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

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders.

Yours Directors have pleasure in presenting to you the Second Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

Financial Results

PARTICULARS	For the Year Ended	
	March 31,	
	2009	2008
	Rs.	Rs.
Income	779,230	
Expenditure	150,147	280,570
Profit / (Loss) before Tax	629,083	(280,570)
Less : Provision for Tax		
- Current Tax	195,000	_
- Deferred Tax	_	
· Fringe benefit tax		,,,,,,,,,,
Net Profit / (Loss) after Tax	434,083	(280,570)
Add : Balance brought forward from previous period	(280,570)	
Surplus / (Deficit) carried to Balance Sheet	153,513	(280,570)

BUSINESS OPERATIONS

Your Company has not started its business operations during the Financial Year under review. However, the same is expected to be started in the Current Financial Year. Income of the Company during the current financial year is from Investment of idle funds in Fixed Deposit with Bank(s).

DIVIDEND

With a view to conserve the resources of the Company and considering the fact that your Company has not yet started its business operations as on March 31, 2009, your Directors do not recommend any dividend for the year under review.

DIRECTORS

Mr. Shriram Jagetiya, Director retires by rotation from the Board and being eligible offers himself for re-appointment.

Directors' Responsibility Statement

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, if any;
- 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 financial year ended on 31° March, 2009 and of the profit of the Company for that year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956,

for safes uarding 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.

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. R. Batilitoi & Co., Chartered Accountants, the Statutory Auditors of the company retire and being eligible offer themselves for re - appointment. The Company has received a certificate from the 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 echnology 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.

COMPLIANCE CERTIFICATE

Pursuant to the proviso to Section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 framed thereunder, your Company has obtained a Compliance Certificate from Dilip Bharadiya & Associates, Company Secretaries, Mumbai for the financial year ended 31** March, 2009 confirming that the Company has complied with all the provisions of the Companies Act, 1956. A copy of such certificate is attached with this Report and forms an integral part. The observations made in the Compliance Certificate are self explanatory and therefore do not call for any comments.

APPRECIATION

Your Directors place on record their deep appreciation of the assistance and contribution received from their bankers, shareholders, etc.

For and on behalf of Board of Directors

S/d S/d Shriram Jagetiya Anil Chirania Director Director

Place: Mumba

Date: April 24, 2009 April 24, 2009

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COMPLIANCE CERTIFICATE

Corporate Identity No. : U67120MH2007PTC175014

Nominal Capital : Rs. 2.10 Crores.

To,

The Members.

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED Mumbai.

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

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

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

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- 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.
- The Company has issued 20,50,000 Equity Shares during the year ended March 31, 2009 and complied with the provisions of the Act.
- 20. The Company has not bought back any shares during the Year ended March 31, 2009.
- There was no redemption of Preference Shares or Debentures during the Year ended March 31, 2009.
- 22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Year ended March 31, 2009.
- The Company has complied with the provisions of Section 293(1)(d) of the Act, so far as it is applicable to the Company.
- 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
- 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.

- The Con pany has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under Scrutiny.
- The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under Scrutiny.
- 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 its Articles of Association during the Year ended March 31, 2009.
- There well no prosecution initiated against or show cause notices releeived by the Company and no fines or penalties or any other punishment was imposed on the Company during the Year ended March 31, 2009 for offences under the Act.
- The Company has not received any money as security from its employees during the Year ended March 31, 2009.
- 33. The provisions of Section 418 of the Companies Act, 1956 are not applicable to the Company and therefore comments pursuant to Section 418 is not applicable.

for DILIP BHARADIYA & ASSOCIATES

S/d

DILIP BHARADIYA

Place : Mumba

Date : April 24 2009

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

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY

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

ANNEXURE "B"

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

Sr. No.	Form No. / Return	Filed u/s	For	SRN No. and Date of Filing	Whether filed Within time Yes / No	Whether additional fee paid Yes / No / N.A.
1.	Form 23 AC and 23 ACA	220	Filing of Balance Sheet and P & L A/c	P20751129 27.08.08	Yes	N.A.
2.	Form 20B	159	For filing of Annual Return	P21530316 22.09.08	Yes	N.A.
3.	Form 2	75(1)	Return of Allotment	49444458 07.11.08	Yes	N.A.
4.	Form 22B	187C	Disclosure of beneficial interest	A51824639 08.12.08	Yes	N.A.

for DILIP BHARADIYA & ASSOCIATES

S/d

DILIP BHARADIYA A.C.S.19085., C.P.6740 A FOR DOCK TOROUGH

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- 1. We have audited the attached Balance Sheet of Aditya Birla Financial Services Private Limited (the 'Company') as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act. 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4. Further to our comments in the Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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;

- The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In dur opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to ir sub-section (3C) of section 211 of the Companies Act, [1956;
- v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co. Chartered Accountants

S/d

per Shrawan Jalan Partner

Membership No.: 102102

Mumbai, Date : April 24, 2009

Annexure referred to in paragraph [3] of our report of even date

Re: Aditya Birla Financial Services Private Limited (the 'Company')

- (i) The Company does not have any fixed assets. Hence, the provisions of Clause 4(i)(a), (b) and (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (ii) The Company does not have any inventory. Hence, the provisions of Clause 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause 4 (iii) (a), (b) (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
 - (b) As informed, the Company has not taken any loans from a Company covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause 4 (iii) (e) and (f) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements with the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) Provisions related internal audit are not applicable to the Company for the current year.
- (viii) To the best of our knowledge and as informed to us, Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 to the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues applicable to it. Provisions related to provident fund, investor education and protection fund, employees'

state insurance, customs duty, excise duty are not applicable to the Company.

- (b) Adcording 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, incometal, wealth-tax, service tax, sales-tax, customs duty, expise 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.

The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the endl of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company does not have any dues to a financial institution, bank or debenture holders.

i) 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, gebentures 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 our cpinion and according to the information and explanations given to us, the Company has not dealt/ traded in shares, securities, debentures and other investments. Therefore provisions of Clause 4(xiv) of the Companyes (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) As informed to us, the Company has not raised any term loans during the year. Hence provision of clause 4(xvi) of the Companies (Auditors' Report) Order. 2003 (as amended) is not applicable to the Company.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of

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the Company, we report that no funds raised on shortterm 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) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures during the year and hence provision (xix) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
- (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 fraul on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batfiboi & Co. Chartered Accountants

S/d

per Shrawan Jalan Partner Membership No.: 102102

Mumbai

Date : April 24, 2009

		# 32 # 41 3.22	.n.	Frañt end Lass Aconsol	loe X o up :		30 2.93
Speed Mar Sai	16 5 5 4 5 G	for March, 200		a superior transport to the contract of	Schedule	Year ended	Period ended
			nounts in Rupees)		or. included	March 31, 2009	March 31, 2008
		As at	As at	Herman		(Rs. '000)	(Rs. '000)
tion of the tight	Schedule	31st March 2009	31st March2008	Interest on fixed deposit-		****	
The Contract Contract				(a) From Barclays Bank PLC (Tax Dedcuted at Source of I	≷s. 1,59.327/-	703.122	•
Share capital	1	20 500 200	100,000	(Previous year- Rs. Nil))			
Reserves & Surplus	2	20,600,000		(b) From Standard Chartered Ba {Tax Dedcuted at Source of F		76.108	-
reserves & 20thins	۷	153,513		(Previous year- Rs. Nil)}	17/2/01		
Total		20,753,513	100,000	Total		779,230	
1			***************************************	Egyred was		W	
Investments	3	460,650	-	Bank charges Interest on unsecured loan		36.247	506
Current Assets, Loans and	Advances			Rates and taxes		22,520	
Accrued Interest		58,862		Printing & Stationary		520	
Cash and Bank balances	4	42,513,533	49,284	Legal and Professional fees Loss on sale of shares		1,000 250	
Loans and Advances	5	1,784,971	_	Auditors Remundration			10.054
	(A)	44,357,366	49,284	Audit fees Certification fees		55,150 34.376	16,854
	6.17		; - 3	Miscellaneous expenses		84	617
Less: Current Liabilities and	d Provisions			Preliminary expenses		156.1:-	262,593
Current liabilities	6	24,064,503	229,854	Total		150,147	280,570
OLITON BROWNS	(B)	24,064,503	229,854	Profit/(Loss) before tax Less: Provision for tax		629,083	(280,570)
Net current assets	(A-B)	20,292,863	(180,570)	- Current tax		195.000	
Debit balance in Profit and			280,570	- Deferred tax			
		***************************************		Fringe benefit tax		*	
Total		20,753,513	100,000	Net Profit/(loss) after tax		434,083	(280,570)
				Add: Balance brought forward from previous period		(280,570)	
				Surplus/(Deficit) carried to Bala	nra Shaat	153,513	(280,570)
				Basic/ Diluted Earnings Per Sha			(200,370)
Notes to Accounts	7			(Refer Note 6 of Schedule 7) Nominal value per share Rs. 10 Notes to Accounts	7	0.52	(28.06)
The schedules referred to above Balance Sheet.	e and notes to	accounts form an in	ntegral part of the	The schedules referred to above a Profit and Loss account	and notes to acc	counts form an int	egral part of the
As per our report of even date				As per our report of even date			
For S. R. Batliboi & Co.		behalf of the Boar				half of the Board	
Chartered Accountants	•	Financial Services			-	nancial Services	
per Shrawan Jalan		n Jagetiya	Anil Chirania	per Shrawan Jalar	Shriram J	agetiya	Anil Chirania
Partner	Directo	r .	Director	Partner	Director		Director
Membership No. 102102				Membership No. 102102			
Place : Mumbai	Place : N	Mumbai		Place : Mumbai	Place : Mu	mbai	
Date : April 24, 2009	Date : A	prif 24, 2009		Dare . April 24, 2000	Date : Apri	1 24, 2009	

(Amounts in thousands of Indian Rupees)	As at 31st March, 2009	As at 31st March, 2008
Authorised Capital		
21.00,000 (Previous year: 21.00,000)		
Equity Shares of Rs. 10/- each	21,000,000	21,000.000
Total	21,000,000	21,000,000
Issued, Subscribed and Paid-up		
2.060.000 (Previous year - 10.000)		
equity shares of Rs.10/- each fully paid up	20,600,000	100,000
(Out of the above, 2,000,000 (previous year : Nil)		100,000
·		
shares are held by the Holding Company:		
viz. Aditya Birla Nuvo Limited)		
Total	20,600,000	100,000
Description of the second of t	150 510	
Profit & Loss Account Balance Total	153,513	
and the second	,	
Long term - Non trade	,	
Unquoted - Fully paid up Equity Shares of subsidiary companies Aditya Bria Capital Advisors Private Limited [30,000 (Previous year - Nil) equity shares of	300.250	
Rs. 107- each fully paid up] Aditya Birla Trustee Company Private Limited [10,000 (Previous year : Nil) equity shares of	100,250	•
Rs. 107- each fully paid up] Aditya Birla Customer Services Private Limited [6,000 (Previous year: Nit) equity shares of	60,150	-
Rs. 10/- each tully paid up] Aditya Birla Securities Privare Emited (30,000 (Previous year: Nit) equity shares of Rs. 10/- each fully paid up purchased and sold during the year]	-	٠
Fotal	460,650	
La La April Come.		
Cash on hand	356	1,340
Balance with scheduled bank:		
- on current account - on fixed deposit account	22,713,177 19.800,000	47,944
Total	42,513,533	49,284
(Unsecured, considered good except otherwise stated) Advance income tax (not of provision for tax)	16.573	
Advances recoverable in cash or kindreceived Total	1.768,398	*
19101	1,704,371	
Sundry creditors (Refer Note 8 of Schedule 7) (a) total outstanding dues of micro enterprise and small enterprises	:5	
(b) total outstanding dues of creditors other than micro enterprises and small enterprises Other liabilities	23,858,463 206,040	229,854
		229,854
Total	24,064,503	

SCHEDULE 7: Significant Accounting Policies and Notes to Accounts

6) BACKGROUND:

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

SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

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

(ii) Use of estimate

The Inparation 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 periol end Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(iii) Taxatic

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

Defer ed tax is measured based on the tax rates and the tax laws enacted or substantively enucled at the balance sheet date. Deterred tax alsets and deterred tax babilities across various countries of operation are not set off against each other as the company does not have likegal right to do so. Deterred tax assets are recognised only to the ektent that there is reasonable certainty that sufficient future taxable income will be available against which such deterred tax assets can like realised. In situations where the company has unabsorbed deprejutation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual cortainty supported by convincing evide oce 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 e-tent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(iv) Preliminary Expenses

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

(v) Earnings per share

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

(vi) Provisions

Provision is recognized when the enterprise has a present obligation as a rolut 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 serille the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

CAPITAL COMMITMENTS

Estimated an ounts of contracts remaining to be executed on capital account and not provided for amounts (net of advances) to Rs 2.00,52,931/- (Previous years, Ps Miss.)

CONTINGENT LIABILITIES

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

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	5.	RELATED PARTY DISCLOSURE			9.	Segmental	Reporting			
1		Name and relationship with the parties:-			- 1	Since the Co	mpany operates in :	single segment (i.e. inv	estment activities), no	
1		Parties where control exits:						to be given as por t	he notified AS-17 -	
l		Holding Company Aditya Birla Nuvo Limited (w.e.f, 5th November, 2008)			10.	'Segmental	ceparung. nformation Pursua	ent To Schodulo VI		
				estment Limited	10.			to the provisions of pa	raceanh 3.40 and 4D	
1		(b	ecame holding	company on		of part II of	the Schedule VI to	the Companies Act, 19		
		4th November, 2008 and ceased to be holding company on 5th November, 2008)			ŀ		t applicable to the (Company.		
		Subsidiaries Ac	litya Birla Custome		j1.		Comparatives			
			nited itva Birla Capital Adv	isors Private Limited				ed on 15th October, 20 gures given in this year		
		Ad	lirya Birla Trustee Con	pany Private Limited)			the current year the I		
1			Aditya Birla Securities Private Limited (Ceased to be subsidiary w.e.f, 30 th March,			financial yea	ar. blior the previous period have been re-grouped/re-arrange			
		2009)				The figures wherever ne		period have been re-	grouped/re-arranged	
		Other related parties with whom the Company has entered into				Anticocket (16)	ucano j			
١		transactions during the year :-			Ås no	our Report c	f even date attache	d		
		Joint venture ofholding company Bir	la Sun Life Asset M mpany Limited	anagement	7.5	r our response	, , , , , , , , , , , , , , , , , , , ,			
		Fellow subsidiaries Bir	la Global Finance C					······································		
1			la Insurance Adviso rvices Limited	ry & Broking	For \$.	R. Batliboi &	Co. For a	nd on behalf of the B	oard of Directors of	
		Bir	la Sun Life Distribu	tion	Chart	ered Account	ants Adity	a Birla Financial Serv	ices Private Limited	
			mpany Limited to Sup Life Incurance	e Company Limited	İ					
			. Shriram Jagetiya N		per S	hrawan Jalan	:	Shriram Jagetiya	Anil Chirania	
1		Related Parties Transactions: Details of Related Parties Transaction	s are enclosed as "A	anazura l'	Partn	ec		Director	Director	
l		Details of Sewer Latties (Gradusti	and enchance as A	annexure r.	Mom	ership No. 10	:102			
	6.	Earnings Per Share:				: Mumbai		Place - Mumbai		
		Basic Earnings Per Share (EPS) is calcu			Date	April 24, 2009		Date : April 24, 2009		
		period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. There are no diluted potential			i	•				
-		equity shares outstanding during the period. There are no thiuden potential equity shares outstanding during the period.			- 1		ł			
		Particulars	For Year ended	For Period ended						
			March 31, 2009	March 31, 2008						
		Net Profit/(Loss) after tax (Rs) Weighted average number of shares	4,34,083 8,35,616	(2,80,570)						
		Nominal value per share (Rs)	10	10,000			\			
		Basic/Diluted Earnings per share (Rs)	0.52	(28,06)						
1	7.	Deferred tax assets.								
		 The company has not recognized defe- timing differences at the end of the y 		ere are no significant						
	8.	Details of dues to Micro, Small and Act, 2006		ses as per MSMED						
			(In Rupees)	(in Rupees)						
		Particulars	For Year ended March 31, 2009	For Period ended March 31, 2008						
					Į.		Į			
Ì		the principal amount and the intereduce thereon (to be shown separately	/)		İ					
		remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil						
		the amount of interest paid by the buyer in terms of section 16, of the			1					
		Micro Small and Medium Enterprise Development Act, 2006 along with			l					
		the amounts of the payment made			-					
		to the supplier beyond the appointe day during each accounting year	Nii	1411						
		The amount of interest due and								
		payable for the period of delay in making payment (which have								
Ì		been paid but beyond the appointed day during the year) but			1]			
		without adding the interest specified under Micro Small and Medium	1	1	1		Ĩ			
		Enterprise Development Act, 2006	Nil	Nil						
		the amount of interest accrued and remaining unpaid at the end of each	.		i					
		the amount of further interest	Nil	Nii			1			
		remaining due and payable even in					1			
		the succeeding years, until such date when the interest dues as above are]			1			
		actually paid to the small enterprise for the purpose of disallowance as a								
		deductible expenditure under section 23 of the Micro Small and Medium	n		-		1			
		Enterprise Development Act, 2006	Nii	Nii			1			
			1							

Annexure- I Transaction with related parties during the year ended March 31, 2009

During the year following transactions were carried out with the related parties in the ordinary course of business:-(Amount in Rs.) Joint Ventur Holdin Compa Key Management Personnel Subsidiary Companie Transaction/Nature of Relationship Holding Company Fellow Subsidiaries Issue of Equity Shares:-Aditya Birla Nuvo Limited 20,000,000 20,000,000 500.000 (-) 500,000 Laxminaravan Investment Limited (-j Mr. Shriram Jagetiya (50,000) Mr. Anil Chirania (50,000) 20,500,000 (50.000) (100,000) (100,000) 200,000 (-) 160,000 200.000 (-) 160.000 (-) (-) Mr. Anil Chirania (-) 360,000 360,000 (-) (-) (-) (-) Subscription to Equity Shares of Aditya Birla Capital Advisors Private Limited 200,000 200,000 (-) (-) (-) 200.000 (-) 200.000 (-) Aditya Birla Securities Private Limited 400,000 400.000 Contribution against expenses to be incurred towards joint development of office premises Birla Global Finance Company Limited 4,008,000 1,772,000 (-) 4,008,000 1,772,000 8,876,000 (-) (-) Birla Insurance Advisory & Broking Services Limited (-) (-) (-) Birla Sun Life Assest Management Company Limited 8.876.0 (-) (-) 2,680,000 2,680,000 Birla Sun Life Distribution Company Limited (-) (-) (-) Birla Sun Life Insurance Company Limited 17.800,000 17,800,000 (-) (·) 8,876,0 26,260,000 35,136,000 (-) Allocation of payment made to vendor towards joint development of office premises:-Birla Global Finance Company Limited 1,292,084 1,292,084 (-) (-j Birla Insurance Advisory & Broking Services Limited 571.250 | (-) 571,250 (-) (-j {-j Birla Sun Life Assest Management Company Limited 2,861,410 (-) 863,968 5,738,295 (-j (-j 863,968 (-) 5,738,295 Birla Sun Life Distribution Company Limited (-) (-) Birla Sun Life Insurance Company Limited (-) (-) 11,327.007 2,861,4 8,465,597 (-) (-) (-) (-) Payment against reimbursement of expenses to: Mr. Anil Chirania 268,000 (·) (-) (43.593)(43.593) 268,000 (43,593) (43,593) Outstanding balances as at 31,03,2009 Investments (as detailed in Schedule 3 to Balance Sheet) 460,650 460,650 (-) (-) (-) Amount Payable to fellow subsidiaries: (net of contribution against expenses to be incurred towards joint development of office premises from allocation of payment for the purpose) 6,014,50 17,794,402 23,808,992 (-) (-) (-) 20,000,000 20,000,000 (-) (-) (-) Equity Shares held by holding company (-) Equity Shares held by fellow subsidiary 500,000 500,000 (-) Notes: 1. Figures in brackets represent corresponding amount of previous period.

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				upe
	PARTICULARS		2008-09	9
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/(Loss) before tax		629.08	3
	Adjustment for :			
	Loss/ (Profit)) on sale of Equity Shares		25	0
	Interest on unsecured loan		36,24	7
	Operating profit before working capital chang	es	665,580	0
	Increase/(Decrease) in Current Liabilities		23,834,649	9
	Decrease/(Increase) in Accrued Interest		(58,862	2)
	Decrease/(Increase) in Loans and Advances		(1,768,398	3)
	Cash Generated from Operations		22.672.969	9
	Income taxes paid (including TDS)		(211,573	3)
	NET CASH(USED IN)/ FROM OPERATING ACTIVI	TIES	22,461,396	6
В.	CASH FLOW FROM INVESTING ACTIVITIES			
	Investment in Subsidiaries		(760,900))
	Proceeds from sale of Investment in Subsidiaries		300,000	0
	NET CASH (USED IN)/FROM INVESTING ACTIVE	TIES	(460,900	ĵ)
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from issue of Share Capital		20,500,000	0
	Proceeds from Borrowings		750,000	0
	Repayment of Borrowings		(750.000))
	Interest on Unsecured Loan		(36.247	ור
	NET CASH (USED IN)/FROM FINANCING ACTIV	TIES	20,463,753	3
	Net Increase/(Decrease) in Cash and Cash equi	valent	42,464,245	9
	Cash and Cash equivalent at beginning of the per	riod	49,28	4
	Cash and Cash equivalent at end of the period		42,513,533	3
	Net Increase/(Decrease) in Cash and Cash equi	valent	42,464,249	9
otes	:			
1	Cash and Cash Equivalents include:			_
	Cash in hand Balance with Banks (including Fixed Deposits)		356 42,513,177	
	Total		42,513,533	
2	This is the first year of applicability of Account figures.	ting Standard-3 "Cash Flow !	statements," hence there are no previous period compa	rativ
	our Report of even date			-
	R. Batliboi & Co. ered Accountants	For and on behalf of the Aditya Birla Financial Se	1	
	arwan Jalan	Shriram Jagetiya	Anil Chirania	
	ership No. 102102	Director	Director	
	Mumbai April 24, 2009	Place : Mumbai Date : April 24, 2009		

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