisions of Section 224(1B) of the Companies Act, 1956. The Directors recommend their re-appointment.

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Your Directors request you to appoint Auditors for the current year and fix their remuneration.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

APPRECIATION

The Board places on record its appreciation to the continued support and guidance of the Regulatory bodies and Company's Bankers.

For and on behalf of the Board
ABNL Investment Limited

Place : Mumbai
Date : 23rd May, 2013

Anil Rustogi
Director

Manoj Kedia
Director

ABNL INVESTMENT LIMITED

Auditor's Report

To The Members
ABNL Investment Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of **ABNL Investment Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No. 105146W

Place: Mumbai
Date: May 23, 2013

Gautam V. Shah
Partner (F-117348)

ABNL INVESTMENT LIMITED

Annexure to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) Management at reasonable intervals has physically verified fixed asset. No material discrepancies were noticed on physical verification.
- c) The Company has not disposal off substantial part of fixed assets during the year.
- ii. The Company does not hold any stock in trade during the year. Hence, Clause 4(ii)(a), 4(ii)(b) & 4(ii)(c) of the Order are not applicable to the Company.
- iii. a) The Company has not given any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence, clauses 4(iii) (b), (c) and (d) of the Order, are not applicable to the Company.
- b) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence, clauses 4(iii) (f) and (g) of the Order, are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. Based on the Audit procedure applied and according to information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under that section. Hence, clause 4(v)(b) of the Order, is not applicable to the Company.
- vi. The Company has not accepted/renewed any deposit from the public in terms of the provisions of Section 58A, 58AA or any other relevant provisions of the Act. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Company is not required to maintain any cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act. Hence clause (viii) of the Order is not applicable to the Company.
- ix. a) The company is generally regular in depositing with appropriate authorities undisputed Income tax and service tax, and there are no arrears thereof as at 31st March, 2013 for a period of more than six months from the date they become payable. We are informed that Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, and other statutory dues are not applicable to the Company.
- b) According to the information and explanations given to us there are no disputed Income Tax and Service Tax due which has not been deposited.
- x. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year or in the immediately preceding financial year.
- xi. During the year, the company has neither taken any loan nor did it have any outstanding loan at the beginning of the year from any financial institution, bank or debenture holders. Accordingly, the provision of clause 4(xi) of the Order is not applicable to the Company.
- xii. According to information and explanations given to us and based on our examination of documents and records produced before us, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or nidhi / mutual benefit fund/ society. Therefore, the provision of clause 4(xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provision of clause 4(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company has not raised any term loans during the year. Accordingly, the provision of clause 4(xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix. The Company has not issued any secured debentures. Hence, the provision of clause (xix) of the Order is not applicable to the Company.
- xx. The Company has not raised any money through public issue during the year. Hence, the provision of clause (xx) of the Order is not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor we have been informed of such case by the management.

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No. 105146W

Place: Mumbai
Date: May 23, 2013

Gautam V. Shah
Partner (F-117348)

ABNL INVESTMENT LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes No.	As at 31st March, 2013 (Rupees)	As at 31st March, 2012 (Rupees)
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2		
Equity		210,000,000	210,000,000
Reserves and Surplus	3	151,930,110	131,902,551
Sub-Total - (A)		361,930,110	341,902,551
(B) Current Liabilities			
Short-term Borrowings	4	47,000,000	544,500,000
Trade Payables	5	667,545	699,856
Other Current Liabilities	6	13,239,569	19,254,587
Short-term Provisions	7	3,321,374	6,868,233
Sub-Total - (B)		64,228,488	571,322,676
TOTAL (A) + (B)		426,158,598	913,225,227
ASSETS			
(C) Non-Current Assets			
Fixed Assets			
Tangible Assets	8	101,887,490	104,085,724
Non-Current Investments	9	200,524,950	229,836,683
Long-term Loans and Advances	10	-	522,100,000
Sub-Total - (C)		302,412,440	856,022,407
(D) Current Assets			
Current Investments	9A	500,000	-
Short-term Loans and Advances	10A	119,422,082	55,397,289
Cash & Bank Balances	11	412,622	1,262,990
Other Current Assets	12	3,411,454	542,541
Sub-Total - (D)		123,746,158	57,202,820
TOTAL (C) + (D)		426,158,598	913,225,227
Significant Accounting Policies	1	-	-

The accompanying Notes are an integral part of the Financial Statements

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	Year ended 31st March, 2013 (Rupees)	Year ended 31st March, 2012 (Rupees)
INCOME			
Revenue from Operations	13	30,776,698	20,165,813
Other Income	13A	19,503,967	19,426,788
Total		50,280,665	39,592,601
EXPENSES			
Contingent Provision against Standard Assets		(1,142,369)	987,437
Other Expenses	14	244,747	241,773
Total		(897,622)	1,229,210
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)		51,178,287	38,363,391
Finance Cost	15	22,665,494	13,187,805
Depreciation and Amortisation Expenses	16	2,198,234	2,198,234
Profit Before Tax		26,314,559	22,977,352
Tax Expenses			
- Current Tax		6,287,000	6,700,000
Profit for the Year		20,027,559	16,277,352
Basic/ Diluted Earnings per Share		0.95	0.78
(Face Value of ₹ 10/- each)			
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date For **KHIMJI KUNVERJI & CO.**
Firm Registration No. 105146W
Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Date : 23rd May, 2013
Place : Mumbai

For and on behalf of Board of Directors

MANOJ KEDIA Director
ANIL RUSTOGI Director

RAKESH GUPTA
Company Secretary

As per our attached Report of even date For **KHIMJI KUNVERJI & CO.**
Firm Registration No. 105146W
Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Date : 23rd May, 2013
Place : Mumbai

For and on behalf of Board of Directors

MANOJ KEDIA Director
ANIL RUSTOGI Director

RAKESH GUPTA
Company Secretary

ABNL INVESTMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in ₹)

PARTICULARS	2012-13		2011-12	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		26,314,559		22,977,352
Adjustments for :				
Depreciation	2,198,234		2,198,234	
(Profit)/Loss on Sale of Investments	(2,075,031)		(792,540)	
Contingent Provision against Standard Asset	(1,142,369)	(1,019,166)	987,437	2,393,131
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		25,295,393		25,370,483
Adjustments for :				
Decrease / (Increase) in Loans & Advances	458,161,504		(394,975,000)	
(Increase) / Decrease in Other current assets	(2,868,914)		2,663,166	
Increase / (Decrease) in Trade and Other payables	(8,213,490)	447,079,100	(977,365)	(393,289,199)
CASH GENERATED FROM OPERATIONS		472,374,493		(367,918,716)
Income Taxes Refund / (Paid) (Net)		(6,611,625)		(6,374,866)
NET CASH FROM OPERATING ACTIVITIES		465,762,868		(374,293,582)
B CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Non-Current Investments	30,070,164		-	
Purchase of Non-Current Investments	25,000		(6,311,303)	
Sale/(Purchase) of Current Investment (Net)	791,600	30,886,764	6,767,540	456,237
NET CASH FROM INVESTING ACTIVITIES		30,886,764		456,237
C CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Borrowings	(497,500,000)	(497,500,000)	373,050,000	373,050,000
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(497,500,000)		373,050,000
NET INCREASE IN CASH AND EQUIVALENTS		(850,368)		(787,345)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		1,262,990		2,050,335
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		412,622		1,262,990

Note:

- 1) Cash and cash equivalents include cheques on hand and remittance in transit

	Current year	Previous year
Cheque on hand	100,000	1,153,254
Cash on hand	1,140	1,140
Cash at bank	311,482	108,596
	412,622	1,262,990

- 2) Previous years figures have been regrouped/rearranged wherever necessary.

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date
For **KHIMJI KUNVERJI & CO.**
Firm Registration No. 105146W
Chartered Accountants

For and on behalf of Board of Directors

Gautam V. Shah
Partner
Membership No. F-117348

MANOJ KEDIA
Director

ANIL RUSTOGI
Director

RAKESH GUPTA
Company Secretary

Date :23rd May, 2013
Place : Mumbai

ABNL INVESTMENT LIMITED

NOTE - 1 - SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION

(I) BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

(II) USE OF ESTIMATES

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

(III) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Tangible Assets is provided on Straight-Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

(IV) IMPAIRMENT OF ASSETS

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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

(V) BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(VI) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realizable value. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

(VII) REVENUE RECOGNITION

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

Income from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

(VIII) TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally

enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

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.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each balance sheet date the Company reassesses unrecognized deferred tax assets.

(IX) CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is 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 best estimate required to settle the obligation at the Balance Sheet date.

(X) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

(XI) MEASUREMENT OF PROFIT BEFORE DEPRICATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

(XII) CASH FLOW STATEMENT

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

(XIII) SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense item which are not allocated to any business segment.

(XIV) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

ABNL INVESTMENT LIMITED

NOTE : 2

	Numbers	As At 31st March, 2013 (₹)	As At 31st March, 2012 (₹)
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each	24,990,000 (24,990,000)	249,900,000	249,900,000
Redeemable Preference Shares of ₹ 100/- each	1,000 (1,000)	100,000	100,000
		<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid-up			
EQUITY SHARE CAPITAL			
Equity shares of ₹ 10/- each fully paid-up	21,000,000 (21,000,000)	210,000,000	210,000,000
		<u>210,000,000</u>	<u>210,000,000</u>

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

S. No.	Description	As at 31st March, 2013		As at 31st March, 2012	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No of Shares outstanding at the beginning of the period @ ₹ 10/- each	21,000,000	-	21,000,000	-
2	Issued during the year	-	-	-	-
3	No of Shares outstanding at the end of the period @ ₹ 10/- each	21,000,000	-	21,000,000	-

2 Term/Right attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

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

3 All Equity shares are held by Aditya Birla Nuvo Limited - No. of Shares- 21,000,000

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

S. No.	Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
		No. of Shares held	% of Total Paid-up Equity Share Capital	No. of Shares held	% of Total Paid-up Equity Share Capital
1	Aditya Birla Nuvo Limited	21,000,000	100.00%	21,000,000	100.00%

5 Figures in brackets represent corresponding number of shares for previous year.

NOTE : 3

	As At 31st March, 2013 (₹)	As At 31st March, 2012 (₹)
RESERVES & SURPLUS		
1) Capital Redemption Reserve		
Opening Balance as per last audited Financial Statements	200,000	200,000
Addition:	-	-
	<u>200,000</u>	<u>200,000</u>
2) Special Reserve u/s 45-IC of RBI Act		
Opening Balance as per last audited Financial Statements	27,600,000	24,300,000
Addition:		
Transfer from Statement of Profit And Loss	4,010,000	3,300,000
	<u>31,610,000</u>	<u>27,600,000</u>
3) Surplus in the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statements	104,102,551	91,125,199
Addition:		
Profit of the Year	20,027,559	16,277,352
Less: Appropriations		
Transfer to Special Reserve	4,010,000	3,300,000
	<u>120,120,110</u>	<u>104,102,551</u>
Total	<u>151,930,110</u>	<u>131,902,551</u>

Note:

Special Reserve

Special reserve represents the reserve created by ABNL Investment Limited a subsidiary of Aditya Birla Nuvo Limited pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to these companies. In terms of section 45-IC of the RBI Act, a non-banking finance company is required to transfer an amount not less than 20 per cent of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

NOTE: 4

	As At 31st March, 2013 (₹)	As At 31st March, 2012 (₹)
SHORT-TERM BORROWINGS		
UNSECURED		
Loans from Related Parties (Refer Note No.20 (b))	47,000,000	544,500,000
	<u>47,000,000</u>	<u>544,500,000</u>

NOTE: 5

	As At 31st March, 2013 (₹)	As At 31st March, 2012 (₹)
TRADE PAYABLES		
Trade Payables	667,545	699,856
	<u>667,545</u>	<u>699,856</u>

"Micro and Small Scale Business Entities :

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013 and no interest payment made during the year to any Micro, Small & Medium Enterprises. This information as required to be disclosed under the Micro, Small & 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: 6

	As At 31st March, 2013 (₹)	As At 31st March, 2012 (₹)
OTHER CURRENT LIABILITIES		
Interest Accrued but not due on Borrowings	732,923	6,740,958
Statutory Dues	255,846	772,900
Deposits	12,250,800	11,740,730
	<u>13,239,569</u>	<u>19,254,588</u>

NOTE: 7

	As At 31st March, 2013 (₹)	As At 31st March, 2012 (₹)
SHORT-TERM PROVISIONS		
Taxation (Net of Advance Tax ₹ 24,073,757 (Previous Year ₹ 23,835,429))	2,526,243	2,764,571
Contingent Provision on Standard Asset of Financing Activities	795,131	1,937,500
Provision for Doubtful Loans and Advances of Financing Activities	-	2,166,162
	<u>3,321,374</u>	<u>6,868,233</u>

NOTE: 8

	Amount in ₹	
	Freehold Building	TOTAL
Gross Block		
As at 1st April, 2011	134,861,000	134,861,000
As at 31st March, 2012	134,861,000	134,861,000
As at 31st March, 2013	134,861,000	134,861,000
Accumulated Depreciation		
As at 1st April, 2011	28,577,042	28,577,042
For the year	2,198,234	2,198,234
As at 31st March, 2012	30,775,276	30,775,276
For the year	2,198,234	2,198,234
As at 31st March, 2013	32,973,510	32,973,510
Net Block as at 31st March, 2012	104,085,724	104,085,724
Net Block as at 31st March, 2013	101,887,490	101,887,490

ABNL INVESTMENT LIMITED

NOTE: 9 NON-CURRENT INVESTMENT						NOTE: 11 CASH AND BANK BALANCES		As at 31st March, 2013	As at 31st March, 2012
	Face Value (₹)	Number	As at 31st March, 2013	Number	As at 31st March, 2012	Cash & Cash Equivalents			
Equity Instruments:						Balances with Banks			
Unquoted						Current Accounts		311,482	108,596
Fellow Subsidiaries						Cash on Hand		1,140	1,140
ABNL IT & ITES Limited	10	2,500	25,000	—	—	Cheques/Drafts on Hand		100,000	1,153,254
Aditya Birla Finance Limited	10	1	10	1	10			412,622	1,262,990
Madura Garment Lifestyle Retail Company Limited	10	49,994	499,940	49,994	499,940				
Aditya Birla Minacs Worldwide Limited	1	—	—	63,889	19,335,763				
Indigold Trade and Services Limited	10	—	—	999,997	9,999,970				
Others									
Aditya Birla Power Company Limited (Net of Diminution in Value ₹1,15,000)		11,500	—	11,500	—	Interest Accrued on Loans and Advances		3,411,454	542,541
Debtentures & Bonds:								3,411,454	542,541
Madura Garment Lifestyle Retail Company Limited (Compulsory Convertible Debtentures carrying Zero Coupon Rate)	1,000,000	200	200,000,000	1,000,000	200,000,000				
Other Non-Current Investments:									
Pass Through Certificate-Pioneer Trust	1,000	—	—	1	1,000				
			200,524,950		229,836,683				
Aggregate Book Value - Unquoted			200,524,950		229,836,683			30,776,698	20,165,813
NOTE: 9A CURRENT INVESTMENT						NOTE: 12 OTHER CURRENT ASSETS			
Unquoted						Interest Income from Financing Activity		28,701,667	17,078,273
Subsidiaries						Others			
Mutual Fund:						Loan Processing Fees		—	2,295,000
(Valued at lower of Cost and Fair Value)						Profit on Sale of Non-Current Investments		783,431	—
Unquoted, Fully paid-up						Profit on Sale of Current Investments		1,291,600	792,540
Birla Sun Life Saving Fund Institutional - Growth	100	2,663.835	500,000	—	—			30,776,698	20,165,813
(NAV ₹187.6993/- Per Unit)			500,000		—				
Aggregate Book Value - Unquoted			500,000		—				
NOTE: 10 LONG-TERM LOANS AND ADVANCES						NOTE: 13A OTHER INCOME			
Loans & Advances to Related Parties (Unsecured)						Rent from Property		19,426,803	19,426,788
(Refer Note No.20 (b))						Sundry Balances Written Back		77,163	—
			—		522,100,000			19,503,966	19,426,788
			—		522,100,000				
NOTE: 10A SHORT-TERM LOANS AND ADVANCES						NOTE: 14 OTHER EXPENSES			
(Unsecured, Considered Good, except otherwise stated)						Rates & Taxes		40,620	37,147
Security Deposits						Legal & Profession Fees		63,401	59,055
Considered Good						Bank Charges		1,685	2,647
Loans and Advances of Financing Activities						Auditors' Remuneration			
Secured, Considered Good			18,052,598	50,000,000		For Audit Fees (Including Limited Review Fees)	70,000	70,000	
Unsecured, Considered Good			100,000,000	—		For Tax Audit Fees	17,500	17,500	
Considered Doubtful			—	2,166,162		For Other Services	23,500	23,500	
Loans & Advances to Related Parties			—	—		For Reimbursement of Expenses	8,661	11,434	
Secured, Considered Good			—	2,900,000		Miscellaneous Expenses	19,380	20,490	
VAT, Other taxes Recoverable, Statutory Deposits and Dues from Government			11,185	—			244,747	241,773	
Considered Good (CENVAT)			11,185	—					
Advance Tax (Net of Provision ₹ 11,662,147 (Previous Year ₹ 5,288,850))			375,147	288,850					
Advance for Expenses & Material			940,875	—					
			119,422,082	55,397,289					
NOTE: 15 FINANCE COST						NOTE: 16 DEPRECIATION AND AMORTISATION EXPENSES			
Interest Expenses						Depreciation of Tangible Assets		2,198,234	2,198,234
								2,198,234	2,198,234
NOTE: 17 CONTINGENT LIABILITY						NOTE: 19 EARNING PER SHARE (EPS)			
There is no Contingent Liability as on 31st March 2013. (Previous year: Nil)						Earning per Share is calculated as under:			
NOTE: 18						Particulars		As at 31st March, 2013	As at 31st March, 2012
The Lease given by the company are generally renewable and having refundable security deposits from lessee.						Net Profit as per the Statement of Profit and Loss		20,027,559	16,277,352
NOTE: 19						Weighted Average Number of Equity Shares		21,000,000	21,000,000
Earning per Share is calculated as under:						Basic/Diluted EPS (₹)		0.95	0.78
						Nominal value of Shares (₹)		10.00	10.00

ABNL INVESTMENT LIMITED

20 Disclosure in respect of Related Parties pursuant to Accounting Standard-18:

a) List of Related Parties:

1. Holding Company

Aditya Birla Nuvo Limited

2. Fellow Subsidiaries

Aditya Birla Finance Limited

ABNL IT & ITES Limited

Aditya Birla Minacs Worldwide Limited

Birla Sunlife Asset Management Company Limited

Indigold Trade & Services Limited

LIL Investment Limited

Madura Garments Lifestyle Retail Company Limited

b) Transaction with Related Parties as per Annexure "A"

During the year following transactions were carried out with the related parties in the ordinary course of business: -

(Amount in ₹)

Sr. No.	Transaction/ Nature of Relationship	Year Ended 31st March 2013 (Audited)	Year Ended 31st March 2012 (Audited)
1	Sales, Service and Other Income		
a	Interest Income		
	Holding Company		
	Aditya Birla Nuvo Limited	718,925	—
		718,925	—
	Subsidiaries		
	Aditya Birla Finance Limited	—	920,548
	Aditya Birla Minacs Worldwide Limited	14,164,283	5,784,916
	Indigold Trade & Services Limited	69,719	18,522
		14,234,002	6,723,986
b	Loan Processing Fees		
	Aditya Birla Minacs Worldwide Limited	—	2,295,000
		—	2,295,000
2	Interest Expense		
	Holding Company		
	Aditya Birla Nuvo Limited	18,420,971	10,964,066
		18,420,971	10,964,066
	Subsidiaries		
	Birla Sunlife Asset Management Company Limited	262,673	—
	Indigold Trade & Services Limited	—	684,099
	LIL Investment Limited	139,956	1,539,641
	Madura Garments Lifestyle Retail Company Limited	3,841,892	—
		4,244,521	2,223,740
3	Reimbursement of Expenses		
	Holding Company		
	Aditya Birla Nuvo Limited	2,400	3,061
		2,400	3,061
4	Loan Granted		
	Holding Company		
	Aditya Birla Nuvo Limited	100,000,000	—
		100,000,000	—
	Subsidiaries		
	Aditya Birla Minacs Worldwide Limited	18,000,000	525,000,000
	Indigold Trade & Services Limited	—	2,900,000
		18,000,000	527,900,000
5	Loan Taken		
	Holding Company		
	Aditya Birla Nuvo Limited	954,350,000	614,100,000
		954,350,000	614,100,000
	Subsidiaries		
	Birla Sunlife Asset Management Company Limited	37,100,000	—
	Indigold Trade & Services Limited	—	9,600,000
	LIL Investment Limited	—	21,100,000
	Madura Garments Lifestyle Retail Company Limited	290,850,000	—
		327,950,000	30,700,000

6	Loans Granted Received Back		
	Holding Company		
	Aditya Birla Nuvo Limited	100,000,000	—
		100,000,000	—
	Subsidiaries		
	Aditya Birla Finance Limited	—	80,000,000
	Aditya Birla Minacs Worldwide Limited	540,100,000	2,900,000
	Indigold Trade & Services Limited	2,900,000	25,000
		543,000,000	82,925,000
7	Loan Repaid		
	Holding Company		
	Aditya Birla Nuvo Limited	1,461,250,000	249,650,000
		1,461,250,000	249,650,000
	Subsidiaries		
	Birla Sunlife Asset Management Company Limited	37,100,000	—
	Indigold Trade & Services Limited	—	9,600,000
	LIL Investment Limited	8,600,000	12,500,000
	Madura Garments Lifestyle Retail Company Limited	272,850,000	—
		318,550,000	22,100,000
8	Investment Made		
	Equity Shares of Aditya Birla Minacs Worldwide Limited	—	5,811,363
	Equity Shares of ABNL IT & ITES Limited	25,000	—
	Equity Shares of Madura Garments Lifestyle Retail Company Limited (Purchased from Aditya Birla Nuvo Limited)	—	499,940
	0 % Non-Convertible Debentures of Madura Garments Lifestyle Retail Company Limited	550,000,000	—
		550,025,000	6,311,303
9	Investment Sold		
	ABNL IT & ITES Limited (Sale of 63,889 Equity Shares of Rs. 10 Each of Aditya Birla Minacs Worldwide Limited)	19,335,763	—
	Aditya Birla Nuvo Limited (Sale of 9,99,997 Equity Shares of Rs. 10 Each of Indigold Trade & Services Limited)	9,999,970	—
	Madura Garments Lifestyle Retail Company Limited (Sale of 0% Non-Convertible Debentures)	550,000,000	—
		579,335,733	—
10	Other Receivable Received		
	Shaktiman Mega Food Park Private Limited	—	4,391
		—	4,391
11	Other Payable Paid		
	Aditya Birla Nuvo Limited	2,400	—
		2,400	—
12	Closing Balance As On 31.03.2013		
	a Investments Outstanding		
	Equity Shares of Aditya Birla Finance Limited	10	10
	Equity Shares of Aditya Birla Minacs Worldwide Limited	—	19,335,763
	Equity Shares of ABNL IT & TES Limited	25,000	—
	Equity Shares of Indigold Trade & Services Limited	—	9,999,970
	Equity Shares of Madura Garments Lifestyle Retail Company Limited	499,940	499,940
	Zero Coupon Compulsory Convertible Debentures of Madura Garments Lifestyle Retail Company Limited	200,000,000	200,000,000
		200,524,950	229,835,683
	b Inter Corporate Deposits Granted		
	Subsidiaries		
	Aditya Birla Minacs Worldwide Limited	—	522,100,000
	Indigold Trade & Services Limited	—	2,900,000
		—	525,000,000
	c Inter Corporate Deposits Taken		
	Holding Company		
	Aditya Birla Nuvo Limited	29,000,000	535,900,000
		29,000,000	535,900,000

ABNL INVESTMENT LIMITED

Subsidiaries			
LIL Investment Limited	—	8,600,000	
Madura Garments Lifestyle Retail Company Limited	18,000,000	—	
	18,000,000	8,600,000	
d Interest Receivable on Inter Corporate Deposits Granted			
Subsidiaries			
Indigold Trade & Services Limited (Net of TDS)	—	16,411	
	—	16,411	
e Interest Payable on Inter Corporate Deposits Taken			
Holding Company			
Aditya Birla Nuvo Limited (Net of TDS)	—	6,204,360	
	—	6,204,360	
Subsidiaries			
Indigold Trade & Services Limited (Net of TDS)	—	157,650	
LIL Investment Limited (Net of TDS)	—	378,947	
Madura Garments Lifestyle Retail Company Limited (Net of TDS)	732,923	—	
	732,923	536,597	
f Share Capital			
Holding Company			
Aditya Birla Nuvo Limited	210,000,000	210,000,000	
	210,000,000	210,000,000	

- No amount in respect of the related parties have been written off/back are provided for during the year
- Related party relationship have been identified by the management and relied upon by the auditors.

Annexure: B

Segment Disclosures for the year ended 31st March, 2013

(Amount in ₹)

	1) Primary Segment- Business	Investment & Financing		Rent from Properties		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
A	Segment Revenue	30,853,862	20,165,813	19,426,803	19,426,788	50,280,665	39,592,601
B	Segment Result (PBT)	9,421,195	5,845,988	17,143,364	17,131,364	26,564,559	22,977,352
	Provision for Tax	—	—	—	—	6,287,000	6,700,000
	Profit after Tax	—	—	—	—	20,027,559	16,277,352
C	Carrying amount of Segment Assets	322,489,002	807,545,386	102,870,642	104,128,001	425,359,644	911,673,387
	Unallocated Assets	—	—	—	—	798,954	1,551,841
D	Carrying amount of Segment Liabilities	48,783,748	556,132,352	12,815,687	12,279,580	61,599,435	568,411,932
	Unallocated Liabilities	—	—	—	—	364,559,163	2,910,745
E	Cost incurred to acquire segment fixed assets during the year	—	—	—	—	—	—
	Unallocated assets	—	—	—	—	—	—
F	Depreciation/Amortization	—	—	2,198,234	2,198,234	2,198,234	2,198,234

- The company has identified segments in line with the Accounting Standard on Segment Reporting (AS-17). For Information on Segment Reporting please refer Annexure "B"
- Disclose in respect of Para 13 of Non-Banking Financial (Non-deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is as per Annexure "C"
- Previous Year's figures have been regrouped/rearranged wherever necessary.

As per our attached Report of even date For and on behalf of Board of Directors
 For **KHIMJI KUNVERJI & CO.**
 Firm Registration no. 105146W
 Chartered Accountants

MANOJ KEDIA Director
ANIL RUSTOGI Director

Gautam V. Shah
 Partner
 Membership No. F-117348

RAKESH GUPTA
 Company Secretary

Date :23rd May, 2013
 Place : Mumbai

ABNL IT & ITES LIMITED

DIRECTORS' REPORT

Dear Members,

We are pleased to present the 1st Annual Report together with the Audited Accounts of your Company for the period from 21st February, 2013 to 31st March, 2013.

INDUSTRY SCENARIO

The global economic conditions in 2012-13, remained challenging, especially in the key markets of USA and Europe. Business organizations remained cautious across the globe in their overall IT and business process spend. Indian GDP growth was also at a slower pace in comparison to earlier years due to the macro-economic conditions.

FINANCIAL PERFORMANCE

The summarized standalone results of your Company are given in the table below:

(Rs.)

Particulars	Period from 21 st February, 2013 to 31 st March 2013
Total Income	1,35,360
Other Expenses	54,338
Profit/(loss) before Interest, Depreciation, & tax (EBITDA)	81,022
Finance Charges	24,871,363
Depreciation	—
Provision for Income Tax	43,000
Net Profit/(loss) After Tax	(24,833,341)

Your Company was incorporated on 21st February, 2013 and obtained Certificate of Commencement of Business on 27th February, 2013.

DIVIDEND

In view of the loss incurred during the period (21st February, 2013 to 31st March, 2013) and looking at expansion plans of the Company, the Board of Directors do not recommend any dividend for the period from 21st February, 2013 to 31st March, 2013.

PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit as covered under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975, as amended, from the public, during the period from 21st February, 2013 to 31st March, 2013.

MAJOR EVENTS

❖ ACQUISITION OF SHARES OF ADITYA BIRLA MINACS WORLDWIDE LIMITED

Considering the fact that the IT - ITeS Business has immense potential for growth and development, your Board of Directors at its meeting held on 27th February, 2013 approved the proposal to acquire Aditya Birla Minacs Worldwide Limited (ABMWL) along with its subsidiaries from Aditya Birla Nuvo Limited (ABNL), its holding company. Accordingly, 2,56,62,266 Equity Shares of Re. 1 each, being 99.60% of the paid up capital of ABMWL, held by ABNL were bought by the Company at the book value of Rs. 443 Crore. Additionally, 63,889 Equity Shares of Re. 1 each, being 0.25% of the paid up capital of ABMWL, held by ABNL Investments Limited (subsidiary of ABNL) was bought at the book value of Rs. 1.92 Crore. Post acquisition of shares, ABMWL and its subsidiaries have become the subsidiaries of the Company.

❖ INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY

To augment the Company's financial resources and strengthen its capital structure in line with the Company's intended activities, the authorised share capital of the Company has been increased from Rs. 5,00,000 (Rupees Five Lacs only) divided into 50,000 (Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 26,03,00,000 (Twenty Six Crores Three Lacs only) divided into 2,60,30,000 (Two Crores Sixty Lacs and Thirty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.

❖ SUBSIDIARY COMPANIES

Post acquisition of ABMWL, the following subsidiaries of ABMWL have become subsidiaries of the Company:

- o Aditya Birla Minacs Worldwide Limited
 - Aditya Birla Minacs Philippines Inc, Philippines
 - A V Transworks Limited (Canada)
 - Aditya Birla Minacs Worldwide Inc. (Canada)
 - The Minacs Group (U.S.A.) Inc
 - * Bureau of Collection Recovery LLC
 - Minacs Worldwide S.A. de C.V. (Mexico)
 - Minacs Ltd,UK
 - Minacs Worldwide GmbH (Germany)
 - Minacs Kft., (Hungary)
 - Bureau of Collection Recovery (BCR) Inc.
 - Aditya Birla Minacs BPO Limited (UK)
 - Aditya Birla Minacs BPO Private Limited, India

In order to improve operational efficiency, ABMWL undertook re-structuring of its holding in its subsidiaries. As a result, Aditya Birla Minacs BPO Private Limited, earlier a subsidiary of Aditya Birla Minacs BPO Limited, UK, is now a direct subsidiary of ABMWL.

As per Section 212 of the Companies Act, 1956, the subsidiary Companies directors' report, auditor's report, balance sheet and profit and loss account are required to be attached to the Balance Sheet of the Company.

However, Central Government vide MCA General Circular No. 2/2011 dated 08.02.2011, has granted a General Exemption, from attaching the Annual Reports of the Subsidiary Companies under section 212(8) of the Companies Act, 1956 to the companies fulfilling the conditions mentioned therein.

Your Company, after duly fulfilling those conditions, has availed the said exemption.

DIRECTORS

In accordance with the Companies Act, 1956 and Article 66 of Articles of Association of the Company, Mr. Anil Rustogi, Mr. Devendra Bhandari and Mr. Rajesh Shah, were the First Directors of the Company.

As per Article 78, Mr. Anil Rustogi and Mr. Rajesh Shah, Directors of the Company, retire by rotation at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment as Directors on the Board of the Company, subject to retirement by rotation.

AUDITORS AND AUDITORS' REPORT

M/s Khimji Kunverji & Co., Chartered Accountants, (Reg. No. 105146W), who were appointed as Statutory Auditors of the Company, retire and, being eligible, offer themselves for re-appointment to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. Your Directors recommend their appointment, as set out in the accompanying Notice of the Annual General Meeting. A Certificate from them confirming compliance of section 224(1B) of the Companies Act, 1956, has also been received by the Company.

The report of the Statutory Auditors is enclosed to this report. All the notes to Schedules and Accounts are self-explanatory and do not call for any further comments.

PARTICULARS AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

None of the employees of the Company are in receipt of remuneration of more than Rupees Sixty Lacs per annum or Rupees Five Lacs per month, as the case may be. Accordingly, no such particulars are required to be given in accordance with the provisions of section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement it is hereby confirmed that:

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made 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 at the end of the Financial Year and of the profit or loss of the Company for that period;

ABNL IT & ITES LIMITED

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts on a going concern basis.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the period from 21st February, 2013 to 31st March 2013.

Further during the period from 21st February, 2013 to 31st March 2013, the Company has neither earned nor used any foreign exchange.

APPRECIATION

Your Directors place on record its appreciation to the continued support and guidance of the Regulatory Bodies and Company's Bankers.

For and on behalf of the Board

Place: Mumbai
Date: May 9, 2013

Anil Rustogi
Director

Rajesh Shah
Director

ABNL IT & ITES LIMITED

Auditors' Report

The Members of
ABNL IT & ITES Limited

Report on the Financial Statements

1 We have audited the accompanying financial statements of ABNL IT & ITES Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

2 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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

3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements

5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

6 In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b In the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- c In the case of the Cash Flow Statement, of the cash flows for the period ended on that date

Report on Other Legal and Regulatory Requirements

7 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 4 and 5 of the Order.

8 As required by section 227(3) of the Act, we report that:

- a we have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the applicable Accounting Standards referred to in subsection (3C) of section 211 of the Act;

e on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

For Khimji Kunverji & Co
Chartered Accountants
ICAI Firm Registration No:- 105146W

Place: Mumbai
Date:

Gautam V Shah
Partner (F-117348)

Annexure referred to in paragraph 7 of our report of even date

Re: **ABNL IT & ITES Limited**

- i) The Company does not have fixed assets, hence clause 4(i)(a) to 4(i)(c) of the Order are not applicable
- ii) The Company does not have inventory, hence clause 4(ii)(a) to 4(ii)(c) of the Order are not applicable
- iii) As informed, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firm or other parties covered in the register maintained under section 301 of the Act and hence clauses 4(iii)(a) to 4(iii)(g) of the Order are not applicable
- iv) In our opinion and according to the information and explanations given, the Company has neither purchased fixed assets/ inventories nor sold goods/ services during the year, hence clause 4 (iv) of the Order is not applicable to the Company
- v) Based on the audit procedures applied and according to the information and explanations provided by the management, there are no transactions that need to be entered in the register maintained under section 301 of the Act, hence clause 4(v)(b) of the Order is not applicable to the Company
- vi) In our opinion and according to the information and explanations given, the Company has not accepted deposits from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal
- vii) The Company did not deem it necessary to have a formal internal audit system during the year in view of the control existing in the company.
- viii) As informed, the company is not required to maintain any cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act
- ix) a) As informed, the Company is not liable to pay Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess Company is generally regular in depositing with appropriate authorities undisputed Income-tax, and other statutory dues. There were no arrears as at March 31, 2013 for a period of more than six months from the date they became payable
b) According to the information and explanations given, there are no dues of Income-tax which have not been deposited on account of any dispute. As informed, the Company is not liable to pay Sales Tax, Wealth Tax, Custom Duty, Excise Duty
- x) Since the Company is registered for less than five years, the provisions of clause 4(x) of the Order, not applicable to the Company
- xi) There are no loans taken from financial institutions and banks nor has the company issued any debentures, hence clause 4(xi) of the Order is not applicable to the company
- xii) In our opinion and based on the documents and records produced, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- xiii) The company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) (a) to 4(xiii)(d) of the Order are not applicable to the company
- xiv) According to the information and explanations given, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Order is not applicable to the Company
- xv) In our opinion and according to information and explanations given, the company has not given any guarantees for loans taken by others from banks or financial institutions

ABNL IT & ITES LIMITED

- | | |
|---|---|
| xvi) In our opinion, the term loans have been applied for the purpose for which they were raised | xx) According to the information and explanations given, the company has not issued any debentures. Therefore, the provision of clause 4(xix) of the Order is not applicable to the company |
| xvii) According to the information and explanations given to us and on the overall examination of the balance sheet of the Company, we report that the company has used funds raised on short term basis for long-term investment. The company has raised term loans amounting to Rs. 450.45 crore maturing within 14 days from balance sheet date, out of which Rs. 445.56 crore has been invested into long term investment in equity shares of its subsidiary company. | xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any fraud on or by the Company noticed or reported during the year nor we have been informed of such case by the management |
| xviii) The Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act | |
| xix) According to the information and explanations given, the Company has not issued any debentures. hence clause 4(xix) of the Order is not applicable | Place: Mumbai
Date: May 9, 2013 |

For Khimji Kunverji & Co
Chartered Accountants
FRN-105146W

Gautam V Shah
Partner (F-117348)

ABNL IT & ITES LIMITED

Balance Sheet as at March 31, 2013

	Note No.	Amount in ₹ As at 31st March, 2013
EQUITY AND LIABILITIES		
(A) Shareholders' Funds		
Share Capital	2	
Equity		500,000
Reserves and Surplus	3	(24,833,341)
Sub-Total - (A)		(24,333,341)
(B) Current Liabilities		
Short-term Borrowings	4	4,504,500,000
Trade Payables	5	54,237
Other Current Liabilities	6	18,768,623
Short-term Provisions	7	29,463
Sub-Total - (B)		4,523,352,323
TOTAL (A) + (B)		4,499,018,982
ASSETS		
(C) Non-Current Assets		
Non-Current Investments	8	4,455,680,174
Sub-Total - (C)		4,455,680,174
(D) Current Assets		
Cash & Bank Balances	9	43,274,906
Other Current Assets	10	63,902
Sub-Total - (D)		43,338,808
TOTAL (C) + (D)		4,499,018,982

Significant Accounting Policies 1

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

Statement of Profit and Loss for the year ended 31st March, 2013

	Note No.	Amount in ₹ Year Ended 31st March, 2013
Other Income	11	135,360
Total Revenue		135,360
Expenses		
Other Expenses	12	54,338
Total Expenses		54,338
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)		81,022
Finance Cost	13	24,871,363
Loss Before Exceptional Item and Tax		(24,790,341)
Exceptional Items		—
Loss Before Tax		(24,790,341)
Tax Expenses		43,000
– Current Tax		43,000
Loss for the Year		(24,833,341)
Basic Earnings per Share (Face Value of ₹ 10/- each)		(496.67)
Significant Accounting Policies	1	

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

As per our attached report of even date

For and on behalf of Board of Directors

As per our attached report of even date

For and on behalf of Board of Directors

For KHIMJI KUNVERJI & CO.
ICAI Firm Registration No. 105146W
Chartered Accountants

For KHIMJI KUNVERJI & CO.
ICAI Firm Registration No. 105146W
Chartered Accountants

GAUTAM V. SHAH
Partner
Membership No. F-117348

Anil Rustogi
Director

Rajesh Shah
Director

GAUTAM V. SHAH
Partner
Membership No. F-117348

Anil Rustogi
Director

Rajesh Shah
Director

Date : May 9, 2013
Place : Mumbai

Date : May 9, 2013
Place : Mumbai

ABNL IT & ITES LIMITED

Cash Flow Statement for the year ended 31st March, 2013

PARTICULARS	Amount in ₹ Year Ended 31st March, 2013
CASH FLOW FROM OPERATING ACTIVITIES:	
Profit/ (Loss) before tax	(24,790,341)
Adjustments for:	
Depreciation	—
Interest income on fixed deposits	(135,360)
Interest expenses	24,871,363
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	(54,338)
Changes in working capital:	
Increase / (Decrease) in trade and other payables	2,541,374
CASH GENERATED FROM OPERATIONS	2,487,036
Income Tax Paid	13,537
A NET CASH FROM OPERATING ACTIVITIES	2,473,499
CASH FLOW FROM INVESTING ACTIVITIES:	
Interest received on Fixed deposit	71,458
Purchase of Non-Current investment	(4,455,680,174)
B NET CASH (DECREASE)/INCREASE FROM INVESTING ACTIVITIES	(4,455,608,717)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of equity shares	500,000
Proceeds from borrowings	4,504,500,000
Interest paid on borrowings	(8,589,876)
C NET CASH (DECREASE)/INCREASE FROM FINANCING ACTIVITIES	4,496,410,124
Net Increase/ (Decrease) In Cash And Cash Equivalents (A + B + C)	43,274,906
Cash And Cash Equivalents (Opening Balance)	—
Cash And Cash Equivalents (Closing Balance)	43,274,906
Note:	
1 Cash and cash equivalents include cheques in hand and remittance in transit:	
Cash in hand	—
Cash at bank	43,274,906
	43,274,906

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

As per our attached report of even date

For and on behalf of Board of Directors

For KHIMJI KUNVERJI & CO.
ICAI Firm Registration No. 105146W
Chartered Accountants

GAUTAM V. SHAH
Partner
Membership No. F-117348

Anil Rustogi
Director

Rajesh Shah
Director

Date : May 9, 2013
Place : Mumbai

ABNL IT & ITES LIMITED

Notes forming part of Financial Statements

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION

(I) BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

(II) USE OF ESTIMATES

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

(III) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realizable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

(IV) REVENUE RECOGNITION

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

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

(V) TAXATION

Tax expense comprises of current tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

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.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each balance sheet date the Company reassesses unrecognized deferred tax assets.

(VI) CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is 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 best estimate required to settle the obligation at the balance sheet date.

(VII) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

(VIII) MEASUREMENT OF PROFIT BEFORE DEPRICATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

(IX) CASH FLOW STATEMENT

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

(X) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting attributable tax thereto for the period.

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

Amount in ₹
As at
31st March, 2013

NOTE: 2

SHARE CAPITAL

Authorised:

Equity shares of ₹ 10 each	50,000	500,000
		<u>500,000</u>

Issued, Subscribed & paid-up

EQUITY SHARE CAPITAL

Equity shares of ' 10 each fully paid-up	50,000	500,000
		<u>500,000</u>

- Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

S No	Description	As at 31-Mar-2013 Equity Shares
1	Number of shares outstanding at the beginning of the period	—
2	Issued during the year	50,000
3	Number of shares outstanding at the end of the period	50,000

2 Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the distribution of assets will be in proportion to the number of the equity shares held by the shareholders.

- Shares held by holding/ultimate holding company or their subsidiaries/ associates are:

S No.	Name of Share Holder	Relation	No. of Shares
1	Aditya Birla Nuvo Limited	Holding Company	47,500
2	ABNL Investment limited	Fellow Subsidiary	2,500

ABNL IT & ITES LIMITED

Notes forming part of Financial Statements (contd.)

- 4 Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held:

Equity Shares

S No.	Name of Share Holder	As at 31st March 2013	
		Number of shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited	47,500	95%
2	ABNL Investment limited	2,500	5%

Amount in ₹
As at
31st March, 2013

NOTE: 3 RESERVES & SURPLUS

Surplus/(Deficit) in the statement of Profit and Loss:

Opening Balance as per last audited Financial Statement	—
Addition:	
Loss for the Period	(24,833,341)
Total	(24,833,341)

Amount in ₹
As at
31st March, 2013

NOTE: 4 SHORT-TERM BORROWINGS

UNSECURED

Loan Repayable on Demand from	
Others	4,504,500,000
	4,504,500,000

Amount in ₹
As at
31st March, 2013

NOTE: 5 TRADE PAYABLES

Trade Payables	54,237
	54,237

Detail of dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

There are no Micro, Small & Medium Enterprise, to whom the unit owes dues, which are outstanding for more than 45 days as at 31st march 2012 and no interest payment made during the year to any Micro, Small & Medium Enterprises. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available.

Amount in ₹
As at
31st March, 2013

NOTE: 6 OTHER CURRENT LIABILITIES

Interest Accrued but not due on Borrowings	16,281,487
Other Payables:	
Statutory Dues	2,487,136
	18,768,623

NOTE: 7 SHORT-TERM PROVISIONS

Provision for:

Taxation (Net of Advance Tax ₹ 13,537)	29,463
	29,463

Amount in ₹
As at
31st March, 2013

NOTE: 8 NON-CURRENT INVESTMENT

	Face Value	Number	(₹)
Equity Instruments:			
Unquoted, Long-term Subsidiaries			
Aditya Birla Minacs Worldwide Limited*	1	25,726,155	4,455,680,174
			4,455,680,174

* Book value of long-term unquoted investment aggregating to ₹ 445.57 Crore are lower than its cost.

Considering the strategic and long-term nature of the aforesaid investment and asset base and business plan of the investee company, in the opinion of the management, the decline in the book value of the aforesaid investment is of temporary nature, requiring no provision.

Amount in ₹
As at
31st March, 2013

NOTE: 9 CASH AND BANK BALANCES

Cash & Cash Equivalents

Balances with Banks	
Current Accounts	2,074,906
Deposit Accounts (with original maturity less than three months)	41,200,000
	43,274,906

Amount in ₹
As at
31st March, 2013

NOTE: 10 OTHER CURRENT ASSETS

Interest Accrued on Fixed Deposits	63,902
	63,902

Amount in ₹
Year ended
31st March, 2013

NOTE: 11 OTHER INCOME

Interest Income	135,360
	135,360

NOTE: 12 OTHER EXPENSES

Preliminary expenses	40,755
Bank Charges	100
Auditors' Remuneration	13,483
	54,338

NOTE: 13 FINANCE COST

Interest Expenses	24,871,363
	24,871,363

ABNL IT & ITES LIMITED

Notes forming part of Financial Statements (contd.)

14. CONTINGENT LIABILITY

There is no contingent liability as on 31st March 2013.

15. EARNING PER SHARE (EPS)

Earning per share calculated as under:

Particulars	As at 31st March 2013
Net Loss as per the statement of Profit and Loss	(24,833,341)
Weighted Average Number of Equity share	50,000
Basic EPS	(496.67)
Nominal value of shares (₹)	10

16. Disclosure in respect of Related Parties pursuant to Accounting Standard-18

1. Holding Company

- a) Aditya Birla Nuvo Limited

2. Fellow Subsidiary

- a) ABNL Investment Limited

3. Subsidiary

- a) Aditya Birla Minacs Worldwide Limited

During the year following transactions were carried out with the related parties in the ordinary course of business:

Related Party Transactions	As at 31st March 2013
Issue of Equity Shares (Face value of ₹ 10/- each at par)	
Aditya Birla Nuvo Limited	475,000
ABNL Investment Limited	25,000
Purchase of investments	
Equity shares of Aditya Birla Minacs Worldwide Limited	4,455,680,174
Closing Balance as on 31.03.2013	
Investment	
Equity shares of Aditya Birla Minacs Worldwide Limited	4,455,680,174

- No amount in respect of related parties have been written off/back are provided during the year.
- Related party relationships have been identified by the management and relied upon by the auditors.

17. Deferred Tax Liabilities/ Assets

The Company has not recognized deferred tax asset in respect of timing differences related to depreciation on fixed assets and carried forward losses at the end of the year as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realized.

18. The company was incorporated on 21st February 2013. Hence, this being the first year of the company previous year figure are not given.

As per our attached report of even date

For **KHIMJI KUNVERJI & CO.**
ICAI Firm Registration No. 105146W
Chartered Accountants

GAUTAM V. SHAH
Partner
Membership No. F-117348

Anil Rustogi
Director

Rajesh Shah
Director

Date : May 9, 2013
Place : Mumbai

ADITYA BIRLA MINACS WORLDWIDE LIMITED

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Directors, it is our pleasure to present the eighteenth Annual Report together with the Audited Statement of Accounts of **Aditya Birla Minacs Worldwide Limited** ("the Company") and its subsidiaries for the year ended March 31, 2013.

FINANCIAL PERFORMANCE

The summarized standalone and consolidated results of your Company and its subsidiaries are given in the table below.

₹ in Mn

Particulars	Standalone Results			Consolidated Results		
	Year ended 31/03/2013	Year ended 31/03/2012	Growth	Year ended 31/03/2013	Year Ended 31/03/2012	Growth
Total Income	3,556	3,342	6%	24,768	21,120	17%
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	707	228	209%	2,507	1,888	33%
Finance Charges	129	266	(52%)	356	423	(16%)
Depreciation	197	208	(5%)	860	770	12%
Provision for Income Tax (including for earlier years)	6	5	20%	40	(1)	-
Net Profit/(Loss) After Tax	375	(250)	150%	1,252	696	80%
Profit/(Loss) brought forward from previous year	(1,646)	(924)		(1,583)	(1,806)	
Amount transferred consequent to Scheme of Merger	-	(472)		-	(472)	
Profit/(Loss) carried to Balance Sheet	(1,271)	(1,646)		(331)	(1,583)	

DIVIDEND

In view of the carried forward losses, no dividend is recommended.

BUSINESS REVIEW

Industry Scenario

The global economic conditions in 2012-13, remained challenging, especially in the key markets of USA and Europe. Business organizations remained cautious across the globe in their overall IT and business process spend. Indian GDP growth was also at a slower pace in comparison to earlier years due to the macro-economic conditions.

The economic uncertainty has affected the demand for outsourcing, as customers have increased interest in availing broad mix of service delivery options including BPO and ITO and have increased use of shared services and cloud as outsourcing alternatives. It is expected that the Americas will continue to lead the global outsourcing scene in 2013-14 too. While the Government and Defense sectors are expected to remain the largest contributors to global outsourcing, Insurance, Telecom and Manufacturing sectors have seen increased outsourcing demand in the closing quarters of 2012-13¹.

The predominant pricing models for deals continue to be the hybrid and fixed pricing model and most deals signed in the closing quarter of 2012-13 are for 5 years or below. Your Company's clients' service requirements are evolving and changing economic conditions pose new challenges for sellers. There is demand to continue to diversify into more strategic activities and services, especially to include and integrate value added technology solutions.

Summary of Operations

During the year, your Company continued its robust growth in revenues and operating margins. The actions taken in earlier years to focus on sales growth and increase client penetration whilst ensuring a tight rein on costs have now started to yield results.

In fiscal 2012-13, your Company's consolidated revenues grew by 17% over the previous year from ₹ 21,120 million to ₹ 24,768 million. This was due to the favorable currency movement of the Canadian and US dollar as against the India rupee as well revenue growth from existing and new clients.

Your Company's operating profits (EBITDA) showed increased by 33% from ₹ 1,888 million to ₹ 2,507 million whilst profit after tax grew by 80% from ₹ 696 million to ₹ 1,252 million. The increased profits were

¹ Source: KPMG Global IT-BPO Outsourcing Deals Analysis and NASSCOM

due to higher revenues and margin expansion due to operational efficiencies leading to lower costs and financial charges.

OUTLOOK

As per a recent Gartner report, by 2016, the worldwide CM contact center BPO market will grow into a \$41.4 billion business i.e., 5-year CAGR of 4.8% from 2011 through 2016.

- Gartner expects cost pressures to further subside in the CM contact center BPO market as clients look for growth opportunities; and
- going forward, the focus is shifting to technology and process improvements, value-added services such as multichannel and analytics services — scalability, quality of service and more innovative ways of addressing the increasing levels of complexity in their business as well as evolving customer needs.

Your Company sees challenges in sales pipeline growth and conversions due to the slowdown in global economies as well continued pressure on operating costs within existing customer businesses. The continued increase in minimum wages in India, lack of capabilities in emerging economies of South America and scale in Philippines operations are also some of the challenges faced by your Company.

Your Company is confident of maintaining its momentum in the next financial year whilst continuing to maintain a tight cost and cash management culture. The investment in the Minacs Marketing Services business is expected to yield results by growing the business significantly above the growth rate in other businesses. Further, the growth in existing customer accounts, strategic partnerships with select large players in the IT/ITeS space, selective footprint expansion into near-shore destinations is expected to improve your Company's performance in the next financial year.

HUMAN CAPITAL

Human capital is the key resource for Business Process Outsourcing industry. At the end of the year, on a consolidated basis, your Company had 20,507 employees and 13,832 operations seats across 39 centers.

RE-STRUCTURING OF MINACS GROUP

During the year in order to improve operational efficiency, your Company undertook a re-structuring of its holding in its subsidiaries. As a result, Aditya Birla Minacs BPO Private Limited, earlier a subsidiary of Aditya Birla Minacs BPO Limited, UK, is now a direct subsidiary of your Company.

ADITYA BIRLA MINACS WORLDWIDE LIMITED

SUBSIDIARY COMPANIES

Following are the Subsidiaries of your Company:-

- Aditya Birla Minacs Philippines Inc
- Aditya Birla Minacs BPO Private Limited
- A V Transworks Limited (Canada)
 - Aditya Birla Minacs Worldwide Inc. (Canada) and its following subsidiaries
 - The Minacs Group (U.S.A.) Inc
 - o Bureau of Collection Recovery LLC
 - Minacs Limited (UK)
 - o Minacs Worldwide GmbH (Germany)
 - Minacs Kft (Hungary)
 - Minacs Worldwide S.A. de C.V. (Mexico)
 - Aditya Birla Minacs BPO Limited (UK)
 - Bureau of Collection Recovery Inc

As per Section 212 of the Companies Act, 1956, the Directors' Report, Auditor's Report, Balance Sheet and Profit and Loss Account of the Company's subsidiaries are required to be attached to the Balance Sheet of the Company. However, vide General Circular No. 2/2011 dated 08.02.2011, the Central Government has granted general exemption from the provisions of Section 212 of the Act subject to compliance with conditions specified therein, which include *inter-alia*, that:-

- (i) The Board of Directors of the Company by resolution gives its consent for not attaching the balance sheet of the subsidiary(ies) concerned;
- (ii) The company shall present in the annual report, the consolidated financial statements of holding company and all subsidiaries duly audited by its statutory auditors; and
- (iii) The company shall disclose in the consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

In line with above, the consolidated financial statement of your Company is presented in its annual report along with the summary information on the Company's subsidiaries as mandated in circular above. The annual accounts of the Company's subsidiaries and the related detailed information shall be made available to shareholders of the Company and the Company's subsidiaries seeking such information on request at any point of time. The annual accounts of the Company's subsidiaries shall also be kept for inspection during business hours by any shareholders at the Registered Office of the Company and of the Company's subsidiaries.

EMPLOYEE STOCK OPTION PLAN

The Employee Stock Option Plan (ESOP Plan) of the Company was approved by the members at the Extra-Ordinary General Meeting held on Dec 18, 2009. As per the ESOP Plan, which was operational for the period till March 31, 2013, a total of 1,897,337 options were available for being granted to eligible employees of your Company. Each option when exercised would be converted into one Equity share of Re. 1 each fully paid-up.

During the period till March 31, 2013, 1,212,500 options were granted by your Company to its full time employees of which 467,000 Options have vested. The balance options have not vested due to various reasons like employee attrition and/or non-achievement of performance criteria and thus have been forfeited. Pursuant to the terms therein with effect from March 31, 2013, the ESOP Plan is closed.

HOLDING COMPANY

During the year, Aditya Birla Nuvo Limited (ABNL) and its associates have transferred their entire 99.85% equity shareholding to ABNL IT &

ITES Limited, a subsidiary Company of ABNL. Now, your Company is a subsidiary of ABNL IT & ITES Limited.

DIRECTORS

In accordance with Article 100 of the Articles of Association, Mr. Sushil Agarwal and Mr. Gary Comerford, Directors retire by rotation at the forthcoming Annual General Meeting. Both of them, being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Company is committed to maintain the highest standards of Corporate Governance. Though your Company is an unlisted Company and hence Clause 49 of the Listing Agreement is not applicable, yet your Company, on a *suo moto* basis has taken necessary initiatives to comply with the provisions of the said clause to the extent possible.

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit or loss of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 for the year ended March 31, 2013 is given in Annexure 'A' forming part of this Report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011, the names and other particulars of employees are set out in the Directors' report as Annexure 'B'. It may be noted that in accordance with the notifications dated March 24, 2004 and March 31, 2011 issued by the Ministry of Corporate Affairs, Government of India, particulars of employees posted and working in a country outside India, not being directors or their relatives drawing more than Rupees Six Million per financial year or Rupees five hundred thousand per month, as the case may be, are not included in this statement but such particulars shall be furnished to the Registrar of Companies. Such particulars shall be made available to any shareholder on specific request made by him / her during the course of the Annual General Meeting.

PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits during the financial year 2012-13. There were no unclaimed deposits and interest accrued as on March 31, 2013.

STATUTORY AUDITORS

The report of the Statutory Auditors is enclosed to this report. All the notes to Schedules and Accounts are self-explanatory and do not call for any further comments.

In respect of observation/remark made at point (ix)(a) in the annexure to the Auditors' report, although the Company had deposited the cheques within the due dates, in the drop boxes provided, the delayed clearance by authorities concerned in those jurisdictions resulted in the observation. Now, management of your Company has taken suitable corrective measures to avoid any such instances in future.

ADITYA BIRLA MINACS WORLDWIDE LIMITED

Further, in respect of observation/remark made at point (xvii) in the annexure to the Auditors' report, your Company is confident of maintaining its growth momentum into the next financial year which coupled with a tight cost and cash management should enable the Company to bridge any such gap in funding. In meanwhile, the Company has initiated corrective action to raise long-terms funds to bridge the gap between long terms funds and investments.

M/s S R Batliboi and Associates LLP (earlier known as S R Batliboi & Associates) vide their letter dated 22nd April, 2013, have intimated to the Company about their unwillingness to continue as statutory auditors of the Company for the financial year 2013-2014. Now, therefore, your Directors request you to appoint S R Batliboi & Co. LLP – (301003E) as Auditors for the current year as set out in the accompanying notice of the ensuing Annual General Meeting.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board
Aditya Birla Minacs Worldwide Limited

Place: Mumbai
Date : April 24, 2013

Sushil Agarwal
Director

Deepak J Patel
Whole-time Director

ANNEXURE – A

Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988

1. Conservation of energy

Your Company's operations involve very low energy consumption. However, measures have been taken to reduce energy consumption by using energy-efficient equipment.

As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material.

2. Research and development (R&D)

a) R&D initiatives at institutes of national importance	As the Company was mainly engaged in the business of call center activities, there are no matters to report on these aspects.
b) Specific areas for R&D at your Company	
c) Benefits derived as a result of R&D activity	
d) Future plan of action	
e) Expenditure on R&D for the year ended 31 st March, 2013	₹ Nil

3. Technology absorption, adaptation and innovation

Your Company continues to use latest hardware and software to improve the quality of its products and services. The Company will continue to invest in state-of-the-art technology and infrastructure to improve the productivity and quality of its products and services.

4. Foreign exchange earnings and outgo (Standalone)

(₹/Mn)

Particulars	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Earnings	1,948.08	1,960.03
Outflow (Including capital goods & services)	184.82	279.15

5. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans

In fiscal 2012-13, 94% of revenues were derived from exports and its global operations on a consolidated basis. Your Company established a substantial direct sales marketing network in its strategic markets in North America and India to grow its business in these regions.

ADITYA BIRLA MINACS WORLDWIDE LIMITED

ANNEXURE B

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011 and forming part of the Directors' Report for the year ended 31st March, 2013.

A. Employees who were employed throughout the financial year and were in receipt of remuneration in aggregate of not less than ₹ 60 Lakh p. a.

Sr. No.	Name	Designation & nature of duties	Qualification	Salary	Age (Years)	Experience (years)	Date of Joining	Previous employment, Name of Employer, Designation, Period of service(Years)
1	Paneesh Rao	Chief People Officer - IT & BPO Business	MBA	1,24,78,324	49	20	14 Jul 2006	Efunds -Head Business Operations
2	Deepak J Patel	Chief Executive Officer	BE	4,11,23,629	49	23	25 Aug 2008	Mphasis Ltd -Managing Director - 01.11 Years
3	Milind Godbole	President - APAC Operations	ME	1,45,37,184	47	25	16 Feb 2009	Mphasis -Chief Delivery Officer, 08.09 Years
4	Ramesh Kamath	Chief Financial Officer	ACA	1,36,12,527	56	34	27 Apr 2009	Consulting -Advisor Finance And Commercial
5	Victor Ranajit Sen	Vice President - Operations	BA, B.Sc. and MBA	85,49,759	42	20	08 May 2006	HP - Operations Global Service 3.00 Years
6	Capt. Srinivas Karanam	Vice President Facilities	B.Sc.	70,90,099	46	6	09 Jul 2010	Cap Gemini, Vice President, 2.00 Years

B. Employees who were employed for a part of the financial year and were in receipt of remuneration in aggregate of not less than ₹ 5 Lakhs p. m.

Sr. No.	Name	Designation & nature of duties	Qualification	Salary	Age (Years)	Experience (years)	Date of Joining	Previous employment, Name of Employer, Designation, Period of service(Years)
NIL								

NOTE:

1. Remuneration stated above reflects actual payments made during the period April 1, 2012 to March 31, 2013.
2. None of these Executives are related to any Directors or Manager of the Company.
3. All Appointments are contractual, other terms and conditions are as per the rules of the Company.
4. None of the above mentioned Employees hold more than 2% of the Equity Share Capital of the Company.

ADITYA BIRLA MINACS WORLDWIDE LIMITED

INDEPENDENT AUDITOR'S REPORT

To

The Members of Aditya Birla Minacs Worldwide Limited

We have audited the accompanying financial statements of Aditya Birla Minacs Worldwide Limited ('the Company') which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and the 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm registration number: 101049W

per Govind Ahuja

Partner

Membership No.: 48966

Place: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE LIMITED

Annexure referred to in paragraph [1] of our report of even date

Re: Aditya Birla Minacs Worldwide 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 in the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The Company is engaged in providing services and does not have inventory. Accordingly the provisions of clause 4(ii) (b) and 4 (ii)(c) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though *there have been delays in deposit of employees' state insurance dues with the appropriate authorities*. The provisions relating to 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, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, sales-tax, 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. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty and cess, which have not been deposited on account of any dispute, except as follows:-

Name of the Statute	Nature of dues	Amount (₹ Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand raised for non deduction of tax deducted at source	127.02	FY 2008-09 to FY 2011-12	Assessing Authorities
	Disallowance of expenses & computer consumables	49.90	FY 2005-06 to FY 2009-10	Commissioner (Appeals)
	Transfer pricing related adjustments	179.46	FY 2003-04 & FY 2008-09	Income Tax Appellate Tribunal
	Demand raised for non deduction of tax deducted at source	36.57	FY 2000-01 to FY 2004-05	Supreme Court
Finance Act, 1994 (Service Tax)	Disallowance of input service tax	127.39	FY 2005-06	Custom Excise and Service tax Appellate Tribunal

The provisions relating to excise duty are not applicable to the Company.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- (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 has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to Rs.5,773.28 lacs raised on short term basis in the form of working capital facility from banks have been used for long-term investment representing acquisition of fixed assets, making investments, repayment of long-term loan and funding of losses.
- (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 Act.
- (xix) The Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.
- (xx) The Company has not raised any money by public issues during the year.
- (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.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm registration number: 101049W

per Govind Ahuja

Partner

Membership No.: 48966

Place: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE LIMITED

BALANCE SHEET S AT 31 MARCH 2013

	Notes	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
I. Equity and liabilities:			
Shareholders' funds			
Share capital	3	1,757.65	1,757.65
Reserves and surplus	4	17,660.56	14,404.95
		19,418.21	16,162.60
Non-current liabilities			
Long-term borrowings	5	32,012.00	31,071.00
		32,012.00	31,071.00
Current liabilities			
Short term borrowings	7	8,752.80	2,542.08
Trade payables	8	4,206.99	4,655.83
Other current liabilities	9	1,570.15	14,020.26
Short term provisions	6	1,172.53	1,112.88
		15,702.47	22,331.05
TOTAL		67,132.68	69,564.65
Assets:			
Non-current assets			
Fixed assets			
Tangible assets	10A	2,849.28	4,321.64
Intangible assets	10B	232.68	203.14
Capital work-in-progress		—	127.94
		3,081.96	4,652.72
Non-current investments	11	54,402.80	54,241.20
Long-term loans and advances	12A	2,653.73	2,866.44
		57,056.53	57,107.64
Current assets			
Trade receivables	13	3,854.38	4,513.64
Cash and bank balances	14	513.74	281.71
Short-term loans and advances	12B	618.17	583.04
Other current assets	15	2,007.90	2,425.90
		6,994.19	7,804.29
TOTAL		67,132.68	69,564.65

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

	Notes	For the year ended 31 March 2013 ₹ in lacs	For the year ended 31 March 2012 ₹ in lacs
Income:			
Revenue from services	16	34,123.77	33,069.31
Other income	17	1,432.82	346.46
Total (I)		35,556.59	33,415.77
Expenditure:			
Employee benefit expense	18	21,269.50	22,048.91
Other expenses	19	7,219.47	9,082.02
Total (II)		28,488.97	31,130.93
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) -(II)		7,067.62	2,284.84
Depreciation and amortization expense	20	1,969.16	2,075.66
Finance costs	21	1,287.15	2,660.60
Profit / (loss) before the tax		3,811.31	(2,451.42)
Tax expenses			
Current tax		59.43	10.00
Tax expense for earlier years		—	36.97
Total tax expenses		59.43	46.97
Net Profit / (loss) for the year		3,751.88	(2,498.39)
Profit of the transferor companies for the year ended 31 March 2011 pursuant to composite scheme of amalgamation Refer Note. 22		—	949.16
Net Profit / (loss) carried to Balance sheet		3,751.88	(1,549.23)
Earnings per equity share (nominal value of shares ₹ 1 each)			
Basic		14.09	(9.70)
Diluted		13.83	(9.70)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of financial statements			

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Place: Mumbai
Date: April 24, 2013

For and on behalf of the Board of Directors of
Aditya Birla Minacs Worldwide Ltd.

Deepak J Patel
Whole-time Director & CEO
Sushil Agarwal
Director

Ramesh Kamath
Chief Financial Officer
T Ajay Joseph
Company Secretary

Place: Mumbai
Date: April 24, 2013

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Place: Mumbai
Date: April 24, 2013

For and on behalf of the Board of Directors of
Aditya Birla Minacs Worldwide Ltd.

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ADITYA BIRLA MINACS WORLDWIDE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	For the Year ended 31 March 2013	₹ in lacs For the Year ended 31 March 2012
A. Cash flows from Operating Activities		
Net Profit / (Loss) before tax for the year	3,811.31	(2,451.42)
<i>Adjustments for:</i>		
Depreciation / Amortization	1,969.16	2,075.66
Loss/(Profit) on Sale of Fixed Assets	4.32	22.92
(Gain) / Loss on derivative contracts (including mark-to-market gain)	(695.44)	715.92
Foreign Exchange Loss on External Borrowings	-	370.64
Interest on others	(28.72)	(9.06)
Gain On Mutual Fund Investments	(56.38)	(56.06)
Finance/Interest Expense	1,269.37	2,218.56
Amortisation of ancillary borrowing costs	17.78	71.40
Provision for doubtful advances	-	44.07
Employee stock compensation expenses / (reversal)	(406.68)	194.60
Unrealised foreign exchange loss	9.75	-
Credit balances written back	(87.75)	-
Provision for doubtful debt provided / (written back)	(84.42)	55.75
Operating Profit before working capital changes	5,722.30	3,252.98
<i>Movements in working capital :</i>		
(Increase)/Decrease in Sundry Debtors	749.95	1,222.75
(Increase)/Decrease in Loans & Advances	66.58	893.94
Increase/(Decrease) Current Liabilities & Provisions	1,328.78	(1,089.19)
Cash generated from operations	7,867.61	4,280.48
Add/(Less): Direct Taxes received / (paid) - net	97.83	(501.88)
Net Cash flow from Operating Activities	7,965.44	3,778.60
B. Cash Flows from Investing Activities		
Payment to shareholders pursuant to composite scheme of amalgamation	-	(730.23)
Merger Expenses pursuant to composite scheme of amalgamation	-	(102.57)
Purchase of Fixed Assets	(404.86)	(371.91)
Proceeds from sale of Fixed Assets	2.15	16.94
(Investment) / Redemption in subsidiaries	(161.60)	13,690.00
Preference shares to subsidiary redemption	255.80	(255.80)
Proceeds from sale of current investment	-	700.00
Interest income received	28.72	9.06
Dividend on current investments	56.38	56.06
Net Cash from/(used in) Investing Activities	(223.41)	13,011.55
C. Cash flow from Financing Activities		
Repayment of borrowings (net)	(6,238.33)	(26,524.27)
Loans repaid by subsidiaries	-	15,185.26
Interest/financial charges paid	(1,271.67)	(6,149.10)
Net Cash used in Financing Activities	(7,510.00)	(17,488.11)
Net increase / (decrease) in cash and cash equivalents during the year	232.03	(697.96)
Cash and cash equivalents at the beginning of the year	281.71	837.74
Cash and cash equivalents taken over pursuant to composite scheme of amalgamation (Refer Note. 22)	-	141.93
Cash and cash equivalents at the end of the year	513.74	281.71
Notes:		
Components of Cash and Cash Equivalents	As at	As at
i) Cash on hand	31.03.2013	31.03.2012
ii) <i>Balance with Scheduled and other Banks :</i>	4.85	4.65
- in Current Account	508.89	277.06
Total	513.74	281.71

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

per **Govind Ahuja**
Partner
Membership No. 48966

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ADITYA BIRLA MINACS WORLDWIDE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. CORPORATE INFORMATION

Aditya Birla Minacs Worldwide Limited ("the Company") (ABMWL) provides customized business process outsourcing (BPO) solutions and software solutions. The Company caters to both domestic and international client.

Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except as stated in note 2(a) below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Change in the accounting policies – Adoption of hedge accounting principles

Effective from April 1, 2012, the Company has applied hedge accounting principles in respect of forward exchange contracts taken to hedge the foreign currency risk of firm commitments and highly probable forecast transactions as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly all such contracts that are designated as hedging instruments to hedge the foreign currency risk of firm commitments and highly probable forecast transactions are marked to market and loss (net) aggregating to Rs. 89.59 Lacs has been directly recognised in the cash flow reserve account. Had the Company continued to follow the earlier accounting policy, this loss (net) would have been recognised in the Statement of Profit and Loss.

b. Use of estimates

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

c. Revenue recognition

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.

- Revenue is derived from both time-based and unit-priced contracts. Revenue is recognized as related services are performed based on agreements / arrangements with the customers.
- Revenues from fixed price contracts, where there is no uncertainty as to measurement, delivery, enforceability or realization of consideration, is recognized on percentage of completion method, under which contract performance is determined by the actual cost and efforts incurred to date to the estimated total cost and efforts for each contract and are reviewed for any escalation / decline due to change in contract terms and conditions or contract performance. Loss anticipated for completing the contracts are recognised immediately.
- Revenue with respect to sale of license is recognized upon delivery and transfer of right to use. Revenue pertaining to implementation services is recognized on a percentage of completion method, under which contract performance is determined by the actual cost and efforts incurred to date to the estimated total cost and efforts for each contract.
- Revenue from maintenance contracts are recognized ratably over the term of the maintenance contract on a straight-line basis.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

d. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

e. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous

estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Accounting Standard- 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset 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.

f. Depreciation

Depreciation on assets is provided on straight-line basis, based on the useful lives as estimated by the management which are greater than the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956. The individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. The management's estimate of useful lives of the various fixed assets is given hereby:

Assets	Estimated useful life
a. Computers Equipment	2-5 years
b. Telecommunication Equipment	5 years
c. Plant & Machinery	5- 6 years
d. Office Equipment	2-5 Years
e. Furniture & Fixtures	6 Years
f. Vehicles	4-5 Years
g. Specialised Software	2-5 Years
h. Client Acquisition	2-5 Years
i. Product Development Costs	2-5 Years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset and the lease term of the premises.

g. Leased assets

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

h. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Loan arrangement fee is amortised over the loan period. All other borrowing costs are expensed in the period they occur.

i. Investments

Investments that are readily realisable 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.

Long-term investments are valued at cost. Any decline in the value of investments, other than temporary, is provided for and charged to the statement of profit & loss.

The current investments are carried at lower of cost and fair value determined on an individual investment basis.

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.

j. Impairment

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 asset's 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.

k. Transactions in Foreign Currency

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

The financial statements of foreign branch whose operations are integral to the operations of the Company are translated using the principles and procedures as if the transactions of the foreign branch had been those of Company itself.

iii. Exchange Differences

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to long term foreign currency items the company has adopted following policy:

- Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

ADITYA BIRLA MINACS WORLDWIDE LIMITED

(b) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.

Exchange difference on restatement of all other monetary items is recognized in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

I. Retirement benefits

(i) Defined Contribution Plan

Company's contributions payable during the year to Provident Fund, Superannuation Scheme are recognized in the Statement of Profit and Loss.

(ii) Defined Benefit Plan

Company's liabilities under payment of gratuity Act (funded) are determined by Actuarial Valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

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

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 best 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 best estimates.

n. Income Tax

Tax expense comprises of current and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

o. Employee Stock Options (ESOP)

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and related attributable by the weighted average number of equity shares outstanding during the year.

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

q. Contingent Liabilities

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.

r. Cash and Cash equivalents

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

s. Segment

The Company's operating segments are based on the nature of services provided, with each segment representing a strategic business unit that offers different services. The analysis of geographical segments is based on the location of customers. Un-allocated items include general corporate income and expense items which are not allocated to any business segment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

t. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. Share capital

	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
Authorized shares (No. lacs)		
3,000 (31 March 2012 : 3,000) Equity shares of ₹ 1 each	3,000.00	3,000.00
30 (31 March 2012 : 30) 7% Cumulative redeemable preference shares of ₹ 100 each	3,000.00	3,000.00
Issued, subscribed & paid up (No. lacs):		
257.65 (31 March 2012 : 257.65) equity shares of ₹ 1 each	257.65	257.65
15 (31 March 2012 : 15) 7% Cumulative redeemable preference shares of ₹ 100 each, fully paid up	1,500.00	1,500.00
Total issued, subscribed and fully paid up share capital	1,757.65	1,757.65

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 March 2013		31 March 2012	
	No. Lacs	₹ in lacs	No. Lacs	₹ in lacs
At the beginning of the period	257.65	257.65	234.92	234.92
Issued during the period pursuant to composite scheme of amalgamation	—	—	22.73	22.73
Outstanding at the end of the year	257.65	257.65	257.65	257.65
Preference shares	31 March 2013		31 March 2012	
	No. Lacs	₹ in lacs	No. Lacs	₹ in lacs
At the beginning of the period	15.00	1,500.00	—	—
Issued during the year pursuant to composite scheme of amalgamation	—	—	15.00	1,500.00
Outstanding at the end of the year	15.00	1,500.00	15.00	1,500.00

b) Term/right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 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 be entitled to 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.

c) Term of conversion/redemption of Cumulative redeemable preference shares

Pursuant to the composite Scheme of amalgamation the Company had issued 15 lacs 7% cumulative redeemable preference shares (or 'preference shares'). These shares had been issued in lieu of the preference shares held by the shareholders of Aditya Birla Minacs IT Services Limited (or the first transferor company) (Refer Note 22).

Each holder of preference shares is entitled to one vote per share only on resolution placed before the Company which directly affect the rights attached to preference shares. No dividend shall be payable till four years from the date of issue by the first transferor company i.e. upto 31 March, 2007. The preference shareholders will be eligible for dividend at the rate of 7% from 5th year onwards i.e. April 01, 2007 until redemption. The dividend rate will increase by 1% on every 5% increase in equity dividend beyond 15%. Premium on redemption will be 25% of the face value of the preference shares.

All the above preference shares are held by Aditya Birla Nuvo Limited, the ultimate holding company and are due for redemption on 16 October, 2013.

d) Shares held by holding/ ultimate holding company and or their subsidiaries/associates

	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
All nos in lacs		
ABNL IT AND ITES LIMITED, the holding company		
257.26 (31 March 2012 : Nil) equity shares of ₹ 1 each fully paid up	257.26	-
Aditya Birla Nuvo limited, Nil (31 March 2012 : 256.62) equity shares of ₹ 1 each fully paid up	-	256.62
ABNL Investment Limited a subsidiary of Aditya Birla Nuvo Limited		
Nil (31 March 2012 : 0.64) equity shares of ₹ 1 each fully paid up	-	0.64
Aditya Birla Nuvo Limited		
15 (31 March 2012 : 15) 7% Cumulative redeemable preference shares of ₹ 100 each	1,500.00	1,500.00

ADITYA BIRLA MINACS WORLDWIDE LIMITED

e) Details of Shareholders holding more than 5 percent shares in the company.

i) Equity shares

Name of share holder	31 March 2013		31 March 2012	
	No. Lacs	% of holding in the class	No. Lacs	% of holding in the class
ABNL IT AND ITES LIMITED, including 6 shares held by it through its nominees.	257.26	99.85%	—	—
Aditya Birla Nuvo Limited including 7 shares held by it through its nominees.	—	—	256.62	99.60%
ii) Preference share capital				
Aditya Birla Nuvo Limited	15.00	100.00%	15.00	100.00%

f) Share reserved for issue under options

For details of share reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer note no. 30

4. Reserves & surplus*

	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
1) Capital redemption reserve		
Balance as per the last financial statements	100.00	—
Add: Reserves of the transferor companies transferred pursuant to composite scheme of amalgamation	—	100.00
Closing balance	100.00	100.00
2) Securities premium account		
Balance as per the last financial statements	29,970.57	27,795.68
Add: Pursuant to composite scheme of amalgamation	—	7,000.46
Add: Reserves of the transferor companies transferred pursuant to composite scheme of amalgamation	—	1,971.53
Less: Adjustment pursuant to composite scheme of amalgamation	—	(6,797.10)
Closing balance	29,970.57	29,970.57
3) Share options outstanding account		
Balance as per the last financial statements	771.13	576.53
Add: Gross compensation cost / (write back) relating to the current year	(406.68)	194.60
Closing balance	364.45	771.13
4) Investment allowance reserves		
Balance as per the last financial statements	22.53	—
Add: Reserves of the transferor companies transferred pursuant to composite scheme of amalgamation	—	22.53
Closing balance	22.53	22.53
5) Cash Flow reserves (Refer note 2a)		
Balance as per the last financial statements	—	—
+ Gain or Loss recognised during the year(Net)	(802.99)	—
- Gain or Loss recycled to statement of profit and loss(Net)	713.40	—
Closing balance	(89.59)	—
Total other reserve	30,367.96	30,864.23
6) Deficit as per statement profit & loss		
Balance as per the last financial statements	(16,459.28)	(9,236.43)
Profit / (loss) carried from the statement of profit and loss	3,751.88	(1,549.23)
Less: Profit & loss of the transferor companies transferred pursuant to composite scheme of amalgamation	—	(5,173.81)
Less: Excess of purchase consideration over the net assets taken over adjusted pursuant to composite scheme of amalgamation	—	(372.01)
Less: Merger expenses pursuant to composite scheme of amalgamation	—	(127.80)
Closing balance	(12,707.40)	(16,459.28)
Total reserves and surplus	17,660.56	14,404.95

*Refer note 22 for composite scheme of amalgamation

5. Long term borrowings

	Non-current portion		Current portion	
	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
Secured				
Term loans	—	—	—	1,000.00
External Commercial Borrowings	—	—	—	12,382.37
Amount disclosed under the head "other current liabilities" (note 9)	—	—	—	(13,382.37)
Unsecured				
Compulsory convertible debentures	25,000.00	25,000.00	—	—
Loan from related party (Inter corporate deposit)	7,012.00	6,071.00	—	—
	32,012.00	31,071.00	—	—
Total long term borrowings	32,012.00	31,071.00	—	—

Term loans

Term loan of ₹ 3,000 lacs has been obtained from a bank and has been drawdown in 3 equal installments, i.e., October 15, 2009, October 29, 2009 and November 10, 2009. The said loan has been secured by way of first charge on fixed assets of the Company and second charge on the receivables. This loan has been guaranteed by the ultimate holding company and carries the interest rate at a fixed margin. Principal amount is repayable on half yearly equal installments alongwith interest. First installment of ₹1,000 lacs paid in financial year 2010-2011, second installment of ₹1,000 lacs in financial year 2011-2012 and final installment of ₹1,000 lacs in financial year 2012-2013.

External Commercial Borrowings (ECB)

On March 28, 2008, the Company had borrowed external commercial borrowings ('ECB') of JPY 1,983 million from a bank at the rate of interest of fixed margin over LIBOR rates. ECB has been secured by way of first charge on fixed assets of the Company and second charge on the accounts receivables. Further, this ECB has been guaranteed by the ultimate holding company. The interest is payable half yearly in September and in March every year. During the previous year, the Company entered in interest rate and currency rate swap agreement with the bank and consequently the liability of this ECB was fixed in Indian Rupees with fixed rate of interest. As at March 31, 2012, outstanding loan was aggregated to ₹12,382.37 lacs. During the current year, the said loan has been fully repaid in March 2013.

Compulsory convertible debentures

On January 05, 2010, the Company has issued unsecured, CCD of ₹ 25,000 Lacs to a party ('Subscribers'). CCD's are to be converted into equity on the business day following expiry of a period of 60 months from the date of allotment. As per the terms of the issue, the conversion price will be mutually decided thirty days before the conversion date. The ultimate holding company has entered into an Option Agreement with the Subscribers pursuant to which the holders of CCD have a call option on the holding company and the ultimate holding company has a put option on the Subscribers on expiry of 24, 36, 48 and 60 months from the date of allotment of these CCD. The holders can also exercise put option on happening of certain specified events.

Intercorporate deposits

The Company has taken inter corporate deposit (ICD) from ABNL Investment limited and Aditya Birla Nuvo Limited at the interest rate of 8.5% to 11.5%. These deposits were fully repaid in the current year. Further, the company has taken inter corporate deposit from Indigold Trade & Services Limited, fellow subsidiary and the closing balance aggregates to ₹ 7,012 lacs at the interest rate of 9 - 11%.

6. Short term provisions

	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
Provisions for:		
Employee benefits	—	—
Leave benefits	686.69	327.02
Gratuity (Refer Note No. 35)	80.89	—
Provision for taxation (Net of Advance Tax ₹ 16.02 lacs (previous year ₹ 16.02 lacs))	43.87	69.94
Provision for mark-to-market losses on derivative contracts	—	715.92
Derivative Liabilities	361.08	—
Total	1,172.53	1,112.88

7. Short-term borrowings

Secured			
Working capital facility from banks (Secured against receivables and guaranteed by the ultimate holding company)	5,817.80	2,542.08	
	5,817.80	2,542.08	
Unsecured			
Inter corporate deposits from related parties	2,935.00	—	
	2,935.00	—	
Total short-term borrowings	8,752.80	2,542.08	

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8. Trade payables

	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
Trade payables	2,922.84	3,318.10
Trade payables for salaries & other employee benefits	1,284.15	1,337.73
Total	4,206.99	4,655.83

Micro and Small Scale Business Entities

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. 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.

9. Other current liabilities

	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
Current maturities of long term borrowings (Refer note. 5)	—	13,382.37
Interest accrued but not due on borrowings	21.08	5.60
Income received in advance	21.73	92.83
Advance received from subsidiary	1,029.76	—
Other payables	99.35	183.82
Statutory dues	398.23	355.64
Total	1,570.15	14,020.26

10A. Tangible assets

	₹ in lacs						
	Telecommunication, Computer and equipments	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	TOTAL
Gross Block							
As at 1 April 2011	10,417.85	2,184.02	968.49	31.88	379.27	1,953.18	15,934.69
Additions: pursuant to composite scheme of amalgamation	764.32	—	41.44	—	17.39	89.72	912.87
Additions	478.33	50.84	23.77	—	36.67	14.79	604.40
Disposal/Adjustment	(152.67)	(83.30)	(25.54)	(4.05)	(2.88)	(17.55)	(285.99)
As at 31 March 2012	11,507.83	2,151.56	1,008.16	27.83	430.45	2,040.14	17,165.97
Gross Block							
As at 1 April 2012	11,507.83	2,151.56	1,008.16	27.83	430.45	2,040.14	17,165.97
Additions	252.68	51.82	9.86	26.14	9.04	—	349.54
Disposal/Adjustment	(1,113.37)	(320.22)	(238.12)	(27.82)	(110.28)	(216.07)	(2,025.88)
As at 31 March 2013	10,647.14	1,883.16	779.90	26.15	329.21	1,824.07	15,489.63
Accumulated Depreciation							
As at 1 April 2011	7,028.05	1,233.91	544.97	17.49	241.67	1,324.00	10,390.09
Add: pursuant to composite scheme of amalgamation	704.53	—	18.37	—	8.02	57.98	788.90
Charge for the year	1,136.26	280.09	127.97	4.67	55.57	302.84	1,907.40
Disposal/Adjustment	(143.99)	(52.75)	(23.43)	(2.55)	(2.78)	(16.55)	(242.05)
As at 31 March 2012	8,724.85	1,461.25	667.88	19.61	302.48	1,668.27	12,844.34
As at 1 April 2012	8,724.85	1,461.25	667.88	19.61	302.48	1,668.27	12,844.34
Charge for the year	1,143.74	282.45	109.15	5.63	58.56	219.08	1,818.61
Disposal/Adjustment	(1,123.67)	(325.74)	(228.17)	(22.81)	(108.85)	(213.36)	(2,022.60)
As at 31 March 2013	8,744.92	1,417.96	548.86	2.43	252.19	1,673.99	12,640.35
Net block as at 31 March 2012	2,782.98	690.31	340.28	8.22	127.97	371.87	4,321.64
Net block as at 31 March 2013	1,902.22	465.20	231.04	23.72	77.02	150.08	2,849.28

10B. Intangible Assets

	₹ in lacs					
	Goodwill	Software Products	Specialised Software	Client Acquisition	Product Development Costs	TOTAL
Gross Block						
As at 1 April 2011	—	—	360.37	176.00	—	536.37
Additions: pursuant to composite scheme of amalgamation	535.88	750.10	297.27	—	89.45	1,672.70
Additions	—	—	47.87	—	—	47.87
Disposal/Adjustment	(535.88)	(750.10)	(18.27)	—	(89.45)	(1,393.70)
As at 31 March 2012	—	—	687.24	176.00	—	863.24
Gross Block						
As at 1 April 2012	—	—	687.24	176.00	—	863.24
Additions	—	—	183.26	—	—	183.26
Disposal/Adjustment	—	—	(161.83)	(176.00)	—	(337.83)
As at 31 March 2013	—	—	708.67	—	—	708.67
Accumulated Amortization						
As at 1 April 2011	—	—	173.42	130.67	—	304.09
Add: pursuant to composite scheme of amalgamation	535.88	750.10	206.04	—	89.45	1,581.47
Charge for the year	—	—	122.93	45.33	—	168.26
Disposal/Adjustment	(535.88)	(750.10)	(18.28)	—	(89.45)	(1,393.71)
As at 31 March 2012	—	—	484.11	176.00	—	660.11
As at 1 April 2012	—	—	484.11	176.00	—	660.11
Charge for the year	—	—	150.55	—	—	150.55
Disposal/Adjustment	—	—	(158.67)	(176.00)	—	(334.67)
As at 31 March 2013	—	—	475.99	(0.00)	—	475.99
Net block as at 31 March 2012	—	—	203.13	—	—	203.14
Net block as at 31 March 2013	—	—	232.68	—	—	232.68

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11. Non current investments	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs	16. Revenue from services	Year Ended 31 March 2013 ₹ in lacs	Year Ended 31 March 2012 ₹ in lacs
Trade investments in subsidiaries (unquoted)				Note	
(valued at cost unless stated otherwise)			Revenue from services	34,123.77	33,069.31
Investment in equity instruments,			Total	34,123.77	33,069.31
1,270 lacs (Previous Year 1,270 lacs) equity shares of CAD 1 each in AV Transworks Limited	53,369.34	53,369.34	17. Other income		
9.69 lacs (Previous Year 9.69 lacs) equity shares of Peso100 each in Aditya Birla Minacs Philippines Inc.	871.86	871.86	Interest income on others	28.72	9.06
7.58 lacs (Previous Year Nil) equity shares in Aditya Birla Minacs BPO Pvt. Limited	161.60	—	Net gain on sale of current investments	56.38	56.06
Total	54,402.80	54,241.20	Provision for doubtful debt written back	99.07	37.41
Aggregate amount of unquoted investment	54,402.80	54,241.20	Employee stock option scheme write back	406.68	—
			Gain on derivative contracts (including mark-to-market gain)	695.44	—
			Credit balances written back	87.75	—
			Miscellaneous income	58.78	243.93
			Total	1,432.82	346.46
12A. Long term loans and advances (Unsecured)			18. Employee benefit expenses		
Capital advances			Salaries, wages and bonus	18,563.42	18,770.99
Considered good	74.15	26.70	Contribution to provident & other funds	1,113.11	1,126.39
Considered doubtful	26.35	26.35	Staff welfare expenses	1,409.34	1,858.24
	100.50	53.05	Employee stock option scheme	—	194.60
Less: Provision for doubtful capital advances	(26.35)	(26.35)	Gratuity	183.63	98.69
	74.15	26.70	Total	21,269.50	22,048.91
Security deposits (considered good)	971.35	771.00	19. Other expenses		
Advance income tax (net of provision ₹ 62.17 lacs (previous year ₹ 62.17 lacs))	1,184.24	1,367.57	A Facility expenses		
Service tax receivable	423.99	445.37	Rent charges	1,372.19	1,409.09
Advance for preference shares to subsidiary (pending allotment)	—	255.80	Power and fuel expenses	1,123.81	1,154.43
Total	2,653.73	2,866.44	House keeping expenses	220.24	219.09
			Security charges	237.64	251.00
			Repairs and maintenance		
			– Plant and machinery	304.93	417.03
			– Others	387.46	304.04
12B. Short-term loans and advances (Unsecured, considered good)			Hire charges	89.27	15.57
Other Advances	169.55	147.26	Connectivity charges	515.00	443.74
Advance to Employees	14.95	36.71	Software and support expenses	138.33	35.48
Advance for Expenses	42.59	15.42	Total	4,388.87	4,249.47
Deposits	18.14	24.76	B Administrative expenses		
Prepaid expenses	372.94	358.89	Subcontracting expenses	787.01	1,359.16
Total	618.17	583.04	Legal and professional fees	278.13	122.91
			Telephone expenses	113.75	142.86
			Recruitment and relocation	282.95	471.23
			Vehicle expenses	260.84	306.20
			Printing and stationery	56.50	60.88
13. Trade receivables			Directors sitting fees	5.82	2.05
(Unsecured)			Insurance charges	42.84	60.41
Due for a period exceeding six months from the date they are due for payment			Travelling expenses	459.44	505.58
Considered good	49.83	112.39	Loss on sale of fixed assets	4.32	22.92
Considered doubtful	2.95	179.39	Rates and taxes	23.10	43.01
Less: Provision for doubtful receivables	(2.95)	(179.39)	Bad debts written off	92.02	321.65
	49.83	112.39	Less : Written off against Provisions	(92.02)	(321.65)
Other receivables (Unsecured)			Provision for doubtful debts	14.65	93.16
Considered good	3,804.55	4,401.25	Provision for doubtful advances	—	44.07
	3,804.55	4,401.25	Loss on derivative contracts (including mark-to-market loss)	—	715.92
Total	3,854.38	4,513.64	Foreign exchange fluctuations (net)	155.12	347.10
			Miscellaneous expenses	197.93	153.83
			Total	2,682.40	4,451.29
14. Cash and bank balance			C Marketing / business development expenses		
Cash and cash equivalent			Advertisement, branding and business promotion expenses	39.37	36.71
Bank balances in current accounts	508.89	277.06	Marketing expenses	108.83	344.55
Cash on hand	4.85	4.65	Total	148.20	381.26
Total	513.74	281.71	20. Depreciation and amortization expense		
			Depreciation of tangible assets	10A 1,818.61	1,907.40
15. Other current assets			Amortization of intangible assets	10B 150.55	168.26
Unsecured, considered good			Total	1,969.16	2,075.66
Unbilled Revenue	2,007.90	2,171.72			
Derivative assets	—	254.18			
Total	2,007.90	2,425.90			

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21. Finance cost

Note	Year Ended	Year Ended
	31 March 2013	31 March 2012
	₹ in lacs	₹ in lacs
Interest		
On external commercial borrowings	518.01	530.04
On Term Loan	37.08	1,032.69
On working capital loan	697.70	506.40
Other interest	—	52.73
Bank charges	16.58	42.50
Bill discounting charges	—	54.20
Amortisation of ancillary borrowing costs	17.78	71.40
Foreign exchange loss on external borrowings	—	370.64
Total	1,287.15	2,660.60

22. Composite Scheme of Amalgamation

- During the previous year, the Hon'ble Karnataka High Court vide order dated September 05, 2011 approved the Composite Scheme of Amalgamation for merger (or 'the Scheme') of Aditya Birla Minacs IT Services Limited ("First Transferor Company or "ABMIT") and Aditya Birla Minacs Technologies Limited ("Second Transferor Company or "ABMTL") (collectively referred to as the "Transferor Companies") in to the Company as per section 391 to 394 of the Companies Act, 1956. Consequent to fulfilment of necessary conditions, the Transferor Companies were amalgamated with the Company with effect from the appointed date, i.e. April 1, 2010.
- The general nature of business of the First Transferor Company was of designing, developing and manufacturing computer software, micro processor modules. Further, the general nature of business of the Second Transferor Company was of developing, distributing, selling and marketing computer software, computer hardware and providing software implementation services. The Second Transferor Company was a wholly owned subsidiary of the First Transferor Company.
- The accounting for amalgamation had been done as per 'Pooling of Interest Method' as prescribed in Accounting Standard-14 'Accounting for Amalgamations' (AS-14), issued by The Institute of Chartered Accountants of India ('ICAI').
- In accordance with the Scheme:
 - All the assets and liabilities, including reserves and profit & loss debit balance of the Transferor Companies were recorded at their respective book values as appearing in their books on the date immediately preceding the Appointed Date. The inter company balances amongst the Transferor Companies and the Company were netted off with effect from the Appointed Date.
 - For equity shareholders of the first transferor Company who had opted for the equity shares of the Company, one equity share (face value ₹ 1) of the Company were issued for every 3 equity shares held in the first transferor Company and one equity share for any fraction thereof. For the equity shareholders of the first transferor Company who had opted for the cash settlement, the consideration to this extent was discharged in cash. The Company had allotted 2,272,875 equity shares at face value and had recorded securities premium aggregating to ₹ 7,000.46 lacs arising on issue of such equity shares. Balance amount paid/ payable in cash aggregated to ₹ 753.96 lacs.
 - The Company had issued and allotted 1 preference share having a face value of ₹ 100 each for every 1 preference share having the face value of ₹ 100 held by the preference shareholders of the first transferor Company.
 - The investment held by the First Transferor Company in the equity capital of the Second Transferor Company, being wholly owned subsidiary of the Company were cancelled.
 - The difference between (i) amount recorded as share capital issued by the Company and consideration in the form of cash and (ii) the amount of share capital of the Second Transferor Company immediately prior to the amalgamation, had been adjusted in the Securities Premium Account. Accordingly such difference aggregating to ₹ 6,797.10 lacs had been adjusted against the securities premium account in the financial statements.
 - Excess of purchase consideration over the net assets taken over ₹ 327.01 lacs and merger expenses relating to such amalgamation ₹ 127.80 lacs had been adjusted in Statement of Profit and Loss debit balance in accordance with the Scheme.

23. Earnings Per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	Year Ended	
	31 March 2013	31 March 2012
	(₹ Lacs)	
Basic		
Net Profit/ (loss) after tax as per statement of profit and loss	3,751.88	(2,498.39)
Less : dividends on preference shares & tax there on	(122.85)	Nil
Net profit/ (loss) for calculation of basic EPS	3,629.03	(2,498.39)
Weighted average number of equity shares in calculating basic EPS	25,764,586	25,764,586
Earnings per share	14.09	(9.70)
Diluted		
Net profit/ (loss) for calculation of diluted EPS	3,629.04	(2,498.39)
Weighted average number of equity shares for calculating basic EPS	25,764,586	25,764,586
Equity shares arising on grant of stock options under ESOP	467,000	12,12,500
Weighted average number of equity shares for calculating diluted EPS	26,231,586	26,977,086
Earnings per share	13.83	(9.70)

24. Contingent Liabilities

Particulars	As at	As at
	March 31, 2013	March 31, 2012
	₹ Lacs	₹ Lacs
1 Export obligation under STPI Scheme	1,472.07	1,454.49
2 Guarantees and Counter guarantees given by the Company to its insurance Company in USA and to Citibank, NA on the basis of which the insurance Company issued telemarketing bonds favoring Attorney generals of various states in USA on behalf of the Company. (These bonds are required to be given for compliance of telemarketing laws in USA. In case of any violations of these rules, the penalties are imposed. The Company does not expect any liabilities on the same).	Nil	511.60
3 Service Tax Matters	1,009.96	592.00
4 Income Tax Matters	382.18	73.29
5 Dividend on 7% Cumulative Redeemable Preference shares (including dividend distribution tax) not provided for. The said dividend relates to the period from April 01, 2007 to March 31, 2013 pursuant to the Composite Scheme of Amalgamation (Refer Note 22)	737.07	525.00
Total	3,601.28	3,156.38

The company is contesting the demands and the management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

25. Capital commitments

Particulars	As at	As at
	March 31, 2013	March 31, 2012
	₹ Lacs	₹ Lacs
1 Estimated amount of contracts remaining to be executed on capital account and not provided for.	109.64	119.37

As per management there are no material amounts which need to be disclosed as other commitments.

26. (i) Earnings in foreign currency

(₹ Lacs)

Particulars	Year Ended	Year Ended
	31 March 2013	31 March 2012
a) Revenue from services	19,431.65	19,562.24
b) Other income	49.10	38.06

(ii) Expenditure in foreign currency

(₹ Lacs)

Particulars	Year Ended	Year Ended
	31 March 2013	31 March 2012
Expenditure in foreign currency (Accrual Basis)		
a) Salaries (reimbursement of cost)	551.26	459.47
b) Traveling expenses	161.28	144.43
c) Marketing expenses	108.77	356.79
d) Advertisement, branding and business promotion expenses	6.16	—
e) Interest expenses	579.07	1,443.22
f) Connectivity Charges	109.08	117.98
g) Legal and Professional fees	73.65	84.47
h) Repairs & Maintenance – Plant & Machinery	43.10	51.17
i) Subcontracting expenses	64.28	—
j) Contribution to funds	20.48	—
k) Rent expense	9.15	—
l) Miscellaneous expenses	18.91	49.54

27. CIF value of imports

(₹ Lacs)

Particulars	Year Ended	Year Ended
	31 March 2013	31 March 2012
Capital goods	94.07	265.09

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28. The details of operating leases are as under

The Company has entered into operating cancelable lease agreements for its offices ranging for a period of 3 to 5 years. The lease rentals charged during the year are as follows:

(₹ Lacs)

Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Lease payments recognized in the Statement of Profit & Loss Account for the year	1,372.19	1,409.09
Obligation on non cancellable leases:		
Not later than one year	288.02	—
Later than one year but not later than five years	1,238.49	—
Later than five years	—	—

29. Deferred Taxes

The Company has deferred tax asset in respect of unabsorbed depreciation and business losses and difference in depreciation. As there is no virtual certainty about the realization of the deferred tax assets against the future taxable profits, the same has not been recognized.

(₹ Lacs)

Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Carried forward losses	4,655.06	4,790.52
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	842.78	612.88
Total	5,497.84	5,403.40

30. Employee Stock Option Plan

In December 2009, the Board of the Company approved the Employees Stock Option Plan 2009 ("the Plan"), which covers the employees of the Company including its subsidiaries. The plan is administered and supervised by the Compensation Committee of the board (the 'Committee').

The Scheme provides that these options would vest in tranches over a period of 3-4 years as follows:

Period within which options will vest unto the participant	% of options that will vest
End of 15 months from the date of grant of options	20%
End of 27 months from the date of grant of options	20%
End of 39 months from the date of grant of options	60%

Fair Valuation:

The fair valuation of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black- Scholes Model. The key assumptions and the fair value are as under:

Particulars	
Risk Free Interest Rate %	6.84%
Option Life (years)	4.8
Expected Volatility (%)	0%
Historical Volatility (%)	0%
Expected Dividend Yield (%)	0%
Weighted Average Fair Value per Option (₹)	141

Had the compensation cost for the stock option granted under ESOS-2009 been recognized, based on fair value at the date of grant in accordance with Black and Scholes Model, the proforma amount of net profit and earnings per share of the Company would have been as under:

(₹ Lacs)

Particulars	31 March 2013	31 March 2012
Net Profit/(Loss) for the year	3,751.89	(2,498.39)
Compensation cost as per Intrinsic Value	(406.68)	194.60
Compensation cost as per fair value working	734.78	(351.60)
Less : dividends on preference shares & tax thereon	(122.85)	Nil
Adjusted Net Income/(Loss) for basic / diluted proforma EPS	3,957.14	(2,655.39)
Weighted average number of equity shares for calculating basic EPS	25,764,586	25,764,586
ESOP outstanding at the end of the year	4,67,000	12,12,500
Weighted average number of equity shares for calculating diluted EPS	26,231,586	26,977,086
Face Value of Equity Shares (In ₹)	1.00	1.00
Reported Earnings Per Share (EPS)		
— Basic (In ₹)	14.09	(9.70)
— Diluted (In ₹)	13.83	(9.70)
Proforma Earning Per Share (EPS)		
— Basic (In ₹)	15.36	(10.31)
— Diluted (In ₹)*	15.09	(10.31)

*Anti-dilutive

The participants shall exercise the options within five years from vesting or within three years from the date of listing, whichever is earlier. The Plan is contingent on the shares being listed in a recognized stock exchange in India on or before July 1, 2015. If the Company's shares are not listed on the stock exchange by June 30, 2015, the existing employees shall have to sell all options vested to the Company or its nominee at a price determined as per Plan.

(₹ Lacs)

Particulars	31 March 2013	31 March 2012
Total Options under the Plan	1,897,337	1,897,337
Options outstanding at the beginning of the year	1,212,500	1,367,000
Granted during the year	Nil	Nil
Forfeited during the year	745,500	154,500
Exercised during the year	Nil	Nil
Outstanding at the end of the year	467,000	1,212,500
Expired during the year	Nil	Nil
Exercisable at the end of the year	Nil	Nil
Exercise Price (₹)	230	230

During the current year, vesting conditions have not been met and accordingly no shares have been vested during the year.

31. Related Party Transactions

(i) Name and nature of relationship of the Related Party where control exists:

Ultimate Holding Company	Aditya Birla Nuvo Limited (ABNL)
Holding Company	ABNL IT & ITES Limited w.e.f March 25, 2013 Aditya Birla Nuvo Limited till March 24, 2013
Subsidiaries (includes step down subsidiaries)	AV Transworks Limited Transworks Inc (Closed w.e.f October 10, 2011) Aditya Birla Minacs Worldwide Inc * Aditya Birla Minacs Philippines Inc Minacs Group (USA) * Minacs Limited UK * The Minacs GmbH, Germany * Bureau of Collection Recovery LLC * Bureau of Collections Recovery (BCR) Inc. * Aditya Birla Minacs BPO Private Limited Aditya Birla Minacs BPO Ltd, UK * Minacs Worldwide S.A. de C.V.* Minacs Kft.* Compass BPO, Inc, U.S.A (Closed w.e.f September 30, 2011)*
Fellow Subsidiaries (where transactions have been entered into by the Company)	Aditya Birla Financial Shared Services Limited Birla Sun Life Insurance Company Limited Aditya Birla Money Mart Limited ABNL Investment Limited Madura Garments Lifestyle Retail Co. Ltd Aditya Birla Finance Limited Indigold Trade & Services Limited Birla Insurance Advisory & Broking Services Limited Birla Sun Life Asset Management Company Limited (w.e.f October 10, 2012)
Joint Venture of Ultimate Holding Company	IDEA Cellular Limited Birla Sun Life Asset Management Company Limited (upto October 09, 2012)
Key Management Personnel	Deepak Patel (Whole-time Director & CEO)

* Represents step down subsidiaries.

(ii) Summary of transactions with related parties during the year:

(₹ Lacs)

Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
1. Ultimate holding company/Holding company		
Inter corporate deposit (ICD) given by ABNL	9,741.00	5,500.00
ICD repayment to ABNL	10,591.00	6,250.00
Interest Expense	251.96	405.03
Revenue from services (ABNL)	26.19	10.89
Revenue from services (Indo Gulf Fertilizers Division of ABNL)	3.82	2.92
Revenue from services (Madura Garments Division of ABNL)	92.22	55.68
Expenses Reimbursed by the company (Madura Garments Division of ABNL)	0.26	Nil

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Particulars	₹ Lacs	
	Year Ended 31 March 2013	Year Ended 31 March 2012
2. Subsidiary Companies		
Transworks Inc. USA		
Closure proceeds received from subsidiary company	Nil	24.28
Aditya Birla Minacs Worldwide Inc. Canada		
Marketing and Technology expenses	205.53	434.01
Revenue from services	1,250.13	1,784.13
Reimbursement of expenses	151.44	165.22
A V Transworks Limited, Canada		
Repayment of Preference Share Capital	Nil	13,690.00
Foreign Currency Loan Given	Nil	2,330.30
Repayment of Foreign currency Loan	Nil	16,620.30
Advance given for investment in Preference Share Capital	Nil	255.80
Redemption of Preference Share Capital	255.80	Nil
Foreign Currency Loan Given	Nil	743.80
Repayment of Foreign currency Loan	Nil	1,639.03
Reimbursement of expenses to subsidiary company	15.55	37.64
Aditya Birla Minacs BPO Private Limited		
ICD taken	Nil	100.00
ICD re-paid	Nil	100.00
Interest expenses on ICD	Nil	0.03
Reimbursement of expenses to subsidiary company	2.81	4.79
Revenue from services	8.60	64.06
Sale of fixed assets	Nil	3.62
Aditya Birla Minacs BPO Limited, UK		
Revenue from services	52.90	54.90
Investment	161.60	Nil
Minacs Group(USA) Inc.		
Advance Received	1,029.76	Nil
Revenue from services	2,770.36	1,351.31
Reimbursement of expenses by subsidiary company	202.26	131.66
Reimbursement of expenses to subsidiary company	27.77	21.98
The Minacs GMBH, Germany		
Reimbursement of expenses	0.95	1.77
Minacs Limited – UK		
Reimbursement of expenses by subsidiary company	7.22	4.97
Bureau of Collection Recovery LLC		
Revenue from services	485.50	592.08
3. Fellow Subsidiary		
Aditya Birla Finance Limited		
Revenue from services	46.59	56.38
Aditya Birla Money Mart Limited		
Revenue from services	3.92	11.03
ABNL Investment Limited		
ICD Taken	180.00	5,250.00
Interest expenses on ICD	141.64	57.85
ICD Repaid	5,401.00	29.00
Arrangement fees	Nil	25.31
Birla Sun Life Insurance Company Limited		
Staff welfare expenses (Term Life Insurance)	33.48	20.94
Revenue from services	955.91	1,258.77
Expenses reimbursed by the Company	10.99	Nil
Birla Insurance Advisory & Broking Services Limited		
Revenue from services	2.36	6.53
Revenue from services	1.06	12.11
Indigold Trade & Services Limited		
ICD Taken	7,012.00	Nil
Interest expenses on ICD	13.81	Nil
Birla Sun Life Asset Management Company Limited (w.e.f October 10, 2012)		
Revenue from services	100.66	Nil
ICD Taken	3,250.00	Nil
ICD Repaid	315.00	Nil
Interest expenses on ICD	44.24	Nil
Madura Garments Lifestyle Retail Co. Ltd		
ICD Taken	7,250.00	Nil
ICD Repaid	7,250.00	Nil
Interest expenses on ICD	139.96	Nil
Revenue from services	0.48	Nil
4. Joint Venture		
Birla Sun Life Asset Management Company Limited (upto October 09, 2012)		
Revenue from services	120.92	300.05
Idea Cellular Limited		
Revenue from services	11,796.03	9,346.32
5. Remuneration to Key Management Personnel **		
Salary & Allowances	386.16	321.18
Contribution to Provident fund and other funds	25.07	24.57

31 (iii) Related Party Balances:

Particulars	₹ Lacs	
	Year Ended 31 March 2013	Year Ended 31 March 2012
1. Ultimate Holding Company/Holding company		
Payable – ABNL on account of Inter Corporate Deposits	Nil	850.00
Receivable- ABNL (Division- Madura Garment)	21.15	9.11
Corporate guarantees given by ABNL	21,683.90	16,951.67
7% Cumulative Redeemable Preference Shares (Refer note 22)	1,500.00	1,500.00
2. Subsidiary Company		
Payable - Aditya Birla Minacs Worldwide Inc	208.34	(295.59)
Receivable to Subsidiary- Minacs Group (USA) Inc. (Net of payable of ₹ 69.97 lacs)	97.39	278.29
Advance Repayable - Minacs Group(USA) Inc.	1,029.76	Nil
Receivable from Subsidiary-Bureau of collection Recovery LLC	Nil	400.81
Receivable from Aditya Birla Minacs Philippines Inc. (other receivable)	120.82	100.23
Receivable from Aditya Birla Minacs Philippines Inc. (Investment)	Nil	255.80
Payable to Subsidiary-Minacs Limited , UK	8.24	1.32
Receivable From Subsidiary- Aditya Birla Minacs BPO Limited UK	Nil	41.65
Receivable From Subsidiary-Aditya Birla Minacs BPO Private Limited	Nil	3.55
3. Fellow Subsidiary		
Receivable from Aditya Birla Finance Limited on account of Trade receivable	12.21	1.50
Receivable from Birla Insurance Advisory & Broking Services Limited	Nil	1.67
Payable – Birla Sun Life Asset Management Company Limited on account of ICD	2,935.00	Nil
Receivable from Birla Sun Life Asset Management Company Limited on account of Trade receivable	15.78	16.09
Receivable from Birla Sun Life Insurance Company Limited on account of Trade receivable	155.31	476.46
Receivable from Madura Garments Lifestyle Retail Co. Ltd on account of Trade Receivable	0.16	Nil
Payable to ABNL Investment Limited on account of ICD	Nil	5,221.00
Payable to Indigold Trade & Services Limited on account of ICD (including interest on Intercompany deposits)	7,025.81	Nil
4. Joint Venture		
Receivable from Idea Cellular Limited on account of Trade receivable	1,279.02	1,299.72

** As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

32. Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate.

The Company, time to time, holds financial derivatives instruments for hedging purposes.

Outstanding derivative contracts at the yearend are given below:

Particulars	Currency	Amount in Foreign Currency (in lacs)	Purpose
Forward Cover	USD	287.23 Nil	To hedge revenue from services
Forward Cover-(USD/INR)	USD	Nil (319.12)	To hedge receivables/payable
Forward Cover	USD	20.00 (25.00)	To hedge working capital (PCFC) Loan payable
Cross Currency Swap	JPY	Nil (19,834.00)	To hedge loan payable

Particulars of unhedged foreign currency exposure as at the reporting date.

Particulars	Currency	Amount in Foreign Currency (in lacs)	Amount in ₹ Lacs
Trade payable	USD	2.65 (1.98)	143.99 (97.61)
Trade Payable	CAD	4.55 (1.70)	242.65 (87.00)
Short term loans & advances	PHP	77.89 (77.14)	104.50 (100.23)
Short term loans & advances	USD	1.49 (0.05)	79.65 (2.28)
Trade Receivable	CAD	0.46 (Nil)	24.57 (Nil)
Trade Receivable	GBP	2.28 (Nil)	187.43 (Nil)
Trade Receivable	USD	45.92 (Nil)	2,497.74 (Nil)

Note: Figures in brackets relates to previous year.

ADITYA BIRLA MINACS WORLDWIDE LIMITED

33. Segment Information

(1) Primary segment

The Company provides a variety of Business Process outsourcing services and other IT related services. The risks and rewards from each of these service agreements are similar. As the Company's business activity primarily falls within a single business segment, there are no additional disclosures to be provided in respect of primary segment under Accounting Standard (AS) -17 on Segment Reporting issued by ICAI, other than those already provided in these financial statements.

(2) Secondary segment:

- Geographical turnover is segregated based on the location of the customer to whom the services are rendered.
- Assets are segregated based on their location. Hence, the customers located outside India have been classified as segment assets outside India.
- Information about secondary business segments:

(₹ in Lacs)

Year ended March 31, 2013	India	Outside India	Total
A Revenue by Geographical market	14,692.12	19,431.65	34,123.77
B Carrying amount of Segmental Assets	63,447.15	3,685.53	67,132.68
C Capital Expenditure	310.80	94.07	404.87

(₹ in Lacs)

Year ended March 31, 2012	India	Outside India	Total
A Revenue by geographical market	13,507.07	19,562.24	33,069.31
B Carrying Amount of Segmental Assets	64,723.99	4,840.66	69,564.65
C Capital Expenditure	106.82	265.09	371.91

34. (a) The Company has investment amounting to ₹ 53,369.34 lacs (previous year ₹ 53,369.34 lacs) in AV Transworks Ltd, Canada, which has further invested in Aditya Birla Minacs Worldwide Inc, Canada. Further, the Company also has an investment amounting to ₹ 871.86 lacs (previous year ₹ 871.86 lacs) in Aditya Birla Minacs Philippines Inc. Considering the strategic and long term nature of aforesaid investments, the asset base and business plan of the investee companies, in the opinion of the management there is no diminution, other than temporary, in the value of these investments.
- (b) During the current year, the Company has acquired 758,705 equity shares of Aditya Birla Minacs BPO Limited, India from one of its subsidiaries (Aditya Birla Minacs BPO Limited, UK) for a consideration of ₹ 161.60 lacs.

35. Retirement Benefits:

(₹ Lacs)

Particulars	31 March 2013	31 March 2012
(a) Defined Benefit Plans		
The Amounts recognized in the balance sheet are as follows in respect of gratuity (fully funded by the Company):		
Present value of the funded defined benefit obligation at the end of the year	621.53	467.81
Fair value of plan assets	540.64	484.68
Net Liability (PY - Receivable from fund)	80.89	(16.87)
The Amounts recognized in Salary, Wages and Employee Benefits in the Statement of profit and loss as follows in respect of gratuity (fully funded by the Company):		
Current Service cost	164.34	181.03
Past Service Cost	Nil	Nil
Interest on Defined Benefit Obligations	39.76	37.30
Expected return on plan assets	(41.19)	(26.77)
Net Actuarial (gain)/loss recognized during the year	20.72	(92.88)
Net Gratuity Cost	183.63	98.69
Actual Return on Plan Assets		
Expected Return on Plan Assets	41.19	26.77
Actuarial gain/(loss) on Plan Assets	14.77	(0.04)
Actual Return on Plan Assets	55.96	26.73
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Opening Defined Benefit Obligation as on 1.4.2012	467.81	259.75
Taken over pursuant to scheme of amalgamation	Nil	198.41
Current Service Cost	164.34	181.03
Past Service Cost	Nil	Nil
Interest Cost	39.76	37.30
Actuarial (Gain)/loss	35.49	(92.92)
Benefits Paid	(85.87)	(115.76)
Closing Defined Benefit Obligation as on 31.03.2013	621.53	467.81
Change in fair value plan assets		
Opening Fair Value of the plan assets	484.68	209.31
Taken over pursuant to scheme of amalgamation	Nil	197.06
Expected return on plan assets	41.19	26.77
Actuarial Gain/(loss)	14.77	(0.04)
Contributions by the Employer	85.87	167.35
Benefits Paid	(85.87)	(115.76)
Closing Fair value of the plan assets	540.64	484.68

(₹ Lacs)

Particulars	31 March 2013	31 March 2012
Investment details of plan assets		
Government of India Securities	120.90	118.99
Corporate Bonds	6.80	7.12
Special Deposit Scheme	23.81	9.16
Insurer Managed Fund	312.24	290.86
Others (with common fund of Ultimate Holding Company)	76.89	58.55
Total	540.64	484.68
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligation is to be settled.		
(b) Defined Contributions Plans:		
Contribution to Employee Provident Fund	780.90	801.97
Contribution to ESIC	315.51	307.69
Contribution to superannuation fund	13.21	13.21
Contribution to labour welfare fund	3.49	3.52
(c) Principal Actuarial Assumptions At the Balance Sheet date March 31, 2013		
Discount rate	8.00%	8.50%
Estimated rate of return on plan assets	8.70%	8.50%
Future Salary escalation	8.00%	10% for first three years and 5% thereafter

(d) Experience Adjustment	2012-13	2011-12	2010-11	2009-10	2008-09
Liability at the end of the Period	621.53	467.81	259.75	223.35	188.95
Fair Value of Plan Assets at the end of the Period	540.64	484.68	209.31	193.44	106.06
Deficit / (Surplus)	80.89	(16.87)	50.45	29.91	82.89
Experience adjustments on plan liabilities (Gain)/Loss	(47.41)	(92.92)	(61.11)	(77.87)	90.53
Experience adjustments on plan Assets Gain/(Loss)	14.77	(0.04)	1.66	(4.95)	14.44

The company expects to contribute ₹ 81.00 lacs to gratuity fund in the next year (Previous year: Nil).

36. Payment to Auditors:

(₹ Lacs)

Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
As auditors		
Statutory audit	25.50	23.25
Limited review	18.00	16.00
Tax audit	4.00	4.00
In other capacity		
Certification fee	1.24	3.00
Out of pocket expenses	1.18	3.04
Total	49.92	49.29

37. Previous year's figures have been regrouped where necessary to conform to this year's classification.

For and on behalf of the Board of Directors of
Aditya Birla Minacs Worldwide Ltd.

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

Deepak J Patel
Whole-time Director & CEO

Sushil Agarwal
Director

per **Govind Ahuja**
Partner
Membership No. 48966

Ramesh Kamath
Chief Financial Officer

T Ajay Joseph
Company Secretary

Place: Mumbai
Date: April 24, 2013

Place: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE LIMITED

Independent Auditors' Report

To the Board of Directors of Aditya Birla Minacs Worldwide Limited

We have audited the accompanying consolidated financial statements of Aditya Birla Minacs Worldwide Limited ('the Company') and its subsidiaries (collectively referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 judgement, 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 control relevant to the Company's preparation and presentation 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 management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of Rs. 88,455 lacs as at March 31, 2013, total revenues of ₹ 217,439 lacs and net cash inflows amounting to ₹ 2,814 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of its subsidiaries of Aditya Birla Minacs Worldwide Inc. and Aditya Birla Minacs Philippines Inc., whose financial statements and other financial information have been audited as per the requirements of Canadian Generally Accepted Accounting Standards (GAAP) and Philippines GAAP respectively by other auditors and whose reports have been furnished to us. These have been converted as per the requirements of Indian GAAP by the management and the conversion has been audited by us. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors and its conversion as stated above. Our opinion is not qualified in respect of this matter.

The accompanying consolidated financial statements have been prepared, and this report is issued, solely for the purpose of consolidation with the ultimate holding company of Aditya Birla Minacs Worldwide Limited, and should not be used, referred to or distributed, for any other purpose or by or to any other person, without our prior written consent.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31 2013

	Notes	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
I. Equity and liabilities:			
Shareholders' funds			
Share capital	3	1,757.65	1,757.65
Reserves and surplus	4	40,566.15	26,201.97
		42,323.80	27,959.62
Non-current liabilities			
Long-term borrowings	5	54,982.43	61,008.89
Deferred tax liabilities (net)		1,119.04	1,407.45
Other Long term liabilities	7	2,558.32	2,805.55
		58,659.79	65,221.89
Current liabilities			
Short term borrowings	8	38,961.06	20,301.36
Trade payables	9	17,844.50	17,746.86
Other current liabilities	10	11,690.17	33,657.77
Short term provisions	6	1,042.18	842.14
		69,537.91	72,548.13
Total		170,521.50	165,729.64
Assets:			
Non-current assets			
Fixed assets			
Tangible assets	11A	14,012.40	18,992.27
Intangible assets	11B	89,468.75	81,908.24
Capital work-in-progress		—	127.95
Intangible assets under development		4,039.05	2,376.49
		107,520.20	103,404.96
Deferred tax assets (net)		—	705.58
Long-term loans and advances	12A	3,346.89	3,260.34
		3,346.89	3,965.92
Current Assets			
Trade receivables	13	25,359.59	28,238.41
Cash and bank balances	14	4,925.63	1,645.29
Short-term loans and advances	12B	1,835.97	1,553.00
Other current assets	15	27,533.22	26,922.06
		59,654.41	58,358.76
Total		170,521.50	165,729.64

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

Consolidated statement of profit and loss for the year ended 31 March 2013

	Notes	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
Income:			
Revenue from services	16	246,553.40	208,157.89
Other income	17	1,129.28	3,038.74
Total (I)		247,682.68	211,196.63
Expenditure :			
Employee benefit expenses	18	163,658.48	138,372.59
Other expenses	19	58,955.83	53,939.73
Total (II)		222,614.31	192,312.32
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) -(II)		25,068.37	18,884.31
Depreciation and amortization expense	20	8,595.27	7,702.83
Finance costs	21	3,560.55	4,233.78
Profit before the tax		12,912.55	6,947.70
Tax expenses			
Current tax		68.35	58.19
Deferred tax charge / (release)		372.38	(109.14)
Tax expense / (reversal) for earlier years		(45.65)	36.97
Net profit for the year		12,517.47	6,961.68
Profit of the transferor companies for the year ended 31 March 2011 pursuant to composite scheme of amalgamation (Refer note no. 22)		—	949.16
Net profit carried to Balance sheet		12,517.47	7,910.84
Earnings per equity share (nominal value of shares ₹ 1 each)			
Basic		48.11	26.54
Diluted		47.25	25.35

Summary of significant accounting policies 2
The accompanying notes are an integral part of financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Place: Mumbai
Date: April 24, 2013

For and on behalf of the Board of Directors of
Aditya Birla Minacs Worldwide Ltd.

Deepak J Patel
Whole-time Director & CEO
Sushil Agarwal
Director

Ramesh Kamath
Chief Financial Officer
T Ajay Joseph
Company Secretary

Place: Mumbai
Date : April 24, 2013

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Place: Mumbai
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For and on behalf of the Board of Directors of
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Director

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T Ajay Joseph
Company Secretary

Place: Mumbai
Date : April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Year ended 31 March 2013	₹ in lacs For the Year ended 31 March 2012
A. Cash flows from Operating Activities		
Net Profit/(Loss) before taxation, and extraordinary items	12,912.55	6,947.70
Adjustments for:		
Depreciation / Amortization	8,595.27	7,702.83
Loss/(Profit) on Sale of Fixed Assets	10.19	12.76
(Gain)/ Loss on derivative contracts (including mark-to-market loss)	(350.82)	332.79
Foreign Exchange Loss on External Borrowings	-	370.64
Interest Income	(41.60)	(29.87)
Gain On Mutual Fund Investments	(56.38)	(58.12)
Finance/Interest Expense	3,394.27	3,701.58
Amortisation of ancillary borrowing costs	166.28	161.56
Employee stock compensation expenses / (reversal)	(406.68)	194.60
Provision for doubtful advances	-	44.07
Credit balances written back	(87.75)	-
Unrealised foreign exchange loss	3.45	-
Provision for doubtful debt provided / (written back)	(31.50)	55.75
Operating Profit before working capital changes	24,107.28	19,436.29
Movements in working capital :		
(Increase)/Decrease in Sundry Debtors	2,914.82	(1,276.13)
(Increase)/Decrease in Loans & Advances	(1,768.88)	(1,095.24)
Increase/(Decrease) Current Liabilities & Provisions	525.99	(3,014.65)
Cash generated from operations	25,779.21	14,050.27
Add/(Less): Direct Taxes received / (paid) - net	9.09	(553.11)
Net Cash flow from Operating Activities	25,788.30	13,497.16
B. Cash Flows from Investing Activities		
Payment to shareholders pursuant to composite scheme of amalgamation	-	(730.23)
Merger Expenses pursuant to composite scheme of amalgamation	-	(102.57)
Purchase of Fixed Assets	(9,548.58)	(7,349.42)
Proceeds from sale of Fixed Assets	112.12	147.16
Proceeds from sale of current investment	-	700.00
Interest income received	41.60	29.87
Dividend on current investments	56.38	58.12
Net Cash used in Investing Activities	(9,338.48)	(7,247.08)
C. Cash flow from Financing Activities		
Repayment of borrowings (net)	(9,625.62)	(396.41)
Interest/financial charges paid	(3,638.65)	(7,757.81)
Net Cash used in Financing Activities	(13,264.27)	(8,154.22)
D. Foreign Exchange difference on translation of foreign currency cash and cash equivalents	94.79	232.98
Net increase / (decrease) in cash and Cash equivalents during the year	3,280.34	(1,671.15)
Cash and cash equivalents at the beginning of the year	1,645.29	3,174.51
Cash and cash equivalents taken over pursuant to composite scheme of amalgamation (Refer Note. 22)	-	141.93
Cash and cash equivalents at the end of the year	4,925.63	1,645.29
Notes:		
Components of Cash and Cash Equivalents	As at 31.03.2013	As at 31.03.2012
i) Cash on hand	54.33	114.23
ii) Balance with Scheduled and other Banks :		
- in Current Account	4,871.30	1,503.31
- in Fixed Deposits	-	27.75
Total	4,925.63	1,645.29

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

per **Govind Ahuja**
Partner
Membership No. 48966

Place: Mumbai
Date: April 24, 2013

For and on behalf of the Board of Directors of
Aditya Birla Minacs Worldwide Ltd.

Deepak J Patel
Whole-time Director & CEO

Sushil Agarwal
Director

Ramesh Kamath
Chief Financial Officer

T Ajay Joseph
Company Secretary

Place: Mumbai
Date : April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1.1 Corporate Information

The consolidated financial statements (CFS) of Aditya Birla Minacs Worldwide Limited ("the Company" or "ABMWL") and its subsidiaries collectively referred to as "the Group" are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956.

1.2 Principles of Consolidation

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions as per Accounting Standard (AS) 21 "Consolidated Financial Statements".
- The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- List of companies included in Consolidation are mentioned below.

Subsidiaries	Country of Incorporation	Proportion of ownership interest as on March 31, 2013	Proportion of ownership interest as on March 31, 2012
AV TransWorks Limited, Canada (Subsidiary of ABMWL)	Canada	100%	100%
Aditya Birla Minacs Philippines Inc (Subsidiary of ABMWL)	Philippines	100%	100%
Aditya Birla Minacs Worldwide Inc. Canada (ABMWI) (Subsidiary of AV TransWorks Limited)	Canada	100%	100%
The Minacs Group (USA), Inc (Subsidiary of ABMWI)	USA	100%	100%
Minacs Limited, UK, (Subsidiary of ABMWI)	UK	100%	100%
Minacs Worldwide S.A. de C.V., Mexico (Subsidiary of ABMWI)	Mexico	100%	100%
Minacs Worldwide GmbH, Germany (Subsidiary of ABMWI)	Germany	100%	100%
Minacs Kft., (Subsidiary of The Minacs Worldwide GmbH)	Hungary	100%	100%
Aditya Birla Minacs BPO Limited, UK (Subsidiary of ABMWI)	UK	100%	100%
Bureau of Collection recovery, LLC (Subsidiary of ABMWI)	USA	100%	100%
Aditya Birla Minacs BPO Private Limited (Subsidiary of Aditya Birla Minacs BPO Limited, UK till February 28, 2013 and a subsidiary of Aditya Birla Minacs Worldwide Limited) w.e.f March 1, 2013)	India	100%	100%
Bureau of Collections Recovery (BCR) Inc. (Subsidiary of ABMWI)	USA	100%	100%

2. Significant accounting policies

i) Change in accounting policies

Adoption of hedge accounting principles

Effective from 1st April, 2012, the Group has applied hedge accounting principles in respect of forward exchange contracts taken to hedge the foreign currency risk of firm commitments and highly probable forecast transactions as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly all such contracts that are designated as hedging instruments to hedge the foreign currency risk of firm commitments and highly probable forecast transactions are marked to market and loss (net) aggregating to Rs. 424.81 Lacs has been directly recognized in the Hedging Reserve Account. Had the group continued to follow the earlier accounting policy, this would have been recognized in the Statement of Profit and Loss.

ii) Use of estimates

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

iii) Revenue recognition

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

- Revenue is derived from both time-based and unit-priced contracts. Revenue is recognized as related services are performed based on agreements / arrangements with the customers.
- Revenues from fixed price contracts where there is no uncertainty as to measurement, delivery, enforceability or realization of consideration is recognized on percentage of completion method, under which contract performance is determined by the actual cost and efforts incurred to date to the estimated total cost and efforts for each contract and are reviewed for any escalation / decline due to change in contract terms and conditions or contract performance. Loss anticipated for completing the contracts are recognised immediately.
- Revenue with respect to sale of license is recognized upon delivery and transfer of right to use. Revenue pertaining to implementation services is recognized on a percentage of completion method, under which contract performance is determined by the actual cost and efforts incurred to date to the estimated total cost and efforts for each contract.
- Revenue from maintenance contracts are recognized ratably over the term of the maintenance contract on a straight-line basis.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

iv) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset 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.

vi) Depreciation

Depreciation on assets is provided on straight-line basis, on the rates based on the useful lives as estimated by the management, which are higher than the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956. The individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. The management's estimate of useful lives of the various fixed assets is given below:

Assets	Estimated useful life
a. Computers Equipment	2-5 Years
b. Telecommunication Equipment	5 Years
c. Plant & Machinery	5-6 Years
d. Office Equipment	2-5 Years
e. Furniture & Fixtures	6 Years
f. Vehicles	4-5 Years
g. Specialised software	2-5 Years
h. Client Acquisition	2-5 Years
i. Software products	2-5 Years
j. Product Development Cost	2-5 Years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset and the lease term of the premises.

vii) Goodwill on consolidation

The excess of cost to the Parent Company of its investments in the subsidiaries over its portion of equity in the subsidiaries, as at the date on which the investment was made, is recognized as goodwill in the consolidated financial statements. The Parent Company's portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

Goodwill is not amortized and is tested for impairment on an annual basis. Such evaluation determines any impairment in value, taking into account the ability to recover the carrying amount of goodwill from discounted cash flows. The group also considers projected future operating results, trends, and other circumstances in making such evaluations.

In addition to the annual impairment test, the group will perform an impairment test if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

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viii) Impairment

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 asset's 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.

ix) Leased assets

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

x) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Loan arrangement fee is amortized over the loan period. All other borrowing costs are expensed in the period they occur.

xi) Investments

a) 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.

b) Long-term investments are valued at cost. Any decline in the value of investments other than temporary, is provided for and charged to the statement of profit & loss.

c) The current investments are carried at lower of cost and net asset value determined on an individual investment basis.

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.

xii) Transactions in Foreign Currency

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c) Exchange Differences

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to long term foreign currency items from 1st April, 2011 onwards, the group has adopted following policy:

(1) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

(2) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.

Exchange difference on restatement of all other monetary items is recognized in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

xiii) Translation of foreign subsidiaries.

Translation of foreign subsidiary is done in accordance with AS – 11 (Revised) "The Effects of Changes in Foreign Exchange Rates". In the case of subsidiaries, the operation of which are considered as integral, the Balance Sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the year. Exchange Gain/(Loss) are recognised in the Statement of Profit and Loss.

In case of foreign subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the year, and items of income and expenditure items have been translated at the average rate for the year. Exchange gain/(loss) arising on conversion are recognised under Foreign Currency Translation Reserve.

xiv) Retirement benefits

Defined Contribution Plan

Group's contributions payable during the year to Provident Fund, Superannuation Schemes and other fund are recognized in the statement of profit and loss.

Defined Benefit Plan

Group's liabilities under payment of Gratuity Act (funded) are determined by Actuarial Valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a

discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

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

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

xv) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 best 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 best estimates.

xvi) Income Tax

Tax expense comprises of 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 and tax laws prevailing in the respective tax jurisdictions where the Company and its subsidiaries operate.

Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

xvii) Employee Stock Options

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

xviii) Earnings per share

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

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

xix) Revenue Grant

The grant receipts from the statutory authority in terms of the agreements executed with such authorities requiring compliance of the group over the agreement period are recognized over such agreement period.

The grant received from the statutory authorities for offsetting the particular cost, are recognized over the same period of the incurrence of the cost.

xx) Cash and Cash equivalents

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

xxi) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The group measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the group does not include depreciation and amortization expense, finance costs and tax expense.

	31 March 2012	31 March 2011
	₹ in lacs	₹ in lacs
Authorized shares (No. lacs)		
3,000 (31 March 2012 : 3,000) Equity shares of ₹ 1 each	3,000.00	3,000.00
30 (31 March 2012 : 30) 7% Cumulative redeemable preference shares of ₹ 100 each		
	<u>3,000.00</u>	<u>3,000.00</u>
Issued, subscribed & paid up (No. lacs):		
257.65 (31 March 2012 : 257.65) equity shares of ₹ 1 each	257.65	257.65
15 (31 March 2012 : 15) 7% Cumulative redeemable preference shares of ₹ 100 each, fully paid up	1,500.00	1,500.00
Total issued, subscribed and fully paid up share capital	<u>1,757.65</u>	<u>1,757.65</u>

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		31 March 2013		31 March 2012		31 March 2012		31 March 2011	
		₹ in lacs		₹ in lacs		₹ in lacs		₹ in lacs	
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period									
Equity shares									
		31 March 2013		31 March 2012					
		No. Lacs	₹ in lacs	No. Lacs	₹ in lacs				
At the beginning of the period		257.65	257.65	234.92	234.92				
Issued during the period pursuant to composite scheme of amalgamation		—	—	22.73	22.73				
Outstanding at the end of the year		257.65	257.65	257.65	257.65				
Preference shares									
At the beginning of the period		15.00	1,500.00	—	—				
Issued during the period pursuant to composite scheme of amalgamation		—	—	15.00	1,500.00				
Outstanding at the end of the year		15.00	1,500.00	15.00	1,500.00				
b) Term/right attached to equity shares									
The company has only one class of equity shares having a par value of ₹ 1 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 be entitled to 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.									
c) Term of conversion/redemption of Cumulative redeemable preference shares									
Pursuant to the composite Scheme of amalgamation the Company had issued 15 lacs 7% cumulative redeemable preference shares (or 'preference shares'). These shares had been issued in lieu of the preference shares held by the shareholders of Aditya Birla Minacs IT Services Limited (or the first transferor company) (Refer Note 22).									
Each holder of preference shares is entitled to one vote per share only on resolution placed before the Company which directly affect the rights attached to preference shares. No dividend shall be payable till four years from the date of issue by the first transferor company i.e. upto 31 March, 2007. The preference shareholders will be eligible for dividend at the rate of 7% from 5th year onwards i.e. April 01, 2007 until redemption. The dividend rate will increase by 1% on every 5% increase in equity dividend beyond 15%. Premium on redemption will be 25% of the face value of the preference shares.									
All the above preference shares are held by Aditya Birla Nuvo Limited, the ultimate holding company and are due for redemption on 16 October, 2013.									
d) Shares held by holding/ ultimate holding company and or their subsidiaries/associates									
		31 March 2013		31 March 2012					
		₹ in lacs		₹ in lacs					
All no in lacs									
ABNL IT AND ITES LIMITED, the holding company									
257.26 (31 March 2012 : Nil) equity shares of ₹ 1 each fully paid up		257.26		—					
Aditya Birla Nuvo limited,									
Nil (31 March 2012 : 256.62) equity shares of ₹ 1 each fully paid up		—		256.62					
ABNL Investment Limited a subsidiary of Aditya Birla Nuvo Limited									
Nil (31 March 2012 : 0.64) equity shares of ₹ 1 each fully paid up		—		0.64					
Aditya Birla Nuvo Limited									
15 (31 March 2012 : 15) 7% Cumulative redeemable preference shares of ₹ 100 each fully paid up		1,500.00		1,500.00					
e) Details of Shareholders holding more than 5 percent shares in the company.									
i) Equity shares									
		31 March 2013		31 March 2012					
		No. Lacs	% of holding in the class	No. Lacs	% of holding in the class				
ABNL IT & ITES LIMITED, including 6 shares held by it through its nominees.		257.26	99.85%	—	—				
Aditya Birla Nuvo Limited including 7 shares held by it through its nominees.		—	—	256.62	99.60%				
ii) Preference share capital		15.00	100.00%	15.00	100.00%				
Aditya Birla Nuvo Limited									
f) Share reserved for issue under options									
For details of share reserved for issue under the employee stock option plan (ESOP) of the Company, please refer note no. 28									
4. Reserves & surplus*									
1. Capital redemption reserve									
Balance as per the last financial statements						100.00	—		
Add: Reserves of the transferor companies transferred pursuant to composite scheme of amalgamation						—	100.00		
Closing balance						100.00	100.00		
2. Securities premium account									
Balance as per the last financial statements						29,970.58	27,795.68		
Add: Pursuant to composite scheme of amalgamation						—	7,000.46		
Add: Reserves of the transferor companies transferred pursuant to composite scheme of amalgamation						—	1,971.53		
Less: Adjustment pursuant to composite scheme of amalgamation						—	(6,797.09)		
Closing balance						29,970.58	29,970.58		
3. Share options outstanding account									
Balance as per the last financial statements						771.13	576.53		
Add: Gross compensation cost / (write back) relating to the current year						(406.68)	194.60		
Closing balance						364.45	771.13		
4. Investment allowance reserves									
Balance as per the last financial statements						22.53	—		
Add: Reserves of the transferor companies transferred pursuant to composite scheme of amalgamation						—	22.53		
Closing balance						22.53	22.53		
5. Foreign Exchange Fluctuation Reserve on Consolidation									
[Refer note 2(xii)]									
Balance as per the last financial statements						11,163.99	5,843.43		
Addition						2,678.20	5,320.56		
Closing balance						13,842.19	11,163.99		
6. Cash Flow reserves [Refer note 2(i)]									
Balance as per the last financial statements						—	—		
Add: Gain or Loss recognised during the year(Net)						(712.63)	—		
Less: Gain or Loss recycled to statement of profit and loss(Net)						287.82	—		
Closing balance						(424.81)	—		
Total						43,874.94	42,028.23		
7. Deficit as per Statement of Profit & Loss									
Balance as per the last financial statements						(15,826.26)	(18,063.48)		
Profit carried from the statement of profit and loss						12,517.47	7,910.84		
Less: Profit & loss of the transferor companies transferred pursuant to composite scheme of amalgamation						—	(5,173.81)		
Less: Excess of purchase consideration over the net assets taken over adjusted pursuant to composite scheme of amalgamation						—	(372.01)		
Less: Merger expenses pursuant to composite scheme of amalgamation						—	(127.80)		
Closing balance						(3,308.78)	(15,826.26)		
Total reserves and surplus						40,566.15	26,201.97		
*Refer note 22 for composite scheme of amalgamation									
5. Long term borrowings									
		Non-current portion		Current portion					
		31 March 2013	31 March 2012	31 March 2013	31 March 2012				
		₹ in lacs		₹ in lacs					
Secured									
Rupee Term Loans		—	—	—	1,000.00				
External Commercial Borrowings		—	—	—	12,382.37				
Amount disclosed under the head "other current liabilities" (Refer note 10)		—	—	—	(13,382.37)				
Unsecured									
Compulsory convertible debentures		25,000.00	25,000.00	—	—				
Foreign currency term loan from banks		22,970.43	29,937.89	8,711.47	17,580.32				
Loan from related party (Inter corporate deposit)		7,012.00	6,071.00	—	—				
Amount disclosed under the head "other current liabilities" (Refer note 10)		—	—	(8,711.47)	(17,580.32)				
		54,982.43	61,008.89	—	—				
Total long term borrowings		54,982.43	61,008.89	—	—				

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Term Loans

Term loan of ₹ 3,000 lacs has been obtained from a bank and has been drawdown in 3 equal installments, i.e., October 15, 2009, October 29, 2009 and November 10, 2009. The said loan has been secured by way of first charge on fixed assets of the Company and second charge on the receivables. This loan has been guaranteed by the ultimate holding company and carries the interest rate at a fixed margin. Principal amount is repayable on half yearly equal installments alongwith interest. First installment of ₹ 1,000 lacs paid in financial year 2010-2011, second installment of ₹ 1,000 lacs in financial year 2011-2012 and final installment of ₹ 1,000 lacs in financial year 2012-2013.

External Commercial Borrowings

On March 28, 2008, the Company had borrowed external commercial borrowings ('ECB') of JPY 1,983 million from a bank at the rate of interest of fixed margin over LIBOR rates. ECB has been secured by way of first charge on fixed assets of the Company and second charge on the accounts receivables. Further, this ECB has been guaranteed by the ultimate holding company. The interest is payable half yearly in September and in March every year. During the previous year, the Company entered in interest rate and currency rate swap agreement with the bank and consequently the liability of this ECB was fixed in Indian Rupees with fixed rate of interest. As at March 31, 2012, outstanding loan was aggregated to ₹ 12,382.37 lacs. During the current year, the said loan has been fully repaid in March 2013.

Compulsory convertible debentures

On January 05, 2010, the Company has issued unsecured, CCD of ₹ 25,000 Lacs to a party ('Subscribers'). CCD's are to be converted into equity on the business day following expiry of a period of 60 months from the date of allotment. As per the terms of the issue, the conversion price will be mutually decided thirty days before the conversion date. The ultimate holding company has entered into an Option Agreement with the Subscribers pursuant to which the holders of CCD have a call option on the holding company and the ultimate holding company has a put option on the Subscribers on expiry of 24, 36, 48 and 60 months from the date of allotment of these CCD. The holders can also exercise put option on happening of certain specified events.

Foreign currency term loan from banks

During the previous year, the Company had obtained a loan amounting to ₹ 25,579.66 lacs (USD 50 million) at an interest rate of fixed margin over LIBOR rates. This loan is unsecured and is guaranteed by the ultimate holding company. Repayment commenced in August 2012 with subsequent payments every six months until final repayment in August 2017. The Company has repaid an amount of ₹ 3,389.75 lacs in the current year. Loan outstanding at the year end aggregates to ₹ 22,189.91 lacs of which ₹ 5,547.47 is payable in the financial year 2013-14 and accordingly has been considered as the current portion. Further, balance amount of ₹ 16,642.44 is payable after the financial year 2013-14 and hence has been considered as non current portion.

During the previous year, the Company had taken a loan amounting to ₹ 10,190.31 lacs (USD 20 million) at an interest rate of fixed margin over LIBOR rates. This loan is unsecured and is guaranteed by the ultimate holding company. Repayment commenced in December 2012 with subsequent payments every six months until final payment in June 2016. The Company has repaid an amount of ₹ 698.32 lacs in the current year. Loan outstanding as at the year end aggregates to ₹ 9,494.99 of which ₹ 3,164.00 is payable in the financial year 2013-14 and accordingly has been considered as the current portion. Further, balance amount of ₹ 6,327.99 lacs is payable after the financial year 2013-14 and hence has been considered as non current portion.

During the previous year, loan of ₹ 11,748.24 lacs (USD 23 million) had been taken at an interest at a fixed margin over LIBOR rates. This loan was unsecured and was guaranteed by the ultimate holding company. The said loan has been fully repaid in FY 2012-13.

Intercompany deposits

The Company has taken inter corporate deposit (ICD) from ABNL Investment limited and Aditya Birla Nuvo Limited at the interest rate of 8.5% to 11.5%. These deposits were fully repaid in the current year. Further, the company has taken inter corporate deposit from Indigold Trade & Services Limited, fellow subsidiary and the closing balance aggregates to ₹ 7,012 lacs at the interest rate of 9 - 11%.

	31 March 2013 ₹ in lacs	31 March 2012 ₹ in lacs
6. Short term provisions		
Provisions for:		
Employee benefits		
Leave benefits	799.71	416.56
Gratuity (Refer Note No. 32)	198.60	22.85
Provision for taxation (Net of Advance Tax ₹ 16.02 lacs (previous year ₹ 16.02 lacs)	43.87	69.94
Provision for mark-to-market losses on derivative contracts	—	332.79
Total	1,042.18	842.14
7. Other long-term liabilities		
Trade payables - Accrued liabilities relating to operating lease	2,558.32	2,805.55
Total	2,558.32	2,805.55
8. Short-term borrowings		
Secured		
Working capital facility from banks (Secured against receivables)	36,026.06	20,301.36
Loan from related party (Inter corporate deposit)	2,935.00	—
Total short- term borrowings	38,961.06	20,301.36
9. Trade payables		
Trade Payables	8,492.29	10,962.56
Trade payables for salaries & other employee benefits	9,352.21	6,784.30
	17,844.50	17,746.86
Micro and Small Scale Business Entities		
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. 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.		
10. Other current liabilities		
Current maturities of long term borrowings (Refer note. 5)	8,711.47	30,962.69
Interest accrued but not due on borrowings	128.31	206.41
Income received in advance	126.80	108.17
Other payables	99.35	23.73
Statutory dues	2,624.24	2,356.77
Total	11,690.17	33,657.77

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11A. Tangible assets							₹ in lacs
	Telecommunication, Computer and equipments	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements	TOTAL
Gross Block							
As at 1 April 2011	49,735.73	2,356.84	8,083.51	31.88	1,123.83	11,946.37	73,278.16
Foreign Currency Translation Difference	4,544.61	27.20	826.83	—	86.03	1,155.75	6,640.42
Additions: pursuant to composite scheme of amalgamation	764.32	—	41.44	—	17.39	89.72	912.87
Additions	4,677.57	107.48	245.42	—	339.11	1,031.21	6,400.79
Disposal/Adjustment	(27,279.40)	(87.45)	(817.01)	(4.05)	(152.59)	(1,894.71)	(30,235.21)
As at 31 March 2012	32,442.83	2,404.07	8,380.19	27.83	1,413.77	12,328.34	117,467.45
As at 1 April 2012	32,442.83	2,404.07	8,380.19	27.83	1,413.77	12,328.34	56,997.03
Foreign Currency Translation Difference	1,324.85	31.75	355.28	—	59.82	525.70	2,297.40
Additions	1,404.74	51.82	14.03	26.14	457.41	234.82	2,188.96
Disposal/Adjustment	(5,525.54)	(320.22)	(2,463.74)	(27.82)	(203.64)	(1,467.68)	(10,008.65)
As at 31 March 2013	29,646.88	2,167.42	6,285.76	26.15	1,727.36	11,621.18	51,474.74
Accumulated Depreciation							
As at 1 April 2011	40,066.32	1,358.88	5,065.51	17.50	765.42	7,622.94	54,896.57
Foreign Currency Translation Difference	4,057.79	21.28	550.56	—	69.53	629.32	5,328.49
Add: pursuant to composite scheme of amalgamation	704.53	—	18.37	—	8.02	57.98	788.90
Charge for the year	4,300.28	324.31	816.56	4.67	162.80	1,426.22	7,034.85
Disposal/Adjustment	(27,279.39)	(56.95)	(893.56)	(2.55)	(253.13)	(1,558.46)	(30,044.03)
As at 31 March 2012	21,849.53	1,647.52	5,557.44	19.63	752.64	8,178.00	98,092.83
As at 1 April 2012	21,849.53	1,647.52	5,557.44	19.63	752.64	8,178.00	38,004.76
Foreign Currency Translation Difference	728.97	17.42	230.72	—	21.74	327.10	1,325.95
Charge for the year	5,662.05	305.94	693.55	5.63	229.19	1,124.76	8,021.13
Disposal/Adjustment	(5,525.23)	(319.74)	(2,431.83)	(22.81)	(140.66)	(1,449.23)	(9,889.50)
As at 31 March 2013	22,715.33	1,651.14	4,049.88	2.45	862.91	8,180.63	37,462.34
Net block as at 31 March 2012	10,593.30	756.55	2,822.75	8.20	661.13	4,150.34	18,992.27
Net block as at 31 March 2013	6,931.55	516.28	2,235.88	23.70	864.45	3,440.55	14,012.40
11B. Intangible assets							₹ in lacs
	Goodwill	Goodwill on Consolidation	Software Products	Specialised Software	Client Acquisition	Product Development Costs	TOTAL
Gross Block							
As at 1 April 2011	3,174.81	70,807.28	—	256.39	1,554.51	—	75,792.99
Foreign Currency Translation Difference	491.63	7,225.92	—	0.01	138.04	—	7,855.60
Additions: pursuant to composite scheme of amalgamation	535.88	—	750.10	297.27	—	89.45	1,672.70
Additions	—	—	—	51.47	—	—	51.47
Disposal/Adjustment	(535.88)	—	(750.10)	(18.27)	—	(89.45)	(1,393.68)
As at 31 March 2012	3,666.44	78,033.20	—	586.87	1,692.56	—	86,766.45
As at 1 April 2012	3,666.44	78,033.20	—	586.87	1,692.56	—	83,979.07
Foreign Currency Translation Difference	165.65	3,284.27	—	0.44	110.89	—	3,561.25
Additions	—	—	—	4,617.95	—	—	4,617.95
Disposal/Adjustment	—	—	—	(161.83)	(176.00)	—	(337.83)
As at 31 March 2013	3,832.09	81,317.47	—	5,043.43	1,627.45	—	91,820.44
Accumulated Amortization							
As at 1 April 2011	493.48	—	—	173.41	457.59	—	1,124.48
Foreign Currency Translation Difference	54.50	—	—	—	36.10	—	90.60
Add: pursuant to composite scheme of amalgamation	535.88	—	750.10	206.04	—	89.45	1,581.47
Charge for the year	—	—	—	124.35	543.64	—	667.98
Disposal/Adjustment	(535.88)	—	(750.10)	(18.27)	—	(89.45)	(1,393.68)
As at 31 March 2012	547.98	—	—	485.53	1,037.32	—	2,070.84
As at 1 April 2012	547.98	—	—	485.53	1,037.32	—	2,070.84
Foreign Currency Translation Difference	24.77	—	—	0.21	16.40	—	41.38
Charge for the year	—	—	—	151.87	422.27	—	574.14
Disposal/Adjustment	—	—	—	(158.67)	(176.00)	—	(334.67)
As at 31 March 2013	572.75	—	—	478.94	1,300.00	—	2,351.69
Net block as at 31 March 2012	3,118.47	78,033.20	—	101.34	655.23	—	81,908.24
Net block as at 31 March 2013	3,259.34	81,317.47	—	4,564.49	327.45	—	89,468.75

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	31 March 2013	31 March 2012		Year Ended	Year Ended
	₹ in lacs	₹ in lacs		31 March 2013	31 March 2012
				₹ in lacs	₹ in lacs
12A. Long term loans and advances (Unsecured)			18. Employee benefit expenses		
Capital advances			Salaries, wages and bonus	147,185.19	123,731.29
Considered good	74.15	175.87	Contribution to provident and other funds	4,510.19	3,725.58
Considered doubtful	26.35	26.35	Staff welfare expenses	11,707.36	10,598.22
	100.50	202.22	Employee stock option scheme	—	194.60
Less: Provision for doubtful advances	(26.35)	(26.35)	Gratuity	255.74	122.90
	74.15	175.87	Total	163,658.48	138,372.59
Security deposits (considered good)	1,396.96	1,177.83			
Advance income tax (net of provision ₹ 62.17 lacs (previous year ₹ 62.17 lacs))	1,339.48	1,352.55	19. Other expenses		
Service tax receivable	536.30	554.09	A Facility expenses		
Total	3,346.89	3,260.34	Rent charges	7,262.88	8,852.55
			Power and fuel expenses	2,664.45	2,221.92
12B. Short-term loans and advances (Unsecured, considered good)			House keeping expenses	1,022.27	908.18
Advance to Employees	60.84	42.99	Security charges	628.03	579.22
Advance for Expenses	39.02	219.51	Repairs and maintenance		
Other Advances	67.00	166.57	– Plant and machinery	442.36	672.83
Deposits	22.68	24.76	– Others	951.80	776.43
Prepaid expenses	1,646.43	1,099.17	Hire Charges	553.21	281.67
Total	1,835.97	1,553.00	Connectivity charges	1,287.44	1,217.05
			Software and support expenses	2,316.31	668.28
13. Trade receivables (Unsecured)			Total	17,128.75	16,178.13
Due for a period exceeding six months from the date they are due for payment			B Administrative expenses		
Considered good	83.88	112.39	Subcontracting expenses	1,913.17	2,689.97
Considered doubtful	51.53	203.33	Legal and professional fees	2,108.73	2,693.74
Less: Provision for doubtful receivables	(51.53)	(203.33)	Telephone expenses	2,436.25	2,429.36
	83.88	112.39	Recruitment and relocation	1,256.10	1,428.20
Other receivables (Unsecured)			Vehicle expenses	348.83	416.47
Considered good	25,275.71	28,126.02	Printing and stationery	9,833.05	6,976.73
Considered doubtful	—	23.59	Directors sitting fees	16.68	11.76
Less: Provision for doubtful receivables	—	(23.59)	Insurance charges	324.39	295.83
	25,275.71	28,126.02	Travelling expenses	3,666.81	3,166.35
Total	25,359.59	28,238.41	Loss on sale of fixed assets	10.19	12.76
			Rates and taxes	5,846.91	5,708.09
14. Cash and bank balance			Bad debts written off	143.89	407.66
Cash and Cash Equivalent			Less : Written off against Provisions	(143.89)	(407.66)
Balances with banks			Provision for doubtful debts	67.57	93.16
Current accounts	4,871.30	1,503.31	Provision for doubtful advances	—	44.07
Fixed deposits	—	27.75	Postage charges	12,870.86	10,417.77
Cash on hand	54.33	114.23	Loss on derivative contracts (including mark-to-market loss)	—	332.79
Total	4,925.63	1,645.29	Miscellaneous expenses	823.71	895.69
			Total	41,523.25	37,612.74
15. Other current asset			C Marketing / business development expenses		
Unsecured, considered good			Business promotion expenses	87.83	61.06
Unbilled Revenue	20,242.57	16,824.83	Advertisement and branding expenses	136.88	28.73
Apprenticeship program grant receivable	6,922.92	8,865.52	Entertainment expenses	37.53	46.84
Unamortised ancillary borrowing cost	287.33	426.91	Marketing expenses	41.59	12.23
Derivative assets (Net)	80.40	804.80	Total	303.83	148.86
Total	27,533.22	26,922.06			
			Total	58,955.83	53,939.73
16. Revenue from services			20. Depreciation and amortization expense		
Revenue from services	246,553.40	208,157.89	Depreciation of tangible assets	11A	8,021.13
Total	246,553.40	208,157.89	Amortization of intangible assets	11B	574.14
			Total	8,595.27	7,702.83
17. Other income			21. Finance cost		
Interest income on			Interest		
– Bank deposit	10.44	13.31	On external commercial borrowings	518.01	597.24
– Others	31.16	16.56	On Term Loan	37.08	1,032.69
Profit on sale of current investment	56.38	58.12	On working capital loan	2,698.73	1,829.10
Provision for doubtful debt written back	99.07	37.41	Others	—	52.73
Foreign exchange fluctuations (net)	22.36	2,705.63	Bank charges	140.45	135.62
Employee stock option scheme write back	406.68	—	Bill discounting charges	—	54.20
Gain on derivative contracts (including mark-to-market gain)	350.82	—	Amortisation of ancillary borrowing costs	166.28	161.56
Credit balances written back	87.75	—	Foreign exchange loss on external borrowings	—	370.64
Miscellaneous income	64.62	207.71	Total	3,560.55	4,233.78
Total	1,129.28	3,038.74			

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22. Composite Scheme of Amalgamation

- i) During the previous year, the Hon'ble Karnataka High Court vide order dated September 05, 2011 approved the Composite Scheme of Amalgamation for merger (or 'the Scheme') of Aditya Birla Minacs IT Services Limited ("First Transferor Company or "ABMIT") and Aditya Birla Minacs Technologies Limited ("Second Transferor Company or "ABMTL") (collectively referred to as the "Transferor Companies") in to the Company as per section 391 to 394 of the Companies Act, 1956. Consequent to fulfilment of necessary conditions, the Transferor Companies were amalgamated with the Company with effect from the appointed date, i.e. April 1, 2010.
- ii) The general nature of business of the First Transferor Company was of designing, developing and manufacturing computer software, micro processor modules. Further, the general nature of business of the Second Transferor Company was of developing, distributing, selling and marketing computer software, computer hardware and providing software implementation services. The Second Transferor Company was a wholly owned subsidiary of the First Transferor Company.
- iii) The accounting for amalgamation had been as per 'Pooling of Interest Method' prescribed in Accounting Standard-14 'Accounting for Amalgamations' (AS-14), issued by The Institute of Chartered Accountants of India ('ICAI').
- iv) In accordance with the Scheme:
- All the assets and liabilities, including reserves and profit & loss debit balance of the Transferor Companies were recorded at their respective book values as appearing in their books on the date immediately preceding the Appointed Date. The inter Company balances amongst the Transferor Companies and the Company were netted off with effect from the Appointed Date.
 - For equity shareholders of the first transferor Company who had opted for the equity shares of the Company, one equity share (face value Rs 1) of the Company were issued for every 3 equity shares held in the first transferor Company and one equity share for any fraction thereof. For the equity shareholders of the first transferor Company who had opted for the cash settlement, the consideration to this extent was discharged in cash. The Company had allotted 2,272,875 equity shares at face value and had recorded securities premium aggregating to ₹ 7,000.46 lacs arising on issue of such equity shares. Balance amount paid/ payable in cash aggregated to ₹ 753.96 lacs.
 - The Company had issued and allotted 1 preference share having a face value of ₹ 100 each for every 1 preference share having the face value of Rs 100 held by the preference shareholders of the first transferor Company.
 - The investment held by the First Transferor Company in the equity capital of the Second Transferor Company, being wholly owned subsidiary of the Company were cancelled.
 - The difference between (i) amount recorded as share capital issued by the Company and consideration in the form of cash and (ii) the amount of share capital of the Second Transferor Company immediately prior to the amalgamation, had been adjusted in the Securities Premium Account. Accordingly such difference aggregating to Rs 6,797.10 lacs had been adjusted against the securities premium account in the financial statements.
 - Excess of purchase consideration over the net assets taken over ₹ 327.01 lacs and merger expenses relating to such amalgamation ₹ 127.80 lacs had been adjusted in Statement of Profit and Loss debit balance in accordance with the Scheme.

23. Earnings Per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	₹ in lacs	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Basic		
Net Profit/ (loss) after tax as per statement of profit and loss	12,517.47	6,961.68
Less : dividends on convertible preference shares & tax thereon	(122.85)	(122.85)
Net profit/ (loss) for calculation of basic EPS	12,394.62	6,838.83
Weighted average number of equity shares in calculating basic EPS	25,764,586	25,764,586
Earnings per share	48.11	26.54
Diluted		
Net profit/ (loss) for calculation of diluted EPS	12,394.62	6,838.83
Weighted average number of equity shares in calculating basic EPS	25,764,586	25,764,586
Equity shares arising on grant of stock options under ESOP	467,000	12,12,500
Total no of shares outstanding (weighted average) (including dilution)	26,231,586	26,977,086
Earnings per share	47.25	25.35

24. Contingent Liabilities

Sr. No.	Particulars	₹ in lacs	
		As at March 31, 2013	As at March 31, 2012
1)	Export obligation under STPI Scheme	1,472.07	1,454.49
2)	Claims against the group not acknowledged as debts (represents claims by the party against the group in respect of dispute relating to the beneficiary of whole life insurance policy and term life insurance policy acquired by the group. Management believes that the claims made by the party have no merit and the outcome of the proceeding is not determinable.	2,002.13	1,660.10
3)	Service tax matters*	1,009.96	592.00
4)	Income tax matters*	382.18	73.29
5)	Dividend on 7% Cumulative Redeemable Preference shares (including dividend distribution tax) not provided for. The said dividend relates to the period from April 01, 2007 to March 31, 2013 pursuant to the Composite Scheme of Amalgamation. (Refer Note 22)	737.07	525.00

* The group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

25. Capital Commitment

Particulars	₹ in lacs	
	As at March 31, 2013	As at March 31, 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for	143.37	268.31

As per management there are no material amount which needs to be disclosed as other commitments.

26. The Group has entered into operating lease agreements for its outsourcing centers, premises, furniture and fixtures and certain computer and communications equipment as well as minimum purchase commitments for telephone services. The lease rentals charged during the year and maximum obligations on long-term non-cancelable operating leases payable as per the rentals stated in respective agreements are as follows:

Particulars	₹ in lacs	
	Year Ended March 31, 2013	Year Ended March 31, 2012
1. Lease payments recognized in the statement of profit and loss for the year	7,262.88	8,852.55
2. Obligations on non-cancelable leases :		
i) Not later than one year :	8,481.31	7,281.09
ii) Later than one year and not later than 5 years	12,951.34	16,797.60
iii) Later than 5 years	423.90	1,067.06

27. Deferred Tax:

Deferred tax Assets/(Liabilities) at the year end comprises timing difference on account of:

Particulars	₹ in lacs	
	As at March 31, 2013	As at March 31, 2012
Carried forward losses	Nil	705.58
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	(1,119.04)	(1407.45)
Total	(1,119.04)	(701.87)

In the absence of virtual certainty to generate future taxable income, deferred tax assets have not been recognised in respect of unabsorbed depreciation and business losses in case of the company & its certain subsidiaries.

28. Employee Stock Option Plan

In December 2009, the Board of the Company approved the Employees Stock Option Plan 2009 ("the Plan"), which covers the employees of the Company including its subsidiaries. The plan is administered and supervised by the Compensation Committee of the board (the "Committee"). The Scheme provides that these options would vest in tranches over a period of 3-4 years as follows:

Period within which options will vest unto the participant	% of options that will vest
End of 15 months from the date of grant of options	20%
End of 27 months from the date of grant of options	20%
End of 39 months from the date of grant of options	60%

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Fair Valuation:

The fair valuation of the options used to compute proforma net profit and earning per share have been done by an independent valuer on the date of grant using Black- Scholes Model. The key assumptions and the fair value are as under:

Particulars	
Risk Free Interest Rate %	6.84%
Option Life (years)	4.8
Expected Volatility (%)	0%
Historical Volatility (%)	0%
Expected Dividend Yield (%)	0%
Weighted Average Fair Value per Option (Rs)	141

Had the compensation cost for the stock option granted under ESOS-2009 been recognised, based on fair value at the date of grant in accordance with Black and Scholes Model, the proforma amount of net profit and earning per share of the group would have been as under:

Particulars	₹ in lacs	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Net Profit	12,517.47	6,961.68
Add/(Less): Compensation cost as per Intrinsic Value	(406.68)	194.60
Add/(Less): Compensation cost as per fair value	734.78	(351.60)
Less: dividends on preference shares & tax thereon	(122.85)	(122.85)
Adjusted Net Income for basic / diluted proforma EPS	12,722.72	6,681.83
Weighted average number of Equity Shares for computing Basic EPS (in Nos)	25,764,586	25,764,586
ESOPS outstanding at the end of the year	4,67,000	1,212,500
Weighted average number of Equity Shares for computing Diluted EPS (in Nos)	2,62,31,586	26,977,086
Face Value of Equity Shares (In ₹)	1.00	1.00
Reported Earning Per Share (EPS)		
- Basic (In ₹)	48.11	26.54
- Diluted (In Rs₹)	47.25	25.35
Proforma Earning Per Share (EPS)		
- Basic (In ₹)	49.38	25.93
- Diluted (In ₹)	48.50	24.77

The participants shall exercise the options within five years from vesting or within three years from the date of listing, whichever is earlier. The Plan is contingent on the shares being listed in a recognized stock exchange in India on or before 1st July, 2015. If the Company's shares are not listed on the stock exchange by 30th June, 2015, the existing employees shall have to sell all options vested to the Company or its nominee at a price determined as per Plan.

Particulars	₹ in lacs	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Total Options under the Plan	1,897,337	1,897,337
Options outstanding at the beginning of the year	1,212,500	13,67,000
Granted during the year	Nil	Nil
Forfeited during the year	7,45,500	154,500
Exercised during the year	Nil	Nil
Outstanding at the end of the year	4,67,000	1,212,500
Expired during the year	Nil	Nil
Exercisable at the end of the year	Nil	Nil
Exercise Price	230	230

During the current year, the vesting conditions have not been met and accordingly no shares have been vested during the year.

29. Related Party Transactions

i) Name and nature of relationship of the Related Party where control exists

Ultimate Holding Company	Aditya Birla Nuvo Limited (ABNL)
Holding Company	ABNL IT and ITES Limited w.e.f March 25, 2013 Aditya Birla Nuvo Limited till March 24, 2013
Fellow Subsidiary (Where transactions have taken place)	Aditya Birla Financial Shared Services Private Limited (ABFSSPL) Birla Sun Life Insurance Company Limited (BSLICL) ABNL Investment Limited Aditya Birla Finance Limited Aditya Birla Money Mart Limited Indigold Trade & Services Limited Madura Garments Lifestyle Retail Co. Ltd. Birla Insurance Advisory & Broking Service Limited Birla Sun Life Asset Management Company Limited (w.e.f October 10, 2012)
Joint Venture of Ultimate Holding Company	IDEA Cellular Limited Birla Sun Life Asset Management Company Limited (upto October 09, 2012)
Key Management Personnel	Deepak J Patel (Whole-time Director & CEO)

29 (ii) Transactions with related parties during the year

Particulars	₹ in lacs	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Ultimate holding company/Holding company		
- Inter corporate deposit (ICD) Given by ABNL	9,741.00	5,500.00
- ICD Repaid to ABNL	10,591.00	6,250.00
- Interest Expense on ICD	251.96	405.03
- Revenue from services (Aditya Birla Nuvo limited)	26.19	10.89
- Revenue from services (Indo Gulf Fertilizers Division of ABNL)	3.82	2.92
- Revenue from services (Madura Garments Division of ABNL)	92.22	55.68
- Expenses reimbursed by the Company (Madura Garments Division of ABNL)	0.26	Nil
Fellow Subsidiary		
ABNL Investment Limited		
- ICD Taken	180.00	5,250
- Interest expenses on ICD taken	141.64	57.85
- ICD Repaid	5,401.00	29.00
- Loan arrangement fees	Nil	25.31
Birla Sun Life Insurance Company Limited		
- Staff welfare expenses (Term Life Insurance) for employees	33.48	20.94
- Revenue from services	955.91	1,258.77
- Expenses reimbursed by the Company	10.99	Nil
Aditya Birla Financial Shared Services Private Limited		
- Revenue from services	1.06	12.11
Aditya Birla Finance Limited		
- Revenue from services	46.59	56.38
Aditya Birla Money Mart Limited		
- Revenue from services	3.92	11.03
Birla Insurance Advisory & Broking Service Limited		
- Revenue from services	2.36	6.53
Madura Garments Life Style Retail Co. Ltd		
- Revenue from services	0.48	Nil
- ICD Taken	7,250.00	Nil
- ICD Repaid	7,250.00	Nil
- Interest expenses on ICD taken	139.96	Nil
Indigold Trade & Services Limited		
ICD Taken	7,012.00	Nil
Interest expenses on ICD taken	13.81	Nil
Birla Sun Life Asset Management Company Limited (w.e.f October 10, 2012)		
- Revenue from services	100.66	Nil
- ICD Taken	3,250.00	Nil
- ICD Repaid	315.00	Nil
- Interest expenses on ICD taken	44.24	Nil
Joint Venture		
Birla Sun Life Asset Management Company Limited (upto October 09, 2012)	120.92	300.05
- Revenue from services		
Idea Cellular Limited		
- Revenue from services	11,796.03	9,346.32
Remuneration to Key Management Personnel *		
- Salary & Allowances	386.16	321.18
- Contribution to Provident fund and other funds	25.07	24.57

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

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29 (iii) Balances with Related parties at the end of the year

Particulars	₹ in lacs	
	As at March 31, 2013	As at March 31, 2012
Related Party Balances		
Holding Company/Ultimate holding company		
– Payable – ABNL on account of inter corporate deposit	Nil	850.00
– Receivable- ABNL (Division- Madura Garment) on account of Trade receivable	21.15	9.11
– Corporate guarantees given by ABNL	21,683.90	16,951.67
Joint Venture		
– Receivable - Idea Cellular Limited on account of Trade receivable	1,279.02	1299.72
Fellow Subsidiary		
– Receivable from Madura Garments Life Style Retail Co. Limited on account of Trade receivable	0.16	Nil
– Receivable from - Birla Sun Life Insurance Company Limited on account of Trade receivable	155.31	476.46
– Payable – Birla Sun Life Asset Management Company Limited on account of ICD	2,935.00	Nil
– Receivable - Birla Sun Life Asset Management Company Limited on account of Trade receivable	15.78	16.09
– Receivable-Birla Insurance Advisory & Broking Service Limited.	Nil	1.67
– Receivable – Aditya Birla Finance Limited on account of Trade receivable	12.21	2.50
– Payable – ABNL Investment Limited on account of ICD	Nil	5221.00
– Payable – Indigold Trade & Services on account of ICD	7,025.81	Nil

30. Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate.

Outstanding derivative contracts at the year end are given below

Particulars	Currency	Amount in Foreign Currency (in lacs)	Purpose
Forward Cover-(USD/INR)	USD	287.23 Nil	To hedge on forecasted sales
Forward Cover-(USD/INR)	USD	Nil (319.12)	To hedge receivables/payable
Forward Cover-(USD/CAD)	USD	742.25 Nil	To hedge on forecasted sales
Forward Cover-(USD/CAD)	USD	Nil (676.50)	To hedge receivables/payable
Forward Cover (CAD/ EURO)	EURO	7.00 (10.00)	To hedge on forecasted sales
Cross Currency SWAP-(USD/CAD)	USD	409.09 (500.00)	To Hedge DBS \$50Mn Loan
Cross Currency Swap-(JPY/USD)	JPY	Nil (19,834.00)	To hedge loan Payable
Forward Cover-(USD/INR)	USD	20.00 (25.00)	To hedge PCFC Loan payable

b. Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	Amount in Foreign Currency (in lacs)	Amount (₹ in lacs)
FTrade payable	USD	2.65 (1.98)	143.99 (97.61)
Trade Payable	CAD	4.55 (1.70)	242.65 (87.00)
Short term loans & advances	PHP	77.89 (77.14)	104.50 (100.23)
Short term loans & advances	USD	1.49 (0.05)	79.65 (2.28)
Trade Receivable	CAD	0.46 (Nil)	24.57 (Nil)
Trade Receivable	GBP	2.28 (Nil)	187.43 (Nil)
Trade Receivable	USD	45.92 (Nil)	2,497.74 (Nil)

Note: Figures in brackets relates to previous year.

31. Segment Information for the year ended March 31, 2013

(1) Primary business segment

The group provides a variety of Business Process outsourcing services & other IT related services. The risks and rewards from each of these service agreements are similar. As the Company's business activity primarily falls within a single business segment, there are no additional disclosures to be provided in respect of primary segment under Accounting Standard 17 'Segment Reporting', other than those already provided in the Financial statements.

(2) Secondary business segment:

- Geographical turnover is segregated based on the location of the customer to whom the services are rendered.
- Assets are segregated based on their location. Hence, the customers located outside India have been classified as segment assets outside India.
- Information about secondary business segments:

₹ in lacs				
	Year ended March 31, 2013	India	Outside India	Total
A	Revenue by geographical market	14,692.12	231,861.28	246,553.40
B	Carrying amount of segment assets	63,447.15	107,074.35	170,521.50
C	Capital Expenditure incurred	310.80	13,787.65	14,098.45
₹ in lacs				
	Year ended March 31, 2012	India	Outside India	Total
A	Revenue by geographical market	13,507.07	194,650.82	208,157.89
B	Carrying amount of segment assets	64,693.71	98,035.93	165,729.64
C	Capital Expenditure incurred	106.82	7,242.60	7,349.42

32. RETIREMENT BENEFITS

₹ in lacs

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
(A) Defined Benefit Plans -		
The Amounts recognized in the balance sheet are as follows in respect of gratuity (fully funded by the company):		
Present value of the funded defined benefit obligation at the end of the year	838.46	507.54
Fair value of plan assets	639.86	484.68
Net Liability	198.60	22.85
The Amounts recognized in Salary, Wages and Employee Benefits in the statement of profit and loss as follows in respect of gratuity (fully funded by the company):		
Current Service cost	203.76	186.09
Past Service Cost	Nil	Nil
Interest on Defined Benefit Obligations	51.46	38.52
Expected Return on Plan Assets	(46.89)	(26.77)
Net Actuarial (gain)/loss recognized during the year	47.41	(74.94)
Net Gratuity Cost	255.74	122.90
Actual Return on Plan Asset		
Expected Return on Plan Assets	46.89	26.77
Actuarial gain/(loss) on Plan Assets	17.90	(0.04)
Actual Return on Plan Assets	64.79	26.73
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Opening Defined Benefit Obligation as on 1.4.2012	507.54	271.96
Taken over from pursuant to the scheme of amalgamation	Nil	198.41
Liability on account of stake change/subsidiary	108.59	Nil
Current Service Cost	203.75	186.09
Past Service Cost	Nil	Nil
Interest Cost	51.46	38.52
Actuarial (Gain)/loss	65.31	(74.98)
Benefits Paid	(98.19)	(115.76)
Others	Nil	3.30
Closing Defined Benefit Obligation as on 31.03.2013	838.46	507.54
Change in fair value plan assets		
Opening Fair Value of the plan assets	484.69	209.31
Taken over from pursuant to the scheme of amalgamation	Nil	197.06
Asset on account of stake change/subsidiary	72.83	Nil
Expected return on plan assets	46.89	26.77
Actuarial Gain/(loss)	17.90	(0.04)
Contributions by the Employer	115.74	167.35
Benefits Paid	(98.19)	(115.76)
Closing Fair value of the plan assets	639.86	484.69
Investment details of plan assets		
Government of India Securities	120.90	118.99
Corporate Bonds	6.80	7.12
Special Deposit Scheme	23.81	9.16
Insurer Managed Fund	411.46	290.86
Others (with common fund of Ultimate Holding Company)	76.89	58.55
Total	639.86	484.68

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

ADITYA BIRLA MINACS WORLDWIDE LIMITED

Particulars	₹ in lacs	
	Year Ended March 31, 2013	Year Ended March 31, 2012
(B) Defined Contributions Plans:		
Contribution to Employee Provident Fund	889.40	885.64
Contribution to ESIC	339.88	333.71
Contribution to social security welfare (overseas)	3,251.61	2,478.78
Contribution to superannuation fund	13.21	13.21
Contribution to Labour welfare fund	16.09	14.24
(C) Principal Actuarial Assumptions At the Balance Sheet date March 31, 2013		
Discount rate	8.00%	8.50%
Estimated rate of return on plan assets	8.70%	8.50%
Future Salary escalation	8.00%	10% for first three years and 5% thereafter

The group expects to contribute ₹95.36 lacs (previous year ₹ 25 lacs) to gratuity fund in the next year.

(D) Experience Adjustment	2012-13	2011-12	2010-11	2009-10	2008-09
Liability at the end of the Period	838.46	507.54	271.96	225.35	191.68
Fair Value of Plan Assets at the end of the Period	639.86	484.68	209.31	193.44	106.06
Deficit / (Surplus)	198.60	22.86	62.65	31.91	85.62
Experience adjustments on plan liabilities (Gain)/Loss	65.31	(74.98)	(55.36)	(77.87)	91.96
Experience adjustments on plan Assets Gain/(Loss)	17.90	(0.04)	1.66	(4.95)	14.44

33. Goodwill on consolidation relating to acquisition of subsidiaries aggregates to ₹ 81,317.47 lacs (Previous year ₹ 78,033.20 lacs) as at March 31, 2013. Considering the strategic and long term nature of aforesaid investments and asset base and business plan of the investee companies, in the opinion of the management, no impairment is considered necessary in respect of goodwill on consolidation.
34. The Company has opted for general exemption granted by Ministry of Corporate Affairs (MCA) vide General Circular No: 2/2011 dated February 08, 2011 regarding direction under Section 212(8) of the Companies Act, 1956 (the Act). The information required to be disclosed in aggregate for each subsidiary (including subsidiaries of subsidiaries) under Section 212(8) of the Act- Refer Annexure 1.
35. Previous year's figures have been regrouped 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 Minacs Worldwide Ltd.

For **S.R. Batliboi & Associates LLP**
Firm Registration No. 101049W
Chartered Accountants

Deepak J Patel
Whole-time Director & CEO

Sushil Agarwal
Director

per Govind Ahuja
Partner
Membership No. 48966

Ramesh Kamath
Chief Financial Officer

T Ajay Joseph
Company Secretary

Place: Mumbai
Date: April 24, 2013

Place: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE LIMITED

ANNEXURE – 1 (Refer Note no 34)

The Company has opted for general exemption granted by Ministry of Corporate Affairs (MCA) vide General Circular No: 2/2011 dated February 08, 2011 regarding direction under Section 212(8) of the Companies Act, 1956 (the Act). The information required to be disclosed in aggregate for each subsidiary (including subsidiaries or subsidiaries) under Section 212(8) of the Act is as follows:

Description	AV Transworks Limited, Canada Philippines				Aditya Birla Minacs Philippines Inc. (Standalone)				Aditya Birla Minacs Worldwide Inc, Canada				Minacs Kft- Hungary																			
	Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year																	
	₹ in mn	CAD in Mn	₹ in mn	CAD in Mn	₹ in mn	PHP in mn	₹ in mn	PHP in mn	₹ in mn	CAD in Mn	₹ in mn	CAD in Mn	₹ in mn	₹ in mn	HUF in mn	₹ in mn																
1 Share Capital (Equity and Preference)	127.00	6,780.53	127.00	6,487.16	96.32	130.04	118.51	141.03	70.07	3,741.10	70.07	3,579.18	3.00	0.68	3.00	0.69																
2 Reserves and Surplus	0.73	39.13	0.73	37.29	(36.83)	(49.41)	(115.82)	(137.83)	(26.48)	(1,413.73)	(36.26)	(1,954.32)	104.88	23.74	99.38	22.86																
3 Total assets (Non-Current Assets + Current Assets)	157.68	8,418.45	157.68	8,054.30	224.37	301.05	215.30	256.21	153.64	8,202.96	157.43	8,041.52	122.44	27.72	122.93	28.28																
4 Total Liabilities (Non-Current Liabilities + Current Liabilities)	29.95	1,598.79	29.95	1,529.85	164.28	220.42	212.61	253.01	110.05	5,875.59	125.62	6,416.67	14.56	3.30	20.55	4.73																
5 Details of Investments (excluding investments in subsidiary companies)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																
6 Revenue from Operations	—	—	—	4.55	220.81	537.43	706.42	467.81	528.63	161.74	8,784.83	169.49	8,225.35	210.52	51.06	322.90	74.27															
7 Profit / (Loss) before the tax	(0.00)	(0.07)	3.04	147.63	62.62	82.31	15.83	17.89	11.57	628.65	17.75	861.41	10.66	2.59	29.23	6.72																
8 Tax expenses	—	—	—	—	0.11	0.14	0.01	0.01	(0.21)	(11.42)	(5.50)	(266.92)	5.17	1.25	11.10	2.55																
9 Net profit / (Loss) for the year	(0.00)	(0.07)	3.04	147.63	62.51	82.17	15.82	17.88	11.76	640.07	23.25	1,128.33	5.49	1.34	18.13	4.17																
10 Proposed dividend (Including Dividend Tax) (Including on Preference Share)	—	—	—	—	—	—	—	—	—	—	4.37	212.08	—	—	—	—																
Exchange Rate as on 31st March 2013/2012	CAD\$ = ₹ 53.39				CAD\$ = ₹ 51.08				PHP = ₹ 1.34				PHP = ₹ 1.19				CAD\$ = ₹ 53.39				CAD\$ = ₹ 51.08				HUF = ₹ 0.23				HUF = ₹ 0.23			

Description	Minacs Limited, UK				Minacs Worldwide S.A. de C.V., Mexico				Minacs Worldwide GmbH, Germany				The Minacs Group (USA) Inc																			
	Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year																	
	₹ in mn	GBP in mn	₹ in mn	GBP in mn	₹ in mn	MXN in mn	₹ in mn	MXN in mn	₹ in mn	EUR in mn	₹ in mn	EUR in mn	₹ in mn	USD in mn	₹ in mn	USD in mn																
1 Share Capital (Equity and Preference)	0.00	0.08	0.00	0.08	0.05	0.22	0.18	0.05	0.03	1.74	0.03	2.07	0.30	16.43	0.30	15.66																
2 Reserves and Surplus	0.46	38.11	0.39	32.33	(0.26)	(1.13)	(0.18)	(0.05)	2.82	196.40	2.61	180.51	15.04	818.02	10.53	545.88																
3 Total assets (Non-Current Assets + Current Assets)	0.82	67.25	0.87	72.20	—	—	—	—	3.23	224.45	3.06	211.63	86.32	4,684.93	70.72	3,686.94																
4 Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.35	29.06	0.48	39.79	0.21	0.91	—	—	0.38	26.31	0.42	29.05	70.98	3,860.48	59.89	3,105.30																
5 Details of Investments (excluding investments in subsidiary companies)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																
6 Revenue from Operations	1.83	157.37	1.59	121.78	—	—	—	—	5.92	414.94	7.21	475.14	205.11	11,166.02	167.90	8,589.76																
7 Profit / (Loss) before the tax	0.10	8.17	0.08	6.13	(0.21)	(0.91)	—	—	0.31	21.55	0.38	25.04	6.57	357.43	2.25	115.11																
8 Tax expenses	0.02	1.96	0.02	1.53	—	—	—	—	0.09	6.42	0.12	7.91	2.06	112.07	0.72	36.84																
9 Net profit / (Loss) for the year	0.08	6.21	0.06	4.60	(0.21)	(0.91)	—	—	0.22	15.13	0.26	17.13	4.51	245.35	1.53	78.27																
10 Proposed dividend (Including Dividend Tax) (Including on Preference Share)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																
Exchange Rate as on 31st March 2013/2012	GBP = ₹ 82.32				GBP = ₹ 82.90				MXN = ₹ 4.41				MXN = ₹ 3.62				EURO = ₹ 69.16				EURO = ₹ 69.16				USD = ₹ 51.85				USD = ₹ 54.39			

ADITYA BIRLA MINACS WORLDWIDE LIMITED

	Bureau of Collection recovery, LLC				Bureau of Collections Recovery (BCR) Inc				Aditya Birla Minacs BPO Private Limited				Aditya Birla Minacs BPO Limited, UK			
	USD in mn		USD in mn		CAD in mn		CAD in mn		₹ in mn		₹ in mn		₹ in mn		₹ in mn	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 Share Capital (Equity and Preference)	0.02	1.11	0.02	1.06	0.01	0.53	0.01	0.51	7.59	13.49	0.02	1.56	0.02	1.66	0.02	1.66
2 Reserves and Surplus	2.64	143.54	2.42	125.72	(0.01)	(0.42)	—	—	0.55	(7.00)	1.06	87.32	1.05	92.02	87.32	1.05
3 Total assets (Non—Current Assets + Current Assets)	4.23	230.28	2.79	145.09	0.00	0.11	0.01	0.51	32.93	46.29	1.16	95.06	1.21	105.29	95.06	1.21
4 Total Liabilities (Non—Current Liabilities + Current Liabilities)	1.57	85.63	0.35	18.31	—	—	—	—	24.79	39.80	0.08	6.18	0.14	11.61	6.18	0.14
5 Details of Investments (excluding investments in subsidiary companies)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Revenue from Operations	6.30	343.01	9.98	480.18	—	—	—	—	171.45	185.22	2.05	176.22	1.81	138.14	176.22	1.81
7 Profit / (Loss) before the tax	(1.43)	(77.58)	(1.57)	(72.39)	(0.00)	(0.27)	—	—	2.41	(4.81)	0.01	0.75	0.32	24.42	0.75	0.32
8 Tax expenses	(1.64)	(89.26)	(0.90)	(41.50)	—	—	—	—	0.76	—	0.00	0.18	0.03	2.29	0.18	0.03
9 Net profit / (Loss) for the year	0.21	11.68	(0.67)	(30.89)	(0.00)	(0.27)	—	—	1.65	(4.81)	0.01	0.57	0.29	22.13	0.57	0.29
10 Proposed dividend (Including Dividend Tax) (Including on Preference Share)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Exchange Rate as on 31st March 2013/2012	USD = ₹ 54.39	USD = ₹ 51.85	CAD\$ = ₹ 53.39	CAD\$ = ₹ 51.08	GBP = ₹ 82.32	GBP = ₹ 82.90										

ADITYA BIRLA MINACS PHILIPPINES, INC.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Aditya Birla Minacs Philippines, Inc.
1800 Eastwood Ave. Bldg., 10/F Eastwood City Cyberpark
188 E. Rodriguez, Jr. Ave., Bagumbayan, Quezon City

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Minacs Philippines, Inc., a wholly owned subsidiary of Aditya Birla Minacs Worldwide Ltd., which comprise the balance sheets as at March 31, 2013 and 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Aditya Birla Minacs Philippines, Inc. as at March 31, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010 and 19-2011

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 and 19-2011 in Notes 21 and 22 to the financial statements, respectively, is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Aditya Birla Minacs Philippines, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez
Partner

CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-2 (Group A),
February 14, 2013, valid until February 13, 2016
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 3669691, January 2, 2013, Makati City
April 16, 2013

ADITYA BIRLA MINACS PHILIPPINES, INC.

BALANCE SHEETS

	31-Mar				31-Mar			
	2013(PHP)	2013(INR)	2012(PHP)	2012(INR)	2013(PHP)	2013(INR)	2012(PHP)	2012(INR)
ASSETS								
Current Assets								
Cash	48,822,179	65,504,718	34,688,283	41,345,087				
Receivables (Note 5)	99,469,012	133,457,573	102,347,420	121,988,252				
Derivative asset (Note 19)	16,767,685	22,497,203						
Prepaid expenses and other current assets (Notes 6 and 17)	4,619,887	6,198,502	3,995,635	4,762,412				
Total Current Assets	169,678,763	227,657,996	141,031,338	168,095,751				
Noncurrent Assets								
Property and equipment (Notes 7 and 10)	34,760,968	46,638,791	49,539,031	59,045,746				
Other assets (Notes 8 and 17)	19,941,877	26,756,016	24,728,633	29,474,145				
Total Noncurrent Assets	54,702,845	73,394,807	74,267,664	88,519,892				
TOTAL ASSETS	224,381,608	301,052,803	215,299,002	256,615,643				
LIABILITIES AND EQUITY								
Current Liabilities								
Bank loans (Note 9)	71,522,500	95,961,738						
Accounts payable and accrued expenses (Note 10)	64,573,771	86,638,629	85,024,553	101,341,066				
Derivative liability (Note 19)	281,279	377,392						
Income tax payable	100,228	134,476						
Loan from a related party (Note 14)	0	-	107,300,000	127,891,250				
Deposit for future stock subscription	1,216,000	1,631,507						
	137,693,778	184,743,742	192,324,553	229,232,316				
Noncurrent Liabilities								
Accrued lease (Note 17)	10,832,129	14,533,467	10,866,810	12,952,189				
Payable to Parent Company (Note 14)	8,054,113	10,806,203	6,084,934	7,252,654				
Accrued retirement benefits (Note 15)	7,703,455	10,335,726	3,332,400	3,971,899				
Total Noncurrent Liabilities	26,589,697	35,675,396	20,284,144	24,176,743				
Total Liabilities	164,283,475	220,419,138	212,608,697	253,409,059				
Equity								
Common stock - 100 par value (Note 18)								
Authorized - 1,000,000 shares								
Issued and outstanding - 969,232 shares	96,923,200	130,041,857	96,923,200	115,523,105				
Deposit for future stock subscription (Note 18)			21,587,950	25,730,754				
Reserve for fair value changes on forward currency contracts (Note 19)	16,486,406	22,119,811						
Deficit	(53,311,473)	(115,820,845)		(-138,047,275)				
Total Equity	60,098,133	152,161,668	2,690,305	3,206,584				
TOTAL LIABILITIES AND EQUITY	224,381,608	301,052,803	215,299,002	256,615,643				

See accompanying Notes to Financial Statements.

ADITYA BIRLA MINACS PHILIPPINES, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended March 31			
	2013(PHP)	2013(INR)	2012(PHP)	2012(INR)
SERVICE INCOME (Note 14)	537,427,496	706,424,607.2	467,812,080	527,820,738
COST OF SERVICES (Note 11)	423,507,919	556,682,375.8	385,662,374	435,133,268
GROSS INCOME	113,919,571	149,742,231	82,149,706	92,687,471
General and administrative expenses (Note 12)	-60,196,730	-79,125,931.7	(70,902,655)	-79,997,703
Foreign exchange loss (gain) - net	9,022,192	11,859,271.23	140,059	158,025
Interest expense and bank charges (Note 9)	-629,446	-82,737,849.4	(198,982)	-224,506
Interest income	57,851	76,042,573.66	42,903	48,406
other income	444,035	583,664	4,596,648	5,186,284
INCOME BEFORE INCOME TAX	62,617,479	82,307,899	15,827,679	17,857,977
PROVISION FOR INCOME TAX - Current (Note 16)	108,107	108,108	5,413	6,107
NET INCOME	62,509,372	82,416,007	15,822,266	17,864,084
OTHER COMPREHENSIVE INCOME				
Fair value gain on derivative contracts (Note 19)	16,486,406	221,198,109.93	0	
TOTAL COMPREHENSIVE INCOME	78,995,778	104,535,818	15,822,266	17,864,084

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

	Capital Stock	Preferred Stock	Deposits for Future Stock Subscription (Note 18)	Reserve for fair value changes on forward currency contracts (Note 19)	Deficit	Total
BALANCES AT MARCH 31, 2011	96,923,200	-	13	-	(131,643,111)	(34,719,898)
Deposit for future stock subscription	-	-	21,587,937	-	-	21,587,937
Total comprehensive income for the year	-	-	-	-	15,822,266	15,822,266
BALANCES AT MARCH 31, 2012	96,923,200	-	21,587,950	-	(115,820,845)	2,690,305
Issuance of preferred stock (Note 18)	-	20,000,000	(20,000,000)	-	-	-
Redemption of preferred stock (Note 18)	-	(20,000,000)	(371,950)	-	-	(20,371,950)
Total comprehensive income for the year	-	-	-	16,486,406	62,509,372	78,995,778
Reclassification of deposit for future stock subscription to current liability (Note 18)	-	-	(1,216,000)	-	-	(1,216,000)
BALANCES AT MARCH 31, 2013	96,923,200	-	-	16,486,406	(53,311,473)	60,098,133

See accompanying Notes to Financial Statements.

ADITYA BIRLA MINACS PHILIPPINES, INC.

STATEMENTS OF CASH FLOWS

	Years Ended March 31			
	2013(PHP)	2013(INR)	2012(PHP)	2012(INR)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	62,617,479	82307899	15,827,679	17,857,977
Adjustments for:				
Depreciation and amortization (Notes 11 and 12)	16,893,526	22205791	24,313,953	27,432,829
Unrealized foreign exchange loss (gain) - net	(528,354)	-694498	3,284,815	3,706,175
Interest expense (Note 9)	251,446	330515	—	—
Movements in accrued retirement benefits	4,371,055	5745558	2,146,300	2,421,617
Interest income	(57,851)	-76043	(42,903)	-48,406
Operating income before working capital changes	83,547,301	109,819,222	45,529,844	51,370,191
Decrease (increase) in:				
Receivables	3,364,537	4,514,199	(40,201,806)	(47,916,675)
Prepaid expenses and other current assets	(624,252)	(837,559)	(24,277)	(28,936)
Increase in accounts payable and accrued expenses	(20,453,247)	(27,442,121)	9,387,542	11,189,045
Net cash flows from (used in) operations	65,834,339	86,053,741	14,691,303	14,613,625
Income taxes paid	(7,879)	(10,357)	(5,413)	-6,107
Net cash flows from (used in) operating activities	65,826,460	86,043,384	14,685,890	14,607,517
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment (Notes 7 and 10)	(2,263,748)	(3,037,271)	(40,337,908)	-48,078,895
Decrease (increase) in other noncurrent assets	4,686,060	6,287,287	(22,374,445)	-26,668,180
Increase in accrued lease	(34,681)	(46,531)	10,866,810	12,952,189
Interest received	57,851	76,043	42,903	48,406
Net cash flows used in investing activities	2,445,482	3,279,527	-51,802,640	-36,015,741
CASH FLOWS FROM FINANCING ACTIVITY				
Payment of loans (Note 14)	(107,300,000)	(143,964,410)	(212,668,600)	-253,480,458
Availment of bank loans (Note 9)	71,564,725	96,018,392	232,099,387	276,640,081
Increase in loans from Parent Company	1,969,179	2,642,047	—	—
Redemption of preferred stock (Note 18)	(20,371,950)	(27,333,045)	—	—
Receipt of deposit for future stock subscription (Note 18)	—	0	21,587,937	25,730,739
Net cash flows from financing activities	(54,138,046)	-72,637,016	41,018,724	48,890,362
EFFECT OF EXCHANGE RATE CHANGES IN CASH				
	—	—	(2,304,552)	(2,600,169)
NET INCREASE IN CASH	14,133,896	16,685,895	1,597,422	-277,488,850
CASH AT BEGINNING OF THE YEAR	34,688,283	34,688,283	33,090,861	39,441,114
CASH AT END OF THE YEAR	48,822,179	51,374,178	34,688,283	(238,047,736)

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Aditya Birla Minacs Philippines, Inc. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on November 3, 2006 with the primary purpose of carrying on and undertaking the business of setting up and operating a center for sales and customer interaction services and business process outsourcing services; providing system integration and software development services which are ancillary thereto; and carrying on the business in computer hardware and software related matters and fields, including the design, development, manufacture, production, marketing, selling, leasing and integration of computer hardware and software systems, the provision of customized software development consultancy and services, and the import and export of computer hardware technology. The Company started its commercial operations on March 5, 2007.

The Company is a wholly owned subsidiary of Aditya Birla Minacs Worldwide Ltd. (ABMW or Parent Company). The ultimate parent company is Aditya Birla Nuvo Limited (ABNL). ABMW and ABNL were incorporated in India.

The Company's principal place of business is at 1800 Eastwood Ave. Bldg., 10/F Eastwood City Cyberpark, 188 E. Rodriguez, Jr. Ave., Bagumbayan, Quezon City.

The financial statements were approved for issue by the Board of Directors (BOD) on April 16, 2013.

2. Registration with the Philippine Economic Zone Authority (PEZA)

The Company is registered with PEZA as an Ecozone Information Technology (IT) Enterprise, engaged in providing customer contact center services at Eastwood City Cyberpark and Amberbase Facility in Goodland Building.

The Company is entitled to all incentives granted to pioneer projects under Republic Act (RA) No. 7916, as amended, and the PEZA IT Guidelines, subject to certain terms and conditions, including, among others, the following:

- The Company's project shall be entitled to six (6) years income tax holiday (ITH) incentive, as amended in accordance with the 2006 Investment Priorities Plan. The project's entitlement to the said incentive shall be subject to validation by PEZA based on the Company's audited financial statements covering the first year of its operations showing the investment cost per seat for its project is equivalent to at least United States (US) \$2,500, inclusive of the cost of equipment, office furniture and fixtures, building improvements and renovations, fixed assets, except land, building and working capital, and complies with the minimum US\$2.5 million investment required for pioneer status.

In case the Company does not attain the said investment cost per seat, the Company's project shall be granted 5% gross income incentive and other incentives under RA 7916, as amended, instead of the ITH incentive. On the other hand, if the Company complies with the minimum US\$2,500 investment cost per seat but fails to comply with the minimum US\$2.5 million investment required for pioneer status, the Company shall instead be entitled to only four (4) years ITH incentive.

Entitlement of the project to the 5th and 6th years of ITH from the date of start of commercial operations shall be subject to the issuance by the PEZA Director General of a written validation of the project cost.

- The Company's operations shall be limited to its PEZA-approved projects. Any expansion of this project or other additional activities to be undertaken by the Company shall require prior PEZA clearance.

On March 4, 2013, the Company's income tax holiday period for its Eastwood site has already expired and as such, is now subject to 5% gross income tax (GIT).

3. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The financial statements of the Company are presented using the historical cost convention and are presented in Philippine peso (Peso), the Company's functional currency. All values are rounded off to the nearest Peso.

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs).

Cash

Cash includes cash on hand and in banks.

Financial Instruments

The Company's financial instruments are classified as either basic financial assets and liabilities or other financial assets and liabilities. As of March 31, 2013 and 2012, the Company's basic financial assets comprise cash and receivables while basic financial liabilities consist of accounts payable and accrued expenses, bank loans and loans from the parent company and a related party. As of March 31, 2013 and 2012, other financial assets and financial liabilities consist of derivative asset and derivative liability, respectively. Basic and other financial assets and liabilities are recognized when the entity becomes a party to the contracts.

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Initial measurement

Basic financial instruments are measured at their transaction price including transactions costs. If the contract constitutes a financing arrangement, it is measured at the present value of future payments discounted at a market rate of interest for a similar instrument (this is not applicable to assets and liabilities classified as current, unless they incorporate a finance arrangement). If interest is not at a market rate, the fair value would be future payments discounted at a market rate of interest.

Other financial instruments are initially measured at fair value, which is usually their transaction price. This will exclude transaction costs.

Subsequent measurement

For basic financial instruments, at the end of each reporting period;

- Debt instruments are measured at amortized cost using the effective interest rate;
- Commitments to receive a loan are measured at cost less impairment; and
- Investments in non-convertible preference shares and non-puttable ordinary, and preference shares that are publically traded or their fair value can otherwise be reliably measured, are measured at fair value through profit and loss if a public market exists, otherwise at cost less impairment.

All other financial instruments are measured at fair value at reporting date. The only exceptions are equity instruments (and related contracts that would result in delivery of such instruments) that are not publicly traded and whose fair value cannot be reliably determined. These are measured at cost less impairment.

Amortized cost

The effective interest method is used to calculate the amortized cost of a financial asset or a financial liability and to allocate the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, future credit losses are excluded. Fees, transaction costs and other premiums or discounts are amortized over the life of the instrument (or shorter if they relate to a shorter period).

Impairment of basic financial instruments

At each reporting date, an assessment is made as to whether there is objective evidence of a possible impairment. The standard provides examples of possible loss events. The impairment loss of basic financial instruments at amortized cost is the difference between the carrying value and the revised cash flows discounted at the original effective interest rate. The impairment of basic financial instruments at cost less impairment is the difference between the carrying value and the best estimate of the amount that would be received if the asset were sold at the reporting date. Reversal of impairments on basic financial instruments is permitted.

Impairment of other financial instruments

Other financial instruments carried at cost less impairment are impaired on the same basis as basic financial instruments measured in the same manner.

Fair value

PFRS for SMEs makes use of a fair value hierarchy. Fair value hierarchy represents quoted prices in an active market, prices in recent transactions for the identical assets (adjusted if necessary), and use of a valuation technique (that reflects how the market would expect to price the asset and the inputs reasonably represent market expectations).

Fair value, where there is no active market, is only considered reliable if the variability in the range of fair values is not significant and the probabilities of various estimates can be reasonably assessed. The fair value of a liability cannot be below the amount in a demand feature discounted at the reporting date.

Derecognition

The Company derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expire or are settled;
- The entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; and
- The Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party. The entity derecognizes a financial liability when extinguished.

Hedge accounting

To qualify for hedge accounting, an entity must meet the following conditions:

- The entity designates and documents the hedging relationship, clearly identifying the risk being hedged, the hedged item and hedging instrument;
- The hedged risk is one of the specified risks in the standard;
- The hedging instrument is as specified in the standard; and
- The entity expects the hedge to be highly effective.

Hedged risks

PFRS for SMEs only permits hedge accounting when the hedged risk is one of the following risks:

- Interest rate risk of a debt instrument measured at amortized cost;
- Foreign exchange or interest rate risk in a firm commitment or a highly probable forecast transaction;
- Price risk of a commodity that it holds or in a firm commitment or highly probable forecast transaction to purchase or sell a commodity; and
- Foreign exchange risk in a net investment in a foreign operation.

Hedging instrument

The hedge accounting is only permitted if the hedging instrument meets all of the following:

- It is an interest rate swap, a foreign currency swap, a foreign currency forward exchange contract or a commodity forward exchange contract that is expected to be highly effective;
- It involves a party external to the reporting entity;
- Its notional amount equals the designated amount of the hedged item;
- It has a specified maturity date not later than the maturity of the hedged item;
- The expected settlement of the commodity commitment;
- The occurrence of the highly probable forecast transaction; and
- It has no prepayment of early termination or extension features.

As of March 31, 2013, as allowed by PFRS for SMEs, the Company's derivative asset and derivative liability pertaining to its forward currency contracts qualify for hedge accounting and have been designated as effective hedges since these involve foreign exchange risk in a firm commitment or a highly probable forecast transaction.

Discontinuing hedge accounting

Hedge accounting is discontinued when:

- The hedging instrument expires or is sold;
- The hedge no longer meets the conditions for hedge accounting;
- In the hedge of a forecast transaction, when the transaction is no longer highly probable; and
- The Company revokes the designation.

Prepayments

Prepaid expenses are amounts paid in advance for goods and services that are yet to be delivered and from which future economic benefits are expected to flow to the Company with its normal operating cycle or within 12 months from the balance sheet date.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Category	Years
Computer equipment	3
Furniture and fixtures	3 to 5
Office and communication equipment	5

Leasehold improvements are amortized over the life of the assets (average of two years) or the term of the lease, whichever is shorter. Recognition of depreciation commences when the asset is ready for its intended use.

The estimated useful lives of the assets and depreciation method used are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

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When assets are sold or retired, their costs, accumulated depreciation and any impairment in value are eliminated from the accounts. Any gain or loss resulting from their disposal is recognized in profit or loss.

Construction in progress represents assets under construction and is stated at cost, including cost of construction and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and ready for their intended operational use.

Intangible Assets

Intangible assets consist of software programs that are stated at cost less accumulated amortization and any accumulated impairment loss. These are amortized over the estimated lives of three years using the straight-line method. If there is an indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect new expectations.

Impairment of Assets

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of the asset is the greater of 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 the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Any impairment loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Capital Stock

Capital stock is carried at par value of the shares issued. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to additional paid-in capital. When the shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more readily determinable.

Deposit for Future Stock Subscription

Contributions from stockholders that are intended as payment for future capital stock subscriptions are recognized as deposits for future stock subscription. The deposits are reduced and the corresponding shares of stock are issued when the regulatory requirements have been complied with.

Deficit

Deficit represents the cumulative balance of the net income or loss, net of any dividend declaration.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized:

Service income

Service income is recognized as related services are performed based on agreements with the customers.

Interest income

Interest income is recognized as the interest accrues.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease expense is recognized in profit or loss on a straight-line basis over the lease term.

Retirement Benefits Cost

The cost of providing retirement benefits is determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Retirement benefits cost includes current service cost plus amortization of past service cost, experience adjustments and changes in actuarial assumptions to the extent that benefits are already vested

immediately. Past service cost is immediately expensed. Actuarial gains and losses are recognized in their entirety in profit or loss.

Past service cost, on the other hand, is recognized as an expense on a straight line basis over the average period until the benefits become vested. If the benefits are already vested, past service cost is recognized immediately. Gains or losses on the curtailment or settlement of retirement benefits are recognized when the curtailment or settlement occurs.

Foreign Currency-denominated Transactions

Transactions denominated in foreign currencies are recorded in Peso using the exchange rate prevailing at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated to Peso using the closing exchange rate at the balance sheet date. Foreign exchange gains or losses are credited to or charged against current operations.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of the excess MCIT over RCIT and unused net operating loss carryover (NOLCO) that are expected to reduce taxable profits in the future.

A valuation allowance is recognized against deferred income tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profits. The carrying amount of deferred income tax asset is reviewed at each balance sheet date and the valuation allowance is adjusted to reflect the current assessment of future taxable profits. Such adjustment is recognized in profit or loss, except that an adjustment attributable to an item of income or expense recognized as other comprehensive income is recognized in other comprehensive income.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

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

Borrowing Costs

Borrowing costs are generally expensed as incurred.

Provisions and Contingencies

Provisions are recognized when: (1) the Company has a present obligation (legal or constructive) as a result of a past event; (2) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (3) a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events after the Balance Sheet Date

Post year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS for SMEs requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the preparation of the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of any changes will be reflected in the financial statements as they become reasonably determinable.

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Judgments

In the process of applying the Company's accounting policies, management has made the following judgments apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Determination of functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency is determined to be the Peso. It is the currency that mainly influences its service and rental costs.

Operating lease - Company as lessee

The Company has entered into property lease agreements, where it has determined that the significant risks and rewards related to the properties are retained with the lessors. As such, the lease agreements are accounted for as operating leases (see Note 17).

Impairment of property and equipment

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the property and equipment may be impaired or an impairment loss previously recognized no longer exists or may be decreased. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount.

An assessment is made on the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. As of March 31, 2013 and 2012, there were no indications of impairment on the Company's property and equipment.

The carrying value of the Company's property and equipment, net of accumulated depreciation, amounted to 34,760,968 and 49,539,031 as of March 31, 2013 and 2012, respectively (see Note 7).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of useful lives of property and equipment

The Company estimates the useful lives of its property and equipment based

on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. There was no change in the estimated useful lives of the property and equipment in both years.

Estimation of retirement benefits cost

The determination of the obligation and cost of accrued retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. Those assumptions are described in Note 14 and include, among others, discount rates and salary increase rates.

The carrying value of the Company's accrued retirement benefits amounted to 7,703,455 and 3,332,400 as of March 31, 2013 and 2012, respectively (see Note 15).

Estimation of valuation allowance for deferred income tax assets

The carrying amounts of deferred income tax assets are reviewed at each balance sheet date and the valuation allowance is adjusted to reflect the current assessment of future taxable profits. In 2013 and 2012, management recognized valuation allowance on certain deferred income tax assets since it is not probable that taxable profits will be available against which the future income tax deductions can be utilized.

5. Receivables

	2013(PHP)	2013(INR)	2012(PHP)	2012(INR)
Trade	96,538,662	129525922.8	101,615,518	121,115,896
Advances to employees and others	2,930,350	3931650.595	731,902	872,357
	99,469,012	133,457,573	102,347,420	121,988,252

6. Prepaid Expenses and Other Current Assets

	2013(PHP)	2013(INR)	2012(PHP)	2012(INR)
Prepaid expenses	1,094,382	1468332.329	1,759,068	2,096,639
Deposits (Note 17)	3,495,712	4,690,197	2,184,362	2,603,549
Prepaid insurance	29,793	39,973	16,763	19,980
Others	0	0	35,442	42,243
	4,619,887	6,198,502	3,995,635	4,762,412

7. Property and Equipment

2013

Computer	Furniture & Equipment	Furniture & Fixtures	Office and Communication Equipment	Leasehold Improvements	Constguction in Progress	Total (PHP)	Total (INR) 2013
Cost							
Beginning of year	54,425,731	32,828,572	47,964,838	30,837,718	—	166,056,859	222,798,488
Additions	1,475,180	22,000	322,587	195,000	—	2,014,767	2,703,213
End of year	55,900,911	32,850,572	48,287,425	31,032,718	—	168,071,626	225,501,701
Accumulated Depreciation							
Beginning of year	42,434,612	25,731,938	20,356,661	27,994,617	—	116,517,828	153,157,517
Depreciation (Notes 11 and 12)	4,452,374	2,299,146	8,577,037	1,464,273	—	16,792,830	22,073,430
End of year	46,886,986	28,031,084	28,933,698	29,458,890	—	133,310,658	175,230,947
Net Book Values	9,013,925	4,819,488	19,353,727	1,573,828	—	34,760,968	50,270,753

2012

Computer	Furniture & Equipment	Furniture & Fixtures	Office and Communication Equipment	Leasehold Improvements	Constguction in Progress	Total (PHP)	Total (INR) 2012
Cost							
Beginning of year	50,692,075	27,297,546	20,346,797	27,472,752	591,285	126,400,455	130,045,516
Additions	3,733,656	5,269,533	27,879,534	3,364,966	—	40,247,689	47,971,363
Reclassification	—	261,493	-261,493	—	-591,285	-591,285	(704,755)
End of year	54,425,731	32,828,572	47,964,838	30,837,718	—	166,056,859	177,312,124
Accumulated Depreciation							
Beginning of year	38,482,315	19,107,121	10,666,354	24,073,955	—	92,329,745	94,992,295
Depreciation (Notes 10 and 11)	3,983,553	6,624,817	9,659,051	3,920,662	—	24,188,083	27,290,813
Reclassification	(31,256)	—	31,256	—	—	—	—
End of year	42,434,612	25,731,938	20,356,661	27,994,617	—	116,517,828	122,283,108
Net Book Values	11,991,119	7,096,634	27,608,177	2,843,101	—	49,539,031	55,029,016

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8. Other Noncurrent Assets										
	2013		2012							
Deposits (Note 17)	16,873,854		18,567,414							
Advance rental	2,992,500		5,985,000							
Software costs - net of accumulated amortization of 226,566 in 2013 and 125,870 in 2012 (Notes 11 and 12)	75,523		176,219							
	19,941,877		24,728,633							
9. Bank Loans										
Bank loans pertain to unsecured short-term loans obtained from a local bank to meet working capital requirements. The bank loans are to be settled in bullet payments starting April 1, 2013 to July 31, 2013. These bank loans have interest rates ranging from 2.24% to 2.26%. Interest expense amounted to 251,446 in 2013.										
10. Accounts Payable and Accrued Expenses										
	2013(PHP)		2013(INR)		2012(PHP)		2012(INR)			
Accounts payable	13,869,665	18608929.53	7,489,324	8,926,552						
Accrued expenses (Notes 14 and 17)	27,118,401	36384758.62	29,574,820	35,250,333						
Advances from affiliates (Note 14)	18,003,185	24154873.31	41,503,738	49,468,452						
Others	5,582,520	7490067.084	6,456,671	7,695,729						
	64,573,771	86,638,629	85,024,553	101,341,066						
Accounts payable as of March 31, 2012 includes unpaid invoices for the acquisition of certain items of property and equipment totaling 248,981 (nil in 2013).										
11. Cost of Services										
	2013(PHP)		2013(INR)		2012(PHP)		2012(INR)			
Personnel costs (Note 13)	282,286,896	378,744,328	236,528,148	266,868,828						
Rent and utilities (Note 17)	61,223,774	80,475,935	58,390,970	65,881,080						
Technology charges	29,621,615	38,936,299	28,594,982	32,263,007						
12. General and Administrative Expenses										
	2013(PHP)		2013(INR)		2012(PHP)		2012(INR)			
Personnel costs (Note 13)	21,128,110	27,771,964	20,603,532	23,246,453						
Shared cost (Note 14)	15,005,309	19,723,813	16,520,692	18,639,886						
Professional fees	7,560,727	9,938,240	7,347,483	8,289,982						
Transportation and travel	4,372,813	5,747,869	14,944,020	16,860,966						
Rent (Note 17)	2,445,277	3,214,208	2,333,653	2,633,003						
Utilities	1,401,130	1,841,723	1,751,023	1,975,636						
Insurance	1,167,244	1,534,290	980,287	1,106,033						
Accommodations	841,160	1,105,668	1,994,379	2,250,208						
Depreciation and amortization (Notes 7 and 8)	786,170	1,033,386	1,142,266	1,288,790						
Others	5,488,790	7,214,771	3,285,320	3,706,745						
	60,196,730	79,125,932	70,902,655	79,997,703						
13. Personnel Costs										
	2013(PHP)		2013(INR)		2012(PHP)		2012(INR)			
Salaries, wages and bonuses	293,975,950	386,418,348	236,290,749	266,600,977						
Retirement benefits cost (income) (Note 12)	4,371,055	5,745,558	2,146,300	2,421,617						
Other short-term employee benefits	5,068,001	6,661,663	18,694,631	21,092,687						
	303,415,006	398,825,568	257,131,680	290,115,281						
14. Related Party Transactions										
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.										
	Amount/Volume Income (Expense)		Outstanding Balance Receivable (Payable)		Terms		Conditions			
Category	2013	2012	2013	2012						
Parent Company										
Shared costs/payable to Parent Company	15,005,309	16,520,692	(18,003,185)	(41,503,738)	Non-interest bearing and due and demandable	Unsecured				
Loans	-	-	(8,054,113)	(6,084,934)	Due and demandable	Unsecured				
Entity under common control										
Loans	-	-	-	(107,300,000)	- do -	- do -				
<p>a. Shared costs charged by ABMW amounted to 15.00 million and 16.52 million in 2013 and 2012, respectively, and are included under general and administrative expenses. These pertain to the salaries and other benefits of top management of ABMW which are allocated to all subsidiaries. The amounts outstanding as of March 31, 2013 and 2012 amounting to 18.00 million and 41.50 million, respectively, are included in "Accounts payable and accrued expenses."</p> <p>b. The Company availed of various loans from ABMW to finance its working capital requirements. The loans bear interest at LIBOR + 1% and are payable in 60 months (including the interest and other related charges). As of March 31, 2011, the outstanding principal amounted to 87.00 million (US\$2.01 million). The related interest was waived by ABMW in 2012 and 2011. Accrued interest expense (included under "Payable to Parent Company" in the balance sheets) as of March 31, 2012 and 2011 amounted to 6.08 million. The said loans from ABMW excluding the related accrued interest, were settled during the fiscal year ended March 31, 2012 in several tranches.</p> <p>c. In 2012, the Company availed of a noninterest-bearing loan from an entity under common control amounting to 107.30 million. The said loan was fully paid in 2013 in several tranches.</p> <p>d. The Company has various service agreements which are carried out together with its affiliates based in Bangalore, India and Toronto, Canada. These agreements are effective for three years, subject to renewal terms, and primarily cover after-sale support/call center services. Rates are determined based on the statement of work agreed with client and are normally expressed per minute or per hour. Revenue recognized for these agreements amounted to 537.43 million and 467.81 million for the years ended March 31, 2013 and 2012, respectively.</p>										

ADITYA BIRLA MINACS PHILIPPINES, INC.

e. The compensation of key management personnel consists of:

	2013	2012
Salaries and wages	10,296,667	9,264,439
Retirement benefits (Note 15)	438,327	278,397
Short-term employee benefits	626,221	317,689
	11,361,215	9,860,525

15. Retirement Benefits Cost

The Company provides for retirement benefits in accordance with RA No. 7641.

The following tables summarize the components of net retirement benefits cost recognized in the statements of comprehensive income and the amounts recognized in the balance sheets based on the actuarial valuation report as of March 31, 2013.

The components of retirement benefits cost which were charged to operations follow:

Retirement benefits cost (income) charged to operations in 2010 and 2009 consisted of the following:

	2013(Php)	2013(Inr)	2012(Php)	2012(Inr)
Current service cost	1,652,100	2,171,612	539,200	608,366
Interest cost	219,900	289,049	102,100	115,197
Net actuarial loss	2,499,055	3,284,897	1,505,000	1,698,054
	4,371,055	5,745,558	2,146,300	2,421,617

The movements in amounts retirement benefits of the Company follow:

	2013(Php)	2013(Inr)	2012(Php)	2012(Inr)
Balance, April 1	3,332,400	4,380,292	1,186,100	1,338,247
Retirement benefits costs for the year	4,371,055	5,745,558	2,146,300	2,421,617
Balance, March 31	7,703,455	10,125,850	3,332,400	3,759,864

Changes in the present value of defined benefit obligation are as follows:

	2013(Php)	2013(Inr)	2011(Php)	2012(Inr)
Balance, April 1	3,332,400	4,380,292	1,186,100	1,338,247
Current service cost	1,652,100	2,171,612	539,200	608,366
Interest cost	219,900	289,049	102,100	115,197
Actuarial loss on obligation:				
Experience adjustments	(464,025)	(609,940)	406,800	458,982
Change in assumptions	2,963,080	3,894,837	1,098,200	1,239,072
Ending balances	7,703,455	10,125,850	3,332,400	3,759,864

The assumptions used to determine retirement benefits costs of the Company as of March 31 are as follows:

	2013	2012
Discount rate	4.19%	6.60%
Salary increase rate	8.00%	8.00%

16. Income Taxes

a. The provision for current income tax is composed of the following

	2013(Php)	2013(Inr)	2012(Php)	2012(Inr)
Gross income tax (GIT)	100,228	—	—	—
Final tax	7,879	—	5,413	—
	108,107	5,413	5,413	5,413

b. The Company's deferred income tax asset amounting to 541,607 and 543,341 as of March 31, 2013 and 2012, respectively has been recognized on accrued lease. This was provided with full valuation allowance as of March 31, 2013 and 2012.

c. The reconciliation between the provision for income tax at statutory rates and the provision for income tax as shown in the statement of income is as follows:

	2013(Php)	2013(Inr)	2012(Php)	2012(Inr)
Income tax at statutory rate	18,785,244	24,692,370	4,748,304	6,241,435
Additions to (reduction in) income tax resulting from the tax effects of:				
Accretion on refundable deposit	(112,905)	(148,409)	(10,083)	—
Interest income subject to final tax	(9,476)	(12,456)	(7,458)	-9,803
Increase (decrease) in valuation allowance on deferred tax asset	(1,734)	(2,279)	543,341	714,198
Income subject to GIT	(501,143)	(658,730)	—	0
Income tax holiday and nondeductible expenses per RA 7916	(18,051,879)	(23,728,394)	(5,268,691)	-6,925,461
	108,107	142,102	5,413	20,369

17. Lease Commitments

The Company has various lease agreements for its office space and condominium units with terms ranging from three months to five years. These leases are renewable on terms mutually agreed by the parties. Certain lease agreements require the Company to pay security deposits. These are included under "Prepaid expenses and other current assets" and "Other noncurrent assets" in the balance sheets.

The Company has three-year lease agreements covering the two office facilities that are subject to annual escalation of 8% and 10%, with one month and three months rent-free period, respectively.

Future minimum rentals payable under these non-cancelable operating lease arrangements are as follows:

	2013(Php)	2013(Inr)	2012(Php)	2012(Inr)
Within one year	50,778,000	68,128,843	50,582,000	60,288,865
After one year but not more than five years	105,812,209	139,085,456	156,590,209	186,640,425
	156,590,209	207,214,298	207,172,209	246,929,290

Rent expense amounted to 52.55 million and 49.67 million in 2013 and 2012, respectively. As of March 31 2013 and 2012, accrued lease amounted to 10.83 million and 10.87 million, respectively.

18. Equity

On March 19, 2012, the BOD approved the amendment of the Articles of Incorporation of the Company to increase its capitalization from 100 million to 150 million and to allow for issuance of preferred shares. The said capital stock shall be divided into one million common shares with par value of 100 per share and 500,000 preferred shares with par value of 100 per share.

On the same date, the BOD also approved the allotment of 200,000, 0% redeemable preferred shares with par value of 100 per share to ABMWL. The Company shall have the right but not the obligation to redeem the preferred shares after June 30, 2012 based on the Subscription Agreement between the Company and ABMWL.

On March 23, 2012, the Company received a deposit from ABMWL for future stock subscription on its preferred shares for ABMWL amounting to 21.59 million (US\$500,000).

On November 12, 2012, the SEC approved the increase in the Company's authorized capital stock. On the same date, the Company issued 200,000 preferred shares with a total par value of 20.00 million which is equal to the subscribed amount approved by the SEC.

On January 22, 2013, the Company redeemed all of its preferred shares at 20.37 million. The difference of 0.37 million between the total par value of the shares redeemed of 20.00 million and the redemption amount of 20.37 million was recognized as a reduction from Deposits for future stock subscription. Since the remaining amount of the deposit for future stock subscription shall be returned to ABMWL, the Company accordingly reclassified this as part of its current liabilities in the 2013 balance sheet.

ADITYA BIRLA MINACS PHILIPPINES, INC.

19. Financial Assets and Financial Liabilities

As of March 31, the Company's financial assets and financial liabilities consist of the following:

	2013	2012
Financial assets measured at amortized cost:		
Cash	48,739,277	34,648,477
Receivables	99,469,012	102,347,420
Refundable deposits	8,919,612	9,538,394
Financial asset measured at fair value –		
Derivative asset	16,767,685	—
	173,895,586	146,534,291
Financial liabilities measured at amortized cost:		
Bank loans	71,522,500	—
Loan from a related party	—	107,300,000
Account payable and accrued expenses:		
Trade	13,869,665	7,489,324
Accrued expenses	27,118,401	29,574,820
Advances from an affiliate	18,003,185	41,503,738
Payable to Parent Company	8,054,113	6,084,934
Financial liability measured at fair value –		
Derivative liability	281,279	—
	138,849,143	191,952,816

The Company enters into sell US\$, buy Philippine peso foreign currency forward contracts to manage the foreign currency risk arising from its US\$ denominated assets. These currency forwards are accounted for as fair value hedges.

The Company has outstanding currency forward contracts with an aggregate notional amount of US\$14.1 million and weighted average contracted forward rate of 41.9 to US\$1.00 as of March 31, 2013. Total derivative gains and losses for 2013 arising from currency forwards amounted to 16.77 million and 0.28 million, respectively. As of and for the year ended March 31, 2013, reserve for fair value changes on forward currency contracts recognized in the 2013 balance sheet and other comprehensive income amounted to 16,486,406.

Currency forwards amounting to 173.52 million (US\$4.21 million) will mature in 2015 and 416.01 million (US\$9.87 million) will mature in 2014.

20. Other Matter

The Company is a defendant in a number of labor cases filed with the National Labor Regulatory Commission pertaining to nonpayment of salaries and other benefits to its employees. Management believes that the outcome of these cases will not have a material effect on the Company's financial statements.

21. Supplementary Information Required Under Revenue Regulations 15-2010

In compliance with BIR Revenue Regulations 15-2010 issued on November 25, 2010, mandating all taxpayers to disclose information on taxes, duties

and license fees paid and accrued during the taxable year, summarized below are the taxes paid and accrued by the Company in 2012.

a. Value-added Taxes (VAT)

As a PEZA registered entity, the Company's revenue is VAT zero-rated.

b. Taxes and Licenses

Taxes and license fees paid by the Company in 2013 follow:

Documentary stamp tax	943,182
Registration fee	296,618
Business permits	72,911
Filing fees and others	101,890
	<u>1,414,601</u>

c. Withholding Taxes

Withholding taxes paid and accrued by the Company for the year ended March 31, 2013 follow:

	Paid	Accrued	Total
Withholding tax on compensation	27,381,147	3,224,934	30,606,081
Withholding taxes on rental/services	3,033,103	241,762	3,274,865
	<u>30,414,250</u>	<u>3,466,696</u>	<u>33,880,946</u>

22. Supplementary Information Required Under Revenue Regulation 19-2011

In compliance with the requirements set forth by RR 19-2011, hereunder are the schedules and information on the Company's taxable income and deductions for the year ended March 31, 2013.

a. The Company's net revenue consist of:

Subject to GIT	19,364,592
Subject to ITH	518,062,904
	<u>537,427,496</u>

b. Cost of services amounted to:

	Subject to GIT	Subject to ITH	Total
Personnel costs	12,407,255	269,879,641	282,286,896
Rent and utilities	2,104,236	58,769,535	60,873,771
Staff welfare	1,003,606	17,455,749	18,459,355
Depreciation and amortization	650,303	15,457,053	16,107,356
Technology charges	529,268	29,092,347	29,621,615
Recruitment	147,050	2,746,719	2,893,769
Repairs and maintenance	33,913	1,742,900	1,776,813
Training	23,905	482,841	506,746
Outside services	460,485	10,171,110	10,631,595
	<u>17,360,021</u>	<u>405,797,895</u>	<u>423,157,916</u>

c. No itemized deductions can be claimed by the Company.

d. The Company has no non-operating taxable income for the period.

A V TRANSWORKS LIMITED CANADA

INDEPENDENT AUDITOR'S REPORT

To the Board of directors of Aditya Birla Minacs Worldwide Limited

Report on the Financial Statements

We have audited the accompanying financial statements of AV Transworks Limited ('the Company'), a wholly owned subsidiary of Aditya Birla Minacs Worldwide Limited ('the Parent'), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

This report is furnished solely for the purpose of consolidation with the parent and hence should not be used for any other purpose.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

Place: Mumbai
Date: April 24, 2013

per Vijay Maniar
Partner
Membership No.: 36738

A V TRANSWORKS LIMITED CANADA

BALANCE SHEET AS AT MARCH 31, 2013

	Notes	March 31, 2013 CAD	March 31, 2012 CAD
I. EQUITY AND LIABILITIES :			
Shareholders' funds			
Share capital	3	127,000,001	127,000,001
Reserves and surplus	4	732,834	734,037
Current liabilities			
Short term borrowings	5	29,942,962	29,945,851
Other current liabilities	6	248	—
Short term provisions		2,607	2,607
Total		157,678,652	157,682,496
II. ASSETS :			
Non-current assets			
Non-current investments	7	157,571,131	157,571,131
Current assets			
Cash and bank balances	8	2,499	6,343
Short-term loans and advances	9	105,022	105,022
Total		157,678,652	157,682,496

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	March 31, 2013 CAD	March 31, 2012 CAD
INCOME :			
Other Income	10	45	4,546,643
Total (I)		45	4,546,643
EXPENDITURE :			
Other expenses	11	—	1,364,017
Total (II)		—	1,364,017
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) -(II)		45	3,182,626
Finance costs	12	1,247	140,600
Profit / (Loss) before the tax		(1,203)	3,042,026
Net Profit/(Loss) for the year		(1,203)	3,042,026
Earnings Per Share (Basic & Diluted)	18	(0.00)	0.02

Summary of significant accounting policies 2

The accompanying notes are an integral part of financial statements

As per our report of even date

For S.R. BATLIBOI & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per **Vijay Maniar**
Partner
Membership No. 36738

Place: Mumbai
Date: April 24, 2013

For and on behalf of the Board of Directors
of **A V Transworks Limited**

Deepak Patel
Director

Place: Mumbai
Date: April 24, 2013

As per our report of even date

For S.R. BATLIBOI & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per **Vijay Maniar**
Partner
Membership No. 36738

Place: Mumbai
Date: April 24, 2013

For and on behalf of the Board of Directors
of **A V Transworks Limited**

Deepak Patel
Director

Place: Mumbai
Date: April 24, 2013

A V TRANSWORKS LIMITED CANADA

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	CAD	CAD
A. Cash flows from Operating Activities		
Net Profit/(Loss) before taxation, and extraordinary items	(1,203)	3,042,026
<i>Adjustments for:</i>		
Interest Income	—	(175,707)
Dividend Income	—	(4,369,891)
Interest Expense	—	138,479
Forex Loss on Swap Cancellation	—	1,363,848
Operating Profit before working capital changes	<u>(1,203)</u>	<u>(1,244)</u>
<i>Movements in working capital :</i>		
(Increase)/Decrease in payable to subsidiary	(2,889)	29,945,851
Increase/(Decrease) Current Liabilities & Provisions	248	(150,743)
Cash generated from operations	<u>(3,844)</u>	<u>29,793,865</u>
Loan to subsidiaries	—	5,264,743
Net Cash flow from Operating Activities	<u>(3,844)</u>	<u>35,058,607</u>
B. Cash Flows from Investing Activities		
Investment in Subsidiaries	—	50,321,721
Interest income received	—	231,753
Dividend income received	—	4,369,891
Net Cash from/(for) Investing Activities	<u>—</u>	<u>54,923,365</u>
C. Cash flow from Financing Activities		
Proceeds from/(repayment of) Bank Borrowings	—	(30,901,850)
Loan from Holding Company	—	(28,255,752)
Preference Capital from Holding Company	—	(30,000,000)
Forex Loss on Swap Cancellation	—	(1,363,848)
Interest Payment	—	(217,524)
Net Cash used in Financing Activities	<u>—</u>	<u>(90,738,974)</u>
Net Decrease in cash and Cash equivalents during the year	(3,844)	(757,002)
Cash and cash equivalents at the beginning of the year	6,343	763,345
Cash and cash equivalents at the end of the year	<u>2,499</u>	<u>6,343</u>
Notes:		
Components of Cash and Cash Equivalents	For the Year ended March 31, 2013	For the Year ended March 31 2011
i) Cash Balance on hand	—	—
ii) <i>Balance with Scheduled and other Banks :</i>		
– in Current Account	2,499	6,343
Total	<u>2,499</u>	<u>6,343</u>

As per our report of even date

For S.R. BATLIBOI & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of the Board of Directors
of A V Transworks Limited

per Vijay Maniar
Partner
Membership No. 36738

Deepak Patel
Director

Place: Mumbai
Date: April 24, 2013

Place: Mumbai
Date: April 24, 2013

A V TRANSWORKS LIMITED CANADA

Notes to financial statements for the year ended March 31, 2013

1. Corporate Information

AV TRANSWORKS Limited ("the Company") is domiciled in Canada and accordingly the financial statements have been prepared in Canadian Dollars (CAD), which is the reporting currency of the Company.

2. Accounting Policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention 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 the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Revenue Recognition

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.

ii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

iii) Dividend

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

d. Transactions in Foreign Currency

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii) Exchange Differences

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to long term foreign currency items the company has adopted following policy:

Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

Exchange difference on restatement of all other monetary items is recognized in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

e. Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 best 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 best estimates.

f. Income Taxes

Tax expense comprises of current and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

g. Contingent liabilities

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 extreme rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

h. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Loan arrangement fee is amortised over the loan period. All other borrowing costs are expensed in the period they occur.

i. Investments

i) 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.

ii) Long-term investments are valued at cost. Any decline in the value of investments other than temporary, is provided for and charged to the Statement of Profit & Loss.

j. Cash and Cash Equivalents

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

k. Segment Reporting

Business Segment

The Company has not identified any reportable business segment in terms of the Accounting Standard 17 on "Segment Reporting". In view of this a separate disclosure is not considered necessary.

Geographical Segment

The Company predominantly renders services within India through its network of branches. The conditions prevailing in India being uniform as regards risks and returns, hence no separate geographical segment disclosure is considered necessary.

l. Earnings per Share

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

m. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. Share capital

	March 31, 2013 CAD	March 31, 2012 CAD
Authorized share capital		
127,000,001 (31 March 2012: 127,000,001) Equity shares of CAD 1 each	127,000,001	127,000,001
Issued, subscribed & paid up capital		
127,000,001 (31 March 2012 : 127,000,001) Equity shares of CAD 1 each fully paid up	127,000,001	127,000,001
Total issued, subscribed and fully paid up share capital	127,000,001	127,000,001
Preference shares		
Nil (31st March 2012: 30,000,000) Preference shares of CAD 1 each	—	—
TOTAL	127,000,001	127,000,001

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2013		March 31, 2012	
	No.	CAD	No.	CAD
At the beginning of the period	127,000,001	127,000,001	127,000,001	127,000,001
Issued during the period	—	—	—	—
Outstanding at the end of the year	127,000,001	127,000,001	127,000,001	127,000,001
Preference Shares	March 31, 2013		March 31, 2012	
	No.	CAD	No.	CAD
At the beginning of the period	—	—	30,000,000	30,000,000
Redemption during the period	—	—	30,000,000	30,000,000
Outstanding at the end of the year	—	—	—	—

A V TRANSWORKS LIMITED CANADA

(c) Related Party Balances

Particulars	(In CAD)	
	As at March 31, 2013	As at March 31, 2012
Holding Company		
Loan taken from Holding company	Nil	Nil
Interest Payable to Holding company	Nil	Nil
Corporate guarantee given by Holding Company	Nil	Nil
Subsidiary Company (ABMWI)		
Investment	157,571,131	157,571,131
Loan given to subsidiary	Nil	Nil
Interest receivable from subsidiary	873	873
Payable to Subsidiary	29,942,962	29,945,851

14. Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate. As at March 31, 2013 foreign currency exposure is Nil.

15. The Company is a special purpose vehicle created for the Investment in overseas companies by its holding company Aditya Birla Minacs Worldwide Limited.

16. There are no contingent liabilities as at March 31, 2013

17. Details of dues to Micro and Small Enterprises as per MSMED Act-2006:

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. 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.

18. Earnings Per Share (EPS) is calculated as under:

Particulars	March 31, 2013	March 31, 2012
a) Net Profit/(Loss) as disclosed in statement of profit & loss (Rs.)	(1,203)	3,042,026
b) Weighted Average Number of Equity Shares (Rs. 10 each) outstanding during the year (in number)	127,000,001	127,000,001
c) Earnings per share (basic/ diluted) (Rs.)	(0.00)	0.02

19. Previous year figures

Previous year's figures have been regrouped where necessary to conform to the requirements of revised Schedule VI.

For S.R. BATLIBOI & Co. LLP
Firm Registration No. 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place: Mumbai
Date: April 24, 2013

For and on behalf of the Board of Directors
of A V Transworks Limited

Deepak Patel
Director

Place: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS WORLDWIDE INC., CANADA

AUDITORS' REPORT

To the Board of Directors of
Aditya Birla Minacs Worldwide Inc.

We have audited the consolidated balance sheet of **Aditya Birla Minacs Worldwide Inc.** as at March 31, 2013 and the consolidated statements of operations and deficit, comprehensive income (loss), changes in shareholders' equity (deficiency) and cash flows for the year then ended. 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform

an audit to obtain reasonable assurance 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada,
April 24, 2013.

Chartered Accountants
Licensed Public Accountants

ADITYA BIRLA MINACS WORLDWIDE INC., CANADA

Consolidated Balance Sheet as at 31st March 2013

As at	31-Mar-13 CAD\$'000	31-Mar-13 INR/Cr	31-Mar-12 CAD\$'000	31-Mar-12 INR/Cr
ASSETS				
Current assets				
Cash	\$6,728	35.92	\$1,812	9.26
Accounts receivable and unbilled revenue (Notes 9 and 15)	71,763	383.13	73,054	373.16
Other receivables (Notes 4 and 8(a))	45,471	242.76	52,166	266.46
Prepaid expenses	3,000	16.02	2,627	13.42
Income taxes recoverable	402	2.15	261	1.33
Future income taxes (Note 13)	2394	12.78	3973	20.29
	<u>\$129,758</u>	<u>692.75</u>	<u>133,893</u>	<u>683.93</u>
Long-term receivables				
Future Tax Assets (Note 13)	3,327	17.16	2728	13.93
Property, plant and equipment, net (Note 5)	18,843	100.60	21,908	111.91
Intangible assets net (Note 6)	25,320	135.18	21,936	112.05
Goodwill (Note 7)	17,391	92.85	17,355	88.65
Total assets	<u>\$194,639</u>	<u>1,038.53</u>	<u>\$197,820</u>	<u>1,010.46</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 10, 12 and 15)	\$29,027	154.97	\$30,256	154.55
Long-term debt (Note 9)	68,535	365.89	68,898	351.93
Income and other taxes payable	466.75	2.49	412	2.10
	<u>\$98,029</u>	<u>523.35</u>	<u>99,566</u>	<u>508.58</u>
Accrued liabilities relating to operating leases (Note 12)				
	4,520	24.13	5,278	26.96
Long-Term Debt (Note 9)	43,528	232.39	57,019	291.25
Future tax liabilities (Note 13)	3,127	16.69	3,959	20.22
	<u>149,204</u>	<u>796.56</u>	<u>165,822</u>	<u>847.02</u>
Commitments and contingencies (Note 11)				
SHAREHOLDERS' EQUITY				
Share capital	70,071	374.09	70,071	357.92
Accumulated other comprehensive loss	(12,750)	(68.07)	(12,957)	(66.18)
Deficit	(11,886)	78.29	(25,116)	6.49
Exchange Fluctuation on Translation		(142.35)		(134.79)
	<u>45,436</u>	<u>241.97</u>	<u>31,998</u>	<u>163.44</u>
Total liabilities and shareholders' equity	<u>\$194,639</u>	<u>\$1,038.53</u>	<u>\$197,820</u>	<u>1,010.46</u>
See accompanying notes to the financial statements				
FE Conversion Rate for Cdn \$ to INR as at end of year		53.39		51.08

Place: Toronto, Canada
Date: April 24, 2013

Deepak J. Patel
Chief Executive Officer

Consolidated Statement of Operations and Deficit

	Year ended March 31			
	CAD\$'000 2013	INR/Cr 2013	CAD\$'000 2012	INR/Cr 2012
Revenues (Note 17)	\$387,335	2,102.10	\$362,478	1,758.99
Direct expenses (Notes 9(a) and (b))	294,035	1,595.75	270,175	1,311.07
Gross profit	93,301	506.35	92,303	447.92
Selling, general and administrative expenses (Notes 9(a) and (b))	59,879	324.97	52,353	254.05
Earnings before depreciation and amortization, restructuring charges, interest, financing expenses and income taxes	33,422	181.38	39,950	193.86
Depreciation and amortization (Notes 5 and 7)	15,562	84.45	12,188	59.14
Restructuring charges (Note 14)	570	3.09	6,610	32.08
Interest and financing expenses (Note 10)	3,796	20.60	2,906	14.10
Income (loss) before income taxes	13,494	73.23	18,246	88.54
Provision for income taxes				
Current	(84)	(0.46)	97	0.47
Future	348	1.89	-5723	-27.77
	<u>264</u>	<u>1.43</u>	<u>-5,626</u>	<u>(27.30)</u>
Net income (loss) for the year	13,230	71.80	23,872	115.84
Dividend Paid	-	-	4,370	21.21
Deficit adjustment	-	-	(136)	(0.66)
Deficit, beginning of year	(25,116)	6.49	(44,482)	(87.48)
Deficit, end of year	<u>(\$11,886)</u>	<u>78.29</u>	<u>(\$25,116)</u>	<u>6.49</u>
See accompanying notes to the consolidated financial statements				
FE Conversion Rate for Cdn \$ to INR		54.27		48.53
Place: Toronto, Canada Date: April 24, 2013				
Deepak J. Patel Chief Executive Officer				
Comprehensive Income (Loss)				
	CAD\$'000 2013	Year ended March 31 INR/Cr 2013	CAD\$'000 2012	INR/Cr 2012
Net income (loss) for the year	13,230	71.80	\$23,872	115.84
Unrecognized gain (loss) on foreign currency forward contracts and options	-	-	-	-
Change in foreign currency translation on self-sustaining foreign operations	207	1.11	107	0.55
Exchange Fluctuation on Translation		(\$1.17)		\$6.03
Comprehensive income (loss) for the year	<u>13,437</u>	<u>\$71.74</u>	<u>\$23,979</u>	<u>\$122.48</u>
See accompanying notes to the consolidated financial statements				
FE Conversion Rate for Cdn \$ to INR		53.39		51.08
Core factor		10,000.00		10,000.00

ADITYA BIRLA MINACS WORLDWIDE INC., CANADA

Consolidated Statement of Changes in Shareholders' Equity (Deficiency)

CAD Table

(thousands of dollars, except number of shares)	Common Shares	Share Capital	Redeemable Preference Shares – Series A	Redeemable Preference Shares – Series B	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity (Deficiency)		
Balance, March 31, 2011	27,945,822	\$70,071	20,321,721	\$20,322	30,000,000	\$30,000	(\$13,122)	(\$44,482)	\$62,789
Issued during the year	—	—	(20,321,721)	(\$20,322)	(30,000,000)	(\$30,000)	—	—	(\$50,322)
Shares redeemed	—	—	—	—	—	—	—	—	—
Change in foreign currency translation on self-sustaining foreign operations	—	—	—	—	—	—	\$165	—	\$165
Net Income for the year	—	—	—	—	—	—	—	\$23,872	\$23,872
Dividend paid	—	—	—	—	—	—	—	(\$4,370)	(\$4,370)
Deficit adjustment (Note 3)	—	—	—	—	—	—	—	(\$136)	(\$136)
Balance at March 31, 2012	\$27,945,822	\$70,071	\$0	\$0	\$0	\$0	(\$12,957)	(\$25,116)	\$31,998
Issued during the year	—	—	—	—	—	—	—	—	—
Shares redeemed	—	—	—	—	—	—	—	—	—
Change in foreign currency translation on self-sustaining foreign operations	—	—	—	—	—	—	\$207	—	\$207
Net Income for the year	—	—	—	—	—	—	—	\$13,230	\$13,230
Balance at March 31, 2013	\$27,945,822	\$70,071	\$0	\$0	\$0	\$0	(\$12,750)	(\$11,886)	\$45,435

INR Table

(INR/Cr, except for number of shares)	Common Shares	Share Capital	Redeemable Preference Shares – Series A	Redeemable Preference Shares – Series B	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity (Deficiency)		
Balance, March 31, 2011	27,945,822	322.33	20,321,721	93.48	30,000,000	138.00	(17.85)	(204.18)	331.78
Issued during the year	—	—	(20,321,721)	(103.80)	(30,000,000)	(153.24)	—	—	(257.04)
Shares redeemed	—	—	—	—	—	—	—	—	—
Change in foreign currency translation on self-sustaining foreign operations	—	—	—	—	—	—	0.84	—	0.84
Net Income for the year	—	—	—	—	—	—	—	121.94	121.94
Dividend paid	—	—	—	—	—	—	—	(22.32)	(22.32)
Deficit adjustments	—	—	—	—	—	—	—	(0.69)	(0.69)
Exchange fluctuation on Translation	—	35.60	—	10.32	—	15.24	(49.18)	111.75	(11.06)
Balance at March 31, 2012	27,945,822	357.92	—	—	—	—	(66.18)	6.49	163.44
Issued during the year	—	—	—	—	—	—	—	—	—
Shares redeemed	—	—	—	—	—	—	—	—	—
Change in foreign currency translation on self-sustaining foreign operations	—	—	—	—	—	—	\$1.11	—	\$1.11
Net Income for the year	—	—	—	—	—	—	—	71.80	\$71.80
Exchange fluctuation on Translation	—	16.17	—	—	—	—	-\$2.99	0.00	\$5.62
Balance at March 31, 2013	\$27,945,822	374.09	—	—	—	—	(\$68.07)	78.29	\$241.96

See accompanying notes to the consolidated financial statements

FE Conversion Rate for Cdn \$ to INR as at end of year

53.39 51.08

Crete factor

10,000 10,000

ADITYA BIRLA MINACS WORLDWIDE INC., CANADA

Consolidated Statement of Cash Flows

	2013 CAD\$'000	Year ended March 31		2012 INR/Cr
		2013 INR/Cr	2012 CAD\$'000	
OPERATING ACTIVITIES				
Net income (loss) for the year	\$13,230	70.63	\$23,872	121.94
Adjustments to reconcile net income (loss) to cash provided by operating activities (Note 14)	16,199	86.48	6,108	31.20
Net change in non-cash working capital balances related to operations (Note 14)	5,545	29.60	(6,217)	(31.76)
Cash flows provided by operating activities	34,974	186.72	23,763	121.38
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(3,825)	(20.42)	(8,345)	(42.63)
Purchase of intangibles	(11,819)	(63.10)	(4,171)	(21.31)
Proceeds on disposal of property, plant and equipment	—	—	21	0.11
Loan to related parties	—	—	(33,369)	(170.45)
Cash flows used in investing activities	(15,644)	(83.52)	(45,864)	(234.27)
FINANCING ACTIVITIES				
Repayment of long-term debt (Note 9)	(81,134)	(433.16)	(34,310)	(175.26)
Repayment of short term debt	—	—	(5,265)	(26.89)
Receipt of long term debt (Note 9)	66,704	356.12	114,514	584.94
Redemption of Share capital	—	—	(50,322)	(257.04)
Dividend paid	—	—	(4,370)	(22.32)
Cash flows provided by (used in) financing activities	(14,430)	(77.04)	20,247	103.42
Effect of foreign currency translation on cash	16	0.09	142	0.73
Net increase (decrease) in cash	4,916	26.25	(1,712)	(8.74)
Cash beginning of year	1,812	9.67	3,524	18.00
Cash end of year	\$6,728	35.92	\$1,812	9.26
FE Conversion Rate for Cdn \$ to INR as at end of year		53.39		51.08
Core factor		10,000		10,000

See accompanying notes to the consolidated financial statements.

ADITYA BIRLA MINACS WORLDWIDE INC., CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2013

1 NATURE OF BUSINESS

Aditya Birla Minacs Worldwide Inc. (the "Company" or "Minacs") is incorporated under the Ontario Business Corporations Act. The Company is wholly-owned by AV Transworks Limited Canada, a wholly-owned subsidiary of Aditya Birla Minacs Worldwide Limited, India, which in turn is a subsidiary of Aditya Birla Nuvo Limited. The Company operates in one segment as a provider of business process outsourcing ("BPO") solutions. These incorporate contact centre solutions, integrated marketing services and back office administration. Operating in multiple languages, the Company serves customers throughout North America, Europe, Latin America and the Pacific Rim from its operating locations in North America and Europe.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance with Part II of the Canadian Institute of Chartered Accountants ("CICA") Accounting Handbook - Accounting Standards for Private Enterprises, which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada ("GAAP"). They include the accounts of the Company and its subsidiaries, The Minacs Group (USA) Inc., Minacs Kft., Minacs Ltd., Minacs Worldwide GmbH and Minacs Worldwide, S.A. de C.V., Aditya Birla Minacs BPO Ltd., Compass BPO Inc., Aditya Birla Minacs BPO Private Limited, Bureau of Collection Recovery, LLC ("BCR") and Bureau of Collections Recovery (BCR) Inc. All significant inter-company balances and transactions among these entities have been eliminated on consolidation.

Use of Estimates

The preparation of these consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company derives revenues by providing BPO solutions and consulting arrangements. Payment terms may vary by contract. The Company recognizes revenues at the time services are performed and when the price is fixed or determinable and collection is reasonably assured.

The majority of revenues are recognized based on the billable hours or minutes rendered as defined in the client contract. The rate per billable hour or minute charged is based on a predetermined contractual rate as agreed in the underlying contract. For some contracts, the Company is paid by its customer based on achievement of client-determined criteria specified in the client contract such as full-time equivalents, units processed or completed contacts. The Company recognizes this performance-based revenue by measuring its actual results against the performance criteria specified in the contracts. This contractual rate fluctuates based on the Company's performance against certain predetermined criteria related to quality and performance.

Amounts collected from customers prior to the performance of services are recorded as deferred revenue. These advances are recognized as revenues in accordance with the Company's policy on revenue recognition.

The Company classifies reimbursements received from customers for out-of-pocket expenditures as revenues. The Company incurs out-of-pocket expenditures such as expenses related to travel and telecommunications costs for which customers have agreed to reimburse Minacs. The corresponding cost associated with this revenue is recorded within direct expenses.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets. Computer equipment is amortized over a four-year life. Communications equipment is amortized over five to seven-year lives. Furniture and fixtures are amortized over seven to ten-year lives. Leasehold improvements are amortized over the term of the lease.

Leases

Leases are classified as either capital or operating leases. Leases that substantially transfer all of the benefits and risks of ownership of property to the Company are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as property, plant and equipment. Rental payments under operating leases are expensed as incurred.

Business Combinations, Goodwill and Intangible Assets

The Company follows the guidance in the CICA Handbook Section 1582, Business Combinations, which requires all business combinations to be accounted for using the purchase method. In addition, any goodwill and intangible assets acquired in a

business combination are accounted for under CICA Handbook Section 3064, Goodwill and Intangible Assets. This section requires that goodwill not be amortized, while identified intangible assets with finite useful lives be amortized over their useful lives.

Intangible assets with finite useful lives acquired through business combinations are recorded at their fair value at the date of acquisition. Amortization of intangible assets, other than computer software, is provided on a straight-line basis over ten years. Computer software is amortized over four to five-year lives.

Asset impairment

a. Long-lived amortizing assets

Property, plant and equipment, assets under capital leases, and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a writedown of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

b. Goodwill

Goodwill is not amortized but is instead tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the reporting unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognized, up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed.

c. Financial assets measured at cost and amortized cost

When there are indications of possible impairment, the Company determines if there has been a significant adverse change to the expected timing or amounts of future cash flows expected from the financial asset. The amount of any impairment loss is determined by comparing the carrying amount of the financial asset with the highest of three amounts:

- i. The present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset;
- ii. The amount that could be realized by selling the asset at the date of the consolidated balance sheets; and,
- iii. The amount expected to be realized by exercising its rights to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

Reversals are permitted, but the adjusted carrying amount of the financial asset shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using substantively enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce future tax assets to the estimated amount that is more likely than not to be realized.

Government Assistance

Government assistance towards current expenses is included in the determination of income for the year as a reduction of the expenses to which it relates. The Company has made a number of estimates and assumptions in determining the amount eligible for government assistance. It is possible that the allowed amount of assistance could be materially different from the recorded amount upon assessment by the respective government agency.

Hedging and derivatives

a. Hedge accounting

The Company periodically uses forward contracts to economically hedge the impacts of foreign currency changes in anticipated transactions denominated in foreign currencies. When both are at the inception of a hedging relationship and throughout its term, the Company has reasonable assurance that it is probable that the anticipated transaction will occur at the time and in the amount designated, the Company may choose to designate that hedge accounting will be applied. The Company then formally documents the hedging relationship, identifying the hedged item, the related hedging item, the nature of the specific risk exposure or exposures being hedged and the intended term of the hedging relationship. Forward contracts in qualifying hedging relationships are not recognized until their maturity. When hedging anticipated transactions denominated in foreign currencies, the

ADITYA BIRLA MINACS WORLDWIDE INC., CANADA

anticipated transaction is recognized at the amount of consideration paid or received when it occurs. The gain or loss on the forward contract is recorded as an adjustment to the carrying amount of the hedged item or, when the hedged item is recognized directly in net income, the gain or loss on the forward contract is included in the same category of net income.

Hedge accounting may not be electively discontinued. If the forward contract is discontinued, any gain or loss is recognized as a separate component of equity until the anticipated transaction occurs, at which point it is removed from equity and recorded in net income. When it is no longer probable that the anticipated transaction will occur in the amount designated or within two weeks of the maturity date of the hedging item, the forward contract is measured at fair value and any gain or loss is recognized in net income.

b. Derivatives

Derivatives which are not part of a qualifying hedging relationship are initially recorded at fair value. Changes in fair value are recognized in net income; transaction costs to acquire or dispose of these instruments are recognized in net income in the period during which they are incurred.

Foreign Currency Translation

Foreign operations are considered to be self-sustaining and are translated into Canadian dollars using the current rate method. Assets and liabilities are translated using the exchange rate in effect at the consolidated balance sheet dates and revenues and expenses are translated at the average rate for the month in which the transaction is recorded. Exchange gains or losses on translation of the Company's investments in these subsidiaries are recorded in shareholder's equity.

Research and Development

Research costs are expensed as incurred. Development costs that meet specific criteria related to technical, market and financial feasibility are capitalized and amortized over the useful life of the technology when put into use.

Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction cost and financing fees are amortized over the term of the loan.

3 Sale of Aditya Birla Minacs BPO Private Ltd.

On March 1, 2013, the shares of Aditya Birla Minacs BPO Private Limited were sold to Aditya Birla Minacs Worldwide Limited, India by Aditya Birla Minacs BPO UK Limited, a wholly owned subsidiary of the Company. Under ASPE, due to lack of substantive change in ownership interests, the acquirer will be required to record the acquired assets and liabilities at their carrying amounts and any impact or changes would be recorded through retained earnings. The Company will be required to remove the earnings, assets and liabilities of Aditya Birla Minacs BPO Private Limited for the entire period in which the transfer occurred and for all periods since acquisition of the entity by the Company. The impact of this transaction on the opening deficit of the Company was \$136,000 at April 1, 2011. The balance sheet as at March 31, 2012 has been restated to incorporate this disposition. The sale of the shares has been recorded as follows:

Acquisitions	CAD\$	INR/Cr
Investment in Aditya Birla Minacs BPO Private Limited	\$392,741	2,096.76
Amount received from Aditya Birla Minacs Worldwide Limited - India	\$304,204	1,624.08
Excess of investment over amount received	\$88,537	472.68

4 OTHER RECEIVABLES

Other receivables consist of:

	31-Mar-13 CAD\$ '000	31-Mar-13 INR/Cr	31-Mar-12 CAD\$ '000	31-Mar-12 INR/Cr
Tax credits recoverable (Note 8(a))	\$12,967	69.23	\$17,356	88.65
Due from AV Transworks Limited Canada (Note 10)	—	—	5,402	27.59
Due from AV Transworks Limited Canada (Note 10)	\$29,943	159.86	24,543	125.37
Due from Aditya Birla Minacs Worldwide Ltd. (Note 10)	\$1,996	10.66	—	—
Due from Aditya Birla Minacs Philippines Inc. (Note 10)	\$454	2.42	3,424	17.49
Other receivable	\$111	0.59	1,441	7.36
Balance, end of year	\$45,471	242.76	\$52,166	266.46

The \$29,943,000 loan to AV Transworks Limited Canada is unsecured, non-interest bearing, and is payable on demand.

The \$1,996,000 receivable from Aditya Birla Minacs Worldwide Ltd. is unsecured, non-interest bearing, and is payable on demand.

The \$454,000 receivable from Aditya Birla Minacs Philippines Inc. is unsecured, non-interest bearing, and is payable on demand.

5 PROPERTY, PLANT AND EQUIPMENT

	CAD\$ '000	CAD\$ '000	INR/Cr	INR/Cr	CAD\$ '000	CAD\$ '000	INR/Cr	INR/Cr
	31-Mar-13		31-Mar-13		31-Mar-12		31-Mar-12	
	Accumulated Cost	Depreci- ation	Accumulated Cost	Depreci- ation	Accumulated Cost	Accumulated Depreci- ation	Accumulated Cost	Accumulated Depreci- ation
Computer equipment	\$16,907	(\$11,352)	90.26	(60.61)	17,465	(11,329)	89.21	(57.87)
Communications equipment	4,388	(\$2,329)	23.43	(12.43)	6,725	(3,949)	34.35	(20.17)
Furniture and fixtures	12,430	(\$7,046)	66.36	(37.62)	15,507	(9,829)	79.21	(50.21)
Leasehold improvements	17,135	(\$11,290)	91.48	(60.27)	19,371	(12,053)	98.95	(61.57)
	50,860	(32,017)	271.53	(170.93)	59,068	(37,160)	301.72	(189.81)
Less: accumulated depreciation	(\$32,017)		(170.93)		(37,160)		(189.81)	
	18,843		100.60		21,908		111.91	

Included in these figures are assets under capital leases as follows

	CAD\$ '000 31-Mar-13	INR/Cr 31-Mar-13	CAD\$ '000 31-Mar-12	INR/Cr 31-Mar-12
Cost	0	0.00	0	0.00
Less: accumulated depreciation	0	0.00	0	0.00
Net book value	0	0.00	0	0.00

6 INTANGIBLE ASSETS

Intangible assets consist of:

	CAD\$ '000	CAD\$ '000	INR/Cr	INR/Cr	CAD\$ '000	CAD\$ '000	INR/Cr	INR/Cr
	31-Mar-13		31-Mar-13		31-Mar-12		31-Mar-12	
	Accumulated Cost	Amorti- zation	Accumulated Cost	Amorti- zation	Accumulated Cost	Accumulated Amorti- zation	Accumulated Cost	Accumulated Amorti- zation
Computer software	21,416	(11,069)	114.34	(59.09)	15,484	(9,115)	79.09	(46.56)
Deferred Development	8,337	-	44.51	-	4,653	-	23.77	-
Customer relationships	12,273	(5,834)	65.52	(31.15)	12,273	(2,354)	62.69	(12.02)
Other	2,929	(2,733)	15.64	(14.59)	2,850	(1,907)	14.56	(9.74)
Foreign currency translation adjustment	53	(52)	0.28	(0.28)	79	(27)	0.40	(0.14)
	45,008	(19,688)	240.29	(105.11)	35,339	(13,403)	180.51	(68.46)
Less: accumulated depreciation	(19,688)		(105.11)		(13,403)		(68.46)	
	25,320		135.18		21,936		112.05	

Included in these figures are intangible assets under capital leases as follows:

	CAD\$ '000 31-Mar-13	INR/Cr 31-Mar-13	CAD\$ '000 31-Mar-12	INR/Cr 31-Mar-12
Cost	0	0.00	0	0.00
Less: accumulated amortization	0	0.00	0	0.00
Net book value	0	0.00	0	0.00

During the year, certain intangible assets previously amortized over a period of ten years were revised to four years based upon new information which caused the change in accounting estimate. The change in accounting estimate resulted in the increase of amortization expense for the year ended March 31, 2013 by \$2,252,000.

7 GOODWILL

Goodwill consists of:

	CAD\$ '000 31-Mar-13	INR/Cr 31-Mar-13	CAD\$ '000 31-Mar-12	INR/Cr 31-Mar-12
Balance, beginning of year	17,355	92.65	17,165	87.68
Foreign currency translation adjustment	36	0.19	190	0.97
Balance, end of year	17,391	92.85	17,355	88.65

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8 DEFERRED GRANT AND GOVERNMENT ASSISTANCE

- (a) In fiscal 2009, the Company became eligible to receive funding from the Ontario Apprenticeship Program. For the year ended March 31, 2013, the Company recorded \$12,630,000 (INR 68.54Cr) (2012: \$17,640,000) (INR 85.61Cr) as a reduction of direct expenses and selling, general and administrative expenses for these grants. As at March 31, 2013, the Company has recorded \$12,967,000 (INR 69.23 Cr) (2012: \$17,356,000) (INR 88.65 Cr) as part of other receivables.
- (a) In fiscal 2013, the Company also received payroll rebates from the Province of New Brunswick if certain incremental wage growth is achieved within the province. As at March 31, 2013, the Company has recorded \$128,000 as a payroll rebate receivable which is included in other receivables. During the year ended March 31, 2013, the Company recorded \$230,000 in rebates as a reduction of direct expenses. As part of this agreement, the Company was eligible to receive contributions towards the acquisition of capital related to this new program. During the year ended March 31, 2013 the Company received \$183,000 which has been applied to reduce the cost of capital equipment.

9 LONG-TERM DEBT

	CAD\$'000 31-Mar-13	INR/Cr 31-Mar-13	CAD\$'000 31-Mar-12	INR/Cr 31-Mar-12
Senior revolving facility from Bank of America	29,785	159.02	34,768	177.59
Loan from Bank of America	—	—	23,000	117.48
Loan from Australia and New Zealand Banking Group Limited ("ANZ")	17,681	94.39	19,789	101.08
Loan from DBS Bank Ltd. ("DBS")	39,597	211.40	48,360	247.02
Loan from AV Transworks Limited Canada (Note 11)	25,000	133.47	0	0.00
	112,063	598.28	125,917	643.18
Less: current portion	(68,535)	(365.89)	(68,898)	(351.93)
	43,528	232.39	57,019	291.25

Senior Revolving Facility - Bank of America

This facility bears interest at a fixed margin over bank prime, bankers' acceptance or LIBOR rates. The total commitment available under the senior revolving facility is \$50,000,000, subject to certain borrowing base calculations and certain other restrictive covenants. The facility is a 365-day facility and, as collateral, the Company has given a first charge over its accounts receivable. In addition, this facility is guaranteed by Aditya Birla Nuvo Limited.

Loan from ANZ

This loan bears interest at a fixed margin over LIBOR rates. Repayment started in December 2012 with subsequent payments every six months until final payment in June 2016. Deferred financing charges are being amortized over the term of the loan and are included within long-term debt. This loan is unsecured and is guaranteed by Aditya Birla Nuvo Limited.

Loan from DBS

This loan bears interest at a fixed margin over LIBOR rates. Repayment started in August 2012 with subsequent payments every six months until final payment in August 2017. Deferred financing charges are being amortized over the term of the loan and are included within long-term debt. This loan is unsecured and is guaranteed by Aditya Birla Nuvo Limited.

Loan from Bank of Nova Scotia

This loan bears interest at a fixed margin over bankers' acceptance fee rates. Repayment is due on February 28, 2014. This loan is unsecured and is guaranteed by Aditya Birla Nuvo Limited.

Interest rate

The weighted average interest rate on borrowings at March 31, 2013 was 2.65% (2012: 2.075%).

Interest and financing expenses are comprised of the following amounts:

	CAD\$'000 2013	INR/Cr 2013	CAD\$'000 2012	INR/Cr 2012
Interest expense on loans from Parent Company	—	—	\$176	0.85
Interest expense on long-term debt	3,957	21.47	2,883	13.99
Other interest expense (income)	(161)	(0.87)	(153)	(0.74)
Total interest and financing expenses	3,796	20.60	2,906	14.10

10 Related party transactions

Transactions with the Aditya Birla Nuvo Limited group of companies are as follows:

	CAD\$'000 31-Mar-13	INR/Cr 31-Mar-13	CAD\$'000 31-Mar-12	INR/Cr 31-Mar-12
Interest charged on long term debt	—	—	\$176	0.85
Reimbursable expenses in statement of operations and deficit	\$10,922	59.27	\$9,852	47.81
Capitalised in the consolidated balance sheet under deferred development costs and intangibles	\$2,059	11.17	619.00	3.16
Short-term debt (Note 10)	—	—	—	—
Due from AV Transworks Limited Canada (Note 4)	—	—	5,402.00	27.59
Due from AV Transworks Limited Canada (Note 4)	\$29,943	162.50	24,543.00	125.37
Due from Aditya Birla Minacs Worldwide Ltd (Note 4)	\$1,996	10.83	—	—
Due from Aditya Birla Minacs Philippines Inc. (Note 4)	\$454	2.46	3,424.00	17.49
Net amount due to related parties in respect of accrued interest and reimbursable expenses	\$219	\$1.17	(1,797)	(9.18)

These transactions are measured at the exchange amounts of consideration established and agreed to by the related parties.

11 COMMITMENTS AND CONTINGENCIES

Commitments

The Company has operating leases for its premises, furniture and fixtures and certain computer and communications equipment, as well as minimum purchase commitments for telephone services. The minimum annual payments for the next five years and thereafter are as follows:

	CAD\$'000	INR/Cr
2014	14,058	75.05
2015	8,352	44.59
2016	4,844	25.86
2017	4,000	21.36
2018	2,084	11.13
Thereafter	794	4.24
Total commitments	\$34,132	182.22

Contingent Liabilities

On May 17, 2006, the former major shareholder and founder of the Company, Elaine Minacs, died. The major shareholder of the Company then became the Estate of Elaine Minacs (the "Estate") together with certain entities controlled by it (the "EM Shareholders") until August 18, 2006, when AV Transworks Limited Canada acquired the shares of the Estate and the EM Shareholders.

The Company is the owner of a \$350,000 (INR 1.61 Cr) whole life insurance policy and a \$2,000,000 (INR 9.2 Cr) term life insurance policy insuring the life of Elaine Minacs. The term life policy is a key-man policy, originally required by the Company's previous lenders. The beneficiary of the policies when they were originally acquired was the Company. During 2005, the beneficiary of the whole life insurance policy was changed at the direction of Elaine Minacs. Also during 2005, the beneficiary of the term life insurance policy was changed to family members related to Elaine Minacs at the direction of Elaine Minacs. In fiscal 2007, management changed the beneficiary back to the Company. A legal proceeding has been commenced by the Estate against the Company claiming \$5,000,000 (INR 23 Cr) in damages stating that the change in beneficiary was in breach of Elaine Minacs' employment agreement. Proceeds of \$350,000 (INR 1.61 Cr) were paid into escrow pursuant to an escrow agreement with the Estate. The proceeds of \$2,000,000 (INR 9.2 Cr) were paid by the underwriter to the court to be held in trust. The Company has filed a defense and counterclaim to the initial Estate claim in August 2007 for the proceeds of the life insurance policies and damages of \$500,000 (INR 2.3 Cr). A second claim for damages of \$500,000 (INR 2.3 Cr) and for punitive damages of \$100,000 (INR 0.46 Cr) was commenced by the Estate in December 2007 stating the Company was in breach of contract related to an employment agreement. Management has not accrued a contingent liability for the claims made by the Estate because they believe that the claims have no merit and the outcome of the proceeding is not determinable.

During the ordinary course of business activities, in addition to the above, the Company may be a party to claims and may be contingently liable

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for litigation. Management believes that adequate provisions have been made in the accounts where required. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse effect on the consolidated financial position of the Company.

Guarantees

At March 31, 2013, the Company had \$600,000 (INR 3.20 Cr) (2012: \$600,000) (INR 3.06 Cr) of outstanding letters of credit to secure customer performance guarantees.

12 RESTRUCTURING AND OTHER CHARGES

In fiscal 2013, the Company terminated a number of employees and performed some due diligence reviews. Total severance payments and other charges of \$1,075,000 (INR 5.74 Cr) (2012: \$2,794,000) (INR 14.27 Cr) have been charged to restructuring and other charges.

In fiscal 2012, the Company approved a plan to close the remaining space at its Halifax, Nova Scotia site. The costs recorded in restructuring relating to lease exit costs and asset impairment in fiscal 2012 are \$3,816,000 (INR 18.52 Cr) (2011: \$nil). In fiscal 2013 the Company entered into a sublease agreement for part of the facilities in Halifax. The lease exit costs have been credited by \$370,000 (INR 1.98 Cr) to reflect the reversal of the provision previously recorded pertaining to the remaining lease payments.

The Company is exercising its ability to terminate the lease in Port Hawkesbury, Nova Scotia early after giving sufficient notice to the landlord. This has resulted in a reduction of restructuring provision previously recorded of \$135,000.

The details of severance expenses, impaired assets, lease exit costs for the balance of the remaining lease periods and the credits against lease exit liabilities are given below:

	CAD\$'000 2013	INR/Cr 2013	CAD\$'000 2012	INR/Cr 2012
Lease exit costs	(505)	(2.74)	3,500	16.98
Write down of property, plant and equipment	—	—	316	1.53
Severance and other items	1,075	5.83	2,794	13.56
Restructuring and other charges	570	3.09	6,610	32.08

A reconciliation of beginning and ending accounts payable and accrued liabilities with respect to the restructuring and other charges is as follows:

	CAD\$'000 31-Mar-12	CAD\$'000 Charges Incurred	CAD\$'000 CAD\$'000 Paid	CAD\$'000 31-Mar-13	INR/Cr 31-Mar-12	INR/Cr Charges Incurred	INR/Cr INR/Cr Paid	INR/Cr 31-Mar-13
Lease exit costs	\$4,031	\$(505.00)	(1,938)	\$1,588	20.59	(2.74)	(10.52)	8.48
Severance & other	987	\$1,075	(1,810)	\$252	5.04	5.83	(9.82)	1.35
Accounts payable and accrued liabilities relating to restructuring and other charges	\$5,018	\$570	\$(3,748)	\$1,840	25.63	3.09	(20.34)	9.82

Long-term accrued liabilities relating to operating leases relate to tenant inducements and free-rent liabilities.

13 INCOME TAX

The reconciliation of income tax at the statutory income tax rate to the effective income tax recorded in the consolidated statement of operations is as follows:

(thousands of dollars)

	31-Mar-13	31-Mar-12
Income before income taxes	13,494	18,246
Statutory income tax at 27.3% [2012 - 28.1%]	3,690	5,127
Utilization of losses not benefited previously	—	(5,028)
Decrease in valuation allowance resulting from unrealized gains in accumulated other comprehensive loss	(3,336)	(5,498)
US state tax expense (recovery)	(4)	356
Income tax rate changes	(407)	(472)
Other	321	(111)
Income tax provision (recovery)	264	(5,626)

Future tax assets consist of the following temporary differences:

	CAD\$'000 2013	INR/Cr 2013	CAD\$'000 2012	INR/Cr 2012
Operating losses carried forward	9,355	49.94	11,309	57.77
Accounts payable and accrued liabilities	1,453	7.76	2,179	11.13
Property, plant and equipment	—	—	20	0.10
Intangible assets	2,220	11.85	—	—
Other	284	1.52	1,796	9.17
	13,312	71.07	15,304	78.17
Valuation allowance	(3,258)	(17.39)	(6,753)	(34.49)
Less: current portion	(2,394)	(12.78)	(3,973)	(20.29)
	7,660	40.90	4,578	23.38

Future tax liabilities consist of the following temporary differences:

	CAD\$'000 2013	INR/Cr 2013	CAD\$'000 2012	INR/Cr 2012
Property, plant and equipment	\$2,419	12.91	\$2,468	12.61
Intangible assets	5,041	26.91	3,341	17.07
	\$7,460	39.83	\$5,809	29.67

The net future tax assets (liabilities) are presented on the consolidated balance sheets in the following categories:

(thousands of dollars)

	CAD\$'000 2013	INR/Cr 2013	CAD\$'000 2012	INR/Cr 2012
Current future tax assets	\$2,394	12.78	\$3,973	20.29
Long-term future tax assets	3,327	17.76	2,728	13.93
Long-term future tax liabilities	(3,127)	(16.69)	(3,959)	(20.22)
	\$2,594	13.85	\$2,742	14.01

Expiry of Losses

As at March 31, 2013, the Company has non-capital losses of approximately \$34,362,000 (INR 183.45 Cr) available to reduce future years' income for tax purposes. If not utilized, these losses will expire as follows:

	CAD\$'000	INR/Cr
2028	12,404	66.22
2029	19,445	103.81
2030	1,350	7.21
2031	344	1.84
2032	819	4.37
	34,362	183.45

14 SUPPLEMENTAL CASH FLOW INFORMATION

Adjustments to reconcile net income (loss) to cash flows provided by operating activities include:

	CAD\$'000 Year ended March 31 2013	INR/Cr 2013	CAD\$'000 Year ended March 31 2012	INR/Cr 2012
Depreciation and amortization	15,562	83.08	12,188	62.26
Write-down of property, plant and equipment	12	0.06	316	1.61
Restructuring recovery	—	—	—	—
Future income taxes	348	1.86	(5,723)	(29.23)
Amortization of deferred grant and government assistance	—	—	(858)	(4.38)
Amortization of Deferred financing	277	1.48	185	0.94
Loss on sale of property, plant and equipment	—	—	—	—
Total adjustments to reconcile net income (loss) to cash provided by operating activities	16,199	86.48	6,108	31.20

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The net change in non-cash working capital balances related to operations include:

	CAD\$ '000		INR/Cr	
	Year ended March 31 2013	March 31 2013	CAD\$'000 Year ended March 31 2012	INR/Cr Year ended March 31 2012
Accounts receivable and unbilled revenues	6,839	36.51	(3,744)	(19.12)
Prepaid expenses	395	2.11	2,617	13.37
Income taxes recoverable (payable)	(338)	(1.80)	65	0.33
Accounts payable and accrued liabilities	(1,351)	(7.21)	(5,155)	(26.33)
Total net change in non-cash working capital balances related to operations	5,545	29.60	(6,217)	(31.76)

Cash interest and income taxes paid are as follows:

	CAD\$ '000		INR/Cr	
	Year ended March 31 2013	March 31 2013	CAD\$'000 Year ended March 31 2012	INR/Cr Year ended March 31 2012
Interest	4,107	21.93	\$3,158	16.13
Income taxes	305	1.63	\$515	2.63

15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

The fair value of financial instruments, which include cash, accounts receivable and unbilled revenue, other receivables, income taxes recoverable, accounts payable and accrued liabilities, long-term debt, income and other taxes payable, and obligations under capital leases, approximates their carrying value due to their short-term nature and/or variable interest rates.

Other financial instruments are long-term in nature, which include long-term receivables, accrued liabilities relating to operating leases and deferred grant and government assistance, and due to their nature are measured at amortized cost, which approximates their fair value.

Risk Management

The Company's activities expose it to a variety of financial risks, including market risk (comprised of foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not purchase any derivative financial instruments for speculative purposes.

Risk management is the responsibility of the corporate finance function. Material risks are monitored and are regularly discussed with the Audit Committee of the Board of Directors.

Foreign Currency Risk

The Company has significant operations in Canada and the United States. The Company's activities result in exposure to fluctuations in foreign currency exchange rates due to sale and purchase transactions in a foreign currency. Increases or decreases in these rates could impact the Company's net income.

As at March 31, 2013, the Company purchased financial instruments to hedge its foreign currency exposure as follows:

(Dollars in thousands)

Financial Instrument	Notional Amount in USD	Average Rate to CAD	Term	INR/Cr	
				31-Mar-13 Fair Market Value Gain	31-Mar-13 Fair Market Value Gain
USD forward foreign exchange rate contracts to hedge sales	74,225	1.0096	April 2013- March 2014	\$(1,056)	(5.64)

Included in revenues is a gain from foreign exchange hedging contracts amounting to \$784,000 (INR 4.19 Cr) for the year ended March 31, 2013 (2012: \$6,789,000) (INR 34.68 Cr). Included in selling, general and administrative expenses is a gain from foreign exchange hedging contracts amounting to \$117,000 (INR 0.62 Cr) for the year ended March 31, 2013 (2012: \$884,000) (INR 4.52 Cr). At March 31, 2013, all contracts were designated as hedges for accounting purposes.

During the year ended March 31, 2013, a substantial portion of the Company's income was earned outside of Canada in currencies other than the Canadian dollar. Increases in the value of the Canadian dollar can reduce net income and declines can result in increased net income. Based on the income, a +/- 1% change in the United States dollar would, everything else being equal, have had the following effect on the Company's reported net income for the year ended March 31, 2013:

	Average exchange rate	CAD Increase / decrease of 1%	INR/Cr Increase / decrease of 1%
United States dollar	0.98935	\$638,000	3.46

The table below presents the percentages of the Company's accounts receivable, accounts payable and accrued liabilities that are denominated in US dollars:

	March 31, 2013	March 31, 2012
Accounts receivable	8%	10%
Accounts payable & accrued liabilities	1%	2%

During the years ended March 31, 2013 and 2012 the following percentage of revenues and expenses were earned or incurred in US dollars:

	March 31, 2013	March 31, 2012
Revenues	16%	16%

Interest Rate Risk

The objective of the Company's interest rate management activities is to minimize the volatility of the Company's income. The Company's interest rate risk primarily arises from its floating rate debt.

At March 31, 2013, the total long-term debt outstanding was \$112,063,000 (INR 598.28 Cr) which is subject to movements in floating interest rates. A +/- 1% change in interest rates would, everything else being equal, have an effect on the Company's net income for the year ended March 31, 2013 of approximately +/- \$1,392,000 (INR 7.43 Cr).

Credit Risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company derived 34.8% or \$135,000,000 (INR 720.74 Cr) of its revenues from multiple contracts with two groups of clients in the automotive and technology sectors for the year ended March 31, 2013 (2012: 36.9% or \$134,711,000).

As at March 31, 2013, multiple contracts with two clients represented 36.2% (2012: 41.82%) of the accounts receivable balance.

The following table sets out details of the aging of accounts receivable that are outstanding and the related allowance for doubtful accounts:

	March 31, 2013
(thousands of dollars)	
Current	\$37,183
31-60 days	28,872
61-90 days	5,266
Over 90 days	533
Less: allowance for doubtful accounts	(91)
Total accounts receivable and unbilled revenue, net	\$71,763

Included in accounts receivable and unbilled revenue as at March 31, 2013 are unbilled revenues of \$30,845,000 (2012: \$25,816,000).

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of operations and deficit within expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited against expenses in the consolidated statement of operations and deficit.

(thousands of dollars)

Allowance for doubtful accounts, March 31, 2012	\$93
Provisions	121
Write-offs	(119)
Foreign currency translation adjustment	(4)
Allowance for doubtful accounts, March 31, 2013	\$91

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and through the availability of funding from committed credit facilities. As at March 31, 2013, the Company was holding cash of \$6,728,000 (INR 35.92 Cr).

16 COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

THE MINACS GROUP (USA) Inc.

Notes to Financial Statements March 31, 2013

1 NATURE OF BUSINESS

The Minacs Group (USA) Inc. (the "Company" or "Minacs USA") is a provider of business process outsourcing ("BPO") solutions. These incorporate contact centre solutions, integrated marketing services and back office administration. Minacs USA is a subsidiary of Minacs Worldwide Inc. ("Minacs").

2 SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Revenue Recognition

The Company derives revenues through the provision of direct resources to its customers and consulting arrangements. Payment terms may vary by contract. The Company recognizes revenues at the time services are performed and when the price is fixed or determinable and collection is reasonably assured.

The majority of revenues are recognized based on the billable hours or minutes rendered as defined in the client contract. The rate per billable hour or minute charged is based on a predetermined contractual rate as agreed in the underlying contract. This contractual rate fluctuates based on the Company's performance against certain predetermined criteria related to quality and performance. Some clients are entitled to penalties when the Company is not in compliance with certain obligations as defined in the client contract. Such penalties are recorded as a reduction of revenues as incurred based on a measurement of the Company's obligation under the terms of the client contract.

For some contracts the Company is paid by its customer based on achievement of certain level of revenues or other client-determined criteria specified in the client contract such as full time equivalents, units processed or completed contacts. The Company recognizes this performance-based revenue by measuring its actual results against the performance criteria specified in the contracts.

Amounts collected from customers prior to the performance of services are recorded as deferred revenue.

These advances are amortized to revenues in accordance with the Company's policy on revenue recognition.

The Company classifies reimbursements received from customers for out-of-pocket expenditures as revenues. The Company incurs out-of-pocket expenditures such as expenses related to travel, postage and telecommunications costs for which customers have agreed to reimburse Minacs USA. The corresponding cost associated with this revenue is recorded within direct expenses. Some customers agree to reimburse the Company for initial training and recruiting costs over a specified period of time. The revenue for these costs is recorded over the period of time stipulated within the contract with a corresponding cost recorded within direct expenses.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided from the first day of the month following the date the assets are placed into service, on a straight-line basis. Computer software is depreciated over four to five-year lives. Computer equipment is depreciated over a four-year life. Communications equipment is depreciated over five to seven-year lives. Furniture and fixtures are depreciated over seven to ten-year lives. Leasehold improvements are depreciated over the term of the lease.

Goodwill

Goodwill is not amortized and is tested for impairment on an annual basis. Such evaluation determines any impairment in value, taking into account the ability to recover the carrying amount of goodwill from discounted cash flows. The Company also considers projected future operating results, trends, and other circumstances in making such evaluations.

In addition to the annual impairment test, the Company will perform an impairment test if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

Intangibles

The Company allocates value to intangible assets acquired relating to customer and supplier contracts, proprietary processes, and certain business relationships. Amortization of intangibles is provided on a straight-line basis over 10 years.

Impairment of Long-lived Assets

The Company reviews its long-lived assets such as property, plant and equipment and intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When indicators of impairment of the carrying value of the asset exist, and the carrying value is greater than the net recoverable value (as determined on an undiscounted basis), an impairment loss is recognized to the extent that the fair value (measured as the discounted cash flows over the remaining life of the asset when quoted market values are not readily available) is below the carrying value.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using substantively enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce future income tax assets to the estimated amount that is more likely than not to be realized.

Foreign Exchange Translation

Assets and liabilities are translated using the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the average rate of the month the transaction is recorded.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash and short-term deposits having an initial maturity of three months or less.

	As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr
3. Share Capital				
Common shares	\$100	0.00	\$100	0.00
Contributed surplus	\$301,940	1.64	\$301,940	1.57
	<u>\$302,040</u>	<u>1.64</u>	<u>\$302,040</u>	<u>1.57</u>
The Company is authorized to issue an unlimited number of common shares.				
4. Debt				
Loan from Parent Company	\$20,671,369	112.43	\$20,607,480	106.85
	<u>\$20,671,369</u>	<u>112.43</u>	<u>\$20,607,480</u>	<u>106.85</u>
5. Short Term Debts from Bank				
	\$17,500,000	95.18	20,000,000	103.70
	<u>\$17,500,000</u>	<u>95.18</u>	<u>20,000,000</u>	<u>103.70</u>

THE MINACS GROUP (USA) Inc.

PROPERTY, PLANT AND EQUIPMENT								
	As At 31st March, 2013				As At 31st March, 2012			
	Gross Cost In US \$	Accumulated Depreciation In US \$	Gross Cost In INR/Cr	Accumulated Depreciation In INR/Cr	Gross Cost In US \$	Accumulated Depreciation In US \$	Gross Cost In INR/Cr	Accumulated Depreciation In INR/Cr
Computer software	-	-	-	-	-	-	-	-
Computer & Office equipment	8,002,221	(4,957,232.7)	43.52	(26.96)	7,300,794	(4,185,379.5)	37.85	(21.70)
Communications equipment	617,634	(193,175.0)	3.36	(1.05)	472,250	(116,446.8)	2.45	(0.60)
Furniture and fixtures	1,635,443	(1,124,204.2)	8.90	(6.11)	1,642,495	(952,994.3)	8.52	(4.94)
Electricals and Fittings	707,155	(76,310.5)	3.85	(0.42)	-	-	-	-
Leasehold improvements	2,650,802	(2,079,666.8)	14.42	(11.31)	2,624,465	(1,776,735.9)	13.61	(9.21)
	<u>13,613,255</u>	<u>(8,430,589.2)</u>	<u>74.04</u>	<u>(45.85)</u>	<u>12,040,003</u>	<u>(7,031,556.5)</u>	<u>62.43</u>	<u>(36.46)</u>
Less: accumulated depreciation	(8,430,589)	-	(45.85)	-	(7,031,556)	-	(36.46)	-
	<u>5,182,666</u>	-	<u>28.19</u>	-	<u>5,008,446</u>	-	<u>25.97</u>	-
Note : Computer Software has been included in Intangibles in FY12 & FY13								
Conversion rates for US\$ to INR			54.39				51.85	
The assets under capital leases are held as security for the capital lease obligations. Included within depreciation and amortization is \$nil relating to assets under capital leases.								
6. INTANGIBLES including Softwares								
	As At March 31, 2013		As At March 31, 2012		As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr
Cost	\$17,039,765	92.68	\$10,620,841	55.07				
Less: accumulated depreciation	<u>(\$8,804,686)</u>	<u>(47.89)</u>	<u>(4,999,850)</u>	<u>(25.92)</u>				
Net book value	<u>\$8,235,079</u>	<u>44.79</u>	<u>\$5,620,991</u>	<u>29.14</u>				
7. GOODWILL								
Balance, beginning of period	\$1,900,000	10.33	\$1,900,000	9.85				
Foreign currency translation adjustment	-	-	-	-				
Balance, end of period	<u>\$1,900,000</u>	<u>10.33</u>	<u>\$1,900,000</u>	<u>9.85</u>				
8. Future Income Taxes								
Accounts payable and accrued liabilities	\$13,483	0.07	854,391	4.43				
Other	<u>\$961,872</u>	<u>5.23</u>	<u>821,000</u>	<u>4.26</u>				
	<u>\$975,355</u>	<u>5.30</u>	<u>\$1,675,391</u>	<u>8.69</u>				
Valuation allowance	-	-	-	-				
Less: current portion	<u>(\$0)</u>	<u>(0.00)</u>	<u>(1,083,406)</u>	<u>(5.62)</u>				
	<u>\$975,355</u>	<u>5.30</u>	<u>\$591,984</u>	<u>3.07</u>				
Future tax liabilities consist of the following temporary differences								
Property, plant and equipment	(\$1,835,864)	(9.99)	(1,629,515)	(8.45)				
Other assets	<u>(\$2,703,037)</u>	<u>(14.70)</u>	<u>(2,195,373)</u>	<u>(11.38)</u>				
	<u>(\$4,538,901)</u>	<u>(24.69)</u>	<u>(3,824,888)</u>	<u>(19.83)</u>				
9. Commitments and Contingencies								
<i>Commitments</i>								
The Company has operating leases for its premises, furniture and fixtures and certain computer and communications equipment as well as minimum purchase commitments for telephone services. The minimum annual payments for the next five years and thereafter are as follows:								
	As At March 31, 2013		As At March 31, 2012		As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr
2014	\$2,757,021	15.00	723,383	3.75				
2015	\$1,002,646	5.45	86,540	0.45				
2016	\$362,891	1.97	-	-				
2017	\$234,518	1.28	-	-				
Thereafter	-	-	-	-				
Total commitments	<u>\$4,357,076</u>	<u>23.70</u>	<u>\$3,372,588</u>	<u>17.49</u>				
10. RELATED PARTY TRANSACTIONS								
	As At March 31, 2013		As At March 31, 2012		As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr
Management fees charged by Minacs Worldwide Inc	\$8,361,000	45.52	\$6,672,000	34.13				
Interest charged by Minacs Worldwide Inc	\$882,665	4.81	\$915,203	4.68				
Interest charged to IT Services	(\$267,568)	(1.46)	(468,400)	(2.40)				
Reimbursable expenses - Aditya Birla Minacs Worldwide Ltd	<u>\$321,162</u>	<u>1.75</u>	<u>\$202,923</u>	<u>1.04</u>				
These transactions are measured at the exchange amounts of consideration established and agreed to by the related parties.								
11. INTEREST AND FINANCING EXPENSES								
Interest and financing expenses are comprised of the following amounts:								
	As At March 31, 2013		As At March 31, 2012		As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr	US \$	INR/Cr
Interest expense on long-term debt	882,665	4.81	915,203	4.68				
Interest expense on obligations under capital leases	-	-	-	-				
Bank Loan Interest	382,616	2.08	385,197	1.97				
Other interest expense (income)	9,214	0.05	34,441	0.18				
Interest expense	<u>\$1,274,495</u>	<u>6.94</u>	<u>\$1,334,841</u>	<u>6.83</u>				
Amortization of deferred finance charges	63,889	0.35	38,889	0.20				
Bank charges	72,853	0.40	62,951	0.32				
Foreign exchange loss (gain)	5,160	0.03	(58,016)	(0.30)				
Total	<u>\$1,416,397</u>	<u>7.71</u>	<u>\$1,378,665</u>	<u>7.05</u>				

MINACS GROUP (USA) Inc.

Consolidated Balance Sheet (Unaudited in US\$)

	As At		As At	
	March 31, 2013		March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr
SOURCES OF FUNDS				
I Shareholders' fund				
1. Share capital	\$302,040	1.64	\$302,040	1.57
2. Retained earnings	\$15,039,984	73.16	\$10,533,170	48.99
3. Exchange Fluctuation on Translation	—	8.64	—	5.62
	<u>\$15,342,024</u>	<u>83.44</u>	<u>\$10,835,210</u>	<u>56.18</u>
II Debt				
1. Long-term debt	\$20,671,369	112.43	\$20,607,480	106.85
2. Short-term debt from Banks	\$17,500,000	95.18	\$20,000,000	103.70
Total	<u>\$53,513,393</u>	<u>291.06</u>	<u>\$51,442,690</u>	<u>266.73</u>
APPLICATION OF FUNDS				
I Fixed Assets				
1. Property, plant and equipment, net	\$5,182,666	28.19	\$5,008,446	25.97
2. Deferred Development costs	\$8,206,003	44.63	\$3,151,019	16.34
3. Intangibles	\$8,235,079	44.79	\$5,620,991	29.14
4. Goodwill	\$1,900,000	10.33	\$1,900,000	9.85
	<u>\$23,523,748</u>	<u>127.94</u>	<u>\$15,680,456</u>	<u>81.30</u>
II Investments	\$20,771,428	112.97	18,869,268	97.84
III Current assets				
1. Cash and cash equivalents	\$4,844,925	26.35	\$547,011	2.84
2. Accounts receivable	\$35,730,803	194.34	\$32,423,852	168.12
3. Due from parent company	—	—	—	—
4. Prepaid expenses	\$1,448,913	7.88	\$1,430,450	7.42
5. Income and other taxes receivable	—	—	\$477,958	2.48
6. Future income taxes - Long term	—	—	\$208,666	1.08
7. Future income taxes - Short term	—	—	\$1,083,406	5.62
	<u>\$42,024,641</u>	<u>228.57</u>	<u>\$36,171,343</u>	<u>187.55</u>
Less liabilities				
I Short term				
1. Accounts payable and accrued liabilities	\$26,456,931	143.90	\$14,584,912	75.62
2. Income and other taxes payable	\$1,167,592	6.35	961,205	4.98
	<u>\$27,624,523</u>	<u>150.25</u>	<u>\$15,546,117</u>	<u>80.61</u>
II Long term				
1. Accounts payable and accrued liabilities	\$1,559,663	8.48	\$246,407	1.28
2. Future income taxes	\$3,622,238	19.70	\$3,485,853	18.07
Total liabilities	<u>\$32,806,424</u>	<u>178.43</u>	<u>\$19,278,377</u>	<u>99.96</u>
Net Assets	<u>\$9,218,217</u>	<u>50.14</u>	<u>\$16,892,966</u>	<u>87.59</u>
Total	<u>\$53,513,393</u>	<u>291.06</u>	<u>\$51,442,690</u>	<u>266.73</u>

Notes :

See accompanying notes to the financial statements.

FE Conversion Rate for US\$ to INR as at end of year

54.3893

51.8500

Place: Toronto
Date: April 24, 2013

Deepak J. Patel
Chief Executive Officer

Statement of Operations and Deficit Unaudited in US \$

	31/3/2013	31/3/2013	31/3/2012	31/3/2012
	US \$	INR/Cr	US \$	INR/Cr
Revenues	\$205,105,526	1,116.59	\$167,902,997	858.99
Expenditures				
Direct expenses	\$157,383,853	856.80	\$137,224,961	702.04
Selling, general and administrative expenses	\$25,008,859	136.15	\$14,847,100	75.96
	<u>\$182,392,712</u>	<u>992.95</u>	<u>\$152,072,061</u>	<u>465.56</u>
Earnings before interest, income taxes, depreciation, amortization and restructuring and other charges	\$22,712,814	123.65	\$15,830,936	80.99
Management fee	\$8,361,000	45.52	\$6,672,000	34.13
Restructuring and other charges	\$671,120	3.65	1,122,423	5.74
Interest and financing expenses	\$1,416,397	7.71	\$1,378,665	7.05
Depreciation and amortization	\$5,698,848	31.02	\$4,404,699	22.53
Currency Revaluation Difference	—	—	—	0.37
Provision for (recovery of) income taxes				
Current	\$397,322	2.16	\$212,094	1.09
Future	\$1,661,315	9.04	508,036	2.60
Net income (loss) for the period	\$4,506,813	24.54	\$1,533,019	7.48
Earnings/(Deficit), beginning of period	\$10,533,170	48.63	\$9,000,150	41.15
Retained earnings, end of period	<u>\$15,039,983</u>	<u>73.16</u>	<u>\$10,533,170</u>	<u>48.63</u>

Notes:

See accompanying notes to the financial statements.

Average FE Conversion Rate for US\$ to INR for the Financial year

54.44

51.1600

Place: Toronto
Date: April 24, 2013

Deepak J. Patel
Chief Executive Officer

MINACS GROUP (USA) Inc.

Notes to Financial Statements March 31, 2013

1 NATURE OF BUSINESS

Minacs Group (USA) Inc. (the "Company" or "Minacs USA") is a provider of business process outsourcing ("BPO") solutions. These incorporate contact centre solutions, integrated marketing services and back office administration. Minacs USA is a subsidiary of Minacs Worldwide Inc. ("Minacs").

2 SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Revenue Recognition

The Company derives revenues through the provision of direct resources to its customers and consulting arrangements. Payment terms may vary by contract. The Company recognizes revenues at the time services are performed and when the price is fixed or determinable and collection is reasonably assured.

The majority of revenues are recognized based on the billable hours or minutes rendered as defined in the client contract. The rate per billable hour or minute charged is based on a predetermined contractual rate as agreed in the underlying contract. This contractual rate fluctuates based on the Company's performance against certain predetermined criteria related to quality and performance. Some clients are entitled to penalties when the Company is not in compliance with certain obligations as defined in the client contract. Such penalties are recorded as a reduction of revenues as incurred based on a measurement of the Company's obligation under the terms of the client contract.

For some contracts the Company is paid by its customer based on achievement of certain level of revenues or other client-determined criteria specified in the client contract such as full time equivalents, units processed or completed contacts. The Company recognizes this performance-based revenue by measuring its actual results against the performance criteria specified in the contracts.

Amounts collected from customers prior to the performance of services are recorded as deferred revenue.

These advances are amortized to revenues in accordance with the Company's policy on revenue recognition.

The Company classifies reimbursements received from customers for out-of-pocket expenditures as revenues. The Company incurs out-of-pocket expenditures such as expenses related to travel, postage and telecommunications costs for which customers have agreed to reimburse Minacs.

USA. The corresponding cost associated with this revenue is recorded within direct expenses. Some customers agree to reimburse the Company for initial training and recruiting costs over a specified period of time. The revenue for these costs is recorded over the period of time stipulated within the contract with a corresponding cost recorded within direct expenses.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided from the first day of the month following the date the assets are placed into service, on a straight-line basis. Computer software is depreciated over four to five-year lives. Computer equipment is depreciated over a four-year life. Communications equipment is depreciated over five to seven-year lives. Furniture and fixtures are depreciated over seven to ten-year lives. Leasehold improvements are depreciated over the term of the lease.

Goodwill

Goodwill is not amortized and is tested for impairment on an annual basis. Such evaluation determines any impairment in value, taking into account the ability to recover the carrying amount of goodwill from discounted cash flows. The Company also considers projected future operating results, trends, and other circumstances in making such evaluations.

In addition to the annual impairment test, the Company will perform an impairment test if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

Intangibles

The Company allocates value to intangible assets acquired relating to customer and supplier contracts, proprietary processes, and certain business relationships. Amortization of intangibles is provided on a straight-line basis over 10 years.

Impairment of Long-lived Assets

The Company reviews its long-lived assets such as property, plant and equipment and intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When indicators of impairment of the carrying value of the asset exist, and the carrying value is greater than the net recoverable value (as determined on an undiscounted basis), an impairment loss is recognized to the extent that the fair value (measured as the discounted cash flows over the remaining life of the asset when quoted market values are not readily available) is below the carrying value.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using substantively enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce future income tax assets to the estimated amount that is more likely than not to be realized.

Foreign Exchange Translation

Assets and liabilities are translated using the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the average rate of the month the transaction is recorded.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash and short-term deposits having an initial maturity of three months or less.

	As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr
3. Share Capital				
Common shares	\$100	0.00	\$100	0.00
Contributed surplus	\$301,940	1.64	\$301,940	1.57
	<u>\$302,040</u>	<u>1.64</u>	<u>\$302,040</u>	<u>1.57</u>
The Company is authorized to issue an unlimited number of common shares.				
4 Debt				
Loan from Parent Company	\$20,671,369	112.43	\$20,607,480	106.85
	<u>\$20,671,369</u>	<u>112.43</u>	<u>\$20,607,480</u>	<u>106.85</u>
5 Short Term Debts from Bank	\$17,500,000	95.18	20,000,000	103.70
	<u>\$17,500,000</u>	<u>95.18</u>	<u>20,000,000</u>	<u>103.70</u>

MINACS GROUP (USA) Inc.

3 PROPERTY, PLANT AND EQUIPMENT

	As At 31st March, 2013				As At 31st March, 2012			
	Gross Cost In US \$	Accumulated Depreciation In US \$	Gross Cost In INR/Cr	Accumulated Depreciation In INR/Cr	Gross Cost In US \$	Accumulated Depreciation In US \$	Gross Cost In INR/Cr	Accumulated Depreciation In INR/Cr
Computer software	-	-	-	-	-	-	-	-
Computer & Office equipment	8,002,221	(4,957,232.7)	43.52	(26.96)	7,300,794	(4,185,379.5)	37.85	(21.70)
Communications equipment	617,634	(193,175.0)	3.36	(1.05)	472,250	(116,446.8)	2.45	(0.60)
Furniture and fixtures	1,635,443	(1,124,204.2)	8.90	(6.11)	1,642,495	(952,994.3)	8.52	(4.94)
Electricals and Fittings	707,155	(76,310.5)	3.85	(0.42)	-	-	-	-
Leasehold improvements	2,650,802	(2,079,666.8)	14.42	(11.31)	2,624,465	(1,776,735.9)	13.61	(9.21)
	<u>13,613,255</u>	<u>(8,430,589.2)</u>	<u>74.04</u>	<u>(45.85)</u>	<u>12,040,003</u>	<u>(7,031,556.5)</u>	<u>62.43</u>	<u>(36.46)</u>
Less: accumulated depreciation	(8,430,589)	-	(45.85)	-	(7,031,556)	-	(36.46)	-
	<u>5,182,666</u>	<u>-</u>	<u>28.19</u>	<u>-</u>	<u>5,008,446</u>	<u>-</u>	<u>25.97</u>	<u>-</u>

Note : Computer Software has been included in Intangibles in FY12 & FY13

Conversion rates for US\$ to INR

54.39

51.85

	As At March 31, 2013		As At March 31, 2012			As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr		US \$	INR/Cr	US \$	INR/Cr
6 INTANGIBLES including Softwares					10 related party transactions				
Cost	\$17,039,765	92.68	\$10,620,841	55.07	Management fees charged by Minacs Worldwide Inc	\$8,361,000	45.52	\$6,672,000	34.13
Less: accumulated depreciation	(\$8,804,686)	(47.89)	(4,999,850)	(25.92)	Interest charged by Minacs Worldwide Inc	\$882,665	4.81	\$915,203	4.68
Net book value	<u>\$8,235,079</u>	<u>44.79</u>	<u>\$5,620,991</u>	<u>29.14</u>	Interest charged to IT Services	(\$267,568)	(1.46)	(468,400)	(2.40)

7 GOODWILL

Balance, beginning of period	\$1,900,000	10.33	\$1,900,000	9.85
Foreign currency translation adjustment	-	-	-	-
Balance, end of period	<u>\$1,900,000</u>	<u>10.33</u>	<u>\$1,900,000</u>	<u>9.85</u>

8 Future Income Taxes

Accounts payable and accrued liabilities	\$13,483	0.07	854,391	4.43
Other	\$961,872	5.23	821,000	4.26
	\$975,355	5.30	\$1,675,391	8.69
Valuation allowance	-	-	-	-
Less: current portion	(\$0)	(0.00)	(1,083,406)	(5.62)
	<u>\$975,355</u>	<u>5.30</u>	<u>\$591,984</u>	<u>3.07</u>
Future tax liabilities consist of the following temporary differences				
Property, plant and equipment	(\$1,835,864)	(9.99)	(1,629,515)	(8.45)
Other assets	(\$2,703,037)	(14.70)	(2,195,373)	(11.38)
	<u>(\$4,538,901)</u>	<u>(24.69)</u>	<u>(3,824,888)</u>	<u>(19.83)</u>

9 Commitments and Contingencies

Operating Leases

	As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr
2014	\$2,757,021	15.00	723,383	3.75
2015	\$1,002,646	5.45	86,540	0.45
2016	\$362,891	1.97	-	-
2017	\$234,518	1.28	-	-
Thereafter	-	-	-	-
Total commitments	<u>\$4,357,076</u>	<u>23.70</u>	<u>\$3,372,588</u>	<u>17.49</u>

Employee Pension-

	-	-	-	-
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11 Interest and financing expenses are comprised of the following amounts:

	As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr
Interest expense on long-term debt	882,665	4.81	915,203	4.68
Interest expense on obligations under capital leases	-	-	-	-
Bank Loan Interest	382,616	2.08	385,197	1.97
Other interest expense (income)	9,214	0.05	34,441	0.18
Interest expense	<u>\$1,274,495</u>	<u>6.94</u>	<u>\$1,334,841</u>	<u>6.83</u>
Amortization of deferred finance charges	63,889	0.35	38,889	0.20
Bank charges	72,853	0.40	62,951	0.32
Foreign exchange loss (gain)	5,160	0.03	(58,016)	(0.30)
Total	<u>\$1,416,397</u>	<u>7.71</u>	<u>\$1,378,665</u>	<u>7.05</u>
Currency Factor			10,000,000	10,000,000
Conversion rates for US\$ to INR			54.39	51.85
Average Conversion rate for US\$ to INR			54.44	51.16

BUREAU OF COLLECTION RECOVERY, LLC

BALANCE SHEETS (Unaudited in US\$)

	As At March 31, 2013		As At March 31, 2012	
	US \$	INR/Cr	US \$	INR/Cr
Current Assets				
Cash and cash equivalents	780,308	4.24	1,253,598	6.50
Client cash held in trust	75,629	0.41	224,539	1.16
Accounts receivable	498,554	2.71	1,109,946	5.76
Prepaid expenses	200,272	1.09	35,752	0.19
Total current assets	1,554,763	8.45	2,623,835	13.61
Fixed assets				
Office equipment	255,909	1.39	285,253	1.48
Leasehold improvements	—	—	55,977	0.29
Total fixed assets	255,909	1.39	341,230	1.77
Less: accumulated depreciation and amortization	199,126	1.08	229,685	1.19
Net fixed assets	56,783	0.31	111,545	0.58
Other assets				
Deposits	—	—	—	—
Future income taxes - Short term	2,567,303	13.96	1,010,406	2.87
Corporate Federal taxes	—	—	(29,340)	(0.15)
State taxes Receivable	55,112	0.30	295	2.37
Total other assets	2,622,415	14.26	981,361	5.09
Total assets	\$ 4,233,961	23.02	\$ 3,716,741	19.28
Liabilities and Members' Equity				
Current liabilities				
Trust cash payable to client	75,629	0.41	224,539	1.16
Accounts payable & accrued expenses	74,706	0.41	256,013	1.33
Accrued payroll	247,067	1.34	329,907	1.71
Due to Parent Company	1,177,048	6.40	461,244	2.39
Total current liabilities	1,574,450	8.56	1,271,703	6.59
Long-term liabilities				
Future income taxes	—	—	—	—
Total Long-term liabilities	—	—	—	—
Shareholders' funds				
Share capital	20,500	0.11	20,500	0.110
Retained earnings	2,639,011	12.26	2,424,538	11.03
Exchange Fluctuation on Transalction	—	2.09	—	1.55
Total shareholders' funds	2,659,511	14.46	2,445,038	12.69
Total liabilities and members' equity	\$ 4,233,961	23.02	\$ 3,716,741	19.28

Notes :
See accompanying notes
to the financial statements.
FE Conversion Rate for US\$ to INR
as at end of year

54.39 51.8500

STATEMENT OF INCOME AND EXPENDITURE FOR THE PERIOD 1ST APR 2012 TO 31ST MARCH 2013

	Period ended 31st Mar 2013		Period ended 31st Mar 2012	
	US \$	INR/Cr	US \$	INR/Cr
Revenues				
Commission revenue	6,300,576	34.25	9,983,961	46.01
Operating expenses				
Personnel and related expenses	3,451,311	18.76	5,924,532	27.32
Communication expenses	748,609	4.07	1,125,029	5.19
Other operating expenses	3,208,883	17.44	4,023,777	18.55
Total operating expenses	7,408,803	40.27	11,073,338	51.06
Operating income	(1,108,227)	(6.02)	(1,089,377)	(5.05)
Other income (expenses)				
Management fee	273,000	1.48	444,000	2.05
Depreciation and amortization	43,899	0.24	73,418	0.34
Interest income	—	—	(32,221)	(0.15)
Currency revaluation difference	—	(0.05)	—	(0.05)
Earnings Before Tax	(1,425,126)	(7.69)	(1,574,574)	(7.24)
Current Income Tax	(605,363)	(3.29)	(400,366)	(1.85)
State Tax	(53,362)	(0.29)	(16,055)	(0.07)
Future Tax	(980,874)	(5.34)	(482,488)	(2.23)
Net income (loss) for the period	214,473	1.23	(675,665)	(3.09)
Earnings/(Deficit), beginning of period	2,424,538.33	11.03	3,100,202	14.12
Retained earnings, end of period	2,639,011	12.26	2,424,537	11.03

Notes :

See accompanying notes to the financial statements.

FE Conversion Rate for US\$ to INR as at end of year

54.3633 46.1100

Place: Toronto
Date: April 24, 2013

Deepak J. Patel
Chief Executive Officer

Place: Toronto
Date: April 24, 2013

Deepak J. Patel
Chief Executive Officer

BUREAU OF COLLECTION RECOVERY, LLC

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Business Organization

Bureau of Collection Recovery, LLC is a third-party collection agency which collects pre-charge offs, post charge offs and primary and secondary accounts for nationally recognized banks and other creditors. The Company's headquarters is located in Eden Prairie, Minnesota.

Client Cash Held in Trust and Trust Cash Payable to Clients

The Company deposits all cash received from the collection of client placements in separate trust bank accounts as required by client contracts. Client cash held in trust is not the property of the Company.

Accounts Receivable

Trade accounts receivable are initially recorded at fair value upon completion of service to clients. They are stated net of allowance, which primarily represents estimated losses due to disputes with clients or inability of certain clients to make the required payments. When determining the allowances, the Company takes several factors into consideration, including prior history of accounts receivable, credit activity and write-offs, the overall composition of accounts receivable aging, the types of clients, and day-to-day knowledge of specific clients. Changes in the allowance impact commission income or bad debt expense. No allowance for doubtful accounts was deemed necessary at March 31, 2012. The Company's policy for charging interest on delinquent receivables varies by terms stated in individual contracts. Accounts receivable are considered past due on an individual client basis.

Revenue and Expense Recognition

The Company earns commissions on amounts collected from debtors on behalf of its clients. Commission income is recognized as client placements are collected from debtors, at which time the Company has rendered substantially all of the services necessary to earn its commission.

Fixed Assets

Fixed assets are stated at cost. Depreciation is provided using the straight-line method for financial reporting purposes based on estimated service lives. The estimated lives range from 3 to 5 years. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. Accelerated methods of depreciation are used for income tax reporting purposes. Expenditures for repairs and maintenance are charged against operations. Renewals and betterments that materially extend the life of the asset are capitalized.

Advertising Costs

Advertising costs are generally charged to operations in the year incurred and totaled \$2,000 for the period ended March 31, 2012.

Use of Estimates

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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) as codified by the Financial Accounting Standards Board.

Financial Instruments

The Company's financial instruments consist of accounts receivable, other receivable, accounts payable and trust cash payable to clients. It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

NOTE 2 - COLLECTIONS ACTIVITY

Gross collections activity for the period ended March 31, 2012, was as follows:

	FY'12
Customer Placements Received	\$ 2,747,218,553
Collection of Placements	\$ 29,793,340
Commissions Earned	\$ 9,983,961

NOTE 3 - BUSINESS AND CREDIT CONCENTRATIONS

Commission revenue from customers that exceed 10% of total commission revenue for the period ended March 31, 2012, was as follows:

	FY'12
Customer A Wells Fargo	23.6%
Customer B T-Mobile USA	20.1%
Customer C AT& T Mobility	18.2%
Customer D Jefferson Capital Systems	13.1%

Customers' accounts receivable balances that exceeded 10% of total accounts receivable balances at March 31, 2012, was as follows:

	FY'12
Customer A T-Mobile USA	45.2%
Customer C AT& T Mobility	43.5%

NOTE 4 - RELATED PARTY TRANSACTIONS

Intercompany Dues

During the period ending 31st March 2012, the Company made unsecured interest bearing cash advances to the parent company. The Company also owes management fees to the parent company. Net balance due from the parent company totaled to \$ 342,513.

NOTE 5 - OPERATING LEASES

Building Lease - Eden Prairie

The Company entered into an operating lease agreement dated January 1, 2008, to lease its headquarters in Eden Prairie, Minnesota. The initial lease term was for three years expiring on December 31, 2010. The lease was then extended by three years expiring on December 31, 2013. The monthly base rent is \$15,000 plus additional rental payments for other operating expenses. During the first lease year, the additional rental costs were included in the base rents. Subsequent to year end, the lease was amended for the Company to pay all maintenance, insurance, and taxes on the leased property.

Building Lease - Willmar

The Company entered into an operating lease on July 18, 2007, for a one year term commencing on October 1, 2007 and expiring September 30, 2008, to lease office facilities in Willmar, Minnesota. The agreement called for base rent of \$ 39,062 payable in monthly installments of \$ 3,255 plus additional rental payments for other operating expenses. On September 15, 2008, a new lease commenced expiring on September 14, 2013. The new lease agreement requires base monthly rent payments of \$ 5,000 for the first three years and \$ 5,475 for years four and five.

Co-location Agreement

On November 30, 2007, the Company entered into a co-location license agreement for the use of space located in Minnetonka, Minnesota, pursuant to the Licensor's agreement. Minimum lease payments of \$ 4,000 per month are required for three years ending November 30, 2010. The above agreement is being renewed on a monthly basis.

Other Leases

The Company is obligated under various operating lease agreements expiring at various dates through 2013. Monthly payments on these leases range from \$ 292 to \$ 689. The future minimum lease payments of \$3,500 required under these operating lease agreements for 2013.

MINACS WORLDWIDE SA de CV

Balance Sheet

	As at March 31, 2013		As at March 31, 2012	
	Pesos	INR/Cr	Pesos	INR/Cr
I Sources of Funds				
Shareholders' funds				
Share capital				
Shares issued	50,000	0.02	50,000	0.02
Cumulative translation adjustment	—	—	—	—
Profit Carried Forward	(50,000)	(0.02)	(50,000)	(0.02)
Profit for Current Year	(206,113)	(0.09)	—	—
	<u>(206,113)</u>	<u>(0.09)</u>	<u>—</u>	<u>—</u>
Debt	—	—	—	—
Total	<u>(206,113)</u>	<u>(0.09)</u>	<u>—</u>	<u>—</u>
II Application of Funds				
Fixed Assets				
Current assets				
Cash and cash equivalents	—	—	—	—
Accounts receivable	—	—	—	—
Prepaid expenses	—	—	—	—
	—	—	—	—
Less Current liabilities	—	—	—	—
Bank indebtedness	—	—	—	—
Other liabilities	(206,113)	(0.09)	—	—
Net current Assets	<u>(206,113)</u>	<u>(0.09)</u>	<u>—</u>	<u>—</u>
Total	<u>(206,113)</u>	<u>(0.09)</u>	<u>—</u>	<u>—</u>
See accompanying notes to the financial statements.				
Note				
Conversion rate for Pesos to INR		4.410		3.62
Currency factor		10,000,000		10,000,000

Statements of Operations and Deficit

	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Pesos	INR/Cr	Pesos	INR/Cr
Revenues	—	—	—	—
Direct expenses	—	—	—	—
Selling, general and administrative expenses	206,113	0.09	—	—
Earnings before interest expense, income taxes, depreciation and amortization	(206,113)	(0.09)	—	—
Depreciation and amortization	—	—	—	—
Interest and financing expenses	—	—	—	—
Provision for (recovery of) income taxes	—	—	—	—
Net income (loss) for the period	<u>(206,113)</u>	<u>(0.09)</u>	<u>—</u>	<u>—</u>
Deficit, beginning of period	(50,000)	(0.02)	(50,000)	(0.02)
Deficit, end of period	<u>(256,113)</u>	<u>(0.11)</u>	<u>(50,000)</u>	<u>(0.02)</u>
Note				
Conversion rate for Pesos to INR at 31 March, 2013		4.410		3.619
Currency factor		10,000,000		10,000,000

Notes to Financial Statements March 31, 2013

1 NATURE OF BUSINESS

Minacs Worldwide SA de CV (the "Company" or "Minacs Mexico") is a provider of business process outsourcing ("BPO") solutions. The Company is a subsidiary of Minacs Worldwide Inc. ("Minacs"). Minacs Mexico is an inactive subsidiary.

2 SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Revenue Recognition

The Company derives revenues through the provision of direct resources to its customers and consulting arrangements. Payment terms may vary by contract. The Company recognizes revenues at the time services are performed and when the price is fixed or determinable and collection is reasonably assured.

The majority of revenues are recognized based on the billable hours or minutes rendered as defined in the client contract. The rate per billable hour or minute charged is based on a predetermined contractual rate as agreed in the underlying contract. This contractual rate fluctuates based on the Company's performance against certain predetermined criteria related to quality and performance. Some clients are entitled to penalties when the Company is not in compliance with certain obligations as defined in the client contract. Such penalties are recorded as a reduction of revenues as incurred based on a measurement of the Company's obligation under the terms of the client contract.

For some contracts the Company is paid by its customer based on achievement of certain level of revenues or other client-determined criteria specified in the client contract such as full time equivalents, units processed or completed contracts. The Company recognizes this performance-based revenue by measuring its actual results against the performance criteria specified in the contracts.

The Company classifies reimbursements received from customers for out-of-pocket expenditures as revenues. The Company incurs out-of-pocket expenditures such as expenses related to travel, postage and telecommunications costs for which customers have agreed to reimburse Minacs. The corresponding cost associated with this revenue is recorded within direct expenses. Some customers agree to reimburse the Company for initial training and recruiting costs over a specified period of time. The revenue for these costs are recorded over the period of time stipulated within the contract with a corresponding cost recorded within direct expenses.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using substantively enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce future income tax assets to the estimated amount that is more likely than not to be realized.

Foreign Exchange Translation

Assets and liabilities are translated using the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the average rate of the month the transaction is recorded.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash and short-term deposits having an initial maturity of three months or less.

2 SHARE CAPITAL

	2013		2012	
	Pesos	INR/Cr	Pesos	INR/Cr
Common shares	50,000	0.02	50,000	0.02
	50,000	0.02	50,000	0.02

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares.

MINACS LIMITED, UK

BALANCE SHEET AS AT 31ST MARCH 2013

	Notes	As At 31st March 2013		As At 31st March 2012	
		£	INR/Cr	£	INR/Cr
I Sources of Funds					
Shareholders' funds					
Called up share capital	4	1,000	0.01	1,000	0.00
Profit and loss account		462,931	3.71	390,631	3.09
Exchange fluctuation on Translation			0.10		0.14
		<u>463,931</u>	<u>3.82</u>	<u>391,631</u>	<u>3.23</u>
Loan Funds		—	—	—	—
Total		<u><u>463,931</u></u>	<u><u>3.82</u></u>	<u><u>391,631</u></u>	<u><u>3.23</u></u>
II Application of Funds					
Fixed assets		—	—	—	—
Investments	5	15,277	0.13	15,277	0.13
Current assets					
Debtors	6	669,475	5.51	646,361	5.36
Cash at bank and in hand		132,144	1.09	208,136	1.73
		<u>801,620</u>	<u>6.60</u>	<u>854,497</u>	<u>7.08</u>
Less Current liabilities	7	(352,966)	(2.91)	(478,143)	(3.98)
Net Current Assets		<u>448,654</u>	<u>3.69</u>	<u>376,354</u>	<u>3.10</u>
Total		<u><u>463,931</u></u>	<u><u>3.82</u></u>	<u><u>391,631</u></u>	<u><u>3.23</u></u>
Notes:					
See accompanying notes to the financials statements					
FE Conversion Rate for GBP to INR as at year end			82.32		82.90

Profit and Loss Account for the year ended 31st March, 2013

	Year ended 31/03/2013		Year ended 31/03/2012	
	£	INR/Cr	£	INR/Cr
Sales				
Total	<u>1,831,386</u>	<u>15.74</u>	<u>1,590,170</u>	<u>12.18</u>
Direct costs				
Wages and salaries	1,125,037	9.67	911,115	6.98
Employer's NI contributions	101,342	0.87	87,294	0.67
Recruitment advertising	-	-	-	-
Staff pension scheme costs	1,966	0.02	1,930	0.01
Placement & interview expenses	24,455	0.21	27,078	0.21
Staff training	743	0.01	127	0.00
Travel expenses	59,248	0.51	36,028	0.28
Health & safety costs	-	-	1,615	0.01
Total	<u>1,312,790</u>	<u>11.28</u>	<u>1,065,187</u>	<u>8.16</u>
Gross profit	<u>518,596</u>	<u>4.46</u>	<u>524,983</u>	<u>4.02</u>
Administration				
Wages and salaries	-	-	-	-
Rent payable	6,050	0.05	-	-
Printing, postage and stationery	3,764	0.03	3,090	0.02
Telephone	3,484	0.03	3,634	0.03
Motor vehicle leasing	-	-	3,000	0.02
Entertaining	2,706	0.02	1,235	0.01
Legal and professional	2,607	0.02	315	0.00
Accountancy	30,485	0.26	33,935	0.26
Audit	6,000	0.05	6,000	0.05
Bank charges	524	0.00	430	0.00
Exchange rate (gain)/loss	12,095	0.10	29,668	0.23
Payroll services	3,000	0.03	3,000	0.02
General expenses	17,847	0.15	26,679	0.20
Recruitment costs	-	-	-	-
Subscriptions	-	-	17	0.00
Management Charges	335,000	2.88	336,000	2.57
	<u>423,563</u>	<u>3.64</u>	<u>447,003</u>	<u>3.42</u>
Financial				
Other operating income	(97)	(0.00)	(138)	(0.00)
Currency revaluation Difference	-	-	-	(0.02)
	<u>(97)</u>	<u>(0.00)</u>	<u>(138)</u>	<u>(0.02)</u>
Total expenses	<u>423,465</u>	<u>3.64</u>	<u>446,864</u>	<u>3.41</u>
Net profit/(loss) before taxation	<u>95,131</u>	<u>0.82</u>	<u>78,119</u>	<u>0.61</u>
Less :Corporation tax based on profits for the period	22,831	0.20	20,312	0.15
Net Profits/(Loss) for the year	<u>72,300</u>	<u>0.62</u>	<u>57,807</u>	<u>0.46</u>
Balance brought forward	<u>390,631</u>	<u>3.09</u>	<u>332,824</u>	<u>2.63</u>
Balance carried forward	<u>462,931</u>	<u>3.71</u>	<u>390,631</u>	<u>3.09</u>
Notes				
Please see accompanying notes to the financials				
FE Conversion Rate for GBP to INR for the Financial Year		85.9327		76.5869

Place: Toronto
Date: April 24, 2013

Deepak Patel
CEO

Place: Toronto
Date: April 24, 2013

Deepak Patel
CEO

MINACS LIMITED, UK

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Turnover

Turnover represents the total invoice value of sales made during the year stated net of value added tax.

1.3. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the period.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.6. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.7. Group accounts

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK and Ireland.

3. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The Scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,966; INR 0.02 Cr (Previous Year £1,930; INR 0.01 Cr)

4. Share capital

	As At		As At	
	31st March 2013	INR/Cr	31st March 2012	INR/Cr
Authorised				
1000 Ordinary shares of £1 each	1,000	0.01	1,000	0.01
Allotted, called up and fully paid				
1000 Ordinary shares of £1 each	1,000	0.01	1,000	0.01
Equity Shares				
1000 Ordinary shares of £1 each	1,000	0.01	1,000	0.01
5 Investments in Subsidiary undertakings				
Cost of Shares				
Opening balance	15,277	0.13	15,277	0.13
Additions/(deletions during the year)	—	—	—	—
Closing Balance	15,277	0.13	15,277	0.13
Net book Values				
Opening balance	15,277	0.13	15,277	0.13
Additions/(deletions during the year)	—	—	—	—
Closing Balance	15,277	0.13	15,277	0.13

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Subsidiary undertaking	Minacs Worldwide GmbH	Minacs Worldwide GmbH
Country of Registration	Germany	Germany
Nature of Business	Provider of Outsourced solutions	Provider of Outsourced solutions
Class of Shares held	Euro Share	Euro Share
Proportion of shares held	100%	100%

	As At		As At	
	31st March 2013	INR/Cr	31st March 2012	INR/Cr
6 Debtors				
Trade Debtors	667,413	5.49	451,883	3.75
Amounts owed by group undertakings	—	—	192,778	1.60
Other debtors	—	—	1,126	0.01
Prepayments and accrued income	2,062	0.02	573	0.00
	<u>669,475</u>	<u>5.51</u>	<u>646,361</u>	<u>5.36</u>
7 Current liabilities				
Amount falling due within one year				
Trade Creditors	—	—	—	—
Amounts owed by group undertakings	163,497	1.35	335,489	2.78
Corporation Tax	22,831	0.19	20,311	0.17
Other taxes and social security costs	137,360	1.13	104,898	0.89
Accruals and deferred income	29,278	0.24	17,446	0.14
	<u>352,966</u>	<u>2.91</u>	<u>478,143</u>	<u>3.98</u>

	Year ended		Year ended	
	31st March 2013	INR/Cr	31st March 2012	INR/Cr
8 Operating profit / (loss)				
Operating profit/(loss) is stated after charging:				
Auditors' remuneration	6,000	0.05	6,000	0.05
Pension Costs	<u>1,966</u>	<u>0.02</u>	<u>1,930</u>	<u>0.01</u>

9 Tax on profit/ (loss) on ordinary activities

Analysis of charge in period

Current Tax

UK corporation tax	22,831	0.20	20,312	0.15
--------------------	--------	------	--------	------

10 Financial Commitments

Expiry date

Within one year	—	—	—	—
Between one and five years	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

11 Related Party Transactions

Reimbursement of Expenses/Fees				
Minacs GmbH, Germany	54,635	0.45	37,373	0.29
Minacs Worldwide Inc, Canada	352,847	2.90	362,679	2.78
Receivables from				
Minacs Kft, Hungary	—	—	—	—
Minacs GmbH, Germany	—	—	192,778	1.60
	<u>—</u>	<u>—</u>	<u>192,778</u>	<u>1.60</u>
Payable to				
Minacs GmbH, Germany	161	0.00	—	—
Minacs Worldwide Inc, Canada	163,336	1.34	335,489	2.78
	<u>163,497</u>	<u>1.34</u>	<u>335,489</u>	<u>2.78</u>

12 Ultimate Parent Undertaking

The Company is wholly owned subsidiary of Minacs Worldwide Inc, a company incorporated in Canada. The ultimate parent Company is Aditya Birla Nuvo Limited, a Company incorporated in India.

MINACS WORLDWIDE GMBH, GERMANY

Unaudited Balance Sheet as of March 31, 2013

	31.03.2013		31.03.2012	
	€	INR/Cr	€	INR/Cr
Sources of Funds				
I Shareholders funds				
1. Share capital authorized and fully paid in	25,000	0.17	25,000	0.21
2. Profit carried forward	2,608,212	18.14	2,348,183	16.24
3. Profit current year	215,999	1.51	260,029	1.71
4. Exchange fluctuations on conversion	—	(0.01)	—	0.10
Total equity	2,849,211	19.81	2,633,212	18.26
II Loan Funds	—	—	—	—
	2,849,211	19.81	2,633,212	18.26
Application of Funds				
I Fixed assets				
1. EDP software	998	0.01	998	0.01
2. Leasehold improvements	12,553	0.09	12,553	0.09
3. Furniture and equipment	35,038	0.24	33,110	0.23
4. Office equipment	54,702	0.38	54,098	0.37
5. Deferred Development Costs	—	—	—	—
5. Low-value-equipment at cost	—	—	—	—
Gross block	103,291	0.72	100,759	0.70
6. Accumulated depreciation	(82,955)	(0.58)	(75,579)	(0.52)
Total Net Block	20,335	0.14	25,179	0.17
II Investments				
1. Investments in Subsidiary Company - Hungary	11,050	0.08	11,050	0.09
III Current assets				
1. Cash at bank and on hand	16,489	0.11	83,343	0.58
2. Accounts receivable	1,492,770	10.38	1,937,407	13.40
3. Intercompany receivables	1,648,505	11.46	958,761	6.63
4. Prepaid expenses	38,471	0.27	42,232	0.29
5. Other assets	(129)	(0.00)	8	0.00
Total current assets	3,196,105	22.23	3,021,752	20.90
Less Liabilities				
1. Accounts payable	8,018	0.06	28,299	0.20
2. Intercompany payables	—	—	—	—
3. Accrued expenses	403,344	2.81	444,924	3.08
4. Other liabilities	(33,083)	(0.23)	(48,454)	(0.37)
Total liabilities	378,280	2.63	424,769	2.90
Net Current Assets	2,817,826	19.60	2,596,983	18.00
Total	2,849,211	19.81	2,633,212	18.26

The accompanying notes to the Financial Statements are an integral part of this balance sheet

Conversion Rate for Euro to INR as at year end rates

69.54

69.16

Unaudited Profit and Loss Statement for the period from April 01 2012 to March 31, 2013

	April 1, 2012 to March 31, 2013		April 1, 2011 to March 31, 2012	
	€	INR/Cr	€	INR/Cr
Income				
1. Revenues	5,922,292	41.49	7,208,796	47.51
2. Interest income	—	—	—	—
	5,922,292	41.49	7,208,796	47.51
Expenditure				
3. Staff cost	4,728,810	33.13	5,282,155	34.81
4. Selling, general and administrative expenses	565,229	3.96	473,655	3.12
5. Management fees	312,968	2.19	1,063,567	7.01
Total	5,607,007	39.28	6,819,377	44.94
6. Earnings before interest, income taxes and depreciation	315,286	2.21	389,419	2.58
7. Depreciation on fixed assets	7,676	0.05	9,882	0.07
8. Currency Revaluation Difference	—	—	—	0.01
9. Interest expenses	2	0.00	—	—
10. Earnings before income taxes	307,608	2.16	379,537	2.50
11. Income taxes	91,609	0.64	119,508	0.79
12. Net income	215,999	1.51	260,029	1.71

The accompanying notes to the Financial Statements are an integral part of this statement of income

The average conversion rates for Euro to INR for the financial year

70.06

65.90

Unaudited Statement of Cash Flow for the year ended March 31, 2013

	April 1, 2012 to March 31, 2013		April 1, 2011 to March 31, 2012	
	€	INR/Cr	€	INR/Cr
Net earnings (Incl FE Rate difference)	215,999	1.51	260,029	1.71
Depreciation of fixed assets	7,676	0.05	9,882	0.07
Changes in operating assets and liabilities				
– Accounts receivables and intercompany receivables	(245,406)	(1.71)	(289,459)	(2.01)
– Prepaid expenses and other assets	3,899	0.03	(10,747)	(0.07)
– Deferred expenses	—	—	—	—
– Accounts payables and intercompany payables	(20,280)	(0.14)	29,821	0.21
– Accrued expenses and other liabilities	(26,209)	(0.18)	(12,206)	(0.08)
Cash flow used in operating activities	(64,322)	(0.44)	(12,680)	(0.19)
Purchase of fixed assets / deferred expenses	(2,532)	(0.02)	(14,946)	(0.10)
Correction profit carried forward	—	—	—	—
Decrease/increase in cash during the year	(66,854)	(0.45)	(27,626)	(0.29)
Cash at the beginning of the year	83,343	0.58	110,969	(15.52)
Cash at the end of the year	16,489	0.11	83,343	0.58

MINACS KFT., HUNGARY

Balance Sheet As At 31st March, 2013

Unaudited in HUF

	March 31 2013		March 31 2012	
	HUF	INR/Cr	HUF	INR/Cr
Sources of Funds				
I Shareholders' funds				
Share capital	3,000,000	0.07	3,000,000	0.07
Retained earnings	104,876,289	2.43	99,380,674	2.29
Exchange fluctuation on FX translation	—	(0.06)	—	(0.01)
	<u>107,876,289</u>	<u>2.44</u>	<u>102,380,674</u>	<u>2.35</u>
II Loan Funds				
Total	<u>107,876,289</u>	<u>2.44</u>	<u>102,380,674</u>	<u>2.35</u>
Application of Funds				
I Fixed Assets				
Property, plant and equipment, net	217,648	0.00	262,097	0.01
Deferred development costs	—	—	—	—
	<u>217,648</u>	<u>0.00</u>	<u>262,097</u>	<u>0.01</u>
II Current assets				
Cash and cash equivalents	8,994,779	0.20	18,777,939	0.44
Accounts receivable	58,239,582	1.32	73,275,359	1.71
Prepaid expenses	2,413,704	0.05	1,790,098	0.04
Other Receivables	3,977,000	0.09	2,443,000	0.06
Due from Inter-Companies	48,591,885	1.10	26,379,046	0.57
	<u>122,216,950</u>	<u>2.77</u>	<u>122,665,442</u>	<u>2.82</u>
Less Liabilities				
Accounts payable and accrued liabilities	14,558,310	0.33	20,546,865	0.47
Due to Inter-Companies	—	—	—	—
Total	<u>14,558,310</u>	<u>0.33</u>	<u>20,546,865</u>	<u>0.47</u>
	<u>107,658,640</u>	<u>2.44</u>	<u>102,118,577</u>	<u>2.35</u>
Total	<u>107,876,289</u>	<u>2.44</u>	<u>102,380,674</u>	<u>2.35</u>

Notes

FE Conversion Rate for HUF to INR as at the end of the year

0.2264

0.23401

Statements of Operations and Deficit

Unaudited in HUF

	April 1 2012	April 1 2012	April 1 2011	April 1 2011
	March 31 2013	March 31 2013	March 31 2012	March 31 2012
	HUF	INR/Cr	HUF	INR/Cr
Revenues	210,518,898	5.11	322,904,585	7.43
Expenditure				
Labour & Employee Related Remuneration	98,543,181	2.39	139,037,384	3.24
Payroll Related	32,517,220	0.79	47,265,710	1.10
Group Insurance	376,124	0.01	478,101	0.01
Telecommunications	456,499	0.01	421,056	0.01
Training and seminars	1,854,191	0.04	2,133,978	0.05
Other direct costs	7,790,719	0.19	12,226,759	0.28
Total	<u>141,537,934</u>	<u>3.43</u>	<u>201,562,988</u>	<u>4.69</u>
Gross profit	68,980,964	1.67	121,341,597	2.73
Selling, general and administrative expenses				
Professional Services	6,807,307	0.17	10,519,046	0.25
Recruiting	305,772	0.01	1,212,827	0.03
Office Cost	417,207	0.01	455,850	0.01
Other General and Admin	1,984,142	0.05	5,137,636	0.12
Total	<u>9,514,428</u>	<u>0.23</u>	<u>17,325,359</u>	<u>0.40</u>
Earnings before interest expense, income taxes, depreciation and amortization	59,466,536	1.44	104,016,238	2.33
Depreciation and amortization	144,509	0.00	265,489	0.01
Interest and financing expenses	841,742	0.02	1,476,021	0.03
Management fee	47,818,000	1.16	73,045,000	1.70
Currency Revaluation Difference	—	—	—	(0.09)
Income (loss) before income taxes	10,662,285	0.26	29,229,729	0.67
Provision for (recovery of) income taxes				
Current	5,166,670	0.12	11,102,053	0.25
Future	—	—	—	—
	<u>5,166,670</u>	<u>0.12</u>	<u>11,102,053</u>	<u>0.25</u>
Net income (loss) for the period	5,495,615	0.14	18,127,676	0.42
Earnings/(Deficit), beginning of period	99,380,674	2.30	81,252,998	1.88
Retained earnings, end of period	104,876,289	2.43	99,380,674	2.30
Notes				
Average FE Conversion Rate for HUF to INR for the Financial Year		0.2425		0.2329

MINACS KFT., HUNGARY

Notes to Financial Statements as of March 31, 2013

I. General information

1. Business name:

The name of the Company

In Hungarian:

MINACS Telefoninformációs Szolgáltatások Kft

In English:

MINACS Call Center Services Limited

Tax registration number:

1311764974-2-41

The abbreviated name of the

Company in Hungarian:

MINACS Kft.

The abbreviated name of the

Company in English:

MINACS Ltd.

Seat:

Hungary 1114 Budapest, Ulaszlo Street 27.

The registered headquarter of the company:

Hungary 1138 Budapest, Váci út 169.

2. The Form of the Company:

Limited Liability Company

The company was established in 2003 by the following owners:

MINACS Worldwide GmbH

96,66 %

Julius Minacs

3,33 %

The Company's share capital is THUF 3.000, which exclusively consists cash deposits. The amount of it hasn't changed compared to the last year.

The managing director of the Company:

Paul Lonford Niewoehner
US-6115 Waterford, Grace K. DR. MI 48329-1328

The Company's representation, registration:

The executives are entitled to register and represent the Company independently; the managers appointed by the General meeting are jointly entitled.

The Company's present owners:

Member

Nominal Value THUF

MINACS Worldwide GmbH

2.900.000 HUF

Julius Minacs

100.000 HUF

The MINACS Ltd. is going to consolidate by the Minacs Worldwide GmbH. The consolidated report can be seen at the seat of the Company.

THE COMPANY'S ACTIVITIES INCLUDE:

82.20 Call center activities – main activity

- 62.02 Computer consultancy activities
- 63.11 Data processing hosting and related activities
- 58.12 Publishing of directories and mailing lists
- 62.09 Other information tec and service activities
- 73.20 Market research and public opinion polling
- 70.22 Business and management consulting
- 82.99 Other business support services

The Company is only pursuing authorised activities owning the administrative license.

Other:

The financial year of the Company differs from the calendar year. The statement date is March 31, 2013. The date of preparation of the annual report is April 05, 2013.

Under the principle of completeness, the annual report includes those business activities which happened between the year end and the date of report preparation, and could affect the financial figures in the balance sheet and the profit & loss.

The form of the financial statement

The Company prepares a simplified annual report, accordingly it keeps double entry. The Company prepares an 'A' type annual financial statement, with the so called balance-like arrangement. The company prepares its profit and loss statement by the 'A' method, the cost summary method. It has formed its inner registrations, sub ledger and chart of accounts, and their joining points in accordance with it.

The data of the annual report are expressed in thousand HUF, if not indicated otherwise.

II. MAJOR ELEMENTS OF THE ACCOUNTING POLICY

The Company performs its activity in compliance with the regulations of the accounting law. The Company has established its policy for cash treatment, inventory taking, and asset and liability valuation in accordance with the accounting law.

The Company's Accounting Policy has set out that under the principle of going concern the enforcement of (the principle of integrity, authenticity, transparency, comparison, continuity, consistence, prudence, gross accounting, individual valuation, accrual and deferral, priority of content over form, materiality and comparison of cost and profit) should be ensured.

It is considered to be a significant error if in the year of revealing the error during different checks considering a given business year (separately each year), the value of the revealed errors and margins of error (independent of indication), increasing – decreasing profit and equity, the joint amount is above the 1% of the gross sum.

It is considered an error influencing true and fair picture to a great extent if the contracted value of the errors and margins significantly alters the equity. It is considered to be such an error in all cases when following the settling out there is more than 20% change in the equity reported in the balance sheet of the previous financial year.

In the case of the year-end assets and liabilities incurred in foreign currency or exchange are going to be revaluated irrespective of the amount according to published exchange rates of the HNB.

Evaluation of the assets in the financial statement

1/ Intangible assets

Intangible assets are disclosed at purchase or production value, reduced by accumulated depreciation, and at a value not exceeding their known market value. The calculation of depreciation is to be performed on a straight-line basis, by the application of the depreciation rates required for writing-off the intangible assets over a period equal to the expected useful life of the assets. The expected useful life of the intangible assets by categories:

Rights representing value	7 years
Software	3 years

2/ Tangible assets

Tangible assets are disclosed in the balance sheet at purchase or production value, reduced by accumulated depreciation. The calculation of depreciation is performed on a straight line basis, by the application of the depreciation rates required for the writing off of the tangible assets over a period equal to the expected useful life of the assets:

Land and buildings	20 years
Technical equipment, machinery	3-7 years
Other equipment	5-7 years

3/ Financial investments

Investments representing ownership share in economic associations are disclosed at purchased price in the case of acquisition, while in the case of establishment at the value set out in the Articles of Association, until their market value does not permanently decrease below book value. In this case they are valued at the market value known as the date of preparation of the balance sheet.

4/ Recognition of transactions in foreign currency

Transactions in foreign currency are accounted at the exchange rate of MNB as the date of the transaction. The exchange gain or loss arising from the difference between the exchange rate as at the date of the financial fulfilment and the transaction are disclosed in the profit and loss statement.

5/ Sales revenue

Net sales revenues are accounted as at the date of fulfillment, and are exclusively of VAT.

6/ Corporate tax

The corporate tax liability of the Company is accounted in the profit and loss statement on the basis of the regulations in the reported year.

7/ Changes in the Company's accounting policy

The Company's accounting policy did not change during the year.

III. FINANCIAL POSITION AND LIQUIDITY

There has been no such event since the date of the balance sheet, which would have a material impact on the Company's financial statement as at 31 March, 2013. The liquidity of the Company was during the financial year insured.

MINACS KFT., HUNGARY

IV. Notes to Balance Sheet as at March 31st, 2013

ADDITIONAL INFORMATION TO THE BALANCE SHEET

	April 1 2012 March 31 2013 HUF	April 1 2012 March 31 2013 INR/Cr	April 1 2011 March 31 2012 HUF	April 1 2011 March 31 2012 INR/Cr
1 Equity				
Share capital	<u>3,000,000</u>	<u>0.07</u>	<u>3,000,000</u>	<u>0.07</u>
2 Accumulated profit reserve				
Balance at beginning of the year	99,380,674	2.30	81,252,998	1.88
Profits during the year from P&L	5,495,615	0.14	18,127,676	0.42
Balance at the end of the year	<u>104,876,289</u>	<u>2.43</u>	<u>99,380,674</u>	<u>2.30</u>
3 Liquid assets				
Commerzbank Hungary	8,918,893	0.20	18,544,048	0.43
Petty cash	75,886	0.00	233,892	0.01
Total:	<u>8,994,779</u>	<u>0.20</u>	<u>18,777,939</u>	<u>0.44</u>
4 Receivables				
Trade Receivables	58,239,582	1.32	73,275,359	1.71
Employee Advances Receivables	2,413,704	0.05	1,790,098	0.04
Total:	<u>60,653,286</u>	<u>1.37</u>	<u>75,065,457</u>	<u>1.76</u>
5 Other Receivable				
Value added tax	—	—	—	—
Income & Other Taxes Receivable/Payable	3,977,000	0.09	2,443,000	0.06
Total:	<u>3,977,000</u>	<u>0.09</u>	<u>2,443,000</u>	<u>0.06</u>
6 Liabilities				
Current Liabilities				
Trade Creditors	(439,627)	(0.01)	460,957	0.01
Accruals - General	9,175,240	0.21	10,100,023	0.24
Accruals - Payroll	5,822,697	0.13	9,985,885	0.23
Total:	<u>14,558,310</u>	<u>0.33</u>	<u>20,546,865</u>	<u>0.48</u>
7 Due from Inter Company				
Due to GmbH Germany	—	—	—	—
Due from MXW Canada	48,591,885	1.10	26,379,046	0.62
Due to Minacs UK	—	—	—	—
Total:	<u>48,591,885</u>	<u>1.10</u>	<u>26,379,046</u>	<u>0.62</u>

V. Notes to Profit & Loss account year ending March 31st, 2013

ADDITIONAL INFORMATION TO THE PROFIT & LOSS

	April 1 2012 March 31 2013 HUF	April 1 2012 March 31 2013 INR/Cr	April 1 2011 March 31 2012 HUF	April 1 2011 March 31 2012 INR/Cr
1 Labour & Employee Related Remuneration				
Regular Wages Paid	96,899,578	2.35	137,166,554	3.19
Sick Pay	1,643,603	0.04	1,870,830	0.04
Incentive Bonus Accrued	—	—	—	—
	<u>98,543,181</u>	<u>2.39</u>	<u>139,037,384</u>	<u>3.24</u>
2 Payroll Related				
Payroll Taxes Direct	6,493,186	0.16	10,248,515	0.24
Medicare (US)	127,439	—	27,772,276	—
Social Security	25,896,595	0.63	9,244,919	0.22
	<u>32,517,220</u>	<u>0.79</u>	<u>47,265,710</u>	<u>0.45</u>
3 Other Costs				
Travel - Direct Cost	3,395,382	0.08	6,814,606	0.16
Project Disbursements	4,395,337	0.11	5,412,153	0.13
	<u>7,790,719</u>	<u>0.19</u>	<u>12,226,759</u>	<u>0.28</u>
4 Professional Services				
Accounting Fees	6,807,307	0.17	10,519,046	0.25
Corporate Legal Fees	—	—	—	—
	<u>6,807,307</u>	<u>0.17</u>	<u>10,519,046</u>	<u>0.25</u>
5 Office Cost				
Office Supplies & Minor Equipment	362,491	0.01	410,405	0.01
Postage	54,716	0.00	45,445	0.00
	<u>417,207</u>	<u>0.01</u>	<u>455,850</u>	<u>0.01</u>
6 Other General and Admin Cost				
Insur charges-Comm	—	—	—	—
General Liability	14,980	0.00	30,960	0.00
Other SG&A	1,969,162	0.05	5,106,676	0.12
Penalty and Fine Charges	—	—	—	—
	<u>1,984,142</u>	<u>0.05</u>	<u>5,137,636</u>	<u>0.12</u>
7 Interest and financing expenses				
Bank Service Charges	—	—	—	—
Foreign Currency Unrealised Gain	—	—	—	—
Foreign Currency realised Gain	956,423	0.02	1,247,395	0.03
Other Interest Expenses	(114,681)	(0.00)	228,626	0.01
	<u>841,742</u>	<u>0.02</u>	<u>1,476,021</u>	<u>0.03</u>
8 Provision for (recovery of) income taxes				
Current Income Tax	5,166,670	0.13	11,102,053	0.26
State Tax	—	—	—	—
	<u>5,166,670</u>	<u>0.13</u>	<u>11,102,053</u>	<u>0.26</u>

BUREAU OF COLLECTIONS RECOVERY (BCR) INC, CANADA

Balance Sheet

	As at March 31 2013		As at March 31 2012	
	CAD	INR/ Cr	CAD	INR/ Cr
I Sources of Funds				
Shareholders' funds				
Share capital				
Shares issued	10,000	53.39	10,000	51.08
Cumulative translation adjustment	—	—	—	—
Deficit	(7,915)	(41.22)	(3,011)	(14.61)
Exchange Fluctuation on Translation		(1.04)		(0.77)
	<u>2,085</u>	<u>11.13</u>	<u>6,989</u>	<u>35.70</u>
Debt	—	—	—	—
Total	<u>2,085</u>	<u>11.13</u>	<u>6,989</u>	<u>35.70</u>
II Application of Funds				
Fixed Assets	—	—	—	—
Current assets				
Cash and cash equivalents	—	—	—	—
Deposits & Investment	2,085	11.13	6,989	35.7
Accounts receivable	—	—	—	—
Prepaid expenses	—	—	—	—
	<u>2,085</u>	<u>11.13</u>	<u>6,989</u>	<u>35.7</u>
Less Current liabilities	—	—	—	—
Bank Indebtedness	—	—	—	—
Other liabilities	—	—	—	—
Net current Assets	<u>2,085</u>	<u>11.13</u>	<u>6,989</u>	<u>35.70</u>
Total	<u>2,085</u>	<u>11.13</u>	<u>6,989</u>	<u>35.70</u>

See accompanying notes to the financial statements.

Note

Conversion rate for CAD to INR

53.39

51.08

Currency factor

10,000

10,000

BUREAU OF COLLECTIONS RECOVERY (BCR) INC, CANADA

Statements of Operations and Deficit

	Year ended March 31 2013		Year ended March 31 2012	
	CAD	INR/ Cr	CAD	INR/ Cr
Revenues	—	—	—	—
Direct expenses	—	—	—	—
Selling, general and administrative expenses	4,904	26.61	3,011	14.61
Earnings before interest expense, income taxes, depreciation and amortization	(4,904)	(26.61)	(3,011)	14.61
Depreciation and amortization	—	—	—	—
Interest and financing expenses	—	—	—	—
Provision for (recovery of) income taxes	—	—	—	—
Net income (loss) for the period	(4,904)	(26.61)	(3,011)	(14.61)
Deficit, beginning of period	(3,011)	(14.61)	—	—
Deficit, end of period	(7,915)	(41.22)	(3,011)	(14.61)
Note				
Conversion rate for CAD to INR		54.270		
Currency factor		10,000		10,000

BUREAU OF COLLECTIONS RECOVERY (BCR) INC, CANADA

NOTE - SIGNIFICANT ACCOUNTING POLICIES

Business Organization

Bureau of Collections Recovery, LLC is a third-party collection agency which collects pre-charge offs, post charge offs and primary and secondary accounts for nationally recognized banks and other creditors. The Company's headquarters is located in Eden Prairie, Minnesota.

Client Cash Held in Trust and Trust Cash Payable to Clients

The Company deposits all cash received from the collection of client placements in separate trust bank accounts as required by client contracts. Client cash held in trust is not the property of the Company.

Accounts Receivable

Trade accounts receivable are initially recorded at fair value upon completion of service to clients. They are stated net of allowance, which primarily represents estimated losses due to disputes with clients or inability of certain clients to make the required payments. When determining the allowances, the Company takes several factors into consideration, including prior history of accounts receivable, credit activity and write-offs, the overall composition of accounts receivable aging, the types of clients, and day-to-day knowledge of specific clients. Changes in the allowance impact commission income or bad debt expense. No allowance for doubtful accounts was deemed necessary at March 31, 2012. The Company's policy for charging interest on delinquent receivables varies by terms stated in individual contracts. Accounts receivable are considered past due on an individual client basis.

Revenue and Expense Recognition

The Company earns commissions on amounts collected from debtors on behalf of its clients. Commission income is recognized as client placements are collected from debtors, at which time the Company has rendered substantially all of the services necessary to earn its commission.

Fixed Assets

Fixed assets are stated at cost. Depreciation is provided using the straight-line method for financial reporting purposes based on estimated service lives. The estimated lives range from 3 to 5 years. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. Accelerated methods of depreciation are used for income tax reporting purposes. Expenditures for repairs and maintenance are charged against operations. Renewals and betterments that materially extend the life of the asset are capitalized.

Advertising Costs

Advertising costs are generally charged to operations in the year incurred and totaled \$2,000 for the period ended March 31, 2012.

Use of Estimates

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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) as codified by the Financial Accounting Standards Board.

Financial Instruments

The Company's financial instruments consist of accounts receivable, other receivable, accounts payable and trust cash payable to clients. It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

ADITYA BIRLA MINACS BPO LTD., UK

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH, 2013

The directors present their report and the financial statements for the year ended 31 March, 2013.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally

Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In

preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the company during the year under review was the provision of personnel and related consultancy services.

Business review

The Company has had a positive year from a trading perspective. Turnover grew by 13% to Rs 176.22 million (2012: Rs 137.98 million). Cash on the balance sheet at the yearend was Rs 42.03 million. The company was holding equity shares in Aditya Birla Minacs BPO Private Limited, a wholly owned subsidiary company. As part of the ongoing restructuring of Minacs Group the entire shareholding in this company has been sold to Aditya Birla Minacs Worldwide Limited.

The directors consider that the state of affairs of the company to be satisfactory.

Results

The loss for the year, after taxation, amounted to Rs 4.07 million (2012 - profit Rs 22.11 million).

Directors

The directors who served during the year were:

D Patel
M Kedia

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 May 2013 and signed on its behalf.

Director

Date: May 14, 2013

ADITYA BIRLA MINACS BPO LTD., UK

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADITYA BIRLA MINACS BPO LIMITED

We have audited the financial statements of Aditya Birla Minacs BPO Limited for the year ended 31 March 2013, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material

misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anastasia Frangos (Senior Statutory Auditor)

for and on behalf of haysmacintyre Statutory Auditor

Fairfax House
15 Fulwood Place
London
WC1V 6AY
Date : 21 June, 2013

ADITYA BIRLA MINACS BPO LTD., UK

BALANCE SHEET AS AT 31 MARCH 2013

	Notes	31-Mar-13		31-Mar-12	
		£	INR / Mn	£	INR / Mn
BS		1.00	82.32	1.00	82.90
PL		1.00	85.99	1.00	76.32
FIXED ASSETS					
Tangible Assets	7	0.50	0.04	0.61	0.05
Investment	8	—	—	246.17	20.41
		<u>0.50</u>	<u>0.04</u>	<u>246.78</u>	<u>20.46</u>
CURRENT ASSETS					
Debtors	9	787.71	64.84	864.80	71.69
Cash at bank and in hand		510.59	42.03	193.49	16.04
		<u>1,298.30</u>	<u>106.88</u>	<u>1,058.29</u>	<u>87.73</u>
CREDITORS: amount falling due within one year	10	<u>(217.54)</u>	<u>(17.91)</u>	<u>(176.52)</u>	<u>(14.63)</u>
		<u>1,080.76</u>	<u>88.97</u>	<u>881.77</u>	<u>73.10</u>
NET CURRENT ASSETS		<u>1,081.16</u>	<u>89.01</u>	<u>1,128.55</u>	<u>93.56</u>
CAPITAL AND RESERVES					
Called up share capital	11	18.97	1.56	18.97	1.57
Share premium account	12	1,145.21	94.27	1,145.21	94.94
Profit and Loss account	12	(82.91)	(6.83)	(35.63)	(2.95)
SHAREHOLDERS' FUNDS	13	<u>1,081.26</u>	<u>89.01</u>	<u>1,128.55</u>	<u>93.56</u>

The financial statements were approved and authorised for issue by the board on and were signed on its behalf on:

Director Director

The notes on pages 7 to 12 from part of these financial statements.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	31-Mar-13		31-Mar-12	
		£	INR / Mn	£	INR / Mn
BS		1.00	82.32	1.00	82.90
PL		1.00	85.99	1.00	76.32
TURNOVER					
		2,049.32	176.22	1,807.87	137.98
Cost of Sales	1,2	<u>(1,390.81)</u>	<u>(119.60)</u>	<u>(998.74)</u>	<u>(76.22)</u>
GROSS PROFIT		658.51	56.63	809.14	61.75
Administrative Expenses					
Other SG&A(Shared sales cost)		243.91	20.97	269.44	20.56
Management Fee Alloca		154.00	13.24	157.00	11.98
Other SG&A (Fusion Cost)		184.80	15.89	—	—
Telephone		1.29	0.11	14.50	1.11
Insurance		8.79	0.76	7.55	0.58
Printing, postage and stationary		0.05	0.00	0.21	0.02
Rent and electricity for premises		28.75	2.47	27.46	2.10
Rent for Data Centre		0.09	0.01	3.99	0.30
Accountancy Fees		10.05	0.86	15.25	1.16
Bank Charges		1.69	0.14	2.38	0.18
Legal and professional fees		13.57	1.17	20.76	1.58
Marketing Costs		—	—	22.72	1.73
Commission Charges		21.76	1.87	19.57	1.49
Salaries		—	—	1.93	0.15
Social Security		—	—	0.18	0.01
Meetings and Conferences		0.12	0.01	—	—
Office expenses		1.94	0.17	2.11	0.16
Depreciation		0.67	0.06	1.04	0.08
Travel Expenses		—	—	0.01	0.00
Exchange Loss		25.63	2.20	16.37	1.25
Computer maintenance and support		2.26	0.19	7.47	0.57
Bad debts		—	—	9.65	0.74
		<u>(647.94)</u>	<u>(55.72)</u>	<u>(599.58)</u>	<u>(45.76)</u>
OPERATING PROFIT	3	10.58	0.91	209.56	15.99
Income from shares in group undertakings		—	—	109.12	8.33
Loss on disposal of investments		(55.50)	(4.77)	—	—
Interest receivable and similar income		0.30	0.03	0.18	0.01
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(44.62)</u>	<u>(3.84)</u>	<u>318.86</u>	<u>24.34</u>
Tax on (loss) / profit on ordinary activities	6	<u>(2.67)</u>	<u>(0.23)</u>	<u>(29.13)</u>	<u>(2.22)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	<u>(47.29)</u>	<u>(4.07)</u>	<u>289.73</u>	<u>22.11</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 7 to 12 from part of these financial statements.

ADITYA BIRLA MINACS BPO LTD., UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises revenue recognized by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases: Computer equipment - 33 1/3% Straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognized on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognized in the Profit and Loss Account.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

	BS	31-Mar-13		31-Mar-12	
		GBP '000	INR / Mn	GBP '000	INR / Mn
2 TURNOVER					
Turnover arises from the principal activity of the company					
A geographical analysis of turnover is as follows:					
United Kingdom		954.75	82.10	1,102.35	84.13
Rest of world		1,094.58	94.12	705.53	53.85
		<u>2,049.32</u>	<u>176.22</u>	<u>1,807.87</u>	<u>137.98</u>
3 OPERATING PROFIT					
The operating profit is stated after charging/(crediting):					
Depreciation of tangible fixed assets:					
- owned by the company		0.67	0.06	—	—
Operating lease rentals:					
— other operating leases		17.84	1.53	17.53	1.34
Difference on foreign exchange		(25.63)	(2.20)	16.37	1.25
4 AUDITORS' REMUNERATION					
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts		10.05	0.86	15.25	1.16
Fees payable to the company's auditor and its associates in respect of:					
All other non-audit services not included above		1.23	0.11	1.23	0.09
5 STAFF COSTS					
Staff costs were as follows:					
Wages and salaries		—	—	1.93	0.15
Social security costs		—	—	0.18	0.01
6 TAXATION					
UK corporation tax charge on (loss)/profit for the year		<u>2.67</u>	<u>0.23</u>	<u>29.13</u>	<u>2.22</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2012 - the same as) the standard rate of corporation tax in the UK of 24% (2012 - 26%) as set out below:

(Loss)/profit on ordinary activities before tax	(44.62)	(3.84)	318.86	24.34
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	(10.71)	(0.92)	82.90	6.33
Effects of:				
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	13.45	1.16	—	—
Capital allowances for year in excess of depreciation	(0.08)	(0.01)	—	—
Utilisation of tax losses	—	—	(25.40)	(1.94)
Dividends from UK companies	—	—	(28.37)	(2.17)
Current tax charge for the year (see note above)	<u>2.67</u>	<u>0.23</u>	<u>29.13</u>	<u>2.22</u>

7 TANGIBLE FIXED ASSETS

	Computer Equipment GBP	GBP
COST		
At 1 April 2012	3.08	0.25
Additions	0.56	0.05
At 31 March 2013	<u>3.64</u>	<u>0.30</u>
Depreciation		
At 1 April 2012	2.48	0.20
Charge for the year	0.67	0.05
At 31 March 2013	<u>3.15</u>	<u>0.26</u>
Net book value		
At 31 March 2013	<u>0.50</u>	<u>0.04</u>
At 31 March 2012	0.61	0.61

8 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies	
Cost or valuation		
At 1 April 2012	246.17	20.41
Disposals	(246.17)	(20.41)
At 31 March 2013	—	—
At 31 March 2012	246.17	20.41

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Aditya Birla Minacs BPO Private Limited	Ordinary	100.00
Aditya Birla Minacs BPO Private Limited	5% Preference	100.00

The entire share capital and preference shares of Aditya Birla Minacs BPO Private Limited were disposed of on 1 March 2013 at full market value to Aditya Birla Minacs Worldwide Limited; another company within the same group.

9 DEBTORS

Trade debtors	750.54	61.78	626.19	51.91
Amounts owed by group undertakings	26.04	2.14	164.81	13.66
Other debtors	2.65	0.22	62.55	5.19
Prepayments and accrued income	8.48	0.70	11.25	0.93
	<u>787.71</u>	<u>64.84</u>	<u>864.80</u>	<u>71.69</u>

10 CREDITORS:

Trade creditors	4.87	0.40	0.11	0.01
Amounts owed to group undertakings	143.96	11.85	75.68	6.27
Corporation tax	2.67	0.22	29.13	2.41
Social security and other taxes	32.23	2.65	34.86	2.89
Accruals and deferred income	33.81	2.78	36.75	3.05
	<u>217.54</u>	<u>17.91</u>	<u>176.52</u>	<u>14.63</u>

ADITYA BIRLA MINACS BPO LTD., UK

11 SHARE CAPITAL

Allotted, called up and fully paid	18.97	1.56	18.97	1.57
75,866 (2012 — 75,866)				
A shares of £0.25 each				

12 RESERVES

	Share premium account		Profit and loss account	
At 1 April 2012	1,145.21	94.27	(35.63)	(2.95)
Loss for the year	—	—	(47.29)	(3.87)
As at 31 March 2013	<u>1,145.21</u>	<u>94.27</u>	<u>(82.91)</u>	<u>(6.83)</u>

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Opening shareholders' funds	1,128.55	92.90	838.82	69.54
(Loss)/profit for the year	(47.29)	(3.89)	289.73	24.02
Closing shareholders' funds	<u>1,081.26</u>	<u>89.01</u>	<u>1,128.55</u>	<u>93.56</u>

14 OPERATING LEASE COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

Land and buildings

Expiry date:

Within 1 year	1.05	0.09	—	—
Between 2 and 5 years	—	—	12.60	1.04

15 RELATED PARTY TRANSACTION

The company has taken advantage of the exemption available under FRS8 "Related Party Disclosures" not to separately disclose transactions with other companies that are owned 100% by the group.

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party is Aditya Birla Nuvo Limited, a company listed on the Bombay Stock Exchange and the National Stock Exchange in India.

The largest group into which Aditya Birla Minacs BPO Limited is consolidated is headed by Aditya Birla Nuvo Limited

The smallest group into which Aditya Birla Minacs BPO Limited is consolidated is headed by Aditya Birla Minacs Worldwide Inc, its immediate parent company.

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

DIRECTORS' REPORT TO THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the 15th Annual Report and the audited accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

The summarized financial results of your company are given in the table below.

(₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
Sales and Other Income	1724.21	1852.20
Profit/(Loss) before Depreciation	70.61	15.63
Depreciation	46.48	63.71
Profit/(Loss) before Taxation	24.13	(48.08)
Provision for Taxation	7.6	-
Profit/(Loss) after Taxation	16.53	(48.08)
Loss Brought Forward	(109.42)	(61.34)
Accumulated Profit/(Loss) Carried to Balance Sheet	(92.89)	(109.42)

DIVIDEND

In view of the carried forward losses, directors do not recommend any dividend for the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended March 31, 2013 on a "going concern" basis.

PARTICULARS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since your Company is a 100% export oriented unit and only operates in data processing and development, the information as required under Section 217(1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of Particular in the Report of the Board of Directors) Rules, 1988 are reported below to the extent applicable.

The company has not deployed and imported technology to carry out its process. The consumption of energy is minimal. The Company will take suitable steps, if required, in future for reduction of consumption of energy.

PARTICULARS OF EMPLOYEES

There were no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956 read with companies (Particulars of Employees) Rules, 1975, whose particulars are required to be given.

FOREIGN EXCHANGE

Your company remains to be net foreign exchange earner for India

(₹ in Lacs)

Particulars	31.03.2013	31.03.2012
Export Earnings for Service	1714.54	1838.87
Less: Expenses		
- Capital	NIL	NIL
- Others	NIL	4.66
Net Foreign Exchange Earning	1714.54	1834.21

STATUTORY AUDITORS

The report of the Statutory Auditors, M/s S V Ghatalia & Associates LLP (Firm Registration No. 103162W), Chartered Accountants, Mumbai is enclosed to this report.

In respect of observation/remark made at point (ix)(a) in the annexure to the Auditors' report, although the Company had deposited the cheques within the due dates in the drop boxes provided, the delayed clearance by authorities concerned in those jurisdictions resulted in the observation. Now, management of your Company has taken suitable corrective measures to avoid any such instances in future.

Further, in respect of observation/remark made at point no. (x) of the report, management of your Company is optimistic to continue the trend of making cash profits in the coming year. Further, management of your company has initiated actions to optimize costs and spend prudently on operating and capital expenditures. This is expected to partly insulate your company from cost concerns and help improve profits and cash flows.

Aditya Birla Minacs Worldwide Limited, parent company of your Company who holds 100% shares, shall continue to support the Company to operate as a going concern and enable the Company to discharge its obligations and liabilities in the normal course of business.

The Auditors' Report, other than the two observations/remarks referred above, is self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Your Directors request you to appoint auditors for the current year as set out in the accompanying notice of the Annual General Meeting.

DEPOSITS

The Company has not accepted any deposit during the financial year.

RE-CLASSIFICATION OF SHARE CAPITAL

During the year, your Company had modified Clause V of the Memorandum of Association of your Company to re-classify the authorized share capital of the Company.

CONVERSION OF 5% COMPULSORILY CONVERTIBLE PREFERENCE SHARES INTO EQUITY SHARES

Your Company, during the year, had converted 65,625 5% Compulsorily Convertible Preference Shares of Rs. 100 each into equity shares and allotted 65,625 equity shares to Aditya Birla Minacs BPO Limited, UK, thereon.

TRANSFER OF SHARES

During the year, Aditya Birla Minacs BPO Limited, UK has transferred its 100% equity shareholding to Aditya Birla Minacs Worldwide Limited. Now, your Company is a wholly-owned subsidiary of Aditya Birla Minacs Worldwide Limited.

ACKNOWLEDGEMENTS

Your Directors thank Aditya Birla Minacs Worldwide Limited for its continuous support and guidance given to the Company.

Your Directors are also thankful to the various government agencies and banks for their valuable support. The Directors also express their appreciation to all employees, staff and shareholders of the Company.

For and on behalf of the Board of
Aditya Birla Minacs BPO Private Limited

Place: Mumbai
Date : 14/05/2013

Deepak J Patel
Director

Manoj Kedia
Director

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Minacs BPO Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Minacs BPO Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.V. Ghatalia & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 103162W

per Hormuz Master

Partner
Membership Number: 110797

Place of Signature: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

Annexure referred to in paragraph [1] of our report of even date

Re: Aditya Birla Minacs BPO Private 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 the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The Company does not have any inventory and hence the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) ("Order") are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there have been slight delays in few cases*. The provision of investor education and protection fund, sales-tax, wealth-tax, customs duty, 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, service tax, 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. The provision of investor education and protection fund, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute. The provisions relating sales-tax, wealth tax, service tax, customs duty and excise duty are not applicable to the Company.
- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth*. The Company has not incurred cash loss during the year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us the Company has not availed any loans from financial institutions, banks or debenture-holders. Accordingly, the provisions of clause 4(xi) of the Order are not applicable to the Company and hence not commented upon.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (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
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (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.

For **S.V. GHATALIA & ASSOCIATES, LLP**
Chartered Accountants
ICAI Firm registration number: 103162W

per Hormuz Master
Partner
Membership No.: 110797

Place: Mumbai
Date: April 24, 2013

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

BALANCE SHEET AS AT MARCH 31, 2013

	Notes	March 31, 2013 (₹)	March 31, 2012 (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	7,587,250	13,493,500
Reserves and surplus	4	554,907	(7,004,629)
		8,142,157	6,488,871
Non-current liabilities			
Long-term borrowings	5	1,852,283	1,852,283
Long-term provisions	6	-	-
		1,852,283	1,852,283
Current Liabilities			
Trade payables	7	8,246,696	8,797,105
Other current liabilities	8	4,591,291	13,625,367
Short-term provisions	6	10,097,522	15,527,803
		22,935,509	37,950,275
Total		32,929,949	46,291,429
ASSETS			
Non-current assets			
Fixed assets (Tangible)	9	1,169,617	5,042,014
Long term loans and advances	10	6,847,474	6,564,390
Other non-current assets	11	126,850	-
		8,143,941	11,606,404
Current assets			
Trade receivables	12	2,193,959	10,206,864
Cash and bank balances	13	16,723,302	18,496,096
Short term loans and advances	10	5,224,607	5,898,334
Other current assets	11	644,140	83,731
		24,786,008	34,685,025
Total		32,929,949	46,291,429

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	March 31, 2013 (₹)	March 31, 2012 (₹)
INCOME			
Revenue from services		171,453,843	183,886,747
Other income	14	966,694	1,333,160
Total (I)		172,420,537	185,219,907
EXPENSES:			
Employee benefits expense	15	129,488,087	135,644,943
Other expenses	16	35,550,815	47,593,658
Total (II)		165,038,902	183,238,601
Earnings before interest, tax and depreciation (EBITDA) (I) - (II)		7,381,635	1,981,306
Depreciation	17	4,648,323	6,371,378
Finance costs	18	320,027	418,336
		4,968,350	6,789,714
Profit / (Loss) before tax		2,413,286	(4,808,408)
Tax expenses			
Current Tax		760,000	-
Profit / (Loss) for the year		1,653,286	(4,808,408)
Earnings per equity share [nominal value of share Rs. 10 (March 31, 2012 : Rs. 10)]			
Basic	25	2.31	(6.94)
Diluted		2.31	(6.94)

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.V. Ghatalia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 103162W

per Hormuz Master
Partner
Membership No: 110797

Place: Mumbai
Date : April 24, 2013

For and on behalf of the Board of Directors
Aditya Birla Minacs BPO Pvt. Ltd.

Mr. Deepak Patel
Director

Mr. Manoj Kedia
Director

As per our report of even date
For **S.V. Ghatalia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 103162W

per Hormuz Master
Partner
Membership No: 110797

Place: Mumbai
Date : April 24, 2013

For and on behalf of the Board of Directors
Aditya Birla Minacs BPO Pvt. Ltd.

Mr. Deepak Patel
Director

Mr. Manoj Kedia
Director

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	March 31, 2013 (₹)	March 31, 2012 (₹)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	2,413,286	(4,808,408)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	4,648,323	6,371,378
(Profit) / loss on sale of fixed assets	5,870	(51,600)
(Profit) / Loss on mark-to-market of derivative contracts	-	4,272,221
Unrealised foreign exchange loss	754,762	4,437,823
Interest (income)	(966,694)	(1,281,560)
Operating Profit before working capital changes	6,855,547	8,939,854
Movements in working capital :		
(Increase) / decrease in trade receivables	7,258,143	4,266,807
(Increase) / decrease in loans and advances	390,643	1,037,638
Increase / (decrease) in current liabilities and provisions	(15,691,579)	(27,130,425)
Cash generated from / (used in) operations	(1,187,246)	(12,886,126)
Direct Taxes paid (net of refunds)	(83,187)	(647,945)
Net cash flow from / (used in) operating activities (A)	3,001,788	(13,534,071)
B. Cash Flows from investing activities		
Purchase of fixed assets	(781,796)	(904,851)
Proceeds from sale of fixed assets	-	51,600
Investments in bank deposits (having original maturity of more than three months)	(10,251,032)	(3,284,410)
Interest Accrued on Fixed Deposits	(573,259)	(83,731)
Interest received	966,694	1,281,560
Net cash flow from / (used in) investing activities (B)	(10,639,392)	(2,939,832)
C. Cash flow from financing activities		
Intercompany deposits given	-	10,000,000
Proceeds from intercompany deposit	-	(10,000,000)
Net cash flow from / (used in) in financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(11,909,826)	(16,473,903)
Cash and cash equivalents at the beginning of the year	15,211,686	31,685,589
Cash and cash equivalents at the end of the year	3,301,860	15,211,686
Components of cash and cash equivalents		
Cash on hand	162,591	150,366
Balance with scheduled banks		
On current account	3,139,269	15,061,320
Total	3,301,860	15,211,686
Summary of significant accounting policies	2.1	

As per our report of even date

For **S.V. Ghatalia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 103162W

per Hormuz Master
Partner
Membership No: 110797

Place: Mumbai
Date : April 24, 2013

For and on behalf of the Board of Directors
Aditya Birla Minacs BPO Pvt. Ltd.

Mr. Deepak Patel
Director

Mr. Manoj Kedia
Director

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. Corporate Information

Aditya Birla Minacs BPO Private Limited is incorporated under the provisions of the Companies Act, 1956. The Company is engaged in providing back office data processing services into financial management, accountancy and administrative services across sectors including Airlines, Property, Food & Beverage, Insurance and US Government Contractors.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

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

b) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and attributable cost of bringing the assets to its working condition for its intended use.

c) Depreciation

Depreciation on assets is provided on straight-line basis, based on the useful lives as estimated by the management which are greater than the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956. The individual assets costing less than Rs. 5,000/- are depreciated in full in the year of purchase. The management's estimate of useful lives of the various fixed assets is given hereby:

Assets	Estimated useful life
Computers	3 years
Office Equipment	3 years
Furniture & Fixtures	3 years
Electrical Fittings	3 years

d) Operating Leases

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

e) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Loan arrangement fee is amortised over the loan period. All other borrowing costs are expensed in the period they occur.

f) Impairment of Assets

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 asset's 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.

g) Revenue Recognition

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.

Income from Services

Revenue is recognised on rendering of services to customers and in accordance with the contracts entered into with the customers.

Interest

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

h) Transactions in foreign currency

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange Differences

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to long term foreign currency items the company has adopted following policy:

Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

Exchange difference on restatement of all other monetary items is recognized in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

i) Retirement and other employee benefits

i. Retirement benefit in the form of provident fund, employee state insurance and labour welfare fund is a defined contribution scheme. The contributions to these funds are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation other than the contribution payable to the respective funds.

ii. Retirement benefit in the form of gratuity is a defined benefit scheme. Company's liabilities under payment of gratuity Act (funded) are determined by Actuarial Valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

iii. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

j) Taxation

Tax expense comprises of current and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

k) Segment Reporting Policies

The Company's operating segments are based on the nature of services provided, with each segment representing a strategic business unit that offers different services. The analysis of geographical segments is based on the location of customers. Un-allocated items include general corporate income and expense items which are not allocated to any business segment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

l) Earnings per share

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

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

m) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 best 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 best estimates.

n) Contingent liabilities

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 extreme rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

o) Cash and Cash equivalents

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

p) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

	March 31, 2013 (₹)	March 31, 2012 (₹)
3. SHARE CAPITAL		
Authorised shares		
1,050,000 (March 31, 2012 : 700,000) equity shares of ₹ 10 each	10,500,000	7,000,000
70,000 (March 31, 2012 : 105,000) 5% compulsory convertible preference shares of ₹ 100 each	7,000,000	10,500,000
Issued, subscribed and fully paid-up shares		
758,725 (March 31, 2012 : 693,100) equity shares of ₹ 10 each fully paid	7,587,250	6,931,000
Nil (March 31, 2012 : 65,625) 5% compulsory convertible preference shares (CCPS) of ₹ 100 each fully paid	-	6,562,500
Total issued, subscribed and fully paid up share capital	7,587,250	13,493,500

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2013		March 31, 2012	
	No of Shares	(₹)	No of Shares	(₹)
At the beginning of the period	693,100	6,931,000	693,100	6,931,000
Converted from Preference Shares	65,625	656,250	-	-
Outstanding at the end of the period	758,725	7,587,250	693,100	6,931,000

Preference Shares

	March 31, 2013		March 31, 2012	
	No of Shares	(₹)	No of Shares	(₹)
At the beginning of the period	65,625	6,562,500	65,625	6,562,500
Issued during the period	-	-	-	-
Converted into Equity Shares	(65,625)	(6,562,500)	-	-
Outstanding at the end of the period	-	-	65,625	6,562,500

(b) Terms/rights attached to equity shares

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

(c) Terms of conversion / redemption of cumulative convertible preference shares

During the year ended March 31, 2011, the company had issued 65,625 compulsory cumulative convertible preference shares of ₹ 100 each at a premium of ₹ 60 per share. CCPS carry cumulative dividend at 5% per annum. During the year, these CCPS have been converted into one equity share of ₹ 10 each

(d) Shares held by holding/ultimate holding company and/ or their subsidiaries/associates

	March 31, 2013 (₹)	March 31, 2012 (₹)
Aditya Birla Minacs Worldwide Limited, the holding company (w.e.f March 1, 2013)		
758,705 equity shares (March 31, 2012 : Nil) of ₹ 10 each fully paid	7,587,050	-
Aditya Birla Minacs BPO Limited, UK, the holding company		
Nil equity shares (March 31, 2012 : 693,080) of ₹ 10 each fully paid	-	6,930,800
Nil CCPS (March 31, 2012 : 65,625) of ₹ 100 each fully paid	-	6,562,500

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(e) The details for shareholders holding more than 5% shares the Company.

Name of Share Holder	As at March 31, 2013		As at March 31, 2012	
	No of Shares held	% holding in the class	No of Shares held	% holding in the class
Equity Shares of ₹ 10 each fully paid				
Aditya Birla Minacs BPO Limited, UK	-	-	693,080	99.99%
Aditya Birla Minacs Worldwide Limited	758,705	99.99%	-	-
Compulsory convertible preference shares of ₹ 100 each fully paid				
Aditya Birla Minacs BPO Limited, UK	-	-	65,625	100.00%
			March 31, 2013	March 31, 2012
			(₹)	(₹)

4. RESERVES AND SURPLUS

Securities Premium account

Balance as per the last financial statements	3,937,500	3,937,500
Add: Addition during the year	5,906,250	-
Closing Balance	9,843,750	3,937,500

Surplus / (deficit) in the Statement of Profit and Loss

Balance as per last financial year	(10,942,129)	(6,133,722)
Add: Profit / (Loss) carried from statement of Profit and Loss	1,653,286	(4,808,407)
Net Deficit in the statement of profit and loss	(9,288,843)	(10,942,129)
Total reserves and surplus	554,907	(7,004,629)

5. BORROWINGS

	Non - Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Loan from Shareholder	1,852,283	1,852,283	-	-
Total borrowings	1,852,283	1,852,283	-	-

6. PROVISIONS

	Non - Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(₹)	(₹)	(₹)	(₹)
Provision for employee benefits				
Provision for Leave Encashment	-	-	7,950,705	7,935,628
Provision for Gratuity (Refer note no. 23)	-	-	1,435,618	3,285,568
			9,386,323	11,221,196
Other provisions				
Provision for Mark to Market losses on derivative contracts	-	-	-	4,272,221
Provision for Tax (Net of Advance tax ₹ 848,801 (March 31, 2012 : ₹ 765,614))	-	-	711,199	34,386
			711,199	4,306,607
Total provisions			10,097,522	15,527,803

7. TRADE PAYABLES

Sundry creditors	1,483,792	2,015,636
(Refer note no. 21 for details of dues to Micro, small and medium enterprises)		
Trade payables for salaries and other employee benefits	6,762,904	6,781,469
Total trade payables	8,246,696	8,797,105

8. OTHER CURRENT LIABILITIES

Due to a related party	312,308	315,194
Creditors for capital goods	-	11,556,786
Other liabilities	3,505,540	794,639
TDS Payable	773,443	958,748
Total other current liabilities	4,591,291	13,625,367

9. FIXED ASSETS (TANGIBLE)

	Computers	Electrical fittings	Office equipment	Furniture and fixtures	Total
Gross Block					
As at 1 April 2011	28,342,764	2,623,990	10,852,383	7,507,111	49,326,248
Additions	513,719	-	391,132	-	904,851
Deletions/Adjustment	1,715,526	-	-	-	1,715,526
As at 31 March 2012	27,140,957	2,623,990	11,243,515	7,507,111	48,515,573
Additions	520,967	-	260,829	-	781,796
Deletions/Adjustment	-	-	9,606	-	9,606
As at 31 March 2013	27,661,924	2,623,990	11,494,738	7,507,111	49,287,763
Depreciation					
As at 1 April 2011	27,654,981	1,093,329	6,100,593	3,968,804	38,817,707
Charge for the year	525,319	874,663	2,949,629	2,021,767	6,371,378
Deletions/Adjustment	1,715,526	-	-	-	1,715,526
As at 31 March 2012	26,464,774	1,967,992	9,050,222	5,990,571	43,473,559
Charge for the year	469,697	655,998	2,006,088	1,516,540	4,648,323
Deletions/Adjustment	-	-	3,736	-	3,736
As at 31 March 2013	26,934,471	2,623,990	11,052,574	7,507,111	48,118,146
Net book value as at 31 March 2012	676,183	655,998	2,193,293	1,516,540	5,042,014
Net book value as at 31 March 2013	727,453	-	442,164	-	1,169,617

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

10. LOANS AND ADVANCES

	Non - Current		Current	
	March 31, 2013 (₹)	March 31, 2012 (₹)	March 31, 2013 (₹)	March 31, 2012 (₹)
Security Deposit				
Unsecured, considered good	-	-	4,579,660	4,582,060
(A)	-	-	4,579,660	4,582,060
Advances recoverable in cash or in kind				
Unsecured, considered good	-	-	555,906	70,046
(B)	-	-	555,906	70,046
Other Loans and Advances				
Prepaid expenses	-	-	89,041	1,246,228
Balance with Statutory/ government authorities	6,005,867	5,722,783	-	-
Advance tax (Net of provision for tax of ₹ 1,790,800 (March 31, 2012 : ₹ 1,790,800))	841,607	841,607	-	-
(C)	6,847,474	6,564,390	89,041	1,246,228
Total Loans and Advances (A + B + C)	6,847,474	6,564,390	5,224,607	5,898,334

11. OTHER ASSETS

	Non - Current		Current	
	March 31, 2013 (₹)	March 31, 2012 (₹)	March 31, 2013 (₹)	March 31, 2012 (₹)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Refer note 13)	114,000	-	-	-
(A)	114,000	-	-	-
Others				
Interest Accrued on Fixed Deposit	12,850	-	644,140	80,854
Interest Accrued on Inter Corporate Deposits	-	-	-	2,877
(B)	12,850	-	644,140	83,731
Total Other Assets [C = (A + B)]	126,850	-	644,140	83,731

12. TRADE RECEIVABLES (unsecured considered good)

	March 31, 2013 (₹)	March 31, 2012 (₹)
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	2,193,959	10,206,864
Total Trade Receivables	2,193,959	10,206,864

13. CASH AND BANK BALANCES

	Non - Current		Current	
	March 31, 2013 (₹)	March 31, 2012 (₹)	March 31, 2013 (₹)	March 31, 2012 (₹)
Cash and Cash Equivalents				
Cash on hand	-	-	162,591	150,366
Balance with scheduled banks - current account	-	-	3,139,269	15,061,320
-	-	-	3,301,860	15,211,686
Other Bank Balances				
Deposits with original maturity for more than twelve months	114,000	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	13,421,442	3,284,410
Amount disclosed under Other Assets (Refer Note 11)	(114,000)	-	-	-
-	-	-	13,421,442	3,284,410
Total Cash and Bank Balances	-	-	16,723,302	18,496,096

*The fixed deposit aggregating to ₹ 449,000 is under lien to bank for issuing bank guarantee in favour of customs authorities.

	March 31, 2013 (₹)	March 31, 2012 (₹)
14. OTHER INCOME		
Interest income on:		
- Bank deposits	933,190	1,278,683
- Others	33,504	2,877
Profit on sale of fixed assets	-	51,600
Total other income	966,694	1,333,160

15. EMPLOYEE BENEFIT EXPENSES

	March 31, 2013	March 31, 2012
Salaries, wages and bonus	119,681,703	124,056,075
Contribution to provident and other funds	6,080,818	6,229,985
Gratuity expenses (Refer note 23)	1,435,618	3,179,877
Staff welfare expenses	2,289,948	2,179,006
Total employee benefit expenses	129,488,087	135,644,943

16. OTHER EXPENSES

	March 31, 2013	March 31, 2012
Rent	8,095,500	8,095,500
Rates and taxes	539,209	340,652
Power and fuel	5,068,923	4,506,239
Travelling and conveyance expenses	7,183,507	6,396,299
Printing and stationery	333,476	355,661
Communication cost	1,826,597	3,462,876
Payment to auditors (Refer details below)	551,716	525,000
Legal and professional charges	2,869,631	7,196,965
Business promotion/entertainment expenses	10,076	23,713
Repairs and maintenance - Others	6,030,399	5,675,766
Insurance expenses	1,829,845	1,299,785
Loss on sale of fixed assets	5,870	-
Loss on foreign exchange fluctuations	754,762	4,737,823
Loss on mark to market on derivative contracts	-	4,272,221
Miscellaneous expenses	451,304	705,158
Total other expenses	35,550,815	47,593,658
Payment to Auditor		
As Auditor:		
Audit Fee	500,000	500,000
In other capacity:		
Other Services (Certification fees)	25,000	-
Reimbursement of expenses	26,716	25,000
	551,716	525,000

17. DEPRECIATION

	March 31, 2013	March 31, 2012
Depreciation of Tangible Assets	4,648,323	6,371,378
Total depreciation	4,648,323	6,371,378

18. FINANCE COSTS

	March 31, 2013	March 31, 2012
Bank charges	320,027	418,336
Total finance costs	320,027	418,336

Particulars	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)

19. CONTINGENT LIABILITIES

	March 31, 2013	March 31, 2012
Contingent Liabilities not provided for:		
Bank Guarantee given to custom authorities taken against lien on fixed deposits. This bank guarantee is given for duty free import of material under STPI scheme.	300,000	435,000
Preference dividend relating to 65,625 5% compulsory convertible preference shares of ₹ 100 each (Refer note below).	Nil	527,098
Total	300,000	962,098

Note:

In fiscal year 2012-13 the Company has converted 65,625 5% compulsory convertible preference shares of ₹ 100 each into one equity shares of ₹ 10 each fully paid up for every one 5% CCPS held.

ADITYA BIRLA MINACS BPO PVT. LTD., INDIA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

II. Secondary business segment:

- Geographical turnover is segregated based on the location of the customer to whom the services are rendered.
- Assets are segregated based on their location.
- Information about secondary business segments:

Year ended March 31, 2013	India	Outside India	Total
Revenue by geographical market	-	171,453,843	171,453,843
Carrying Amount of Segmental Assets	30,736,007	2,193,959	32,929,967
Capital Expenditure included in above	781,796	-	781,796
Year ended March 31, 2012	India	Outside India	Total
Revenue by geographical market	-	183,886,747	183,886,747
Carrying Amount of Segmental Assets	43,263,408	3,028,860	46,291,429
Capital Expenditure included in above	904,851	-	904,851

27. RELATED PARTY TRANSACTIONS

I. Name and nature of relationship of the Related Party where control exists:

Ultimate holding company	Aditya Birla Nuvo Limited
Holding Company	Aditya Birla Minacs BPO Limited, UK (upto February 28, 2013) Aditya Birla Minacs Worldwide Limited (w.e.f. March 1, 2013)
Fellow subsidiaries (where transaction have been entered by the Company)	The Minacs Group (USA) Inc. Aditya Birla Management Corporation Limited Aditya Birla Minacs BPO Limited, UK (w.e.f March 1, 2013)
Key Management Personnel	Mr. Deepak Patel – Director Mr. Manoj Kedia – Director

II. Summary of transactions with related parties during the year:

Particulars	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
Revenue		
Aditya Birla Minacs BPO Limited, UK	127,467,038	71,712,890
The Minacs Group (USA) Inc	19,945,695	47,949,609
Accrued Interest income		
Aditya Birla Minacs Worldwide Limited	Nil	2,877
Reimbursement of expenses paid to		
Aditya Birla Minacs Worldwide Limited	1,151,181	7,031,353
Aditya Birla Management Corporation Limited	-	2,895,375
Aditya Birla Nuvo Limited	-	104,000
Purchase of Fixed Assets		
Aditya Birla Minacs Worldwide Ltd	Nil	361,920
Conversion of preference shares into equity shares		
Aditya Birla Minacs BPO Limited, UK	6,562,500	Nil
Inter Company Deposit		
Aditya Birla Minacs Worldwide Limited	Nil	10,000,000
Aditya Birla Minacs Worldwide Limited	Nil	(10,000,000)
Balances at the year end		
Receivables		
The Minacs Group (USA) Inc	Nil	7,279,111
Payables		
Aditya Birla Minacs BPO Limited, UK	312,308	11,871,980
Aditya Birla Minacs Worldwide Limited	Nil	355,293
Loan from shareholder		
Aditya Birla Minacs BPO Limited, UK	1,852,283	1,852,283

28. DEFERRED TAX ASSETS

The Company has deferred tax asset in respect of unabsorbed depreciation and business losses. As there is no virtual certainty about the realisation of the deferred tax assets against the future taxable profits, the same has not been recognised.

29. DERIVATIVE INSTRUMENTS

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate.

The company, time to time, holds financial derivatives instruments primarily for hedging purpose.

Particulars	Amount in Foreign Currency		
	Currency	March 31, 2013	March 31, 2012
Forward Cover	GBP	-	510,000

Particulars of unhedged foreign currency exposure at the reporting date are as under:

Particulars	Currency	Amount in Foreign Currency		Amount in INR	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Trade Receivable	GBP	26,393	Nil	2,193,959	Nil
Trade Receivable	USD	Nil	139,767	Nil	7,279,111
Expenses Payable	GBP	3,757	3,785	312,308	315,194
Purchase of Capital Goods	GBP	Nil	138,779	Nil	11,556,786

30. Previous Year Comparatives

Previous year's figures have been regrouped where necessary to conform to the current year figures.

For **S.V. Chatalia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 103162W

per **Hormuz Master**
Partner
Membership No: 110797

Place: Mumbai
Date : April 24, 2013

For and on behalf of the Board of Directors
Aditya Birla Minacs BPO Pvt. Ltd.
Mr. Deepak Patel
Director

Mr. Manoj Kedia
Director

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

DIRECTORS' REPORT

To the Members of **Madura Garments Lifestyle Retail Company Limited**

Your Directors are pleased to present the Sixth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2013.

Financial Performance

	₹ in crores	
	2012-13	2011-12
Net Income	258.4	61.3
Profit before interest and depreciation	21.6	(12.9)
Depreciation and Amortisation	7.6	8.9
Finance Costs	0.5	4.0
Profit / (Loss) Before Tax	13.5	(25.8)
Income Tax	—	—
Profit / (Loss) After Tax	13.5	(25.8)
Profit and Loss Account balance brought forward	(159.7)	(133.9)
Appropriation to Reserves	(13.5)	—
Balance carried forward	(159.7)	(159.7)

Review of Performance

The Company expanded its network of stores and operated seven stores of The Collective in the financial year ended 31st March 2013. The Company also launched two Hackett Mono Brands stores during the above financial year.

During the current financial year the Company started operating and managing "Planet Fashion" Stores of Aditya Birla Nuvo Limited. Your Company will be able to leverage its expertise in operating in retail sector.

The Collective stores continue to set benchmarks in retail experience, product offerings and visual merchandising.

Prospects

With the expansion of retail stores network and launch of international mono branded stores your Company, with its portfolio of premium and super premium retail stores, is well positioned to be a major player in the super premium market.

Dividend

In view of the accumulated losses the Board of Directors has not recommended any dividend for the financial year ending 31st March, 2013.

Fixed Deposits

Your Company has not accepted any deposits during the financial year ending 31st March, 2013.

Auditors

Your Company's statutory auditors Deloitte Haskins & Sells, shall retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment as the statutory auditors of the Company. Your Directors request you to appoint Auditors for the

current year as set out in the accompanying notice of the Annual General Meeting.

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Director

Mr. Pranab Barua and Mr. Devendra Bhandari retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. they have selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. they have prepared the annual accounts on a 'going concern basis'.

Particulars of Employees

Information required to be provided under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report.

Annexures

Required information as per Section 217(1) (e) and 217(2A) of the Companies Act, 1956, are Annexed.

Appreciation

Your Directors wish to place on record their appreciation of the support which the Company has received from its shareholders, customers, suppliers, bankers, press and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided by Central and State Governments and all Regulatory bodies.

Your Directors place on record their deep appreciation of the dedication and commitment of the employees at all levels and look forward to their continued contribution in the future as well. Their dedicated efforts and enthusiasm have been pivotal for your Company's growth.

For and on behalf of the Board

Place: Bangalore
Date: May 14, 2013

Ashish Dikshit **S. Visvanathan**
Director Director

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

ANNEXURE TO THE DIRECTORS' REPORT DATED MAY 14, 2013

(A) Statement pursuant to Sec. 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the period ended 31st March, 2013

I. Conservation of Energy

In line with the Company's declared commitment towards conservation of natural resources, the Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices.

II. Technology Absorption

The Company's activity is mainly that of trading of readymade garments, accessories and services. Every effort is made to utilize the best technology for making available the products to its intended consumers. Efforts to improve productivity by innovative work methods and adoption of better production technology are parts of a continual process.

III. Foreign Exchange Earning and Outgo

During the year under review, the Company spent ₹ 28.32 crores (consisting of ₹ 1.91 crores on capital imports and ₹ 26.41 crores on the revenue account).

(B) Particulars of Employees forming part of the Directors' Report, for the year ended 31st March 2013. Information pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sl. No.	Name	Qualification	Age (Yrs)	Experience (Yrs)	Date of Commencement of Employment	Designation/ Nature of Duties	Gross Remuneration (₹)	Particulars of last Employment held before Joining the Company		
								Name of Employer	Designation	Period of Service
1	Julie Woodhead	University Graduate	52.1	32	28-Apr-08	Buying Director, Collective	17,945,089	Moss Bros PLC	Head-Merchandising	0.5

Notes:

- Gross remuneration shown above is subject to tax and comprises basic salary, allowances, monetary value of perquisites and Company's contribution towards provident and superannuation funds.
- None of the above employees is related to any Director of the Company.
- The nature of employment in all cases is contractual.

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
Madura Garment Lifestyle Retail Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Madura Garment Lifestyle Retail Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.
 - (e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Section 274 (1) (g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

S. Sundaresan
Partner
Membership No. 25776

Place: Bangalore,
Date : May 14, 2013

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. The nature of the Company's business / activities / results is such that clauses 4(iii) (b) to (d), (f) and (g), 4(vi), 4(viii), 4(xii), 4 (xiii), 4(xiv), 4(xvi) and 4(xx) of CARO are not applicable.
2. In respect of its fixed assets,
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us. no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. In respect of inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
4. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and services During the course of our audit, we have not observed any major weaknesses in such internal control system.
6. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered into the Register maintained under the Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
7. The Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, we are not aware of any disputed Income tax, Service tax, Sales tax, Customs duty, Wealth tax, Excise duty and Cess which have not been deposited as on March 31, 2013.
9. The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has/had not incurred cash losses in the financial year and in the immediately preceding financial year.
10. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders and during the year there were no dues repayable to financial institutions.
11. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
12. In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short term basis have not been used during the year for long term investment.
13. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
14. According to the information and explanations given to us during the period covered by our audit report, the Company had issued 3000 debentures of ₹ 10,00,000 each. The Company has created security in respect of debentures issued.
15. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

S. Sundaresan
Partner
Membership No. 25776

Place: Bangalore,
Date : May 14, 2013

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31-Mar-2013 ₹	As at 31-Mar-2012 ₹
(A) Shareholders' funds			
a. Share Capital	1		
Equity		988,888,900	100,000,000
Preference		100,000,000	100,000,000
b. Reserves and Surplus	2	487,116,389	(1,596,803,998)
Sub total -(A)		1,576,005,289	(1,396,803,998)
(B) Non-current liabilities			
a. Long-term borrowings	3A	3,200,000,000	4,704,000,000
b. Other Long term Liabilities	6A	159,539,178	—
Sub total -(B)		3,359,539,178	4,704,000,000
(C) Current liabilities			
a. Short-term borrowings	3B	2,168,443	4,418,610
b. Trade payables	4	534,855,146	246,457,219
c. Other Current liabilities	5	74,037,481	41,304,947
d. Short-term provisions	6B	9,045,111	4,607,145
Sub total -(C)		620,106,181	296,787,921
TOTAL (A) + (B) + (C)		5,555,650,648	3,603,983,923
ASSETS			
(D) Non Current Assets			
a. Fixed Assets			
Tangible assets	7A	149,801,725	171,367,430
Intangible assets	7B	1,596,848	4,423,800
Capital work-in-progress		97,852,641	22,333,724
		249,251,214	198,124,954
b. Non-current investments	8	4,250,000,000	3,003,177,490
c. Long-term loans and advances	9A	91,981,511	81,031,332
d. Other non-current assets	10A	4,016,786	3,932,200
Sub total - (D)		4,595,249,511	3,286,265,976
(E) Current Assets			
a. Inventories	11	785,255,903	205,726,170
b. Trade receivables	12	6,915,257	21,773,195
c. Cash & Bank Balance	13	44,500,615	12,857,226
d. Short-term loans and advances	9B	120,036,132	76,401,639
e. Other Current Assets	10B	3,693,230	959,717
Sub total - (E)		960,401,137	317,717,947
TOTAL (D) + (E)		5,555,650,648	3,603,983,923

Other Notes on Accounts 22

Notes referred to above form an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells, For and on Behalf of the Board of Directors
Chartered Accountants

S. Sundaresan **Ashish Dikshit** **S. Visvanathan**
Partner Director Director

Place : Bangalore **G. Mohana Sundaram**
Date : May 14, 2013 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	Year ended 31-Mar-2013 ₹	Year ended 31-Mar-2012 ₹
Revenue from operations	14	2,537,268,591	600,003,948
Other Income	15	46,243,470	12,769,777
Total Revenue		2,583,512,061	612,773,725
Expenses			
Purchase of Stock in trade	16	2,181,455,421	463,802,308
Changes in inventories of finished goods, work-in-progress and stock-in-trade	17	(579,529,733)	(68,785,601)
Employee benefits expenses	18	107,071,295	74,704,319
Finance Cost	19	5,101,201	39,983,407
Depreciation of Tangible Assets		73,318,810	85,694,561
Amortization of Intangible Liabilities		2,826,952	2,821,390
Other expenses	20	658,735,399	272,183,441
Total Expenses		2,448,979,345	870,403,825
Profit / (Loss) before tax		134,532,716	(257,630,100)
Tax expenses			
Current tax		—	—
Deferred tax (Refer Note 22 sub note 22.23)		—	—
Profit / (Loss) for the year		134,532,716	(257,630,100)

Earnings / (Loss) per share of the face value of ₹ 10/- each

Basic Earnings per Share - ₹			
Diluted Earnings per Share - ₹	21	2.24	(26.70)
(Face Value of ₹ 10/- each)			
Other Notes on Accounts	22		

Notes referred to above form an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells, For and on Behalf of the Board of Directors
Chartered Accountants

S. Sundaresan **Ashish Dikshit** **S. Visvanathan**
Partner Director Director

Place : Bangalore **G. Mohana Sundaram**
Date : May 14, 2013 Company Secretary

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

Cash Flow Statement for the Year Ended 31st March, 2013

	31-Mar-2013		31-Mar-2012	
	₹	₹	₹	₹
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax		134,532,716		(257,630,100)
Adjustments for:				
Depreciation	76,145,762		88,515,951	
Interest Expense	26,720,724		45,213,106	
Profit on sale of investments	(301,862)		—	
Profit on sale of fixed assets	—		—	
Interest received	(44,855,862)		(420,871)	
Mark to Market loss on outstanding forward Cover	906,249		—	
Foreign Exchange Loss / (Gain)	4,377,409		252,526	
Loss on disposal of Fixed Assets	2,367,720		17,709,942	
Provision for earlier years written back	—		(12,157,043)	
Bad Debts	—		1,127,990	
		65,360,140		140,241,601
Operating Loss before working capital changes		199,892,856		(117,388,499)
(Increase) / Decrease in Accounts Receivables	14,857,938		(3,630,303)	
(Increase) / Decrease in Inventory	(579,529,733)		(68,785,601)	
(Increase) / Decrease in long term Loans and Advances	(3,230,476)		(22,197,868)	
(Increase) / Decrease in short term Loans and Advances	(25,795,566)		(5,512,864)	
Increase / (Decrease) in Current Liabilities and Provisions	326,229,127		125,748,893	
		(267,468,710)		25,622,257
Cash generated from operations		(67,575,854)		(91,766,242)
Taxes Paid		(1,433,570)		(827,808)
NET CASH USED IN OPERATING ACTIVITIES		(69,009,424)		(92,594,050)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(145,347,799)		(51,383,969)	
Investments in Compulsorily Convertible Preference Shares	(1,250,000,000)		(750,000,000)	
Proceeds from Sale of Fixed Assets	382,201		2,662,293	
Proceeds on sale of investments	3,479,352		—	
Interest received	43,801,578		68,925	
NET CASH USED IN INVESTING ACTIVITIES		(1,347,684,668)		(798,652,751)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net Proceeds / Remittances from / to Long Term Borrowings	(1,504,000,000)		998,000,000	
ICDs issued to related parties	(2,976,950,000)		—	
ICDs repaid by related parties	2,958,950,000		—	
Proceeds from issue of redeemable non Convertible Debentures	3,000,000,000		—	
Proceeds / Remittances from / to Short Term Borrowings from Banks	(2,250,168)		(49,928,856)	
Fixed Deposits made	(84,586)		(50,000)	
Interest paid	(27,327,765)		(44,771,324)	
NET CASH FROM FINANCING ACTIVITIES		1,448,337,481		903,249,820
NET INCREASE IN CASH AND CASH EQUIVALENTS		31,643,389		12,003,019
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		12,857,226		854,207
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE 2 BELOW)		44,500,615		12,857,226

Notes -

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 under Companies (Accounting Standard) Rule, 2006 on Cash Flow Statements prescribed

2. Cash and Cash Equivalents

Cash and Cash equivalents included in the cash flow statement comprises the following balance sheet amounts

	31-Mar-2013	31-Mar-2012
Cash in Hand	219,371	179,542
Balances with banks		
On Current accounts	44,281,244	12,677,684
	44,500,615	12,857,226

3. Previous year's figures have been regrouped/rearranged, wherever considered necessary, to conform to current year's presentation.

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

S. Sundaresan
Partner

Place : Bangalore
Date : May 14, 2013

For and on Behalf of the Board of Directors

Ashish Dikshit **S. Visvanathan**
Director Director

G. Mohana Sundaram
Company Secretary

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

Notes forming part of Accounts

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
NOTE : 1 - SHARE CAPITAL		
1.1 Authorised:		
100,000,000 (Previous Year 10,000,000)		
Equity Shares of ₹ 10 each	1,000,000,000	100,000,000
10,000,000 (Previous Year 10,000,000) - 8% Redeemable	100,000,000	100,000,000
Cumulative Preference Shares of ₹ 10 each		
Total	1,100,000,000	200,000,000

1.2 Issued, Subscribed & Paid-up:		
Equity Share Capital		
98,888,890 (Previous Year 10,000,000)		
Equity Shares of ₹ 10 each, Fully paid-up*	988,888,900	100,000,000
*Comprising of		
98,838,896 (Previous year 99,50,006)		
Equity Shares of ₹ 10 each held by the Holding Company, Aditya Birla Nuvo Limited		
49,994 (Previous year 49,994) Equity Shares of ₹ 10 each held by ABNL Investment Limited, subsidiary of Aditya Birla Nuvo Limited (Refer sub note 1.4 below)		
Preference Share Capital		
10,000,000 (Previous Year 10,000,000) - 8% Redeemable Cumulative Preference Shares of ₹ 10 each**	100,000,000	100,000,000
**All the above mentioned Preference Shares are held by the Holding Company Aditya Birla Nuvo Limited. (Refer sub note 1.5 below)		
Total	1,088,888,900	200,000,000

1.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Sl. No.	Description	As at 31-Mar-13		As at 31-Mar-12	
		No. of Shares	₹	No. of Shares	₹
1	No of Shares outstanding at the beginning of the year				
	Equity Shares	10,000,000	100,000,000	10,000,000	100,000,000
	Preference	10,000,000	100,000,000	10,000,000	100,000,000
		20,000,000	200,000,000	20,000,000	200,000,000
2	Allotment of Equity Shares of ₹ 10 each fully paid up on 24th September 2012 upon conversion of 3000 zero coupon, unsecured, unrated, unlisted, fully paid up, non marketable, non redeemable, fully and compulsorily convertible Debentures of ₹ 1,000,000/-	88,888,890	888,888,900	—	—
3	No of Shares outstanding at the end of the year				
	Equity Shares	98,888,890	988,888,900	10,000,000	100,000,000
	Preference	10,000,000	100,000,000	10,000,000	100,000,000
		108,888,890	1,088,888,900	20,000,000	200,000,000

1.4 Terms / right attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the 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. During the year the company has converted 3000 zero coupon, unsecured, unrated, unlisted, fully paid up, non marketable, non redeemable, fully and compulsorily convertible Debentures of ₹ 1,000,000/- each into 88,888,890 equity shares of ₹ 10 each fully paid up on 24th September 2012 in accordance with terms of Subscription agreement.

1.5 Terms / rights attached to Preference Shares including terms of conversion / redemption

The Company had issued 10,000,000 8% cumulative redeemable preference shares of ₹ 10/- each at par to its holding Company-Aditya Birla Nuvo Limited on March 26th, 2009. These preference shares are redeemable at face value upon completion of 10 years but before the

expiry of the statutory period of 20 years from the date of allotment. The earliest redemption is due on March 25, 2019. The Preference share holders will be eligible for dividend at 8%. Arrears of fixed cumulative dividend on preference shares including corporate tax thereon as at 31st March 2013 is ₹ 3,75,66,614 (As at 31st March 2012 ₹ 2,82,07,014)

1.6 Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Sl. No.	Name of the Shareholder	As at 31-Mar-13		As at 31-Mar-12	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1	Equity Share Capital				
	Aditya Birla Nuvo Limited	98,838,896	99.5%	9,950,006	99.5%
2	Preference Share Capital				
	Aditya Birla Nuvo Limited	10,000,000	100.0%	10,000,000	100.0%

1.7 Terms of securities convertible into equity / preference shares

Refer Note. No. 3A sub note 3A.4 In regard to terms of securities convertible into Equity

NOTE : 2 RESERVES AND SURPLUS

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Hedging Reserve		
Opening Balance	—	—
Gain/(Loss) recognised during the year (Net)	(2,775,856)	—
Gain/(Loss) recycled to statement of Profit and Loss	(591,605)	—
Closing balance	(2,184,251)	—
Share Premium Account		
Opening Balance	—	—
Additions : Issue of 88,888,888 equity shares of ₹ 10 each at a premium of ₹ 23.75 per share	2,111,111,100	—
Deduction: Provision for premium on redemption of debentures	(159,539,178)	—
	1,951,571,922	—
Debenture Redemption Reserve		
Opening Balance	—	—
Additions : Transfer from Statement of Profit and Loss (Refer note 22.22)	134,532,716	—
Closing Balance	134,532,716	—
Balance in Statement of Profit and Loss		
Balance at the beginning of the year	(1,596,803,998)	(1,339,173,898)
Add- Profit / (Loss) for the year	134,532,716	(257,630,100)
	(1,462,271,282)	(1,596,803,998)
Less : Appropriations		
Transfer to Debenture Redemption reserve	134,532,716	—
Closing Balance	(1,596,803,998)	(1,596,803,998)
	487,116,389	(1,596,803,998)

NOTE : 3A LONG TERM BORROWINGS

3A.1 Debentures- Unsecured (Refer sub note 3A.4C below)	200,000,000	3,200,000,000
3A.2 Debentures- Secured (Refer sub note 3A.4b below)	3,000,000,000	—
3A.3 Inter Corporate Deposit - Unsecured* *from Aditya Birla Nuvo Limited- Holding Company	—	1,504,000,000
	3,200,000,000	4,704,000,000
3A.4 Debentures unsecured		
a 3000 Zero Coupon fully and compulsorily Convertible Debentures of ₹ 1,000,000/- each at par issued to Pioneer Trust.	—	3,000,000,000
The Company had issued 3000 zero coupon, unsecured, unrated, fully paid up, non marketable, non redeemable, fully and compulsorily convertible Debentures of ₹ 1,000,000/- each at par to Pioneer Trust-2010 (Acting through its Trustee- Axis bank Limited) on July 9th, 2010. The Debentures were convertible into Equity Shares on expiry of 60 months from the date of allotment or on happening of event of default as mentioned in the Subscription agreement. The above debentures were converted fully into 88,888,890 equity shares of ₹ 10 each fully paid up on 24th September 2012 in accordance with terms of Subscription agreement.		
b 3000 secured redeemable Non- Convertible Debentures of the face value of ₹ 1,000,000/- each at par issued through private placement.	3,000,000,000	—
The Company has issued 3000 secured redeemable non convertible debentures of the face value of ₹ 10,00,000/-each for cash at par on private placement basis on 26th September 2012.		

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹		As At 31-Mar-13 ₹	As At 31-Mar-12 ₹			
The debentures are secured by first pari-passu charge by way of mortgage over immovable property valuing about ₹ 11,55,000/-, first ranking exclusive charge basis, all its rights, title, interest, benefits, claims and demands whatsoever of the issuer under the CCP Call right and Put Right Agreement, First and Exclusive Charge on the Escrow Account and all the monies lying to the credit of the Escrow Account, at present or in future till full and final payment and discharge of the obligation, First and exclusive charge on the deposits made in the Escrow Account, if any, pursuant to the Cash Support Undertaking or Corporate Guarantee Terms of Redemption : The first redemption date is 24 months from the deemed date of Allotment. The debentures are redeemable at a redemption premium equal to Yield To Maturity of 10.38% per annum.								
c 200 Zero Coupon fully and compulsorily Convertible Debentures of ₹ 1,000,000/- each at par issued to ABNL Investment Limited	200,000,000	200,000,000						
The Company has issued 200 zero coupon, fully and compulsorily convertible Debentures of ₹ 1,000,000/- each at par to ABNL Investment Limited on February 5th, 2010. The Debentures are convertible into Equity Shares on expiry of 60 months from the date of allotment i.e. (Compulsorily Conversion Date), or at the option of Investor, at any time after expiry of 24 months from the date of allotment but before 54 months with 3 months advance notice. The Conversion Ratio shall be determined mutually by the Company and Debenture holder at least 30 days prior to the Compulsorily Conversion Date or the Conversion Date as the case may be. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend with the then existing fully paid up equity shares of the Company subject to the provisions of the Memorandum and Articles of Association of the Company.								
	<u>3,200,000,000</u>	<u>3,200,000,000</u>						
3A.5 Inter Corporate Deposit - Unsecured								
The Company had obtained unsecured inter corporate deposits from Aditya Birla Nuvo Ltd - Holding Company for its business operations. The inter corporate deposits were repaid full on 30th September 2012.		1,504,000,000						
		<u>—</u>						
NOTE : 3B SHORT TERM BORROWINGS								
3B.1 Working Capital Borrowings from Banks (Refer sub note 3B.2 below) - Secured	2,168,443	4,418,610	Secured Working Capital Borrowings from Banks					
	<u>2,168,443</u>	<u>4,418,610</u>	3B.2 Working Capital borrowings are secured by Second charge by way of hypothecation of Company's entire Current assets including stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary or clean, outstanding monies, receivables, both present & future	2,168,443	4,418,610			
			Corporate Guarantee issued by the Holding Company Aditya Birla Nuvo Ltd.	<u>2,168,443</u>	<u>4,418,610</u>			
			NOTE : 4 TRADE PAYABLES					
			Trade Payables for Salaries, wages and other					
			Employee benefits	20,078,544	12,188,341			
			Trade Payables	514,776,602	234,268,878			
				<u>534,855,146</u>	<u>246,457,219</u>			
			Disclosure under Sec. 22 of MSMED Act, 2006 (Chapter V - Delayed Payment to Micro and Small Enterprises)					
			Micro and Small Scale Business Entities:					
			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, 2013. 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 : 5 OTHER CURRENT LIABILITIES	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹			
			Interest Accrued but not due on Borrowings	—	607,041			
			Statutory Dues	27,119,586	7,633,342			
			Advance from Customers	18,208,186	6,115,599			
			Payable for Capital Expenditure	2,900,783	10,422,350			
			Mark to Market Derivatives	2,949,154	—			
			Deferred lease Rentals	9,262,172	16,526,615			
			Security Deposit	13,597,600	—			
				<u>74,037,481</u>	<u>41,304,947</u>			
			NOTE : 6A OTHER LONG TERM LIABILITIES					
			Liability for Premium on Redemption of Debentures	159,539,178	—			
				<u>159,539,178</u>	<u>—</u>			
			NOTE : 6B SHORT TERM PROVISIONS					
			Provision for Employee Benefits					
			Leave Encashment (Refer Note 22 sub note 22.26b)	7,280,522	4,343,963			
			Gratuity Payable	1,764,589	—			
			Provision for FBT (Net of Advance FBT -nil, Previous Year ₹ - 2,227,448)	—	263,182			
				<u>9,045,111</u>	<u>4,607,145</u>			
NOTE : 7A Tangible assets					(₹)			
	Leasehold Improvements	Buildings	Plant and Machinery	Computer and accessories	Office Equipments	Fixtures and Fittings	Vehicles	Total
Gross Block								
As At 1st April 2011	10,121,287	—	39,149,031	5,823,954	16,938,247	373,746,057	3,498,315	449,276,891
Additions	—	—	2,382,177	—	1,800,182	27,390,633	1,007,840	32,580,832
Deduction/ Adjustments	—	—	14,437,435	—	3,983,272	77,541,632	1,048,675	97,011,014
As At 31st March 2012	10,121,287	—	27,093,773	5,823,954	14,755,157	323,595,058	3,457,480	384,846,709
Additions	0	1,275,400	6,062,128	516,354	3,267,706	43,381,438	—	54,503,026
Deduction/ Adjustments	—	—	402,148	168,186	120,205	4,630,510	630,000	5,951,049
As At 31st March 2013	10,121,287	1,275,400	32,753,753	6,172,122	17,902,658	362,345,986	2,827,480	433,398,686
Accumulated Depreciation								
As At 1st April 2011	3,721,100	—	13,387,363	3,467,502	10,010,840	172,647,561	1,189,131	204,423,497
For the year	1,240,671	—	6,755,759	909,170	3,173,214	72,993,195	622,552	85,694,561
Deduction/ Adjustments	—	—	10,572,264	—	3,933,352	61,965,994	167,169	76,638,779
As At 31st March 2012	4,961,771	—	9,570,858	4,376,672	9,250,702	183,674,762	1,644,514	213,479,279
For the year	1,240,671	73,030	6,044,028	762,574	2,391,354	62,384,660	422,493	73,318,810
Deduction/ Adjustments	—	—	215,987	116,854	71,062	2,589,037	208,188	3,201,128
As At 31st March 2013	6,202,442	73,030	15,398,899	5,022,392	11,570,994	243,470,385	1,858,819	283,596,961
Net Book Amount								
As At 31st March 2012	5,159,516	—	17,522,915	1,447,282	5,504,455	139,920,296	1,812,966	171,367,430
Net Book Amount								
As At 31st March 2013	3,918,845	1,202,370	17,354,854	1,149,730	6,331,664	118,875,601	968,661	149,801,725

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

NOTE : 7B

(₹)

	Technical Know-how	Specialised Software	Total
Intangible assets			
Gross Block			
As At 1st April 2011	14,078,512	224,995	14,303,507
Additions	—	—	—
Deduction/ Adjustments	—	—	—
As At 31st March 2012	14,078,512	224,995	14,303,507
Additions	—	(0)	(0)
Deduction/ Adjustments	—	—	—
As At 31st March 2013	14,078,512	224,995	14,303,507
Accumulated Depreciation			
As At 1st April 2011	6,850,260	208,057	7,058,317
For the year	2,815,702	5,688	2,821,390
Deduction/ Adjustments	—	—	—
As At 31st March 2012	9,665,962	213,745	9,879,707
For the year	2,815,702	11,250	2,826,952
Deduction/ Adjustments	—	—	—
As At 31st March 2013	12,481,664	224,995	12,706,659
Net Book Amount			
As At 31st March 2012	4,412,550	11,250	4,423,800
Net Book Amount			
As At 31st March 2013	1,596,848	(0)	1,596,848

NOTE : 8 NON CURRENT INVESTMENTS

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Unquoted and Non Trade Investments		
8.1 Equity Shares	—	3,177,490
Nil (Previous Year 317,749) Equity Shares of ₹ 10/- each in LIL Investments Limited		
8.2 Preference Shares	4,250,000,000	3,000,000,000
42,50,00,000 (Previous Year 30,00,00,000) 0.01% Compulsorily Convertible Preference Shares of ₹ 10/- each in Aditya Birla Finance Limited, paid up in full.		
	4,250,000,000	3,003,177,490
Aggregate amount of unquoted investments	4,250,000,000	3,003,177,490

NOTE : 9A LONG TERM LOANS AND ADVANCES

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
(Unsecured Considered Good Except Otherwise Stated)		
Security Deposit	84,107,150	80,961,260
Advance for Capital Goods	7,874,361	70,072
	91,981,511	81,031,332

NOTE : 9B SHORT TERM LOANS AND ADVANCES

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
(Unsecured Considered Good Except Otherwise Stated)		
Security Deposit	726,887	1,576,847
Advances to Employees	3,886,661	868,019
Inter Corporate Deposit to Related Party	18,000,000	—
Advances for Expenses	26,734,673	50,084,752
Prepaid Expenses	6,398,675	3,445,031
Net Advance Tax and TDS	20,708,650	19,275,080
(Net of Provisions for taxes Nil (Previous Year Nil))		
Dues from Government	43,580,386	756,100
Advance gratuity paid	—	395,810
	120,036,132	76,401,639

NOTE : 10A OTHER NON CURRENT ASSETS

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
(Unsecured, Considered Good except otherwise stated)		
Other Bank Balance		
Bank Deposit more than 12 months maturity from Balance Sheet date	4,016,786	3,932,200
	4,016,786	3,932,200

Amount held as Margin money under lien to bank for issuing guarantee	4,016,786	3,932,200
--	-----------	-----------

NOTE : 10B OTHER CURRENT ASSETS

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Interest Accrued on Loans and Advances	1,281,077	959,717
Interest Accrued on Fixed Deposit	732,924	—
Dues from Employees	1,679,229	—
	3,693,230	959,717

NOTE : 11 INVENTORIES

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
(At lower of cost and net realisable value)		
Stock in Trade	785,255,903	205,726,170
	785,255,903	205,726,170

NOTE : 12 TRADE RECEIVABLES

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
(Unsecured, considered good)		
Due for exceeding six months	333,469	—
Others	6,581,788	21,773,195
	6,915,257	21,773,195

NOTE : 13 CASH AND BANK BALANCE

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Cash & Cash Equivalent		
Balances with Banks on Current Accounts	44,281,244	12,677,684
Cash in hand	219,371	179,542
	44,500,615	12,857,226

NOTE : 14 REVENUE FROM OPERATIONS

	Year ended 31-Mar-2013 ₹	Year ended 31-Mar-2012 ₹
Sale of Traded Goods (Refer Note 22 sub note 22.25a)	2,533,250,484	597,510,833
Sale of Services		
Commission	4,018,107	2,493,115
	2,537,268,591	600,003,948

NOTE : 15 OTHER INCOME

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Interest Income	44,855,862	420,871
Dividend received on Long term Investments (Tax Deducted at Source Nil (Previous Year - Nil))	225,822	131,301
Profit on sale of Non Current investments	301,862	—
Miscellaneous Income	859,924	60,562
Liabilities written Back		
- Unpaid Variable Pay no longer required	—	12,157,043
	46,243,470	12,769,777

NOTE : 16 PURCHASES OF STOCK IN TRADE

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Purchase of Stock in Trade (Refer Note 22 sub note 22.25a)	2,181,455,421	463,802,308
	2,181,455,421	463,802,308

NOTE : 17 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
(Refer Note 22 sub note 22.25a)		
Closing Inventory		
Stock in trade	785,255,903	205,726,170
Less: Opening Inventory		
Stock in trade	205,726,170	136,940,569
(Increase) / Decrease	(579,529,733)	(68,785,601)
Net (Increase) / Decrease	(579,529,733)	(68,785,601)

NOTE : 18 EMPLOYEE BENEFITS EXPENSES

	As At 31-Mar-13 ₹	As At 31-Mar-12 ₹
Salaries, Wages and Bonus	97,225,630	67,902,562
Contributions to Provident fund and other funds	4,898,394	2,375,088
Staff Welfare Expenses	4,947,271	4,426,669
	107,071,295	74,704,319

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NOTE : 19 FINANCE COST

Debt Issue Expenses	4,820,240	—
Interest Expenses on borrowings from Banks	280,961	38,714,376
Other Borrowing Costs	—	1,269,031
	5,101,201	39,983,407

NOTE : 20 OTHER EXPENSES

Professional and Consultancy Expenses (For note on Auditors' remuneration refer NOTE :22 sub note 22.27)	79,257,302	6,506,524
Advertisement	39,757,498	36,681,861
Travel and Conveyance	15,017,935	21,031,694
Rent expenses	75,651,653	114,483,608
Repairs and Maintenance		
Plant and Machinery	31,964,860	24,599,678
Others	629,151	561,113
Rates and Taxes	31,069,923	9,599,577
Postage Expenses	360,566	48,185
Communication Expenses	3,238,112	1,772,159
Connectivity Charges	3,531,875	559,492
Electricity	39,890,362	10,204,719
Security and Housekeeping Expenses	16,615,339	6,006,355
Other Selling Expenses	1,176,583	3,607,864
Selling Commission	250,725,393	3,459,406
Freight	20,598,069	2,195,561
Packing Materials	10,864,943	2,311,696
Printing and Stationary	1,665,326	558,667
Recruitment Expenses	1,346,465	429,151
Insurance	3,521,116	2,359,692
Other Bank Charges	21,619,523	5,229,699
Bad Debts	—	1,127,990
Loss on Disposal / Discarding of Fixed Assets / Intangible Assets	2,367,720	17,709,942
Net Foreign Exchange Loss	4,377,409	252,526
Miscellaneous Expenses	3,488,277	886,282
	658,735,399	272,183,441

NOTE : 21

Basic and Diluted Earnings / (Losses) per share:

Particulars	2013	2012
i) Numerator – Profit / (Loss) after tax	134,532,716	(257,630,100)
ii) Less: Dividend 8% on Preference Shares on ₹ 100,000,000/- including Dividend Distribution Tax thereon	9,359,600	9,359,600
iii) Profit / (Loss) available to Equity Shareholders	125,173,116	(266,989,700)
iv) Denominator - Weighted Average number of Equity Shares outstanding	55,783,867	10,000,000
v) Nominal value of shares	₹10/-	₹10/-
Basic Earnings / (Losses) per share	2.24	(26.70)
Diluted Earnings / (Losses) per share	2.24	(26.70)

Note : The conversion rate of Zero percent non redeemable, fully and compulsorily convertible Debtenture are contingent as per terms of the agreement. The rate of conversion would be on mutually agreeable terms on the date of such conversion. Since such rate cannot be determined, the diluted earnings per share has been restricted up to the basic earnings per share.

NOTE : 22

22.1 BASIS OF PREPARATION

The financial statements have been prepared on historical cost convention based on the accrual concept and applicable accounting standards, as a going concern and in accordance with Notified Accounting Standards by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current – noncurrent classification of assets and liabilities.

22.2 CHANGE IN ACCOUNTING POLICY

Effective from 1st April, 2012, the Company has applied hedge accounting principles in respect of forward exchange contracts taken to hedge the foreign currency risk of firm commitments and highly probable forecast transactions as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly all such contracts that are designated as hedging instruments to hedge the foreign currency risk of firm commitments and highly probable forecast transactions are marked to market and gain (net) aggregating to ₹ 21,84,251 has been directly recognized in the Hedging Reserve Account. Had the Company continued to follow the earlier accounting policy, this gain (net) would have been recognized in the Statement of Profit and Loss.

22.3 USE OF ESTIMATES

The preparation of the financial statements is in conformity with Indian GAAP, requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of

the financial statements and the reported amounts of revenue and expenses during the reported Year. Actual results could differ from those estimates.

22.4 FIXED ASSETS - TANGIBLE AND INTANGIBLE

Fixed assets are stated at cost, less accumulated depreciation / amortization 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.

22.5 DEPRECIATION / AMORTIZATION

a. Depreciation on Tangible Assets is provided on Straight-Line basis at the rates and in the manner specified in Schedule XIV of the Companies Act 1956 except as stated hereunder.

Particulars	Estimated Useful Life
Building	9 Years
Leasehold Improvements	Over the primary Year of lease
Office Computers and Electronic Equipments	4 Years
Vehicles	5 Years
Assets at Showrooms	5 Years
Furniture, Fixtures and Other office Equipments	7 Years
Office Equipments	4 Years

b. Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Particulars	Estimated Useful Life
Technical Know-how	7 Years
Specialised Softwares	3 Years

22.6 IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

22.7 BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the Year in which they are incurred.

22.8 INVESTMENTS

Current investments are stated at lower of cost and fair value. Long term investments are stated at cost after deducting provisions made, if any, for permanent diminution in the value.

22.9 INVENTORIES

Finished Goods including traded goods are valued at lower of cost and net realizable value. Finished goods include other direct cost in bringing the inventories to their present location and condition.

Cost of inventories is computed on a weighted average basis.

22.10 REVENUE RECOGNITION

Sale of goods are recorded net of trade discounts, rebates, sales tax and include excise duty. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Income from services are recognized as they are rendered based on agreements / arrangements with the concerned parties and recognized net of service tax.

Interest income is recognised on time proportion basis.

Revenue in respect of insurance claim is recognised upon lodging of claim with respective insurance company.

22.11 TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Realized gain / (loss) on such transactions are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities are restated in to rupees at the exchange rate prevailing at the year end. The exchange gain / (loss) arising out of such translations are dealt in the Statement of Profit and Loss. Premium/Discount in respect of forward foreign exchange contracts is amortised as expense / income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year / Year.

22.12 EMPLOYEE BENEFITS

a. Short term Employee benefits

All short term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within 12 months of the Year in which

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the employee renders the related services which entitles him / her to avail such benefits and non accumulating compensated absences like sick leave and maternity leave are recognized on an undiscounted basis and charged to the Statement of Profit and Loss.

b. Long term Employee benefits

i Defined Contribution Plan

Company's contributions paid / payable during the Year to Superannuation Fund and ESI are recognized in the Statement of Profit and Loss on accrual basis.

ii Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year / reporting year using the projected unit credit method and are fully funded. Actuarial gains and losses are recognized immediately in the statement of Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds with the currency and estimated terms of the defined obligation.

iii Long term compensated absences

The Company's liability towards compensated absences is determined by actuarial valuation using Projected Unit Credit Method based on accumulated leave credit outstanding to the employee as on the balance sheet date and is not funded.

22.13 TAXATION

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only when there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or, written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

22.14 LEASES

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Statement of Profit and Loss on straight line basis.

22.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 best estimate required to settle the obligation at the balance sheet date.

22.16 EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the Year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the Year after deducting preference dividends and any attributable tax thereto for the Year

Diluted earnings per share is computed using weighted average number of equity shares outstanding during the year and dilutive potential equity shares outstanding at the year end.

22.17 CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard (AS- 3) issued under Companies Accounting Standard Rules, 2006. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

22.18 CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity Year of three months and short term highly liquid investments with an original maturity of three months or less.

	2013 ₹	2012 ₹
22.19 Estimated amount of contracts remaining to be executed on capital account and not provided for	—	—
22.20 Contingent Liabilities not provided for:		
a) Claims against the Company not acknowledged as debts	—	—
b) Bill discounting and Bank guarantees	—	—

c) Arrears of Preference Dividend	32,109,589	24,109,589
d) Dividend Distribution tax thereon	5,457,025	4,097,425

22.21 No remuneration has been paid to any of the Directors of the Company during the year.

22.22 The Company had issued 3000 secured redeemable non convertible debentures of face value of ₹ 10,00,000 each at par (Previous year Nil) through private placement basis on 26th September 2012. Sec 117C(1) of Companies Act 1956 requires creation of a debenture redemption reserve (DRR) for redemption of the debentures, to which adequate amount shall be credited out of profits of every year. The circular no. 4/ 2013 dated 11th February, 2013 issued by Ministry of Corporate affairs requires the DRR to be ₹ 177,083,333 (25% of the value of debentures on prorata basis). Due to inadequacy of profits in the current financial year the Company has created Debenture Redemption Reserve to the maximum available profits of the year ended March 31, 2013 amounting to ₹ 134,532,716 (Previous year Nil).

22.23 The timing difference relating mainly to the unabsorbed depreciation between book depreciation and depreciation under Indian Income Tax Act 1961, and Provisions resulted in a deferred tax credit as per Accounting Standard 22 "Accounting for taxes on Income". As a prudent measure, deferred tax assets have not been recognised in the books of accounts.

22.24 Lease Accounting

The company has taken premises under operating lease on non cancellable basis. The lease rentals and future minimum lease payments in respect of such operating lease are disclosed below.

Particulars	2013 ₹	2012 ₹
a) Expenses in the current year	77,748,881	109,638,287
Minimum lease rent	75,021,618	109,638,287
Variable rent	2,727,263	—
b) Future minimum lease rentals payable under non cancellable operating lease		
Payable within one year*	141,183,668	57,398,592
Payable between one year & five years*	344,085,191	155,381,489
Payable more than five years	115,478,266	—

*Note:- Does not include facilities where the lease rentals are computed on revenue share basis with no minimum guaranteed amount

22.25 a) Details of Purchases, Sales and Inventory under Broad Heads

Particulars	Garments and Accessories		
	Apparel ₹	Accessories ₹	Total ₹
Opening Stock			
Current Year	161,237,998	44,488,172	205,726,170
Previous Year	(92,678,861)	(44,261,708)	(136,940,569)
Purchases			
Current Year	2,097,551,337	83,904,084	2,181,455,421
Previous Year	(389,078,486)	(74,723,822)	(463,802,308)
Sales			
Current Year	2,362,341,074	170,909,410	2,533,250,484
Previous Year	(489,738,000)	(107,772,833)	(597,510,833)
Closing Stock			
Current Year	705,812,613	79,443,290	785,255,903
Previous Year	(161,237,998)	(44,488,172)	(205,726,170)

Figures in brackets represent corresponding amount of previous year

b) Value of Import calculated on C.I.F Basis:

Particulars	2013 ₹	2012 ₹
Capital goods Purchase	19,131,254	163,047
Inventory purchase	258,717,693	167,344,394
Cost of product testing	245,160	95,332
Total	278,094,107	167,602,773
c) Expenditure in Foreign Currency other than those given in (b) above		
Particulars	2013 ₹	2012 ₹
Consultancy	-	1,448,377
Travel Expenses	5,140,182	2,485,961
Total	5,140,182	3,934,338

22.26 Employee benefits

a) Defined Contribution Plans :

Amount recognized as an expense and included in the Note :19 - "Contribution to Provident & Other Funds"

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Particulars	2013 ₹	2012 ₹	Component of plan assets in percentage				
Contribution to Employees Pension fund of Aditya Birla Nuvo Limited*	877,838	481,057	Government of India Securities	22	25		
Contribution to Superannuation fund of Aditya Birla Nuvo Limited	182,693	183,195	Corporate Bonds	1	1		
Total	1,060,531	664,252	Deposit Scheme	4	2		
			Insurer Managed Funds	58	60		
			Others	15	12		
				100	100		
b) Defined Benefit Plan :							
Amount recognized as an expense and included in the Note :19 - "Contribution to Provident & Other Funds"			31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	
			₹	₹	₹	₹	
Particulars	2013	2012	Experience Adjustment				
	₹	₹	Defined Benefit Obligation	3,851,428	1,873,340	1,820,530	1,239,895
Contribution to Employees Provident fund of Aditya Birla Nuvo Limited*	2,219,151	1,764,896	Plan Assets	2,086,838	1,848,887	1,742,017	1,615,309
Total	2,219,151	1,764,896	Surplus / (Deficit)	(1,764,590)	(24,453)	(78,513)	375,414
			Experience Adjustment on plan liabilities	760,083	(331,048)	(60,819)	(266,156)
			Experience Adjustment on plan Assets	56,349	(9,891)	(4,132)	(52,345)
			Expected employer's contribution in the next twelve months	1,500,000	800,000		
			Assumptions:				
			Discount Factor		8.5%	8.1%	
			Estimated rate of return on plan assets		8.5%	8.1%	
			The estimate of future salary increases considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
			Leave Liability				
			Leave salary expensed in the Statement of Profit and Loss for the Year ₹ 13,81,977 (Previous year ₹ 22,67,099) has been computed on the basis of actuarial principles using Projected Unit Credit Method as prescribed under AS 15 on Employee Benefits.				
Gratuity			22.27 Details of Auditor's Remuneration				
Gratuity liability provided for in the books are fully funded with Aditya Birla Nuvo Employee Gratuity Fund. The disclosures as required under AS-15 on Employee Benefits are as under:			Particulars				
				2013	2012		
				₹	₹		
Particulars	2013	2012	For Statutory Audit Fees				
	₹	₹	625,000				
Net Employee Benefits expenses (Recognised in the Employee costs)			For Tax Audit				
Service Cost	871,326	260,423	150,000				
Interest Cost	200,807	153,469	For Other Services				
Expected return on the plan asset	(157,155)	(146,795)	—				
Net Actuarial (gain) / loss recognised during the year	703,734	(321,157)	Reimbursement of Expenses (Including Service Tax)				
			108,672				
			Auditors remuneration included in Note:20				
			Professional and Consultancy Expenses				
			883,672				
			854,825				
			22.28 Disclosure in respect of Related Parties pursuant to Accounting Standard 18 – Refer Annexure I				
			22.29 a) Forward Exchange Contracts outstanding as at the Balance Sheet Date				
			Purpose	No. of Contracts	Currency	Amount in Foreign Currency	
			Current Year				
			Payable for Purchases				
			Payable	5	GBP	136,023	
			Payable	3	EURO	265,016	
			Payable		USD	—	
			Previous year				
			Payable for Purchases				
			Payable	4	GBP	76,376	
				2	EURO	55,339	
			Payable	2	USD	8,135	
			b) The Company does not hold or issue derivative financial instruments for trading or speculative purposes and all the derivatives entered into by the Company are to mitigate or offset the risks that arise from the normal business activities only. In pursuance of announcement dated 29th March, 2008 of The Institute of Chartered Accountants of India on accounting for derivatives, on a prudent basis the Company has provided for mark to market loss on outstanding forward exchange derivatives aggregating to ₹ 906,249 (Previous Year Nil).				
			c) The year-end foreign currency exposures that have not been hedged by a forward contract or otherwise are given below:				
			Amounts payable in foreign currency on account of the following.				
			Particulars	Currency	2013	2012	
					₹	₹	
			Payables	USD	23,383	53,770	
				INR	1,271,785	2,656,259	

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

22.30 Segment Reporting

The Company has identified segments in line with the Accounting Standard -17 on Segmental Reporting taking into account the organizational structure as well as differential risk and returns of these segments.

Sr. No.	Primary Segment	Amount in ₹									
		Retail		Institutional		Financial Services		Unallocated		Total Enterprise	
		For the Year ended 31-Mar-13	31-Mar-12	For the Year ended 31-Mar-13	31-Mar-12	For the Year ended 31-Mar-13	31-Mar-12	For the Year ended 31-Mar-13	31-Mar-12	For the Year ended 31-Mar-13	31-Mar-12
1	Segment Revenue										
a	Sale to External Customers	2,456,672,311	458,328,453	80,596,281	141,675,494					2,537,268,591	600,003,948
	Total Revenue	2,456,672,311	458,328,453	80,596,281	141,675,494					2,537,268,591	600,003,948
2	Segment Results before Interest	29,478,944	(235,316,830)	75,462,075	24,127,591	34,240,137	(695,949)	(5,170,593)	(6,182,368)	134,010,564	(218,067,564)
3	Add :										
	Interest Income							803,113	420,871	803,113	420,871
4	Less :										
	Interest & Finance Charges							280,961	39,983,407	280,961	39,983,407
	Provision for tax										
5	Profit / (Loss) After tax									134,532,716	(257,630,100)

In Segment Reporting, interest and dividend income for the year amounting to ₹44,052,749 (Previous year 131,301) relating to Financial Services Segment have been included in that Segment Revenue and Expenses in the current year

Sr. No.	Primary Segment	Retail		Institutional		Financial Services		Unallocated		Total Enterprise	
		As at		As at		As at		As at		As at	
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
6	Carrying Amount of segment Assets	1,178,519,927	547,509,679	78,764,141	21,759,854	4,288,300,926	3,017,193,346	10,065,654	17,521,043	5,555,650,648	3,603,983,922
7	Carrying Amount of segment Liabilities	811,693,031	1,097,762,639	488,524	(55,494,676)	2,965,295,362	2,249,494,306		607,041	3,777,476,917	3,292,369,311
8	Cost incurred to acquire segment Fixed Assets during the period	151,080,267	54,914,556			1,275,400	-			152,355,667	54,914,556
9	Depreciation / Amortisation	70,902,139	82,333,583	-	-	73,030	-	5,170,593	6,182,368	76,145,762	88,515,951

Reconciliation of Segment Results with Enterprise Results

Particulars	Total Segmental Results		Enterprise Results as per Schedule VI		Difference	
	For the Year ended 31st Mar 2013	For the Year ended 31st Mar 2012	For the Year ended 31st Mar 2013	For the Year ended 31st Mar 2012	For the Year ended 31st Mar 2013	For the Year ended 31st Mar 2012
	1 Total Revenue	2,537,268,591	600,003,948	2,537,268,591	612,773,725	-
Less: Interest and other income included above	-	-	-	12,769,777	-	12,769,777
Net revenue	2,537,268,591	600,003,948	2,537,268,591	600,003,948	-	-
2 Segment Results before Interest and Other Income	134,010,564	(218,067,564)	94,552,233	(270,280,311)	39,458,331	52,212,747
3 Interest Income	803,113	420,871	44,855,862	52,502,317	44,052,749	52,081,446
4 Dividend Income	-	-	225,822	131,301	225,822	131,301
5 Less :						
Interest & Finance Charges	280,961	39,983,407	5,101,201	39,983,407	4,820,240	-
Provision for tax	-	-	-	-	-	-
6 Profit / (Loss) After tax	134,532,716	(257,630,100)	134,532,716	(257,630,100)	-	-
7 Other Non Cash items included in Segment Results above	-	-	2,367,720	18,837,932	2,367,720	18,837,932

The Company operates in only geography i.e. India and hence there is no secondary reportable segment.

22.31 The audited results for the year ended March 31, 2013 includes figures of Planet Fashion Stores which the Company is operating as franchisee of Aditya Birla Nuvo Limited (the Holding company) since April 2012. Consequently the current period figures are not comparable with those of the corresponding period in previous year. Previous year's figures have been regrouped / rearranged, wherever considered necessary, to conform to current year's presentation.

For and on behalf of the Board

Place : Bangalore
Date : May 14, 2013

Ashish Dikshit
Director

S Visvanthan
Director

G Mohana Sundaram
Company Secretary

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

NOTE : 22 - Annexure - I

Disclosure in respect of Related Parties pursuant to Accounting Standard 18:

a) LIST OF RELATED PARTIES AS ON MARCH 31, 2013

Controlling Company

Aditya Birla Nuvo Limited (ABNL)

Fellow Subsidiaries

- 1 Aditya Birla Finance Limited (ABFL) (100% Subsidiary of ABFSPL)
- 2 ABNL Investment Limited (ABNLInv)(100% Subsidiary of ABNL)
- 3 Aditya Birla Housing Finance Ltd. (ABHFL) (100.00% Subsidiary of ABFSPL) (earlier known as LIL Investment Limited)
- 4 Birla Sun Life Insurance Company Limited (BSLICL) (74% Subsidiary)
- 5 Aditya Birla Minacs Worldwide Limited (ABMWL) (99.85% Subsidiary of ABNLIT&ITES)
- 6 Aditya Birla Customer Services Private Limited (ABCSP) (100% Subsidiary of ABFSPL)
- 7 Peter England Fashions and Retail Limited. (PEFRL) (100% Subsidiary of ITSLS)

b) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR IN THE ORDINARY COURSE OF BUSINESS

Sl. No.	Description	Controlling Company ₹	Fellow Subsidiaries ₹	Total ₹
1	Cost of Material and services			
	Aditya Birla Nuvo Limited (Division Madura Garments)(Finished Goods)	1,658,223,466	-	1,658,223,466
	Current Year Total	1,658,223,466	-	1,658,223,466
	Aditya Birla Nuvo Limited (Division Madura Garments)(Finished Goods)	(184,894,315)	-	(184,894,315)
	Previous Year Total	(184,894,315)	-	(184,894,315)
2	Sales Revenue			
	Aditya Birla Nuvo Limited (Division Madura Garments)(Finished Goods)	-	-	-
	Current Year Total	-	-	-
	Aditya Birla Nuvo Limited (Division Madura Garments)(Finished Goods)	(41,625)	-	(41,625)
	Previous Year Total	(41,625)	-	(41,625)
3	Loans Taken			
	Aditya Birla Nuvo Limited	75,000,000	-	75,000,000
	Current Year Total	75,000,000	-	75,000,000
	Aditya Birla Nuvo Limited	(1,484,500,000)	-	(1,484,500,000)
	Previous Year Total	(1,484,500,000)	-	(1,484,500,000)
4	Loans Repaid			
	Aditya Birla Nuvo Limited	1,579,000,000	-	1,579,000,000
	Current Year Total	1,579,000,000	-	1,579,000,000
	Aditya Birla Nuvo Limited	(6,500,000)	-	(6,500,000)
	Previous Year Total	(6,500,000)	-	(6,500,000)
5	Dividend on Convertible Preference Shares			
	Aditya Birla Finance Limited	-	225,822	225,822
	Current Year Total	-	225,822	225,822
	Dividend on Convertible Preference Shares			
	Aditya Birla Finance Limited	-	(131,301)	(131,301)
	Previous Year Total	-	(131,301)	(131,301)
6	Loans Granted			
	Aditya Birla Minacs Worldwide Limited	-	725,000,000	725,000,000
	Aditya Birla Customer Services Private Limited	-	305,500,000	305,500,000
	ABNL Investments Limited	-	290,850,000	290,850,000
	Aditya Birla Nuvo Limited	590,000,000	-	590,000,000
	Peter England Fashion & Retail Limited	-	15,600,000	15,600,000
	Current Year Total	590,000,000	1,336,950,000	1,926,950,000
	Previous Year Total	-	-	-
7	Loans Granted Received back			
	Aditya Birla Minacs Worldwide Limited	-	725,000,000	725,000,000
	Aditya Birla Customer Services Private Limited	-	305,500,000	305,500,000
	ABNL Investments Limited	-	272,850,000	272,850,000
	Aditya Birla Nuvo Limited	590,000,000	-	590,000,000
	Peter England Fashion & Retail Limited	-	15,600,000	15,600,000
	Current Year Total	590,000,000	1,318,950,000	1,908,950,000
	Previous Year Total	-	-	-
8	Interest Paid			
	Aditya Birla Nuvo Limited	-	-	-
	Current Year Total	-	-	-
	Aditya Birla Nuvo Limited	(441,781)	-	(441,781)
	Previous Year Total	(441,781)	-	(441,781)
9	Interest Income			
	Aditya Birla Minacs Worldwide Limited	-	13,995,816	13,995,816
	Aditya Birla Customer Services Private Limited	-	10,219,601	10,219,601

MADURA GARMENTS LIFESTYLE RETAIL COMPANY LIMITED

Sl. No.	Description	Controlling Company ₹	Fellow Subsidiaries ₹	Total ₹
	ABNL Investments Limited Aditya Birla Nuvo Limited Peter England Fashion & Retail Limited Current Year Total Previous Year Total	- 6,971,164 - 6,971,164 -	3,841,893 - 681,806 28,739,116 -	3,841,893 6,971,164 681,806 35,710,280 -
10	Investment - Convertible Preference Shares Aditya Birla Finance Limited Current Year Total Aditya Birla Finance Limited Previous Year Total	- - - -	1,250,000,000 1,250,000,000 (750,000,000) (750,000,000)	1,250,000,000 1,250,000,000 (750,000,000) (750,000,000)
11	Secured Redeemable Non Convertible debenture issued Aditya Birla Finance Limited ABNL Investments Limited Current Year Total Previous Year Total	- - - -	950,000,000 550,000,000 1,500,000,000 -	950,000,000 550,000,000 1,500,000,000 -
12	Payment for reimbursement of Expenses: Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Nuvo Limited Aditya Birla Minacs Worldwide Limited Peter England Fashion & Retail Limited Current Year Total Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Nuvo Limited Previous Year Total	11,725,049 44,888 - - 11,769,937 (1,131,776) (3,000) (1,134,776)	- - 47,939 591,291 639,230 - - -	11,725,049 44,888 47,939 591,291 12,409,167 (1,131,776) (3,000) (1,134,776)
13	Sale of Investments Aditya Birla Finance Limited Current Year Total Previous Year Total	- - - -	3,479,352 3,479,352 -	3,479,352 3,479,352 -
14	Royalty Paid ABNL-Division Madura Fashion and Lifestyle Current Year Total Previous Year Total	1,200,000 1,200,000 -	- - -	1,200,000 1,200,000 -
15	Equity Shares Qty - 8,88,88,890 @ ₹10 per share Aditya Birla Nuvo Limited Current Year Total Previous Year Total	888,888,900 888,888,900 -	- - -	888,888,900 888,888,900 -
16	Equity Share Premium Aditya Birla Nuvo Limited Current Year Total Previous Year Total	2,111,111,100 2,111,111,100 -	- - -	2,111,111,100 2,111,111,100 -
17 a	Amount Payable Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Minacs Worldwide Limited (Reimbursements) Aditya Birla Nuvo Limited (Reimbursements) ABNL Investment Limited (0% Convertible Debentures) Current Year Total Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Nuvo Limited (Loan) Aditya Birla Nuvo Limited (Interest) ABNL Investment Limited (0% Convertible Debentures) Previous Year Total	222,547,723 - 4,719 200,000,000 222,552,442 (66,819,525) (1,504,000,000) (546,337) - (1,571,365,862)	- 16,480 - 200,000,000 200,016,480 - - - (200,000,000) (200,000,000)	222,547,723 16,480 4,719 422,568,922 (66,819,525) (1,504,000,000) (546,337) (200,000,000) (1,771,365,862)
b	Amount Receivable Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Finance Limited (0.01% Convertible Preference Shares) ABNL Investments Limited (Loan) ABNL Investments Limited (Interest) Current Year Total Aditya Birla Nuvo Limited (Division Madura Garments) Aditya Birla Finance Limited (0.01% Convertible Preference Shares) LIL Investment Limited (Equity Shares) Previous Year Total	- - - - 4,268,732,923 (150,000) - - (150,000)	- 4,250,000,000 18,000,000 732,923 4,268,732,923 - (3,000,000,000) (3,177,490) (3,003,177,490)	- 4,250,000,000 18,000,000 732,923 4,268,732,923 (150,000) (3,000,000,000) (3,177,490) (3,003,177,490)
b	Corporate Guarantee Aditya Birla Nuvo Limited Current Year Total Aditya Birla Nuvo Limited Previous Year Total	175,000,000 175,000,000 (125,000,000) (125,000,000)	- - - -	175,000,000 175,000,000 (125,000,000) (125,000,000)

1 Figures in brackets represent corresponding amount of previous year

2 No amount in respect of the related parties have been written off / back or provided for during the year

3 Related party relationship have been identified by the management and relied upon by the auditors

INDIGOLD TRADE AND SERVICES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 3rd Annual Report on the operations of the Company, together with the audited accounts for the year ended 31st March 2013.

1. FINANCIAL HIGHLIGHTS

Particulars	Current Year ended 31 st March, 2013 (₹)	Previous Year ended 31 st March, 2012 (₹)
Profit before Tax	12,72,327	21,92,853
Less: Provision for Tax	53,25,000	1,69,000
Net Profit after Tax		
Provision for tax for earlier year written back	(40,52,673)	20,23,853
Add: Balance brought forward from earlier year	7,68,070	(12,55,783)
Profit available for appropriation	(32,84,603)	7,68,070
Appropriations:		
Special Reserve		
Balance carried forward to next year	(32,84,603)	7,68,070

During the period under review, the Company incurred profit before tax of ₹ 12,72,327/-. The Company has plans and proposal in place to scale up the business operations and activities in the fiscal year 2013-14.

2. DIVIDEND

In view of the loss during the year, the Directors do not recommend any dividend for the year ended March 31, 2013.

3. DEPOSITS

Your Company has not invited and accepted any Fixed Deposits from the public during the year.

4. ACQUISITION OF FUTURE GROUP'S PANTALOON RETAIL FORMAT BUSINESS

Aditya Birla Nuvo Limited (ABNL), the holding company at its meeting of the Board of Directors held on 30th April, 2012 has approved the proposed acquisition of a controlling stake in Future Group's Pantaloon retail business post its demerger from Pantaloon Retail (India) Limited (PRIL), either directly or through its subsidiaries.

Your Company, the wholly – owned subsidiary of ABNL has invested a sum of ₹ 800 Crores in Optionally Fully Convertible Debentures (OFCDs) of Peter England Fashions and Retail Limited (now known as Pantaloon Fashion & Retail Limited (PFRL)). In accordance with the Scheme of Arrangement, between PFRL and PRIL, these OFCDs were to be converted into 4,59,77,011 (Four Crores Fifty Nine Lakhs Seventy Seven Thousand and Eleven) equity shares of ₹10/- each of PFRL. Accordingly, upon effectiveness of the Scheme of arrangement, on 8th April, 2013, these OFCDs have been converted into 4,59,77,011 equity shares of ₹10 each, resulting into your company holding 50.09 % in the post issue capital of PFRL. PFRL is now a subsidiary of your Company. (TBD)

5. RAISING OF FUND THROUGH ISSUE OF NON CONVERTIBLE DEBENTURES

During the year, Company has raised an amount of ₹ 800 Crores through issue of Unsecured, Redeemable Non Convertible Debentures (NCDs) on private placement basis. The said NCDs are listed on BSE Limited. Funds raised through issue of NCDs have been utilized towards investment in OFCDs of PFRL.

6. DIRECTORS

Mr. Anil Rustogi, retires by rotation at the ensuing annual general meeting & being eligible, offers himself for re-appointment.

7. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

There are no employees of the Company drawing remuneration of more than Rupees Sixty Lakhs per annum or Rupees Five Lakhs per month, as the case may be. As such no particulars of employees are required to be given in accordance with the provisions of section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made 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 at the end of the Financial Year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.

9. AUDITORS & AUDITORS REPORT

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

M/s Khimji Kunverji & Co., Statutory Auditors of the Company retire, and being eligible, offer themselves for appointment, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. The Directors recommend their appointment, as set out in the accompanying notice of the Annual General Meeting. A certificate from them confirming compliance of section 224(1B) of the Companies Act, 1956 has also been received, by the Company.

Your Directors request you to appoint Auditors for the current year and fix their remuneration.

10. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

11. APPRECIATION

Your Directors place on record its appreciation to the continued support and guidance of the Regulatory bodies and Company's Bankers. Your Directors place on record their deep appreciation of the dedication and commitment of the employees at all levels and look forward to their continued contribution in the future as well.

For and on behalf of the Board

Place: Mumbai
Date: 23rd May, 2013

Anil Rustogi
Director

Shriram Jagetiya
Director

INDIGOLD TRADE AND SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
INDIGOLD TRADE AND SERVICES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Indigold Trade and Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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

2. Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from branches not visited by us);
 - (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 (and with the returns received from branches not visited by us);
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribed the manner in which such cess to be paid, no cess is due and payable by the Company.

For **Khimji Kunverji & Co.**
Chartered Accountants
ICAI FRN - 105146W

Place : Mumbai
Dated: 23.05.2013

Gautam V Shah
Partner (F-117348)

INDIGOLD TRADE AND SERVICES LIMITED

Annexure referred to in paragraph 7 of our report of even date

Re: Indigold Trade and Services Limited

- i. The Company does not have any fixed assets, hence clause 4(i)(a) to 4 (i)(c) of the Order are not applicable.
- ii. The company does not hold any securities as stock in trade, hence clause 4(ii)(a) to 4(ii)(c) of the Order are not applicable to the company.
- iii. As informed, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence clause 4(iii)(a) to 4(iii)(g) of the Order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given, the Company has neither purchased fixed assets/inventories nor sold goods/services during the year, hence clause 4(iv) of the Order is not applicable to the Company.
- v. Based on the audit procedures applied and according to the information and explanations provided by the management, there are no transactions that need to be entered in the register maintained under section 301 of the Act, hence clause 4(v)(b) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given, the Company has not accepted deposits from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vii. The Company did not deem it necessary to have formal internal audit system during the year in view of the control existing in the company.
- viii. As informed, the company is not required to maintain any cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- ix. a As informed, the Company is not liable to pay Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess.
Company is generally regular in depositing with appropriate authorities undisputed Income-tax, and other statutory dues. There were no arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
- ix. b According to the information and explanations given, there are no dues of Income-tax which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses at the end of the financial year exceeding fifty percent of its Net Worth, and it has incurred cash loss in the current year and has not incurred cash loss in the immediately preceding financial year.
- 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 has not defaulted in repayment of dues to debenture holders.

- xii. In our opinion and based on the documents and records produced, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii)(a) to 4(xiii)(d) of the Order are not applicable to the company.
- xiv. According to the information and explanations given, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Order is not applicable to the Company.
- xv. Is our opinion and according to information and explanations given, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given, the company has not raised any term loans. Accordingly, the provision of clause 4(xvi) of the Order is not applicable to the company.
- xvii. According to the information and explanations given to us and on the overall examination of the balance sheet of the Company, we report that the company has used funds raised on short term basis for long-term investment. The company has issued Debentures amounting to ₹ 800 crore maturing within 4 months from balance sheet date, which has been invested into long term investment in optionally fully convertible debentures of its subsidiary Company.
- xviii. The Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix. According to the information and explanations given, the company has issued unsecured debentures during the year. Therefore, the provision of clause 4(xix) of the Order of creating charge does not arise.
- xx. The Company has not raised any money through a public issue during the year. Accordingly, the provision of clause 4(xx) of the Order is not applicable to the company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor we have been informed of such case by the management.

For and on behalf of
For **Khimji Kunverji & Co.**
Chartered Accountants
ICAI FRN - 105146W

Place : Mumbai
Dated: 23.05.2013

Gautam V Shah
Partner (F-117348)

INDIGOLD TRADE AND SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	Amount in ₹	
		As at 31-Mar-13	As at 31-Mar-12
EQUITY AND LIABILITIES			
(A) Shareholder's Funds:			
Share Capital	2		
Equity		59,470,000	20,000,000
Reserves & Surplus	3	(2,550,151)	768,070
Sub Total (A)		<u>56,919,849</u>	<u>20,768,070</u>
(B) CURRENT LIABILITIES			
Short-term borrowings	4	—	2,900,000
Trade Payables	5	82,464	152,734
Other Current Liabilities	6	8,651,056,145	22,095
Short-term Provisions	7	26,326	26,326
Sub Total (B)		<u>8,651,164,935</u>	<u>3,101,155</u>
Total (A) + (B)		<u>8,708,084,784</u>	<u>23,869,225</u>
ASSETS			
(C) NON CURRENT ASSETS			
Non-Current Investments	8	8,005,000,000	10,249,970
Long-term Loan and Advances	9	701,200,000	—
Sub Total (C)		<u>8,706,200,000</u>	<u>10,249,970</u>
(D) CURRENT ASSETS			
Current Investments	8A	—	180,000
Short-term Loans and Advances	9A	502,985	13,002,409
Cash & Bank Balances	10	138,575	279,196
Other Current Assets	11	1,243,224	157,650
Sub Total (D)		<u>1,884,784</u>	<u>13,619,255</u>
Total (C) + (D)		<u>8,708,084,784</u>	<u>23,869,225</u>

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statements

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes	Amount in ₹	
		Year ended 31-Mar-13	Year ended 31-Mar-12
Revenue from Operations			
Other Income	12	17,455,560	2,413,003
Total Revenue		<u>17,455,560</u>	<u>2,413,003</u>
EXPENSES			
Other Expenses	13	1,484,855	65,124
Total Expenses		<u>1,484,855</u>	<u>65,124</u>
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)		15,970,705	2,347,879
Finance Cost	14	14,698,378	155,026
Profit Before Tax		<u>1,272,327</u>	<u>2,192,853</u>
Tax Expenses			
— Current Tax		5,325,000	169,000
Profit for the Year		<u>(4,052,673)</u>	<u>2023853</u>
Basic/Diluted Earnings per Share (Face Value of ₹ 10/- each)	21	(1.32)	1.01
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statement

As per our attached report of even date For **KHIMJI KUNVERJI & CO.**, ICAI Firm registration no. 105146W Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Place : Mumbai
Dated: May 23, 2013

For and on behalf of Board of Directors

Anil Rustogi Director
Shriram Jagetiya Director

Atul Lakhota
Company Secretary

As per our attached report of even date For **KHIMJI KUNVERJI & CO.**, ICAI Firm registration no. 105146W Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Place : Mumbai
Dated: May 23, 2013

For and on behalf of Board of Directors

Anil Rustogi Director
Shriram Jagetiya Director

Atul Lakhota
Company Secretary

INDIGOLD TRADE AND SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in ₹

PARTICULARS	2012-13		2011-12	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(loss) before tax		1,272,327		2,192,853
Adjustments for :				
Interest on Bank Deposits	(15,083,425)		(684,098)	
Interest Income on Inter-corporate Deposits	(1,381,360)		—	
Interest and finance expenses	14,698,378		155,026	
(Profit)/Loss on sale of Investment	(981,493)	(2,747,900)	(1,728,904)	(2,257,976)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(1,475,573)		(65,123)
Decrease / (Increase) in Short-term Loans and Advances	12,500,000		(12,275,000)	
Increase / (Decrease) in Trade Payables and other liability	459,643	12,959,643	(81,013)	(12,356,013)
CASH GENERATED FROM OPERATIONS		11,484,070		(12,421,136)
Income Taxes Refund / (Paid)		(5,325,576)		(671,410)
NET CASH FROM OPERATING ACTIVITIES		6,158,494		(13,092,546)
B CASH FLOW FROM INVESTING ACTIVITIES				
Sale / (Purchase) of Current investments (Net)	(7,999,812,254)		21,236,617	
Sale of Non-current Investment	11,223,717		—	
Purchase of Non-current Investment	(5,000,000)		—	
Interest Received on Bank Deposits	15,083,425		—	
Interest Received on inter-corporate Deposits	295,786	(7,978,209,326)	526,448	21,763,065
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		(7,978,209,326)		21,763,065
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short-term Borrowings	7,997,100,000		(7,505,000)	
Interest and Finance paid	(14,714,789)		(1,144,996)	
Inter Corporate Deposit given	(701,200,000)		—	
Proceeds from issue of Equity Shares	39,470,000		—	
Proceeds from Premium Received on Equity Shares	651,255,000	7,971,910,211	—	(8,649,996)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		7,971,910,211		(8,649,996)
NET INCREASE IN CASH AND EQUIVALENTS		(140,621)		20,523
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		279,196		258,672
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		138,575		279,195

Note:

	Current year	Previous year
1) Cash and cash equivalents include cheques in hand and remittance in transit		
Cash in hand	—	—
Cash at bank	138,575	279,196
	138,575	279,196
2) Previous years figures have been regrouped/rearranged wherever necessary.		
Significant Accounting Policies	1	

As per our attached report of even date
For **KHIMJI KUNVERJI & CO.**,
ICAI Firm registration no. 105146W
Chartered Accountants

For and on behalf of Board of Directors

Gautam V. Shah
Partner
Membership No. F-117348

Anil Rustogi
Director

Shriram Jagetiya
Director

Place : Mumbai
Dated: May 23, 2013

Atul Lakhota
Company Secretary

INDIGOLD TRADE AND SERVICES LIMITED

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION

(I) BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in the accounting policy as specified below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

(II) USE OF ESTIMATES

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

(III) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realizable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

(IV) REVENUE RECOGNITION

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

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

(V) TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

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

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses unrecognised deferred tax assets.

(VI) CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognised when there is 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 best estimate required to settle the obligation at the Balance Sheet date.

(VII) CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

(VIII) MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

(IX) Cash Flow Statement

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

(X) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

		As at	Amount in ₹
	Numbers	31-Mar-13	As at 31-Mar-12
NOTE: 2			
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each of the company	(7,700,000) (2,000,000)	77,000,000	20,000,000
Redeemable preference shares of ₹ 10/- each of the company	(3,000,000) (3,000,000)	30,000,000	30,000,000
		<u>107,000,000</u>	<u>50,000,000</u>

Issued, Subscribed & paid-up:

EQUITY SHARE CAPITAL

Equity Shares of ₹ 10/- each fully paid-up	4,700,000 (2000,000)	4,700,000	20,000,000
Equity Shares of ₹ 10/- each ₹ 4.30 paid-up	2,900,000	12,470,000	—
		<u>59,470,000</u>	<u>20,000,000</u>

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

S. No.	Description	As at 31-Mar-13		As at 31-Mar-12	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1.	No of Shares outstanding at the beginning of the period of ₹ 10 each	2,000,000	—	2,000,000	—
2.	Issued during the year	5,600,000	—	—	—
3.	No of Shares outstanding at the end of the period of ₹ 10 each	7,600,000	—	2,000,000	—

2. Term/right attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

3. All equity shares are held by Aditya Birla Nuvo Limited. (No. of Shares - 7,600,000)

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

Equity Shares

S. No.	Name of Share Holder	As at 31-Mar-13		As at 31-Mar-12	
		No of Shares held	% of total paid-up equity share capital	No of Shares held	% of total paid-up equity share capital
1.	Aditya Birla Nuvo Limited	7,600,000	100.00%	999,997	49.9999%
2.	ABNL Investment Limited	—	—	999,997	49.9999%

5. Figures in brackets represent corresponding number of shares for previous year.

INDIGOLD TRADE AND SERVICES LIMITED

	As at 31-Mar-13	Amount in ₹ As at 31-Mar-12
NOTE: 10		
CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	138,575	279,196
	<u>138,575</u>	<u>279,196</u>
NOTE: 11		
OTHER CURRENT ASSETS		
(Unsecured, Considered Good, except otherwise stated)		
Interest Accrued on Loans & Advances to Related Parties [Refer Note 20 (b)]	1,243,224	157,650
	<u>1,243,224</u>	<u>157,650</u>
NOTE: 12		
OTHER INCOME		
Interest Income	16,464,785	684,099
Net Gain on Sale of Investments		
Current	7,746	1,728,904
Long-term	973,747	—
Miscellaneous Income	9,282	—
	<u>17,455,560</u>	<u>2,413,003</u>
NOTE: 13		
OTHER EXPENSES		
Rates & Taxes	1,361,063	—
Auditors' Remuneration:		
Audit Fees	46,648	15,000
Certification Work	27,500	—
Reimbursement of Expenses	7,107	1,854
Miscellaneous Expenses	42,537	48,270
	<u>1,484,855</u>	<u>65,124</u>
NOTE: 14		
FINANCE COST		
Interest Expenses	232,028	155,026
Other Borrowing Costs	14,466,350	—
	<u>14,698,378</u>	<u>155,026</u>
NOTES		
15. SCHEME OF ARRANGEMENT		
Pursuant to the Scheme of arrangement approved by Hon'ble High Court of Bombay (the Scheme), the fashion retail business called the 'Pantaloon Format' of Pantaloons Retail (India) Limited has been transferred by way of demerger to Pantaloons Fashion and Retail Limited (Formally known as Peter England Fashions and Retail Limited) effective on April 8, 2013. Accordingly 800 Zero Coupon Optionally Fully Convertible Debenture of face value of ₹ 10,000,000 each of Pantaloons Fashion and Retail Limited is converted into 45,977,011 equity shares on April 8, 2013. Pending conversion as on 31st March 2013, the amount has been shown as "Optionally Fully Convertible Debentures of Pantaloons Fashion and Retail Limited" in Non-current Investments. The scheme is operative from the appointed date i.e. July 1, 2012.		
16. CONTINGENT LIABILITIES & COMMITMENTS		
Post effectiveness of the Scheme (Referred in note 15 above), the company has made an open offer to the public shareholders of Pantaloons Fashion and Retail Limited (PFRL) to acquire upto 24.91% of the post-demerger issued and paid up capital of PFRL at a price of ₹ 175 per share aggregating to maximum amount of ₹ 4,045,101,900.		
17. Deferred Tax Assets in respect of carried forward loss has not been recognised in view of prudence.		
18. During the year ended 31st March 2013, the Company has utilised ₹ 650,520,548 (previous year ₹ Nil) from the Securities Premium account in accordance with section 78 of the Companies Act 1956 towards the proportionate premium payable on redemption of zero coupon Non-Convertible Debentures.		
19. During the period, the Company has issued in 8,000 Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,000,000 each with tenor of 13 months.		
20. Disclosure in respect of Related parties pursuant to Accounting Standard 18:		
a) List of Related Parties:		
1. Holding Company		
Aditya Birla Nuvo Limited		
2. Subsidiary Companies		
Peter England Fashion & Retail Limited		
b) Transactions with Related Parties as per Annexure - 'A'		
Annexure A		Amount in ₹
Related Party Transaction	Holding Company	Fellow Subsidiaries
Interest Expenses		
Aditya Birla Nuvo Limited	162,308	
	(136,504)	
ABNL Investment Limited		69,719
		(18,522)
Income		
Aditya Birla Minacs Worldwide Limited		1,381,360
		(—)
ABNL Investment Limited		—
		(684,099)
Loan granted		
ABNL Investment Limited		—
		(9,600,000)
Loan Given Received back		
ABNL Investment Limited		—
		(9,600,000)
Fresh Investment made		
Equity Shares of Peter England Fashion and Retail Limited:		
Purchase from Aditya Birla Nuvo Limited	5,000,000	
Ordinary Fully Convertible Debentures: Peter England Fashion and Retail Limited		8,000,000,000
		(—)
Equity Shares Alloted during the period		
Aditya Birla Nuvo Limited	27,000,000	
	(—)	
Received Against Party paid up shares		
Aditya Birla Nuvo Limited	12,470,000	
Premium on Equity Shares Alloted during the period		
Aditya Birla Nuvo Limited	651,255,000	
	(—)	
Loan taken (Including Inter Corporate Deposit)		
Aditya Birla Nuvo Limited	8,001,500,000	
	(—)	
ABNL Investment Limited		—
		(2,900,000)
Loan taken paid back		
Aditya Birla Nuvo Limited	8,001,500,000	
	(10,380,000)	
ABNL Investment Limited		2,900,000
		(25,000)
Security Deposit given		
Aditya Birla Nuvo Limited	—	
	(12,500,000)	
Security Deposit given received back		
Aditya Birla Nuvo Limited	12,500,000	
	(—)	
Inter Corporate Deposit Given		
Aditya Birla Minacs Worldwide Limited		701,200,000
		(—)

INDIGOLD TRADE AND SERVICES LIMITED

Closing Balance as on 31.03.2013		
Investments		
LIL Investment Limited		—
		(10,249,970)
Equity Shares of Peter England Fashion and Retail Limited		5,000,000
		(—)
Ordinary Fully Convertible Debentures: Peter England Fashion and Retail Limited		8,000,000,000
		(—)
Inter Corporate Deposits		
Aditya Birla Nuvo Limited	—	—
	(10,380,000)	
ABNL Investment Limited		—
		(2,900,000)
Security Deposit		
Aditya Birla Nuvo Limited	—	—
	(12,500,000)	
Interest Payable on Inter Corporate Deposit (Net of TDS)		
ABNL Investment Limited		—
		(16,411)
Aditya Birla Nuvo Limited-Unit Madura Garments	—	—
	(1,202)	
Inter Corporate Deposit given		
Aditya Birla Minacs Worldwide Limited		701,200,000
		(—)
Interest Receivable		
Aditya Birla Minacs Worldwide Limited		1,243,224
Gross ₹ 1,381,360/- (Net of TDS)		(—)
ABNL Investment Limited		—
		(157,650)
Loan Given Receivable		
Share Capital		
Aditya Birla Nuvo Limited (Fully paid up)	47,000,000	—
	(9,999,970)	
Aditya Birla Nuvo Limited (Partly paid up 43% of 2,90,00,000)	12,470,000	—
Aditya Birla Nuvo Limited (Share Premium Recd.)	651,255,000	—
	(—)	
ABNL Investment Limited		—
		(9,999,970)

Figures in brackets represent corresponding amount of pervious year

No amount in respect of the related parties have been written off/back are provided for during the period Related Party Relationship has been identified by the management and Relied upon by the auditors

21. EARNING PER SHARE (EPS)

Earning per Share (EPS) is calculated as under:

Amount in ₹

Particulars	Amount in ₹	
	As at 31-Mar-13	As at 31-Mar-12
Net Profit/(Loss) as per P&L account	(4,052,673)	2,023,853
Weighted average number of Equity Shares for calculation of Basic EPS	3,065,838	2,000,000
Basic/Diluted EPS	(1.32)	1.01
Nominal Value of shares (₹)	10	10

22. Since the Company have no reportable segment therefore no further disclosure is required to be given as per the notified AS-17 'Segmental Reporting'.

23. Figures of previous year have been regrouped/rearranged wherever necessary.

As per our attached report of even date For and on behalf of Board of Directors
For **KHIMJI KUNVERJI & CO.**,
ICAI Firm registration no. 105146W
Chartered Accountants

Gautam V. Shah
Partner
Membership No. F-117348

Anil Rustogi
Director

Shriram Jagetiya
Director

Place : Mumbai
Dated: May 23, 2013

Atul Lakhotia
Company Secretary

PANTALOONS FASHION AND RETAIL LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 6th Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March 2013.

SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND FUTURE RETAIL LIMITED

In the year under review, your Board of Directors had approved acquisition of "Pantaloon Format Business" (*Demerged Undertaking*) of Future Retail Limited (FRL) (earlier known as *Pantaloon Retail (India) Limited*) by way of demerger through a Scheme of Arrangement under Sections 391-394 of the Companies Act, 1956 between FRL, the Company, and their respective shareholders and creditors and Indigold Trade and Services Limited (ITSL) (*as the shareholder of the Company*) (*"the Scheme"*).

The demerger of the Demerged Undertaking will expand the variety of the Company's offering in the market and complement its existing portfolio. Further, it will enable wider distribution of products and give a wider choice to the consumers and enable business to build on their systems and processes to improve efficiencies. The stores operating under the brand name Pantaloon and derivatives thereof would remain operational and the Company will carry the same brands.

Hon'ble Competition Commission of India and Hon'ble High Court of Bombay vide their order dated December 21, 2012 and March 1, 2013 respectively had approved the Scheme. On receipt of all the requisite approvals required and on completion of the Conditions Precedent listed in the Scheme, the Board of Directors of your Company in their meeting held on April 08, 2013 made Scheme effective on April 8, 2013 (*Effective Date*). Accordingly, the entire Demerged Undertaking was transferred to and vested in your Company w.e.f July 1, 2012 (*Appointed Date*).

CHANGE OF NAME

In terms of the Scheme, the name of the Company was changed from "Peter England Fashions and Retail Limited" to "Pantaloon Fashion & Retail Limited".

CHANGE IN REGISTERED OFFICE

The Registered office of the Company was changed from "A-4, Aditya Birla Centre, S.K.Ahira Marg, Worli, Mumbai, 400 030" to "701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off. Andheri-Kurla Road, Marol Village, Andheri (East), Mumbai - 400059, India."

CHANGES IN SHARE CAPITAL

Pursuant to the Scheme the Authorised Equity Share Capital of the Company was increased from ₹ 10 Crore to ₹ 100 Crore.

Upon this Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking, your Company allotted 1 Equity Share of ₹ 10/- each credited as fully paid in the capital of the Company to all the Equity Shareholders whose name appeared in the records of FRL or as beneficiary in the records of the depositories of FRL in respect of the shares of FRL on April 18, 2013 (*the Record Date*), for every 5 (five) fully paid up FRL Equity Shares/FRL DVRs held by them in FRL (*the "Share Entitlement Ratio"*). Accordingly, total of 4,63,16,518 Equity Shares of the Company were allotted to the shareholders of FRL on April 19, 2013.

CONVERSION OF OPTIONALLY FULLY CONVERTIBLE DEBENTURES INTO EQUITY SHARES

During the period under review, the Board of Directors of the Company had approved issuance of 800 OFCDs of ₹ 1,00,00,000 each of the Company, to ITSL, convertible into 4,59,77,011 Equity shares of ₹ 10/- each on effectiveness of the Scheme.

Accordingly, on April 8, 2013, the said OFCDs were converted into 4,59,77,011 Equity shares of ₹10/- each on effectiveness of the Scheme.

OPEN OFFER

As on March 31, 2013, the Company was a wholly-owned Subsidiary of Indigold Trade and Services Limited ("ITSL"), a wholly owned subsidiary of Aditya Birla Nuvo Ltd. ("ABNL"), a Aditya Birla Group Company with revenue size of US\$ 4.5 billion.

PANTALOONS FASHION AND RETAIL LIMITED

Pursuant to the Scheme, ITSL and ABNL made Open Offer to shareholders of the Company for acquiring 23,114,868 Equity Shares representing 24.91% of Voting Capital of the Company.

On completion of Open Offer, ITSL along with ABNL acquired 1,65,79,185 Equity Shares of ₹10/- each constituting 17.87% of post issue paid up capital of the Company. Accordingly, ITSL holds 67.95% Equity Share and Voting Capital of the Company as on date.

LISTING OF EQUITY SHARES OF THE COMPANY

Pursuant to the Scheme, the Equity Shares were proposed to be listed on the BSE Limited and National Stock Exchange of India Limited. Accordingly, the Company had made application for seeking exemption from SEBI under the SEBI Circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009. The Company has received the Listing approval on July 15, 2013. Accordingly, the trading of the Equity Shares of the Company has commenced on July 17, 2013.

FINANCIAL PERFORMANCE

Your Company's financials for FY 2012-13 include nine months financials of Pantaloon's Format Business transferred to the Company with effect from the Appointed Date, i.e., July 1, 2012. Hence, to that extent, your Company's performance is not comparable with that of previous year.

	(₹ Crore)	
Particulars	2012-13	2011-12
Revenue	1285	18
EBITDA	129	2
Less : Finance Cost	144	0
EBDT	(14)	2
Depreciation	54	0
Earnings before Tax	(69)	2
Less : Provision for Taxation (Net)	-	1
Net Profit / (Loss)	(69)	1

REVIEW OF PERFORMANCE

Your Company reported revenue at ₹ 1285 Crore during fiscal 2012-13. The Company opened 6 new Pantaloon's stores and 3 Pantaloon's Factory Outlets during the nine months ending 31st March 2013.

Gross margin was sustained, however, moderated sales growth and higher retailing costs impacted EBITDA margin. Change in the accounting policy, for instance, with respect to Lease rental straight lining, also lowered profitability.

It is pertinent to note that in terms of the Scheme the conduct of the Demerged Undertaking was managed by FRL on behalf of the Company till the Effective Date (*i.e April 8, 2013*) in the ordinary course of business.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report, is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of this Annual Report.

DIVIDEND

In view of the loss for the year under review, your Directors do not recommend payment of any dividend for the financial year 2012-13

FINANCE

Your Company continues with various initiatives for bringing down the cost of borrowings which includes application of short-term instruments like commercial paper, working capital demand loans

PANTALOONS FASHION AND RETAIL LIMITED

within working capital borrowing, long term loans for expansion at competitive terms, so as to have funds at competitive cost.

Pursuant to the Scheme, debt of ₹ 1600 Crore at an interest rate of ~13% was transferred to the Company. With a view to optimise the Finance Cost, it was decided to reshuffle the debt portfolio. Accordingly, post effectiveness of the Scheme, the Company raised term loans of ₹ 600 Crore and Non-convertible Debentures of ₹ 300 Crore and re-paid ₹ 800 Crore out of the transferred debt. The average interest rate of long term debt portfolio got reduced to ~ 10.2%.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposit under section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

As on 31st March 2013, there were no deposits which were unclaimed and due for repayment.

HOLDING COMPANY

As on March 31, 2013, the Company was a wholly-owned Subsidiary of Indigold Trade and Services Limited ("ITSL"), a wholly owned subsidiary of Aditya Birla Nuvo Ltd. (ABNL), a Aditya Birla Group Company with revenue size of US\$ 4.5 billion.

Post-Scheme of Arrangement, the holding of ITSL in the Company stood at 50.09%.

Pursuant to the Scheme, ITSL and ABNL made Open Offer to shareholders of the Company for acquiring 23,114,868 Equity Shares representing 24.91% of Voting Capital of the Company.

On completion of Open Offer, ITSL along with ABNL acquired 1,65,79,185 Equity Shares of ₹10/- each constituting 17.87% of post issue paid up capital of the Company.

Accordingly, ITSL holds 67.95% Equity Share and Voting Capital of the Company as on date.

SUBSIDIARY COMPANY

The Company does not have any subsidiary as on March 31, 2013 and as on date of this Report.

DIRECTORS

During the period under review, the Board inducted Mr. Anil Rustogi, Mr. Devendra Bhandari and Mr. Manoj Kedia as Additional Directors of the Company on April 30, 2012. They resigned from the office of Director w.e.f April 19, 2013. We place on record our deep sense of appreciation for the services rendered by them.

Further, on April 19, 2013, Mr. P Murari, Mr. Bharat Patel and Dr. Rakesh Jain were appointed as Additional Directors on the Board of the Company. They hold office upto the conclusion of the forthcoming Annual General Meeting. We seek your support in confirming their appointment as directors liable to retire by rotation.

As per Article 106 of the Articles of Association of the Company, Mr. Sushil Agarwal and Mr. Pranab Barua retire by rotation in the forthcoming General Meeting. Both of them being eligible seek re-appointment.

Brief particulars of Mr. Murari, Mr. Patel, Mr. Agarwal, Mr. Barua and Dr. Jain are annexed to the Notice of the Annual General Meeting in accordance with the Listing Agreement entered with the Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956 to the extent applicable to us. There are no material departures from prescribed accounting standards in the adoption of the accounting standards.

The Board of Directors of the Company accepts responsibility for the integrity and objectivity of the financial statements. The Accounting Policies used in the preparation of the financial statements have

PANTALOONS FASHION AND RETAIL LIMITED

been consistently applied except as otherwise stated in the notes to accounts accompanying relevant tables.

The estimates and judgements related to the financial statements have been made on a prudent and responsible basis, in order that the financial statements reflect in a true and fair manner the form and substance of transaction and responsibly present our state of affairs and accounts for the year.

We have taken sufficient care to maintain adequate Accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE REPORT

The Company has been adhering to Corporate Governance requirements as set out under Clause 49 of Listing Agreement. The Company has been following the best practices of good Corporate Governance and have taken adequate steps to ensure compliance with clause 49 of Listing Agreement as laid down by the Stock Exchanges.

The Report on Corporate Governance as stipulated under Clause 49 of Listing Agreement forms part of the Annual Report.

HUMAN RESOURCE

The Human Resource philosophy and strategy of your Company is structured to attract and retain the best talent that encourages innovation and creates a work environment of inspiration, creativity and passion. This strategy has, through strong alignment with your Company's vision, mission and values successfully built and sustained your Company's standing as one of India's most admired and valuable corporations despite unrelenting competitive pressures.

EMPLOYEES STOCK OPTIONS (ESOPs)

The grant of stock options to employees is a mechanism to align the interest of employees with those of the Company, to provide them with an opportunity to share the growth of the Company and also to foster the long-term commitment.

Accordingly in terms of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 Guidelines, your Company has constituted a ESOP Compensation Committee comprising majority of independent directors for formulating the detailed terms and conditions of the scheme to be known as the "Pantaloons Employee Stock Option Scheme – 2013" (the "ESOS – 2013" or the "Scheme") and administering and supervising the implementation of the Scheme.

Vide its resolution dated July 22, 2013, your Company has formulated and designed Pantaloons Employees Stock Option Plan Scheme – 2013" for its employees and proposes to grant options in accordance with SEBI Guidelines, as amended.

Resolution seeking your approval for issue of ESOPs shall be placed in the forthcoming Annual General Meeting.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended, the names and other particulars of employees are set out in the Annexure to this Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the Registered office of the Company during its working hours. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

AUDITORS AND AUDITORS' REPORT

M/s. S.R. Batliboi Co & LLP, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General meeting and are eligible for re-appointment.

PANTALOONS FASHION AND RETAIL LIMITED

The Company has received letter from them to the effect that their re-appointment, if made, would be within the within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the Act.

The Notes to the Financial Statements are self-explanatory and do not call for any further comments.

SUSTAINIBILITY DEVELOPMENT AND BUSINESS RESPONSIBILITY REPORT

Sustainability Mission of your Company has been detailed in the "Sustainability Development Synergizing Growth with Responsibility" Section which forms part of this Annual Report.

In line with our Sustainability Mission, it is our continuous endeavour to evaluate steps towards responsible sustainability. The Company is in process of devising the Processes, in a manner that will take care of the social and environment concerns. Since, the Pantaloon Format Business has been transferred in the Company only on April 8, 2013; the Company shall take steps towards these Principles during the course of the Financial Year 2013-14.

In line with its Sustainability Mission and Clause 55 of the Listing Agreement, your Company has adopted Principles under all the enshrined Principles.

Accordingly, your Company shall publish detailed Business Responsibility Report from the next year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Pantaloon Format Business of the Company has been transferred to the Company w.e.f. July 1, 2012 on April 8, 2013. Therefore, the Company does not have anything to report in terms of steps taken during the period under review. However, the Company is in the continuous process of evaluating various energy conservation measures through improved operational and maintenance practices to conserve energy across all its operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange outgoing and earnings are stated on page 54 and 55 respectively in the notes to the Balance Sheet and Profit and Loss Account. The Company earned ₹ 780 Lakhs in foreign currency from Export of Goods. Foreign Exchange outgo was ₹ 114 Lakhs.

ACKNOWLEDGEMENTS

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at our levels. Your Directors hereby state that the Company has devised proper system to ensure compliance of all laws applicable to the Company. Your Directors also place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels. Your Directors also appreciate the commitment of the executives, staff and workers of the Company.

For and on behalf of the Board of Directors,

Place : Mumbai
Date : July 22, 2013

Pranab Barua
Director

PANTALOONS FASHION AND RETAIL LIMITED

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the members of Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited)** ("the Company"), which comprise the Balance Sheet as at 31 March 2013, and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013,
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 32 (9) to the Financial Statements, wherein, the Company has accounted for the demerger expenses which, though, not in compliance with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended), is in accordance with the scheme of arrangement approved by the Honorable Bombay High Court. Our opinion is not qualified in respect of this matter.

PANTALOONS FASHION AND RETAIL LIMITED

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Vijay Maniar**

Partner

Membership No.: 36738

Mumbai, 23rd May, 2013

PANTALOONS FASHION AND RETAIL LIMITED

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

Re: Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited) (“the Company”)

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) The management has a planned program of verifying the fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, *however the fixed assets have not been physically verified by the management during the year as the assets have been taken over under the scheme of arrangement described under Note 32 to the financial statements which is effective from a date subsequent to the Balance Sheet date, hence, we are unable to comment on the discrepancies, if any, in respect of such assets that have been taken over.*
- (i)(c) There was no disposal of a substantial part of fixed assets during the year.
- (ii)(a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (ii)(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (ii)(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (iii)(e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v)(a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, cess and other material statutory dues applicable to its business other than the demerged undertaking (refer Note 32 to the financial statements). In case of the demerged undertaking, we have relied on certificate received from the statutory auditor’s of the demerged Company that the Company is regular in depositing the respective undisputed statutory dues with appropriate authorities.

PANTALOONS FASHION AND RETAIL LIMITED

- (ix)(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, 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.
- (ix)(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty and cess which have not been deposited on account of any dispute.
- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. *The Company has incurred cash losses in the current year and not in the immediately preceding financial year.*
- (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 has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (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.
- (xvi) The Company has not taken any term loans during the year. Accordingly we are not required to comment on the same. In case of term loans taken over in pursuant to the scheme of demerger explained in note 32 to the financial statements and outstanding during the year, as explained to us, the demerged Company had utilized the said loans in the earlier years.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that short term sources of funds amounting to Rs. 17,320 lacs in the form of short term borrowings and trade payables taken over under the scheme of arrangement described under Note 32 to the financial statements have been used for long-term investment representing fixed assets, long term loans and advances taken over under the Scheme and towards funding of losses.*
- (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.
- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised money from public issue during the year.
- (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 year.

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

per **Vijay Maniar**
Partner
Membership No.: 36738

Mumbai, 23rd May, 2013

PANTALOONS FASHION AND RETAIL LIMITED

PANTALOONS FASHION & RETAIL LIMITED BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lakhs

	Notes	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2		
Equity		50	50
Preference		51	51
Share Suspense Account	2A	84,632	-
Reserves and Surplus	3	(7,780)	20
Sub-Total - (A)		76,953	121
(B) Non-Current Liabilities			
Long-term Borrowings	4A	48,493	-
Other Long-term Liabilities	5A	3,646	-
Long-term Provisions	7A	229	-
Sub-Total - (B)		52,368	-
(C) Current Liabilities			
Short-term Borrowings	4B	99,881	-
Trade Payables	6	31,630	175
Other Current Liabilities	5B	27,115	17
Short-term Provisions	7B	281	66
Sub-Total - (C)		158,907	258
TOTAL (A) + (B) + (C)		288,228	379
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	8A	46,961	-
Intangible Assets	8B	116,765	0
Capital Work-in-Progress		1,355	-
		165,081	0
Non-Current Investments	9A	-	32
Deferred Tax Assets (Net)	35	-	-
Long-term Loans and Advances	10A	6,255	2
Sub-Total - (D)		171,336	34
(E) Current Assets			
Current Investments	9B	80,000	-
Inventories	12	32,487	20
Trade Receivables	13	698	179
Cash and Bank Balances	14	1,923	5
Short-term Loans and Advances	10B	1,185	141
Other Current Assets	11	599	-
Sub-Total - (E)		116,892	345
TOTAL (D) + (E)		288,228	379

Summary of significant accounting policies 1.1

The accompanying Notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place: Mumbai
Date: 23rd May, 2013

For and on behalf of the Board of Directors of
Pantaloon Fashion & Retail Limited

Pranab Barua
(Director)

Sushil Agarwal
(Director)

Shital Mehta
(Chief Executive Officer)

Manoj Kedia
(Manager and Chief
Financial Officer)

Geetika Anand
(Company Secretary)

Place: Mumbai
Date: 23rd May, 2013

PANTALOONS FASHION AND RETAIL LIMITED

PANTALOONS FASHION & RETAIL LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in Lakhs

	Notes	Year Ended 31st March, 2013	Year Ended 31st March, 2012
REVENUE			
Revenue from Operations	15	128,514	1,743
Other Income	16	6,322	139
Total Revenue		134,836	1,882
EXPENSES			
Purchase of Traded Goods	17	75,104	1,493
(Increase)/Decrease in Inventory of Traded Goods	18	2,334	(1)
Employee Benefits Expense	19	9,115	57
Other Expenses	20	35,349	150
Total Expenses		121,902	1,699
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)		12,934	183
Depreciation and Amortisation Expenses	21	5,443	0
Finance Costs	22	14,380	4
(Loss)/Profit Before Tax		(6,889)	179
Tax Expenses			
- Current Tax		-	57
- Deferred Tax		-	-
(Loss)/Profit for the Year		(6,889)	122
Earnings per Equity Share [Nominal Value of Share ₹ 10/- (Previous Year: ₹ 10/-)]			
Basic in ₹ per Share		(9.89)	21.64
Diluted in ₹ per Share (Face Value of ₹ 10 /- each)	23	(9.89)	21.64

Summary of significant accounting policies 1.1

The accompanying Notes are an integral part of the financial statements.

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

per Vijay Maniar
Partner
Membership No. 36738

Place: Mumbai
Date: 23rd May, 2013

For and on behalf of the Board of Directors of
Pantaloon Fashion & Retail Limited

Pranab Barua
(Director)

Shital Mehta
(Chief Executive Officer)

Place: Mumbai
Date: 23rd May, 2013

Sushil Agarwal
(Director)

Manoj Kedia
(Manager and Chief
Financial Officer)

Geetika Anand
(Company Secretary)

PANTALOONS FASHION AND RETAIL LIMITED

PANTALOONS FASHION & RETAIL LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 ₹ in Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
A Cash Flow from Operating Activities		
(Loss)/Profit Before Tax	(6,889)	179
Adjustment to Reconcile Profit Before Tax to Net Cash Flows:		
Depreciation/Amortisation	5,443	0
Finance Costs	14,380	-
(Profit)/Loss on Fixed Assets Sold/Discarded	517	-
Interest Income	(6,219)	(0)
Demerger Expenses Paid adjusted directly in reserves (Refer Note 32)	(910)	-
Net (Gain)/Loss on Sale of Non-Current Investments	(3)	-
	13,208	(0)
Operating Profit Before Working Capital Changes	6,319	179
Movements in Working Capital:		
Increase/(Decrease) in Trade Payables	(2,183)	28
Increase/(Decrease) in Provisions	500	(1)
Increase/(Decrease) in Other Liabilities	(4,460)	4
Decrease/(Increase) in Trade Receivables	(35)	(116)
Decrease/(Increase) in Inventories	1,795	(1)
Decrease/(Increase) in Loans and Advances	(784)	(76)
Decrease/(Increase) in Other Assets	(599)	-
	(5,766)	(162)
Cash Generated from/(used in) Operations	553	17
Direct Taxes Paid	(885)	(15)
Net Cash Flow from/(used in) Operating Activities (A)	(332)	2
B Cash Flows from Investing Activities		
Purchase of Fixed Assets including CWIP and Capital Advances	(2,999)	-
Proceeds from Sale of Fixed Assets	(0)	-
Proceeds of Non-Current Investments	35	-
Interest Received	622	0
Purchase of Non-Current Investments	(80,000)	-
Net Cash Flow from/(used in) Investing Activities (B)	(82,342)	0
C Cash Flows from Financing Activities		
Proceeds from Borrowings	103,514	-
Repayment of Borrowings	(86,812)	-
Dividend Paid on Preference Shares	(12)	-
Tax on Preference Dividend Paid	(2)	-
Finance Costs Paid	(12,417)	-
Proceeds from Optionally Fully Convertible Debentures	80,000	-
Net Cash Flow from/(used in) in Financing Activities (C)	84,271	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	1,597	2
Cash and Cash Equivalents at the beginning of the year	5	3
Cash Taken Over on Demerger (Refer Note 32)	321	-
Cash and Cash Equivalents at the end of the year	1,923	5
Components of Cash and Cash Equivalents		
Cash in Hand	506	0
Cheques in Hand	28	-
With Banks - on Current Account	1,389	5
Total Cash and Cash Equivalents (Note 14)	1,923	5

Summary of significant accounting policies

1.1

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No. 36738

Place: Mumbai
Date: 23rd May, 2013

For and on behalf of the Board of Directors of
Pantaloon Fashion & Retail Limited

Pranab Barua
(Director)

Shital Mehta
(Chief Executive Officer)

Place: Mumbai
Date: 23rd May, 2013

Sushil Agarwal
(Director)

Manoj Kedia
(Manager and Chief
Financial Officer)

Geetika Anand
(Company Secretary)

PANTALOONS FASHION AND RETAIL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Corporate Information

Pantaloon Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited) (the 'Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

In the current year, pursuant to a scheme of arrangement as sanctioned by the Honourable High Court of Bombay, vide order dated March 1, 2013, the 'Pantaloons Format' of Pantaloons Retail (India) Limited (the 'Demerged Undertaking') has been vested into the Company with effect from July 1, 2012 (the 'Appointed Date'). Pursuant to this scheme, the name of the Company has changed from Peter England Fashions and Retail Limited to Pantaloon Fashion & Retail Limited.

The Company operates a national chain of "Pantaloon" stores of apparels and fashion accessories.

1.1 ACCOUNTING CONVENTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with 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 the Companies (Accounting Standards) Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956. 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for sale and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

(II) USE OF ESTIMATES

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

(III) TANGIBLE FIXED ASSETS

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on all tangible fixed assets is calculated on a straight-line basis using the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, or the rates arrived at based on the useful lives estimated by the management, whichever is higher.

Depreciation on Vehicles and Leasehold improvements is provided using the rates arrived at considering useful life estimated by the management. For all other assets, Schedule XIV rates are used since they are also reflective of useful life estimated by the management.

Assets	Estimated Useful Life
Vehicles	5 years
Leasehold Improvements	Over the period of the lease (3-25 years)

Items of value less than ₹ 5,000 are depreciated in full in the period of purchase/acquisition.

Depreciation on the fixed assets added/dropped off/discarded during the year is provided on *pro-rata* basis with reference to the month of addition/disposal/discarding.

(IV) INTANGIBLE ASSETS

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

A summary of amortisation policies applied to the Company's intangible assets is as below:

Block of Assets	Rates
Computer Software	33.33% - 3 years
Goodwill arising on acquisition of business division through demerger	Not being amortised (Tested for Impairment)

PANTALOONS FASHION AND RETAIL LIMITED

(V) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

(VI) BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit and Loss.

(VII) FOREIGN CURRENCY TRANSLATION

Foreign currency transactions and balances:

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency and are translated using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences, arising on the settlement of monetary items or on translating such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(VIII) INVESTMENTS

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc.

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

(IX) INVENTORIES

Inventories, comprising of traded goods, are valued at cost or net realisable value, whichever is lower. Cost includes all costs incurred to bring them to their present location and condition. Cost is determined based on weighted-average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(X) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Retail sales are recognised on delivery of the merchandise to the customer, when the property in goods and significant risks and rewards are transferred for a price and no effective ownership control is retained. Revenue is net of returns, trade discounts and sales/value added tax.

The property in the merchandise of third party concession stores located within the main departmental store of the Company passes to the Company once a customer decides to purchase an item from the concession store. The Company in turns sells the item to the customer and is accordingly included under Retail Sales.

PANTALOONS FASHION AND RETAIL LIMITED

Gift vouchers' sales are recognised when the vouchers are redeemed and goods are sold to the customer.

Income from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of service tax.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

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

(XI) EMPLOYEE BENEFITS

(i) Short-Term Employee Benefits

All short-term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him/her to avail such benefits and non-accumulating compensated absences like sick leave and maternity leave are recognised on an undiscounted basis and charged to the Statement of Profit and Loss.

(ii) Retirement and Other Employee Benefits

A) Defined Contribution Plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and ESI, which are recognised in the Statement Profit and Loss. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.. The Company has no obligation, other than the contribution payable to the provident fund.

B) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense.

C) Compensated Absences and Long-Term Service Awards

The Company's liabilities under for long-term compensated absences and long-term service awards are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences, which are provided for based on estimates. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(XII) INCOME TAXES

Tax expense comprises of current and deferred tax. The tax impact of items directly charged to reserves is also adjusted in reserves.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and the tax laws enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future. In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit.

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

PANTALOONS FASHION AND RETAIL LIMITED

At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset 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.

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

(XIII) OPERATING LEASES

(i) Where the Company is the lessee:

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(XIV) CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less.

(XV) CASH FLOW STATEMENT

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

The net cash flow from operating activities is determined by adjusting net profit or loss for the effects of: (a) changes during the period in inventories and operating receivables and payables, (b) non-cash items such as depreciation, provisions, deferred taxes, and unrealised foreign exchange gains and losses, and (c) all other items for which the cash effects are investing or financing cash flows.

(XVI) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(XVII) CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognised when there is 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 best estimate required to settle the obligation at the Balance Sheet date

(XVIII) MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expenses.

PANTALOONS FASHION AND RETAIL LIMITED

₹ in Lakhs

As at
31st March, 2013

As at
31st March, 2012

NOTE: 2

SHARE CAPITAL

Authorised Share Capital:

10,000,000 (Previous Year: 10,000,000) Equity Shares of ₹ 10/- each	1,000	1,000
10,000,000 (Previous Year: 10,000,000) 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	1,000	1,000
15,000 (Previous Year: 15,000) 6% Redeemable Cumulative Preference Shares of ₹ 100/- each	15	15
	<u>2,015</u>	<u>2,015</u>

Issued, Subscribed and Paid-up Capital:

Equity Share Capital

500,000 (Previous Year: 500,000) Equity Shares of ₹ 10/- each	50	50
	(A) <u>50</u>	<u>50</u>

Preference Share Capital

500 (Previous Year: 500) 6% Redeemable Cumulative Preference Shares of ₹ 100/- each	1	1
500,000 (Previous Year: 500,000) 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	50	50
	(B) <u>51</u>	<u>51</u>
Total Issued, Subscribed and Paid-up Capital	(A) + (B) <u>101</u>	<u>101</u>

a. Reconciliation of the paid-up shares outstanding at the beginning and at the end of the reporting year

No. of Shares Outstanding at the beginning of the year	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares	500,000	50	500,000	50
8% Redeemable Cumulative Preference Shares of ₹ 10/- each	500,000	50	500,000	50
6% Redeemable Cumulative Preference Shares of ₹ 100/- each	500	1	500	1
	<u>1,000,500</u>	<u>101</u>	<u>1,000,500</u>	<u>101</u>

No. of Shares Outstanding at the ending of the year	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	Amount	No. of shares	Amount
Equity Shares	500,000	50	500,000	50
8% Redeemable Cumulative Preference Shares of ₹ 10/- each	500,000	50	500,000	50
6% Redeemable Cumulative Preference Shares of ₹ 100/- each	500	1	500	1
	<u>1,000,500</u>	<u>101</u>	<u>1,000,500</u>	<u>101</u>

b. Terms/Rights Attached to Equity Shares

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

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

c. Terms of Conversion/Redemption of Preference Shares

500,000 8% Redeemable Cumulative Preference share of ₹ 10/- each, fully paid-up (Previous Year: 500,000).

PANTALOONS FASHION AND RETAIL LIMITED

Preference shares are entitled to cumulative dividend @8% p.a. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. These preference shares are redeemable by the Company at any time after completion of ten years from 31st March, 2009, at the face value. In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

500 6% Redeemable Cumulative Preference share of ₹ 100/- each, fully paid-up (Previous Year: 500).

Preference shares are entitled to cumulative dividend @6% p.a. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. These preference shares are redeemable by the Company at any time after completion of ten years from 14th October, 2009, at the face value. In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

d. Details of shareholders holding more than 5% shares in the Company

Number of shares held by each shareholder in excess of 5% based on the shares held on the Balance Sheet date

Name of Shareholder

i) Equity Shares

	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% Holding in Class	No. of Shares	% Holding in Class
Indigold Trade and Services Limited and its nominees (Holding Company)	500,000	100%	-	-
Aditya Birla Nuvo Ltd. and its nominees (Ultimate Holding Company)	-	-	500,000	100%
	500,000	100%	500,000	100%

ii) 8% Redeemable Cumulative Preference Shares of ₹ 10/- each

Aditya Birla Nuvo Ltd. (Ultimate Holding Company)	500,000	100%	500,000	100%
	500,000	100%	500,000	100%

iii) 6% Redeemable Cumulative Preference Shares of ₹ 100/- each

Naman Finance and Investment Private Limited	250	50%	500	100%
Infocyper (India) Private Limited	250	50%	-	-
	500	100%	500	100%

	As at 31st March, 2013	As at 31st March, 2012
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NOTE 2A: SHARE SUSPENSE ACCOUNT

46,316,518 Equity Shares of ₹ 10/- each, fully paid-up, to be issued pursuant to the scheme of arrangement with Pantaloon Retail (India) Limited (Refer Note 32)

	4,632	-
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45,977,011 Equity Shares of ₹ 10/- each, fully paid up, to be issued on conversion of OFCD (optionally fully convertible debentures) of Indigold Trade and Services Limited in pursuant to the scheme of arrangement (Refer Note 32)

	80,000	-
	84,632	-

PANTALOONS FASHION AND RETAIL LIMITED

₹ in Lakhs

As at 31st March, 2013 As at 31st March, 2012

NOTE: 3

RESERVES AND SURPLUS

1) General Reserve

Balance as per the last financial statements	12	-
Add: Amount Transferred from surplus balance in the Statement of Profit and Loss	-	12
Less: Demerger Expenses (Refer Note 32)	(12)	
	<u>-</u>	<u>12</u>

2) Surplus/(Deficit) in the Statement of Profit and Loss

Balance as per the last financial statements	8	(88)
(Loss)/Profit for the year	(6,889)	122
Less: Demerger Expenses (Refer Note 32)	(898)	-
<u>Less: Appropriations</u>		
Transfer to General Reserve	-	12
Proposed Dividend on:		
Preference Share	-	12
Corporate Tax on Proposed Dividend	-	2
	<u>(7,780)</u>	<u>8</u>
	<u>(7,780)</u>	<u>20</u>

NOTE: 4A

LONG-TERM BORROWINGS

SECURED

Rupee Term Loans from Banks	48,493	-
	<u>48,493</u>	<u>-</u>
The above amount includes:		
Secured Borrowings	48,493	-
Unsecured Borrowings	-	-
	<u>48,493</u>	<u>-</u>

NOTE: 4B

SHORT-TERM BORROWINGS

Cash Credit from Banks	1,161	-
Loans and Advances from related parties repayable on demand	649	-
Acceptances from Banks	12,007	-
Other Loans and Advances (repayable on demand)	86,064	-
	<u>99,881</u>	<u>-</u>
The above amount includes:		
Secured Borrowings	1,161	-
Unsecured Borrowings	98,720	-
	<u>99,881</u>	<u>-</u>

PANTALOONS FASHION AND RETAIL LIMITED

	₹ in Lakhs	
	Current	Non-Current
NOTE 4C:		
SECURED LONG-TERM BORROWINGS:		
A) Term Loans from Banks		
i) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets, credit/debit card receivables of all the stores and second <i>pari passu</i> charge on current assets. Repayment terms: 11 quarterly instalments from September 2012. First 3 instalments of ₹ 159 lakh each from September 2012, next 7 instalments of ₹ 276 lakh each and last instalment of ₹ 68 lakh.	1,104	896
ii) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets and second <i>pari passu</i> charge on current assets. Repayment terms: 20 quarterly instalments from June 2013. First 4 instalments of ₹ 250 lakh each, next 8 instalments of ₹ 500 lakh each and next 8 instalments of ₹ 625 lakh each.	1,000	9,000
iii) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets, credit/debit card receivables of all the stores and second <i>pari passu</i> charge on current assets. Repayment terms: 7 equal quarterly instalments of ₹ 156 lakh each from July 2012.	625	-
iv) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets, credit/debit card receivables of all the stores and second <i>pari passu</i> charge on current assets. Repayment terms: 11 quarterly instalments from July 2012. First 3 instalments of ₹ 32 lakh and next 8 instalments of ₹ 54 lakh each.	218	218
v) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets, credit/debit card receivables of all the stores and second <i>pari passu</i> charge on current assets. Repayment terms: 2 equal annual instalments of ₹ 250 lakh each from July 2012.	250	-
vi) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets and credit/debit card receivables of "Pantaloons Megastores". Repayment terms: 25 quarterly instalments from March 2013. First instalment of ₹ 39 lakh, next 4 instalments of ₹ 48.5 lakh each, next 8 instalments of ₹ 77.5 lakh each, next 4 instalments of ₹ 116.25 lakh each, next 4 instalments of ₹ 164.75 lakh each and last 4 instalments of ₹ 280.75 lakh each.	194	2,867
vii) Term loans are secured by way of residual charge on fixed assets and current assets and second charge on credit/debit card receivables of "Pantaloons Megastores". Repayment terms: 25 quarterly instalments from March 2013. First instalment of ₹ 38 lakh, next 4 instalments of ₹ 47.5 lakh, next 16 instalments of ₹ 76 lakh each and last 4 instalments of ₹ 114 lakh.	190	1,672
vii) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets. Repayment terms: 20 quarterly instalments from June 2013. First 4 instalments of ₹ 250 lakh each, next 8 instalments of ₹ 500 lakh each and last 8 instalments of ₹ 625 lakh each.	1,000	8,918
viii) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets, credit/debit card receivables of all the stores and second <i>pari passu</i> charge on current assets. Repayment terms: Paid on June 2013.	58	-
ix) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets, credit/debit card receivables of all the stores and second <i>pari passu</i> charge on current assets. Repayment terms: 14 equal instalments of ₹ 145 lakh each from September 2012.	580	1,011
x) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets and second <i>pari passu</i> charge on current assets.	1,000	8,863

PANTALOONS FASHION AND RETAIL LIMITED

	₹ in Lakhs	
	Current	Non-Current
Repayment terms: 20 quarterly instalments from June 2013. First 4 instalments of ₹ 250 lakh each, next 8 instalments of ₹ 483 lakh each and last 8 instalments of ₹ 625 lakh each.		
x i) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets, credit/debit card receivables of all the stores and second <i>pari passu</i> charge on current assets.	872	3,479
Repayment terms: 13 quarterly instalments from January 2013. First instalment of ₹ 170 lakh, next 4 instalments of ₹ 218 lakh each and next 8 instalments of ₹ 435 lakh each.		
x ii) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets.	913	753
Repayment terms: 10 quarterly instalments from September 2012. First 2 instalments of ₹ 146 lakh each, next 4 instalments of ₹ 219 lakh each and last 4 instalments of ₹ 256 lakh each.		
x iii) Term loans are secured by way of third <i>pari passu</i> charge on fixed assets and current assets.	2,938	6
Repayment terms: 3 quarterly instalments from May 2013. First instalment of ₹ 463.84 lakh and next 2 instalments of ₹ 1,236.92 lakh each		
x iv) Term loans are secured by way of residual charge on fixed assets and current assets.	3,736	-
Repayment terms: 4 equal quarterly instalments of ₹ 1,867 lakh each from December 2012.		
x v) Term loans are secured by way of residual charge on fixed assets and current assets.	2,500	-
Repayment terms: 4 equal quarterly instalments of ₹ 1,250 lakh each from October 2012.		
x vi) Term loans are secured by way of first <i>pari passu</i> charge on fixed assets and credit/debit card receivables of "Pantaloons Megastores".	387	5,716
Repayment terms: 25 quarterly instalments from February 2013. First instalment of ₹ 77 lakh, next 4 instalments of ₹ 96 lakh each, next 8 instalments of ₹ 155 lakh each, next 4 instalments of ₹ 232 lakh each, next 4 instalments of ₹ 329 lakh each and last 4 instalments of ₹ 561 lakh each.		
x vii) Term loans are secured by way of residual charge on fixed assets and current assets and first charge on credit/debit card receivables of "Pantaloons Megastores".	380	3,344
Repayment terms: 25 quarterly instalments from February 2013. First instalment of ₹ 76 lakh, next 4 instalments of ₹ 95 lakh each, next 16 instalments of ₹ 152 lakh each and next 4 instalments of ₹ 228 lakh each.		
x viii) Term loans are secured by way of residual charge on fixed assets and current assets.	6,750	1,750
Repayment terms: 6 quarterly instalments from March 2013. First 2 instalments of ₹ 1,500 lakh each and next 4 instalments of ₹ 1,750 lakh each.		
Total of Term Loans from Banks	24,695	48,493

Rate of interest for the above loans are in range of 9.8% to 14%.

SHORT-TERM BORROWINGS:

- (i) Cash Credit are secured by hypothecation of inventories, credit card receivables both present and future, held as current assets.
Cash credit is repayable on demand and carries interest rate of 13% to 15%.
- (ii) Acceptances from banks are unsecured and has a maturity of 45-90 days and carries an interest rate of 11% to 14%.
- (iii) Loans and advances from related parties are unsecured and repayable on demand and carries an interest rate of 10.5%.
- (iv) Loans and advances others are unsecured and repayable on demand and carries an interest rate of 9.75% to 13.04%.

PANTALOONS FASHION AND RETAIL LIMITED

₹ in Lakhs

As at
31st March, 2013

As at
31st March, 2012

NOTE: 5A

OTHER LONG-TERM LIABILITIES

Deposits	-	
Liabilities for Rent Straightlining	3,609	-
	<u>3,646</u>	<u>-</u>

NOTE: 5B

OTHER CURRENT LIABILITIES

Current Maturities of Long-term Borrowings (Note 4C)	24,695	-
Other Payables		
Liability for Gift Vouchers/Point Award Redemptions	613	-
Advance from Customers	2	14
Book Overdraft	32	-
Payables for Capital Expenditure	776	-
Statutory Dues	228	1
Deposits	-	2
Liabilities for Rent Straight Lining	769	-
	<u>27,115</u>	<u>17</u>

NOTE: 6

TRADE PAYABLES

Trade Payables	31,630	175
	<u>31,630</u>	<u>175</u>

Details of Dues to Micro, Small and Medium Enterprises as defined under MSMED Act, 2006

a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1,269	-
Interest due on above	47	-
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	0	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	47	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro and Small Enterprise Development Act, 2006.	-	-

The Company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at Balance Sheet date.

PANTALOONS FASHION AND RETAIL LIMITED

₹ in Lakhs

As at
31st March, 2013

As at
31st March, 2012

NOTE: 7A

LONG-TERM PROVISIONS

Provisions for Employee Benefits:

Provision for Gratuity (Unfunded) (Note 31)	170	-
Provision for Other Long-term Incentives	59	-
	<u>229</u>	<u>-</u>

NOTE: 7B

SHORT-TERM PROVISIONS

Provisions for:

Employee Benefits		
Provisions for Leave Encashment	262	10
Provisions for Gratuity (Unfunded) (Note 31)	19	-
Others		
Taxation (Net of Advance Tax)	-	42
Proposed Dividend Preference	-	12
Provisions for Corporate Tax on Dividend Preference	-	2
	<u>281</u>	<u>66</u>

NOTE: 8A

TANGIBLE ASSETS

₹ in Lakhs

	Leasehold Improvements	Computers	Furniture & Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block						
As at 1st April, 2011	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at 31st March, 2012	-	-	-	-	-	-
Additions	735	249	1,866	1,354	-	4,204
Deletions	280	8	374	196	-	858
Additions pursuant to the scheme of arrangement (Refer Note 32)	11,652	1,535	31,620	22,230	235	67,272
As at 31st March, 2013	12,107	1,776	33,112	23,388	235	70,618
Accumulated Depreciation						
As at 1st April, 2011	-	-	-	-	-	-
For the year	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at 31st March, 2012	-	-	-	-	-	-
For the year	1,279	166	2,235	1,548	-	5,228
Deletions	116	6	136	83	-	341
Additions pursuant to the scheme of arrangement (Refer Note 32)	3,569	819	8,539	5,608	235	18,770
As at 31st March, 2013	4,732	979	10,638	7,073	235	23,657
Net Block as at 31st March, 2012	-	-	-	-	-	-
Net Block as at 31st March, 2013	7,375	797	22,474	16,315	-	46,961

PANTALOONS FASHION AND RETAIL LIMITED

NOTE: 8B

INTANGIBLE ASSETS

₹ in Lakhs

	Goodwill	Computer Software	TOTAL
Gross Block			
As at 1st April, 2011	-	0	0
Additions	-	-	-
Deletions	-	-	-
As at 31st March, 2012	-	0	0
Additions	-	-	-
Deletions	-	2	2
Additions pursuant to the scheme of arrangement (Refer Note 32)	116,756	708	117,464
As at 31st March, 2013	116,756	706	117,462
Accumulated Depreciation			
As at 1st April, 2011	-	0	0
For the year	-	0	0
Deletions	-	-	-
As at 31st March, 2012	-	0	0
For the year	-	214	214
Deletions	-	2	2
Addition pursuant to the scheme of arrangement (Refer Note 32)	-	485	485
As at 31st March, 2013	-	697	697
Net Block as at 31st March, 2012	-	0	0
Net Block as at 31st March, 2013	116,756	9	116,765

NOTE: 8C

During the year, the Company has capitalised the following expenses to the Cost of Fixed Assets/Capital Work-in-Progress

₹ in Lakhs

	As at 31st March, 2013	As at 31st March, 2012
Rent	135	-
Professional Fees	49	-
Travelling	28	-
Miscellaneous Expenses	63	-
Power and Fuel	18	-
Transportation and Handling Charges	30	-
Security Charges	33	-
	356	-
Add: Brought forward from previous year	-	-
Less: Capitalised during the year	242	-
Balance in Capital Work-in-Progress	114	-

PANTALOONS FASHION AND RETAIL LIMITED

₹ In Lakhs

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 9A		
OTHER INVESTMENTS: NON-CURRENT		
Unquoted, Trade		
Investments in Equity Instruments (317,748 Equity Shares of ₹ 10/- each of LIL Investment Limited)	-	32
	-	32
Aggregate Book Value of Unquoted Investments	-	32
NOTE: 9B		
OTHER INVESTMENTS: CURRENT		
Unquoted, Non-Trade		
Investments in Debentures (800 Optionally fully Convertible Debentures of ₹ 10,000,000/- each of Future Retail Limited erstwhile Pantaloon Retail (India) Limited)	80,000	-
	80,000	-
Aggregate Book Value of Unquoted Investments	80,000	-
NOTE: 10A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Capital Advance	511	-
Security Deposits	4,896	-
Other Loans and Advances		
Advance Income Tax	841	-
Advances to Employees	7	2
	6,255	2
NOTE: 10B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits	423	-
Other Loans and Advances		
Loans and Advances to Related Parties (Unsecured)	120	121
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government	0	18
Advance for Expenses and Material	337	0
Prepaid Expenses	292	0
Advances to Employees	11	1
Others	2	1
	1,185	141
NOTE: 11		
OTHER CURRENT ASSETS		
Export Incentive Receivable	8	-
Insurance Claim Receivables	58	-
Others	533	-
	599	-
NOTE: 12		
INVENTORIES (Valued at Lower of Cost and Net Realisable Value)		
Traded Goods	31,947	20
Packing Material	540	-
	32,487	20

PANTALOONS FASHION AND RETAIL LIMITED

₹ In Lakhs

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 13		
TRADE RECEIVABLES		
Unsecured, Considered Good, unless stated otherwise		
Other Receivables		
Unsecured, Considered Good	698	179
	<u>698</u>	<u>179</u>

NOTE: 14
CASH AND BANK BALANCES

Cash and Cash Equivalents

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Balances with Banks		
Current Accounts	1,389	5
Cash in Hand	506	0
Cheques/Drafts in Hand	28	-
	<u>1,923</u>	<u>5</u>

₹ In Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 15		
REVENUE FROM OPERATIONS		
A. Sale of Traded Goods	125,672	1,743
B. OTHER OPERATING INCOME		
Commission Income	1,140	-
Cash Discounts	1,195	-
Scrap Sales	89	-
Miscellaneous Other Operating Income	418	-
Total A + B	<u>128,514</u>	<u>1,743</u>

Details of Product Sold

Apparels	113,977	1,743
Non-Apparels	11,695	-
	<u>125,672</u>	<u>1,743</u>

NOTE: 16
OTHER INCOME

Interest Income on Current Investments	6,219	0
Net Gain on Sale of Investments		
Long-term	3	-
Foreign Exchange Gain (Net)	22	47
Miscellaneous Income	78	92
	<u>6,322</u>	<u>139</u>

NOTE: 17
PURCHASE OF TRADED GOODS

Purchase of Traded Goods	75,104	1,493
	<u>75,104</u>	<u>1,493</u>

Details of Purchases of Finished Goods under broadhead is as follows:

Apparels	64,327	1,493
Non-Apparels	10,777	-
	<u>75,104</u>	<u>1,493</u>

PANTALOONS FASHION AND RETAIL LIMITED

₹ In Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
NOTE: 18		
(INCREASE)/DECREASE IN INVENTORY OF TRADED GOODS		
Closing Stocks		
Traded Goods	31,947	20
	<u>31,947</u>	<u>20</u>
Less:		
Opening Stocks		
Traded Goods	20	19
Inventories taken over pursuant to the scheme of arrangement (Refer Note 32)	34,261	-
	<u>34,281</u>	<u>19</u>
(Increase)/Decrease in inventory of traded goods	<u>2,334</u>	<u>(1)</u>
Inventories at the end of the year		
Apparels	30,359	20
Non-Apparels	1,588	-
	<u>31,947</u>	<u>20</u>
Inventories at the beginning of the year		
Apparels	20	19
Non-Apparels	-	-
	<u>20</u>	<u>19</u>
NOTE: 19		
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	8,146	52
Contribution to Provident Fund and Other Funds (Refer Note 31)	380	4
Staff Welfare Expenses	589	1
	<u>9,115</u>	<u>57</u>
NOTE: 20		
OTHER EXPENSES		
Electricity Charges	3,527	-
Rent	16,315	4
Repairs and Maintenance (Others)	554	0
Insurance	59	1
Rates and Taxes	71	-
Commission to Selling Agents	16	36
Advertisement and Sales Promotion	4,281	68
Transportation and Handling Charges	2,929	20
Royalty Expense	1,101	-
Legal and Professional Expenses	594	5
Printing and Stationery	226	-
Travelling and Conveyance	458	-
Communication Expenses	59	-
Loss on Sale/Discard of Fixed Assets (Net)	517	-
Bank Charges including Credit Card Charges	907	11
Auditors' Remuneration (Refer Note 28)	39	2
Consumption of Packing Material	26	-
Postage Expenses	28	-
Information Technology Expenses	681	-
Security and Housekeeping Charges	1,994	-
Miscellaneous Expenses	967	3
	<u>35,349</u>	<u>150</u>

PANTALOONS FASHION AND RETAIL LIMITED

₹ In Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
--	--------------------------------	--------------------------------

NOTE: 21

DEPRECIATION AND AMORTISATION EXPENSES

Depreciation of Tangible Assets	5,229	-
Amortisation of Intangible Assets	214	0
	<u>5,443</u>	<u>0</u>

NOTE: 22

FINANCE COSTS

Interest	13,654	4
Other Borrowing Costs	726	-
	<u>14,380</u>	<u>4</u>

₹ In Lakhs

	As at 31st March, 2013	As at 31st March, 2012
--	---------------------------	---------------------------

NOTE: 23

EARNINGS PER SHARE

The following reflects the profit and share data used in the basic and diluted EPS computations

Earnings per Share (EPS) is calculated as under:

Net Profit/(Loss) as per the Statement of Profit and Loss	(6,889)	122
Less: Preference Dividend and Tax thereon	5	14
Net Profit/(Loss) for EPS	(A) (6,894)	108
Weighted-average Number of Equity Shares for calculation of Basic EPS	(B) 697	5
Basic EPS (In ₹)	(A/B) (9.89)	21.64
Weighted-average Number of Equity Shares Outstanding	697	5
Weighted-average Number of Equity Shares for calculation of Diluted EPS	697	5
Diluted EPS (In ₹)	(C) (9.89)	21.64
Nominal Value of Shares (In ₹)	10	10

NOTE: 24

CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)

519 -

₹ In Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
--	--------------------------------	--------------------------------

NOTE: 25

VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

Capital Goods	194	-
	<u>194</u>	<u>-</u>

NOTE: 26

EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

Advertisement	8	18
Brand Royalty	74	-
Commission	-	73
Others	32	1
	<u>114</u>	<u>92</u>

PANTALOONS FASHION AND RETAIL LIMITED

₹ In Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
--	--------------------------------	--------------------------------

NOTE: 27

EARNINGS IN FOREIGN CURRENCY (on accrual basis)

On Export of Goods (F.O.B. Basis)

780	1,554
780	1,554

NOTE: 28

DETAILS OF AUDITORS' REMUNERATION

Payments to Statutory Auditor:

For Audit Fees (Including Limited Review Fees)

33 2

For Management Services

6 -

For Reimbursement of Expenses

0 0

39 **2**

NOTE: 29

DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) **Derivatives: Outstanding at the Balance Sheet date: NIL (Previous Year: Nil)**

b) **Particulars of unhedged foreign currency exposure as at the reporting date**

As at 31st March, 2013

Particulars	Currency	Foreign Currency	₹ in Lakhs
Trade Receivables	USD	0	14
Acceptances	USD	4	220

As at 31st March, 2012

Particulars	Currency	Foreign Currency	₹ in Lakhs
Trade Receivables	USD	3	172

NOTE: 30

Related Party Disclosures as required under AS-18, "Related Party Disclosures", are given below:

Name of related parties and related party relationship

(a) **Related Party where control exists**

Controlling Company's

Holding Company: Indigold Trade and Services Limited

Ultimate Holding Company: Aditya Birla Nuvo Limited (ABNL)

(b) **Names of related parties with whom transactions have taken place during the year**

Madura Garments Lifestyle Retail Company Limited (MGLRCL) - Fellow Subsidiary.

(c) **During the Year, the following transactions were carried out with the related parties in the ordinary course of business**

S. No.	Description	Controlling Company ₹ in Lakhs	Fellow Subsidiary ₹ in Lakhs	Total ₹ in Lakhs
1	Purchase of Traded Goods			
	Aditya Birla Nuvo Limited (Madura Fashion & Lifestyle)	581	-	581
	CY Total	581	-	581
	Previous Year:			
	Aditya Birla Nuvo Limited (Madura Fashion & Lifestyle)	1,430	-	1,430
	PY Total	1,430	-	1,430
2	Interest Paid			
	Aditya Birla Nuvo Limited	9	-	9
	Madura Garments Lifestyle Retail Company Limited	-	7	7
	CY Total	9	7	16
	Previous Year:	-	-	-

PANTALOONS FASHION AND RETAIL LIMITED

S. No.	Description	Controlling Company ₹ in Lakhs	Fellow Subsidiary ₹ in Lakhs	Total ₹ in Lakhs
3	Loans Taken (Inter-Corporate Deposit)			
	Aditya Birla Nuvo Limited	815	-	815
	Madura Garments Lifestyle Retail Company Limited	-	156	156
	CY Total	815	156	971
	Previous Year:	-	-	-
4	Loans Repaid (Inter-Corporate Deposit)			
	Aditya Birla Nuvo Limited	167	-	167
	Madura Garments Lifestyle Retail Company Limited	-	156	156
	CY Total	167	156	323
	Previous Year:	-	-	-
5	Payment against Reimbursement of Expenses			
	Aditya Birla Nuvo Limited (Madura Fashion & Lifestyle)	7	-	7
	Aditya Birla Nuvo Limited	119	-	119
	CY Total	126	-	126
	Previous Year:	-	-	-
	Aditya Birla Nuvo Limited (Madura Fashion & Lifestyle)	7	-	7
	PY Total	7	-	7
6	Outstanding as on 31.03.2013			
	Amount Payable			
	Aditya Birla Nuvo Limited	649	-	649
	CY Total	649	-	649
	Previous Year:	-	-	-
7	Outstanding as on 31.03.2013			
	Previous Year:			
	Aditya Birla Nuvo Limited	12	-	12
	PY Total	12	-	12
8	Outstanding as on 31.03.2013			
	Amount Receivable			
	Aditya Birla Nuvo Limited (Madura Fashion & Lifestyle)	120	-	120
	CY Total	120	-	120
	Previous Year:			
	Aditya Birla Nuvo Limited (Madura Fashion & Lifestyle)	121	-	121
	PY Total	121	-	121

NOTE 31 EMPLOYEE BENEFITS

General Description of the Plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material, is funded and managed within the Group.

Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)	As at 31st March, 2013		As at 31st March, 2012	
	Unfunded	Funded	Unfunded	Funded
a) The details of the Group's defined benefit plans in respect of Gratuity (funded by the Group):				
Amounts recognised in the Balance Sheet in respect of Gratuity				
Present value of the funded defined benefit obligation at the end of the year	189	5	-	4
Fair value of the plan assets	-	7	-	5
Net Liability/(Asset)	189	(2)	-	(1)

PANTALOONS FASHION AND RETAIL LIMITED

	As at 31st March, 2013		As at 31st March, 2012	
	Unfunded	Funded	Unfunded	Funded
Amounts recognised in Employee Benefits				
Expenses in the Statement of Profit and Loss in respect of Gratuity				
Current Service Cost	43	1	-	1
Interest on Defined Benefit Obligations	9	0	-	0
Expected Return on Plan Assets	-	0	-	-
Net Actuarial (Gain)/Loss recognised during the year	10	1	-	0
Past Service Cost	-	-	-	-
Net Gratuity Cost	62	2	-	1
Actual Return on Plan Assets:				
Expected Return on Plan Assets	-	0	-	0
Actuarial Gain/(Loss) on Plan Assets	-	2	-	(0)
Actual Return on Plan Assets	-	2	-	0
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:				
Change in Present Value of the Obligation:				
Opening Defined Benefit Obligation	-	4	-	3
Current Service Cost	43	0	-	1
Interest Cost	9	0	-	0
Actuarial (Gain)/Loss	10	1	-	0
Liability Taken Over pursuant to the scheme of arrangement (Note 32)	142	-	-	-
Benefits Paid	(15)	-	-	-
Closing Defined Benefit Obligation	189	5	-	4
Change in Fair Value Plan Assets:				
Opening Fair Value of the Plan Assets	-	5	-	1
Expected Return on Plan Assets	-	0	-	0
Actuarial Gain/(Loss)	-	2	-	(0)
Contributions by the Employer	-	-	-	4
Closing Fair Value of the Plan Assets	-	7	-	5
Investment Details of Plan Assets				
Government of India Securities	-	2	-	1
Corporate Bonds	-	0	-	0
Special Deposit Scheme	-	0	-	0
Insurer Managed Funds	-	4	-	3
Others	-	1	-	1
Total	-	7	-	5
	Unfunded	Funded	Unfunded	Funded
Experience Adjustment	31st March, 2013	31st March, 2013	31st March, 2012	31st March, 2011
Defined Benefit Obligations	189	5	4	3
Plan Assets	-	7	5	1
Surplus/(Deficit)	(189)	2	1	(2)
Experience Adjustment on Plan Liabilities	10	0	0	(2)
Experience Adjustment on Plan Assets	-	2	(0)	(1)
The expected future contribution for Plan Assets	-	-	-	-

Expected rate of return on assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

PANTALOONS FASHION AND RETAIL LIMITED

	As at 31st March, 2013		As at 31st March, 2012	
	Unfunded	Funded	Unfunded	Funded
Principal Actuarial Assumptions at the Balance Sheet Date				
Discount rate	8.00%	7.90%	-	8.40%
Employee Turnover	10% - 12%	10% - 12%	-	10% - 12%
Estimated Rate of Return on Plan Assets	-	8.50%	-	8.50%

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

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

	As at	
	31st March, 2013	31st March, 2012
Defined Contribution Plans –		
Amount recognised as an expense and included in the Note as “Contribution to Provident Fund and Other Funds”		
Contribution to Government Provident Fund	222	4
Contribution to Superannuation Fund	1	1
Contribution to Employees’ Pension Scheme	0	0
Contribution to Employees’ State Insurance (ESI)	154	-
Contribution to Labour Welfare Fund (LWF)	1	-

NOTE: 32 SCHEME OF ARRANGEMENT

- Pursuant to the Scheme of Arrangement (the ‘Scheme’) under Sections 391 to 394 of the Companies Act, 1956, the fashion retail business called the ‘Pantaloons Format’ (hereinafter referred to as ‘demerged undertaking’) of Pantaloons Retail (India) Limited (hereinafter referred to as ‘PRIL’ or ‘demerged Company’), as approved by the members at a court- convened meeting approved by the shareholders of the Company and PRIL, and subsequently sanctioned by the Hon’ble High Court of Bombay, vide its order dated March 1, 2013, has been transferred by way of demerger to Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail limited, hereinafter referred to as PEFRL or ‘resulting Company’) on a going concern basis with effect from the appointed date of the Scheme, i.e., July 1, 2012.

The effective date of the Scheme as approved by the High Court of Bombay on is April 8, 2013.

The Scheme is operative from the appointed date, i.e., July 1, 2012.

- In accordance with the Scheme, the Company has acquired the following assets and liabilities as on the appointed date of the demerged undertaking at book value as set out below:

Particulars	Amount ₹ in Lakhs	Amount ₹ in Lakhs
Assets Taken Over		
Fixed Assets (Net Block)	52,967	
Capital Work-in-Progress	2,294	
<u>Current Asset</u>		
Inventories	34,261	
Trade Receivables	484	
Cash and Bank Balances	321	
Loans and Advances	5,162	95,489
Liabilities Taken Over		
Loans	160,000	
Trade Payables	33,638	
Statutory Liabilities (Net)	624	
Other Liabilities	5,333	199,595
Net Liabilities taken over		104,106
Consideration of 46,316,518 Equity Shares of ₹ 10/- each as per Scheme		4,632
Deficit adjusted in Goodwill		108,738
Add: Adjustment due to change in accounting practices (Refer point 6 of Note 32)		8,018
Goodwill as per Note 8B		116,756

PANTALOONS FASHION AND RETAIL LIMITED

3. 46,316,518 equity shares of ₹ 10/- each, fully paid-up, of the Company are to be issued to the holder of Equity and Differential Voting Rights (DVR's) shares of PRIL, whose names are registered in the register of members on the record date, without payment being received in cash respectively, in the ratio of 1 (one) fully paid-up equity shares of ₹ 10/- each of the Company for every 5 (Five) fully paid-up equity shares and DVRs of ₹ 2/- each held in PRIL. Pending allotment, the face value of such shares of ₹ 4,632 has been shown under the "Share Suspense Account" as at March 31, 2013.
4. Further upon the Scheme coming into effect on April 8, 2013, 800 Zero Coupon Optionally Fully Convertible Debentures of face value of ₹1,00 lakh each held by the holding company Indigold Trade and Services Limited (ITSL) will be converted into 45,977,011 equity shares of ₹ 10/- each fully paid-up of the Company and an amount of ₹ 75,402 lakh will be credited to the Securities Premium Account. Pending conversion, the face value and premium on such shares of ₹ 80,000 lakh has been shown under the heading "Share Suspense Account" as at March 31, 2013.
5. In terms of the Scheme, all assets and liabilities of the demerged undertaking have been transferred and stands vested with the Company with effect from the appointed date, i.e., 1st July, 2012, at their respective book values as on that date. Further, with effect from the appointed date and upto and including the effective date the demerged Company shall be deemed to have been carrying on all business activities of the demerged undertaking and all the profits/Losses accruing to the demerged Company in relation to the demerged undertaking for the period commencing from the appointed date and upto the effective date shall for all purposes be treated as the profits or losses, as the case may be of the resulting Company.
6. In accordance with the Scheme, the difference between the share capital issued and the net liabilities taken over shall be treated as Goodwill. Further as per the Scheme, an amount of ₹ 8,018 lakh being the difference on accounting treatment followed by the Company and the demerged Company related to the following items, have been adjusted to the goodwill arising from the Scheme:

Straightlining of lease rentals in accordance with AS-19 – Leases	3,777
Adjustment of opening block of fixed assets as per the useful life of assets	4,241
	8,018
7. Reconciliation of opening block taken under the Scheme and Note 8A and 8B

Net Block of fixed assets taken over under the Scheme	52,967
Less: Adjustment of opening block of fixed assets as per the useful life of assets	(4,241)
Net Book Value of Fixed Assets as per Note 8A and 8B comprising of	48,726
Note 8A - Tangible Assets	48,502
Note 8B - Intangible Assets	223
	48,726
8. From the effective date the authorised share capital will stand increased to ₹ 11,015 lakh consisting of following:

100,000,000 Equity Shares of ₹ 10/- each	10,000
10,000,000 8% Redeemable Cumulative Preference shares of ₹ 10/- each	1,000
15,000 6% Redeemable Cumulative Preference shares of ₹ 100/- each	15
	11,015
9. Further expenses of ₹ 910 lakh incidental to the Scheme on its implementation has been adjusted against the reserves of the resulting company, which is in accordance with the Scheme. Accordingly, the loss of the Company is lower by ₹ 910 lakh.
10. In the absence of virtual certainty, the Company has not recognised net deferred tax asset arising on the assets and liabilities of the demerger undertaking taken over as on the appointed date.
11. From the effective date, the name of the resulting Company has been changed to 'Pantaloon Fashion & Retail Limited'.
12. The figures for the current year include figures of the demerged undertaking which is merged with the Company with effect from July 1, 2012, and are therefore to that extent not comparable with those of previous year.

NOTE: 33

Disclosure Pursuant to Accounting Standard-19 - Leases is as under:

A. Assets Taken on Lease:

The Company has entered into agreements for taking on lease certain residential/office/store premises, warehouses, on leave and licence basis. The lease term is for a period ranging from 3 to 25 years. There are escalation clauses in the lease agreements. The specified disclosure in respect of these agreements is given below:

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Lease payments recognised in the Statement of Profit and Loss for the year		₹ In Lakhs
Minimum Lease Rent	13,035	4
Contingent Lease Rent	3,280	-
	16,315	4

PANTALOONS FASHION AND RETAIL LIMITED

₹ In Lakhs

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Future Minimum rentals payable under non-cancellable operating leases are as follows:-		
Within one year	7,127	-
After one year but not more than five years	10,120	-
More than five years	883	-
	<u>18,130</u>	<u>-</u>

Notes:

The initial non-cancellable period of the lease agreement is for three years, beyond which there is an option for the lessee to renew the lease, which is reasonably certain and hence entire lease period has been considered as non-cancellable for the purpose of above disclosure.

**NOTE: 34
CONTINGENT LIABILITIES NOT PROVIDED FOR**

Dividend on cumulative preference shares for the year ended March 31, 2013	4	-
Dividend Distribution Tax on the above dividend	1	-
	<u>5</u>	<u>-</u>

NOTE: 35

DEFERRED TAX ₹ In Lakhs

DEFERRED TAX LIABILITIES (NET)

As at 31st March, 2013

Deferred Tax Liabilities at the year end comprise timing difference on account of:

Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged.	608
	<u>608</u>

DEFERRED TAX ASSETS (NET)

Deferred Tax Assets at the year end comprise timing difference on account of:

Demerger expenses	236
Employee benefit provision allowed on payment basis	70
Loss as per Income tax calculations (Restricted to Net Deferred Tax Liabilities)	301
	<u>608</u>

In absence of virtual certainty the Company has recognised deferred tax assets differences arising from carry forward of business loss and other items to the extent of deferred tax liability arising from depreciation.

NOTE: 36

SEGMENT INFORMATION

In accordance with the principles given in accounting standard on Segment Reporting (AS-17) notified by Companies (Accounting Standards) Rules, 2006, the Company has determined its primary business segment as "retail". The Company has no other reportable segment. Further, significant business of the Company is within India, hence, there is no geographical segment. Accordingly, disclosure of information as per AS-17 is not required.

NOTE: 37

PREVIOUS YEAR FIGURES

The figures of the previous year were audited by a Firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants
per Vijay Maniar
Partner
Membership No. 36738
Place: Mumbai
Date: 23rd May, 2013

For and on behalf of the Board of Directors of
Pantaloon Fashion & Retail Limited

Pranab Barua
(Director)

Sushil Agarwal
(Director)

Shital Mehta
(Chief Executive Officer)

Manoj Kedia
(Manager and Chief
Financial Officer)

Geetika Anand
(Company Secretary)

Place: Mumbai
Date: 23rd May, 2013

ADITYA VIKRAM GLOBAL TRADING HOUSE LTD.

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013

The directors present the audited financial statements of **ADITYA VIKRAM GLOBAL TRADING HOUSE LTD** (the "Company") for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to engage in international consultancy services, international licensing and franchising and international trading activities.

RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Nexia Baker & Arenson**, have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **ADITYA VIKRAM GLOBAL TRADING HOUSE LTD** under the Mauritian Companies Act 2001, during the financial year ended 31 March 2013.

For **International Financial Services Limited**
SECRETARY

Registered office:

IFS Court, TwentyEight
Cybercity
Ebene
Mauritius

Date: May 22, 2013

ADITYA VIKRAM GLOBAL TRADING HOUSE LTD.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF
ADITYA VIKRAM GLOBAL TRADING HOUSE LTD

Report on the Financial Statements

We have audited the financial statements of **ADITYA VIKRAM GLOBAL TRADING HOUSE LTD** (the "Company") set out on pages 6 to 16, which comprise the statement of financial position as at 31 March 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2013, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by the 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.

Opinion

In our opinion, the financial statements set out on pages 6 to 16 give a true and fair view of the financial position of the Company at 31 March 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Amounts Expressed in Indian Rupees

The figures expressed in Indian Rupees have been inserted in the financial statements solely for information purposes. We do not express an opinion on the above figures.

Other Matter

This report is made solely to the Company's member, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Nexia Baker & Arenson
Chartered Accountants

Ouma Shankar Ochit FCCA
Licensed by FRC

Date: May 22, 2013

ADITYA VIKRAM GLOBAL TRADING HOUSE LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Notes 1	2013 USD	2012 USD	2013 INR	2012 INR
ASSETS					
Current assets					
Receivable	5	786	537	42,764	27,456
Prepayments		2,125	2,062	115,577	105,510
Cash and cash equivalents		161,476	178,736	8,782,573	9,143,507
		<u>164,387</u>	<u>181,335</u>	<u>8,940,914</u>	<u>9,276,473</u>
Current liability					
Accruals		9,435	4,336	513,163	221,828
		<u>9,435</u>	<u>4,336</u>	<u>513,163</u>	<u>221,828</u>
		<u>154,952</u>	<u>176,999</u>	<u>8,427,751</u>	<u>9,054,645</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	6	150,000	150,000	4,807,500	4,807,500
Retained earnings		4,952	26,999	3,620,251	4,247,145
		<u>154,952</u>	<u>176,999</u>	<u>8,427,751</u>	<u>9,054,645</u>

Approved by the Board of Directors and authorised for issue on.....and signed on its behalf by:

Director

Director

The notes on pages 10 to 16 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2013

	Note	Stated Capital USD	Retained earnings USD	Total USD
At 1 April 2011		150,000	41,241	191,241
Total comprehensive loss for the year		—	(14,242)	(14,242)
At 31 March 2012		150,000	26,999	176,999
Total comprehensive loss for the year		—	(22,047)	(22,047)
At 31 March 2013		<u>150,000</u>	<u>4,952</u>	<u>154,952</u>
	1	INR	INR	INR
At 1 April 2011		4,807,500	3,731,444	8,538,944
Total comprehensive income for the year		—	515,701	515,701
At 31 March 2012		4,807,500	4,247,145	9,054,645
Total comprehensive loss for the year		—	(626,894)	(626,894)
At 31 March 2013		<u>4,807,500</u>	<u>3,620,251</u>	<u>8,427,751</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2013

	Notes 1	2013 USD	2012 USD	2013 INR	2012 INR
INCOME					
Interest income		2,100	1,705	114,331	81,742
EXPENSES					
Administrative expenses		22,628	15,016	1,232,094	719,978
Bank charges		225	155	12,252	7,432
Audit fees		1,294	776	70,446	37,218
		<u>24,147</u>	<u>15,947</u>	<u>1,314,792</u>	<u>764,628</u>
Operating loss for the year		(22,047)	(14,242)	(1,200,461)	(682,886)
Foreign exchange gain on translation		—	—	573,567	1,198,587
Taxation	7	—	—	—	—
(Loss)/profit for the year		(22,047)	(14,242)	(626,894)	515,701
Other comprehensive income		—	—	—	—
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(22,047)	(14,242)	(626,894)	515,701

Director

Director

The notes on pages 10 to 16 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

	Notes 1	2013 USD	2012 USD	2013 INR	2012 INR
Cash flows from operating activities					
(Loss)/profit for the year		(22,047)	(14,242)	(626,894)	515,701
Adjustment for:					
Interest income		2,100	1,705	114,331	(81,742)
Operating (loss)/profit before working capital changes		(24,147)	(15,947)	(741,225)	433,959
Changes in prepayments		(63)	—	(10,067)	(13,421)
Changes in receivable		(249)	(292)	(15,308)	(16,489)
Changes in accruals		5,099	(6,784)	291,335	(274,702)
		<u>4,787</u>	<u>(7,076)</u>	<u>265,960</u>	<u>(304,612)</u>
Net cash (used in)/from operating activities		(19,360)	(23,023)	(475,265)	129,347
Cash flows from investing activity					
Interest received		2,100	1,705	114,331	81,742
Net cash from investing activity		2,100	1,705	114,331	81,742
Net (decrease)/increase in cash and cash equivalents		(17,260)	(21,318)	(360,934)	211,089
Cash and cash equivalents at beginning of the year		178,736	200,054	9,143,507	8,932,418
Cash and cash equivalents at end of the year		161,476	178,736	8,782,573	9,143,507

The notes on pages 10 to 16 form an integral part of these financial statements.

ADITYA VIKRAM GLOBAL TRADING HOUSE LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. GENERAL INFORMATION

The Company was incorporated in Mauritius on 21 December 1999 as a private company with limited liability and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The address of the Company's registered office is IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The principal activities of the Company are to engage in international consultancy services, international licensing and franchising and international trading activities.

The financial statements of the Company are expressed in United States Dollar ("USD"). The Company's business or other activity is carried out in a currency other than the Mauritian Rupee.

Solely for the convenience of the readers, the financial statements have been translated into Indian rupees. The statement of financial position items have been translated at closing rate while the share capital has been translated at the transaction date. The statement of comprehensive income items have been translated at the average rate for the year. No representation is made that the United States Dollar amounts have been, could have been or could be converted into INR at such rate or any other rate.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Changes in accounting policy and disclosures

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Disclosures – Transfers of Financial Assets (Amendments to IFRS 7). These amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are not expected to have any impact on the Company's financial statements.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1). These amendments replace references to a fixed transition date with 'the date of transition to IFRSs' and set out the requirements for how an entity resumes presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are not expected to have any impact on the Company's financial statements.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This amendment is unlikely to have an impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2013 or later periods, but which the Company has not yet adopted.

At end of the reporting period, the following were in issue but not yet effective: Amendments to IAS 1 Presentation of Items of Other Comprehensive Income (Effective 1

July 2012)
IFRS 9 Financial Instruments
IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement
IAS 19 Employee Benefits (Revised 2011)
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Amendment to IFRS 1 (Government Loans)
Annual Improvements to IFRSs 2009-2011 Cycle
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

3. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards. The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of preparation

The financial statements are prepared under the historical cost convention, on an accruals basis and in United States Dollar which is considered to be the Company's principal trading currency.

(b) Revenue recognition

Interest revenue is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Expense recognition

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

(d) Transactions in foreign currencies

Transactions denominated in foreign currencies are recorded in United States Dollar at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities at the end of the reporting period which are denominated in foreign currencies are translated into United States Dollar at the rates of exchange ruling at that date. Exchange differences are taken to the statement of comprehensive income.

(e) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(g) Stated capital

Ordinary shares are classified as equity.

(h) Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off in the year in which they are identified.

(i) Impairment of assets

At end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(j) Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

(k) Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

ADITYA VIKRAM GLOBAL TRADING HOUSE LTD.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(l) **Financial instruments**

Financial instruments carried on the statement of financial position include receivable, cash and cash equivalents and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 8.

(m) **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. RECEIVABLE

Convenience translation into INR

	2013 USD	2012 USD	2013 INR	2012 INR
Interest on fixed deposit	<u>786</u>	<u>537</u>	<u>42,764</u>	<u>27,456</u>

6. STATED CAPITAL

Convenience translation into INR

	2013 USD	2012 USD	2013 INR	2012 INR
Issued and fully paid (Ordinary Shares of USD1 each)				
At beginning and end of the year	<u>150,000</u>	<u>150,000</u>	<u>4,807,500</u>	<u>4,807,500</u>

The holder of the ordinary shares of the Company has the right to only 1 share in dividends authorised by the Board and in the distribution of the surplus assets of the Company and also, the right to one vote on a poll at a meeting of the Company on any resolution.

7. TAXATION

The Company under current laws and regulations is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income, thus reducing its maximum effective tax rate to 3%.

No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its Shareholder will be exempt in Mauritius from any withholding tax.

The Company has received a certificate from the Mauritian Tax Authorities and believes that such certification is determinative of its tax resident status for treaty purposes. The Tax Residence Certificate is renewable each year provided some undertakings are adhered to.

For the year ended 31 March 2013 the Company had tax losses of USD24,022 and accumulated tax losses of USD89,352 and is, therefore, not liable to income tax.

Tax reconciliation	2013 USD	2012 USD
Loss before taxation	<u>(22,047)</u>	<u>(14,242)</u>
Tax calculated at the rate of 15%	<u>(3,307)</u>	<u>(2,136)</u>
Adjustments for:		
Exempt income	<u>(315)</u>	<u>(256)</u>
Unauthorised deductions	<u>19</u>	<u>19</u>
Unrecognised deferred tax assets	<u>721</u>	<u>475</u>
Deemed tax credit	<u>2,882</u>	<u>1,898</u>
Tax charge	<u>—</u>	<u>—</u>

Deferred tax

No deferred tax asset has been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

8. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Fair values

The Company's financial assets and liabilities include receivable, cash and cash equivalents and accruals which approximate their fair values.

Currency Profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial Assets 2013 USD	Financial Liabilities 2013 USD	Financial Assets 2012 USD	Financial Liabilities 2012 USD
United States Dollar	<u>162,262</u>	<u>9,435</u>	<u>179,273</u>	<u>4,336</u>

Prepayments amounting to **USD2,125** (2012: USD2,062) have not been included in financial assets.

Currency risk

The assets and liabilities, revenue and expenditure of the Company are in United States Dollar and hence, there is no currency risk exposure.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in the market interest rates. The Company's only significant interest-bearing assets are cash and cash equivalents. Interest income from cash at bank may fluctuate in amount, in particular due to changes in interest rates.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns and value for its shareholder.

9. HOLDING COMPANY

The directors regard Aditya Birla Nuvo Limited, a company incorporated in India, as the Company's holding company.

10. EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the end of the reporting period which would require disclosures or adjustments to the financial statements for the year ended 31 March 2013.

SHAKTIMAN MEGA FOOD PARK PRIVATE LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 3rd Annual Report together with the audited accounts of your Company for the financial period ended March 31, 2013.

FINANCIAL PERFORMANCE

Your company was incorporated on 2nd December, 2010. Your Directors are in the process of exploring various business opportunities including setting up of Mega Food Park in Uttar Pradesh.

During the period under review, the Company incurred loss before tax of ₹ 67716/-. The Company has plans to scale up the business operations and activities in the fiscal year 2013-14.

DIVIDEND

Considering the growth plans of the Company and the loss for the period under consideration, the Directors do not recommend any dividend.

DEPOSITS

Your Company has not invited and accepted any Fixed Deposits from the public during the period under review.

DIRECTORS

Mr. Sushil Agarwal, Director, retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees of the Company drawing more than Rupees Sixty Lakhs per annum or Rupees Five Lakhs per month as the case may be. As such no particulars are required to be given under the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under section 217(2AA) of the Companies Act 1956, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation for material departures, if any.

- b. the Directors have selected such accounting policies and applied them and made 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 at the end of the financial period and of loss of the Company for that period.
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the Directors have prepared the annual accounts on a 'going concern basis'.

AUDITORS & AUDITOR'S REPORT

M/s. S. R. B C.& Co.,LLP, Mumbai, Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility for re-appointment under the provisions of Section 224(1B) of the Companies Act, 1956. The Directors recommend their re-appointment.

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Your Directors request you to appoint Auditors for the current year and fix their remuneration.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

There was no foreign exchange earnings and outgo during the period under review. In view of the nature of operation of the Company, we have nothing to report on the above matter.

APPRECIATION

The Board places on record its appreciation to the continued support and guidance of the Regulatory bodies and Company's Bankers.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 10th May, 2013

Devendra Bhandari
Director

Manoj Kedia
Director

SHAKTIMAN MEGA FOOD PARK PRIVATE LIMITED

Independent Auditor's Report

To
The Members of **Shaktiman Mega Food Park Private Limited**

Report on Financial Statements

We have audited the accompanying financial statements of **Shaktiman Mega Food Park Private Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of Internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing Issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Statement of Loss, of the loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 4 and 5 of the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.R.B.Co., LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Vikram Mehta
Partner
Membership Number: 105938

Place : Mumbai
Date : May 27, 2013

SHAKTIMAN MEGA FOOD PARK PRIVATE LIMITED

Balance Sheet as at 31st March 2013

	Note No	As at March 31, 2013	Amount in ₹ As at March 31, 2012
I LIABILITIES:			
(A) Shareholders' funds			
Share Capital			
Equity	1	100,000	100,000
Reserves and Surplus	2	(246,509)	(178,793)
Sub total - (A)		(146,509)	(78,793)
(B) Current liabilities			
Trade payables	3	52,753	84,379
Other Current liabilities	4	3,321,861	3,215,001
Sub total - (B)		3,374,614	3,299,380
TOTAL (A) + (B)		3,228,105	3,220,587
II ASSETS:			
(C) Non Current Assets			
Fixed Assets			
Capital work-in-progress		2,206,000	2,206,000
Sub total -(C)		2,206,000	2,206,000
(D) Current Assets			
Cash & Bank Balance	5	22,105	14,587
Short-term loans and advances	6	1,000,000	1,000,000
Sub total - (D)		1,022,105	1,014,587
TOTAL (C) + (D)		3,228,105	3,220,587
Significant Accounting Policies	8		
Other Notes on Accounts	9		

Notes referred to above form an integral part of the Balance Sheet

Statement of Profit and Loss for the period ended 31st March 2013

	Year Ended March 31, 2013	Year Ended March 31, 2012
Revenue from operations	—	—
Total Revenue	—	—
Expenses		
Other expenses	7	67,716
Total Expenses	67,716	114,368
Profit before tax	(67,716)	(114,368)
Tax Expenses		
Current tax	—	—
Deferred tax	—	—
Loss for the period	(67,716)	(114,368)
Basic and Diluted Earnings per Share	(6.77)	(11.44)
(Face Value of Rs 10/- each)		
Significant Accounting Policies	8	
Other Notes on Accounts	9	
Schedules referred to above form an integral part of the Profit and Loss Account		

As per our attached Report of even date

For **S R B C & Co LLP**
Firm Registration No.324982E
Chartered Accountants

per Vikram Mehta
Partner
M. No.105938

Place : Mumbai
Date: May 27, 2013

For and on behalf of the Board of Directors of
Shaktiman Mega Food Park Private Limited

Manoj Kedia Director
Devendra Bhandari Director

Place : Mumbai
Date: May 27, 2013

As per our attached Report of even date

For **S R B C & Co LLP**
Firm Registration No.324982E
Chartered Accountants

per Vikram Mehta
Partner
M. No.105938

Place : Mumbai
Date: May 27, 2013

For and on behalf of the Board of Directors of
Shaktiman Mega Food Park Private Limited

Manoj Kedia Director
Devendra Bhandari Director

Place : Mumbai
Date: May 27, 2013

SHAKTIMAN MEGA FOOD PARK PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2013

	Amount in ₹	
	Year Ended March 31, 2013	Year Ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax	(67,716)	(114,368)
Adjustment for :		
(Increase)/Decrease in Loans and Advances	—	(586,375)
Increase/(Decrease) in Current Liabilities	75,234	2,784,851
CASH GENERATED FROM OPERATIONS	<u>7,518</u>	<u>2,084,108</u>
NET CASH(USED IN)/ FROM OPERATING ACTIVITIES	7,518	2,084,108
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	—	(2,206,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(Decrease) in Cash and Cash equivalent	7,518	(121,892)
Cash and Cash equivalent at beginning of the year	14,587	136,479
Cash and Cash equivalent at end of the year	22,105	14,587
Notes :		
1) Cash and Cash Equivalents include :		
Balance with Banks	<u>22,105</u>	<u>14,587</u>

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Place : Mumbai
Date: May 27, 2013

For and on behalf of the Board of Directors of
Shaktiman Mega Food Park Private Limited

Manoj Kedia
Director

Devendra Bhandari
Director

Place : Mumbai
Date: May 27, 2013

SHAKTIMAN MEGA FOOD PARK PRIVATE LIMITED

Notes forming Part of Accounts

NOTE: 1	Numbers	Amount in ₹	
		As at March 31, 2012	As at March 31, 2011
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10 each	10,000	100,000	100,000
	(10,000)		
Total		<u>100,000</u>	<u>100,000</u>
Issued, Subscribed & Paid up:			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10 each	10,000	100,000	100,000
fully paid-up*	(10,000)		
		<u>100,000</u>	<u>100,000</u>

* 9,400 Shares (Previous year 9,400 Shares) held by Aditya Birla Nuvo Limited (holding company) including nominees

Figures in bracket represent corresponding information for previous year

NOTE: 2	Amount in ₹	
	As at March 31, 2013	As at March 31, 2012
RESERVES & SURPLUS		
Surplus/(Deficit) as per Profit & Loss Account		
Opening balance as per last financial statement	(178,793)	(64,425)
Loss for the period	(67,716)	(114,368)
	<u>(246,509)</u>	<u>(178,793)</u>

NOTE: 3	Amount in ₹	
	As at March 31, 2013	As at March 31, 2012
TRADE PAYABLES		
Trade Payables - Refer Note 9(4)	52,753	84,379
	<u>52,753</u>	<u>84,379</u>

NOTE: 4	Amount in ₹	
	As at March 31, 2013	As at March 31, 2012
OTHER CURRENT LIABILITIES		
Statutory dues	6,236	9,376
Other Liabilities - Refer Note 9(6)	3,315,625	3,205,625
	<u>3,321,861</u>	<u>3,215,001</u>

NOTE: 5	Amount in ₹	
	As at March 31, 2013	As at March 31, 2012
CASH & BANK BALANCE		
Cash & Cash Equivalent		
Balances with Bank		
Current Accounts	22,105	14,587
	<u>22,105</u>	<u>14,587</u>

NOTE: 6	Amount in ₹	
	As at March 31, 2013	As at March 31, 2012
SHORT-TERM LOANS & ADVANCES		
(Unsecured, Considered Good except otherwise stated)		
Security Deposit	1,000,000	1,000,000
Advance for expenses & material	—	—
	<u>1,000,000</u>	<u>1,000,000</u>

NOTE: 7	Amount in ₹	
	Year ended March 31, 2013	Year Ended March 31, 2012
OTHER EXPENSES		
Legal & Profession Fees - Refer Note: 9(3)	66,199	104,082
Printing & Stationery	350	1,450
Travelling & Conveyance	—	8,031
Miscellaneous Expenses	1,167	805
	<u>67,716</u>	<u>114,368</u>

NOTE 8: SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the unit and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current – noncurrent classification of assets and liabilities.

USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly 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.

TANGIBLE FIXED ASSETS AND DEPRICATION

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Fixed Assets individually costing less than Rs. five thousand are fully depreciated in the year of purchase.

IMPAIRMENT OF ASSETS

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 asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is 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 best estimate required to settle the obligation at the balance sheet date

CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognized only if there is virtual certainty backed by convincing

SHAKTIMAN MEGA FOOD PARK PRIVATE LIMITED

evidence that such deferred assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realized.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

	Current Year	Amount in ₹ Previous Year
NOTE: 9		
1 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	500,000	500,000
2 During the year, the company has capitalised the following expenses to cost of capital work in progress:		
Professional Charges	—	2,206,000
3 Details of Auditors' Remuneration:		
<u>As Auditors:</u>		
For Audit Fees	50,000	50,000
For reimbursement of expenses *	16,199	11,216
	<u>66,199</u>	<u>61,216</u>

* Includes Service Tax of ₹ 7,162 (P.Y. ₹ 5,717)

4 Disclosure under Sec. 22 of MSMED Act, 2006 (Chapter V - Delayed Payment to Micro and Small Enterprises)

Information related to Micro, Small and Medium Enterprises Development Act 2006 (Act) is disclosed hereunder. The information given below has been determined to the extent such parties have been identified on the basis of information available with the Company

	Current Year	Previous Year
a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year.	—	—
(ii) Interest due on above.	—	—
The Total of (i) and (ii)	—	—
b) Amount of interest paid by the buyer in terms of section 16 of the Act, along with amount of the payment made beyond the appointed date during the year	—	—
c) Amounts of interest accrued and remaining unpaid at the end of financial year	—	—
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	—	—
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	—	—

5 The company operates only in a single segment, i.e., Development and Management of Mega Food Park. There is a single business and geographical segment.

6 Disclosure in respect of Related Parties pursuant to Accounting Standard 18

List of Related Parties and Nature of Relationship:

Transactions:	Current Year	Previous Year
Advance Received		
Aditya Birla Nuvo Limited	110,000	3,205,625
Outstanding Balances as at 31st March 2013:		
Amount payable		
Aditya Birla Nuvo Limited	3,315,625	3,205,625

7 Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

As per our attached Report of even date

For **SRBC & Co**
Firm Registration No.324982E
Chartered Accountants

per Vikram Mehta
Partner
M. No.105938

Place : Mumbai
Date: May 27, 2013

For and on behalf of the Board of Directors of
Shaktiman Mega Food Park Private Limited

Manoj Kedia
Director

Devendra Bhandari
Director

Place : Mumbai
Date: May 27, 2013

SHAKTIMAN MEGA FOOD PARK PRIVATE LIMITED

Annexure I

Transactions/Nature of Relationship	Period	Holding Company
Advance Received		
Aditya Birla Nuvo Limited	31-Mar-13	110,000
	31-Mar-12	3,205,625

Outstanding Balance as at 31st Mar 13

Amount payable		
Aditya Birla Nuvo Limited	31-Mar-13	3,315,625
	31-Mar-12	3,205,625

- No amount in respect of related parties have been written off/ back are provided for during the year
- Related Party relationship have been identified by the management and relied upon by the auditors

Aditya Birla Nuvo Ltd.

Corporate Finance Division

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Aditya Birla Nuvo Ltd.

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