

# Annual Report

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**Aditya Birla Money Limited**

**Aditya Birla Money**



**ADITYA BIRLA GROUP**

## LETTER FROM MANAGING DIRECTOR



Dear Shareholder

When I look back at this year, I believe that there has been a single underlying theme- a theme of growth. The fiscal year 2009-10 has been an outstanding year for the Indian equity markets. The Sensex rallied 77% and the Nifty surged to 72%, making India one of the best performing equity markets globally.

In this backdrop and market sentiment, Aditya Birla Money Limited (ABML) has done very well, by clocking 51% higher revenues in 2009-10 vs. 2008-09. The Company recorded an Income

from Operations of Rs. 110.46 Crores for the year under review, on a consolidated basis. The total consolidated income for the year under review stood at Rs 116.36 Crores. Consolidated Profit before tax for the year were at Rs. 20.5 Crores as compared to Rs. 2.04 Crores a year ago.

While the Company witnessed robust growth in the first three quarters, the last quarter's performance was muted due to slow down in the Equities cash market volumes. However, the Commodities business recorded a strong growth for the year with a brokerage income of Rs. 12.59 Crores, which was 157% higher than the previous year's brokerage of Rs. 4.74 Crores.

We began last year by laying a sound foundation for the business and ensuring that all key pillars and drivers for a successful business model such as People, Process, Product and Technology were put in place. The year also saw your company change its name from "Apollo Sindhoori Capital Investments Limited" to "Aditya Birla Money Limited", reflecting the ownership and commitment of the Aditya Birla Group.

Last year also saw us take some important initiatives that will help us in our long term growth plans. We have put in place a new organization structure, brought in experienced people in key positions, acquired a p1+ rating from CRISIL, revamped our system including website and introduced some new products too. We have also established synergies with other group companies under Aditya Birla Financial Services Group, thereby increasing business opportunities for the Company.

With these key elements in place, we are now poised for growth. We are following the vision of the Aditya Birla Financial Services Group to be a leader and role model in a broad based and integrated financial services business. We truly believe that with the customer at the centre of our existence and our constant endeavour to excel, we can achieve greater heights in our business.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kanwar Vivek', written over a horizontal line.

Kanwar Vivek

# ADITYA BIRLA MONEY LIMITED

## BOARD OF DIRECTORS

Mr. Pankaj Razdan

Mr. P. Sudhir Rao

Mr. G. Vijayaraghavan

Mr. Manoj Kedia

Mr. Sudhakar Ramasubramanian (Executive Director upto January 4, 2010)

Mr. Kanwar Vivek – Managing Director (w.e.f. January 4, 2010)

## KEY EXECUTIVES

Mr. Ravishankar Gopalan – Chief Operating Officer

Mr. Raghavendra Nath – Head -Sales and Distribution

## AUDITORS

M/s R. Subramanian And Company

Chartered Accountants, Chennai

## BANKERS

HDFC Bank Limited – Anna Salai Branch

Bank of India – Anna Nagar Branch

State Bank of India – Thousand Lights Branch

Axis Bank Limited – Mylapore Branch

ICICI Bank Limited – Nugambakkam Branch

## REGISTERED OFFICE

Ali Towers

No. 55, Greams Road

Chennai - 600 006.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### MACRO ECONOMIC SCENARIO

#### The Indian Economy & Markets

The financial year 2009-10 was an outstanding one for the Indian equity markets. The Sensex rallied 77% and the Nifty surged 72%. Foreign Institutional Investors came back in droves, pumping approximately USD 25 billion into India's cash market. India, as a result was one of the best performing equity markets globally. Two major events aided the performance - the recovery in global markets resulting from the stimulus packages and the establishment of a stable Government in India after the Lok Sabha elections in May 2009. The beneficial effects of substantial stimulus packages has effectively countered a deep fall in private consumption, and the central banks across the world followed a soft money policy, with lower interest rates, which supported the equity markets.

The year also witnessed a rebound in economic growth and also saw a sustained revival in industry and manufacturing. The Index of Industrial Production over the last 18 months indicates a strong recovery across various sectors. The Business Confidence Index also portrays the return of confidence. The real turnaround in economic performance came in Q2 of financial year 2009-10 when the economy grew by 7.9%. However, there are inflationary pressures that India is facing. Inflation moved northwards as food inflation grew and the prices of primary products flared up not only due to the vagaries of the monsoon but also due to other supply-side factors. The high level of government borrowings and the high level of fiscal deficit were also notable factors which influenced financial markets.

Bank credit picked up momentum and grew at 16% rate during 2009-10 and is expected to gather pace in the current year. Capital expenditure from the corporate sector which was slow in the last couple of years is likely to enter a growth phase by Q2 or Q3 of 2010. Credit expansion will go hand in hand with economic expansion. With the economy expected to grow between 8% to 8.5%, the corporate earnings should also naturally grow with it and it is likely to get factored in the prices of equities. The disinvestment in public sector enterprises is more or less on course, and one could see more action on this front in the coming year.

With rising inflation and growing inflationary expectations, and to some extent enthused by the rapid recovery in industrial activity, the RBI is most likely to follow a policy of tightening the base rates during the coming year. The tightening so far has been moderate and RBI is expected to continue with the tightening but in a measured manner. This will have some consequences for the markets. But the fact that most of the government borrowings are expected to be completed in H1 of 2010 and that the inflows into emerging markets could remain robust should bring some relief to the markets even in a rising interest rate scenario. The global scenario is clearly going to play a role in the direction our market's take.

#### Major Global Developments

Macro-economic data for the US and Europe show some recovery of economic activity compared to the last year. The acute phase of financial crisis has apparently passed by, and global economic recovery is under way. Financial markets have stabilized. Interbank liquidity has reached a level close to its "normal" pre-crisis range. Currencies, which fell against the U.S. Dollar in the immediate aftermath of the crisis, have largely recovered to their pre-crisis levels. Also, borrowing costs for emerging market borrowers have stabilized over the last few quarters. International capital flows to developing countries have also improved with a rapid run-up during the last months of 2009.

The continuing situation over Greece and some other European countries remains a concern but countered action is being taken to deal with this. US unemployment claims still remain a concern within US but still the improvement in the jobless claims in early 2010 gives hopes of economic revival. The Fed's move to keep interest rates near-zero indicates the government focus on supporting the economic recovery which is in nascent stage. China's GDP expansion by 8.4% in FY10 once again made it the fastest growing economy in the world. The growth was driven by financial stimulus packages to infrastructure projects and also an easy money policy. But the recent indications are one of tightening from the Chinese central bank to prevent unnatural build up of asset prices. A revaluation of Yuan is also a factor to reckon with.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

In 2008-09, the Equity market was down and investors were shying away from equity and equity linked financial products. However in 2009-10, the Nifty closed the year with a gain of 72% and the comparative numbers for Sensex, for the same period, showed a gain of 77%. FII's brought (net inflows of) Rs. 87,987 Crores (US\$ 18508 million) into the market, during Jan - Dec of 2009, as against Rs. 41,215 Crores (US\$ 9338 million) they had taken out (as net outflows) during the same period in 2008. As a result of these inflows and with other positive factors, the Rupee appreciated to Rs. 44.94 to an US Dollar end of financial year 2009-10 as opposed to Rs. 50.95 in the beginning of the financial year.

The market comparison data in tabular format is as under.

Year	BSE Sensex	S&P CNX Nifty	Market Capitalization (Rs. Crores)	
	Base: 1978-79 = 100	Base: 1983-84 = 100	BSE	NSE
1	2	3	4	5
2008-09	12366	3713	30,86,075	28,96,194
2009-10	17528	5249	61,39,040	60,09,173

While the market capitalization increased in absolute and percentage terms during the financial year ended March 31, 2010, the average daily turnover recorded in both the exchanges had seen a decline in the last quarter of financial year 2009-10. The quarterly comparison of daily average turnover in both cash and derivative segments in NSE are as under.

Period: FY 2009-10	Average Daily Turnover in Rs. Crores (NSE Cash)	Average Daily Turnover in Rs. Crores (NSE Derivatives)	Average Daily Turnover in Rs. Crores (NSE)
Apr'09-June'09	18,915	66,085	85,000
Jul'09-Sep'09	18,053	69,335	87,388
Oct'09-Dec'09	16,107	77,077	93,184
Jan'10-Mar'10	14,567	77,201	91,768

Source [www.nseindia.com](http://www.nseindia.com)

The Commodities market too witnessed increase in volumes. The combined commodities volumes recorded in both MCX and NCDEX increased by 52%, up from Rs. 469,554 Crores in the financial year 2008-09, to Rs. 712,033 Crores in the financial year 2009-10. There has been also an increase in the number of demat accounts opened in the market during the financial year 2009-10.

Considering the overall scenario, the performance of the market and the broking industry in particular during the financial year 2009-10 was good and it brought back the confidence to the market participants. During the financial year 2009-10, the markets also witnessed some important regulatory changes and these ensured that the overall investors' confidence was sustained in the markets.

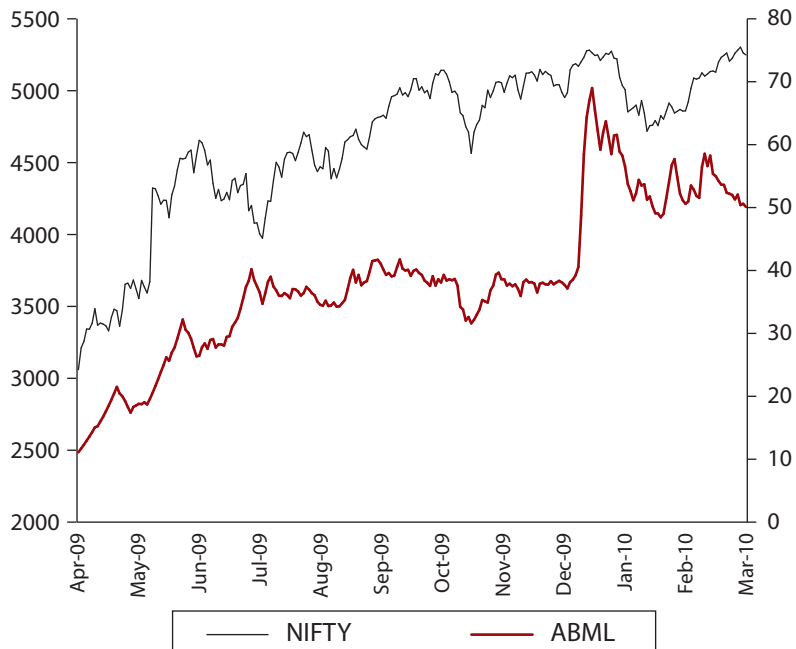
Aditya Birla Nuvo took over the reins of the Company in March 2009, when the market was down and investors were shying away from equity. The key task was to stabilize business, rationalize costs, bring operational efficiencies and get the Company on a track to sustained profits. With support of all the employees and management team, this task was achieved successfully in this financial year. Your Company is now part of the broad based and integrated Aditya Birla Financial Services Group. The financial services business of

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Aditya Birla Nuvo is spread across seven segments viz. Life Insurance, Asset Management, NBFC, Wealth Management & Distribution, Equity & Commodity Broking, Insurance Broking and Private Equity.

During the year, the company's stock price also performed well in the bourses recording gains in excess of 3.5 times for the investors. During this period it touched a high of Rs. 71.35 and a low of Rs. 14.30 in NSE.

Snapshot of your Company's stock's performance viz-a-viz NIFTY.



### FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

Your Company recorded an Income from Operations of Rs. 11,045.92 Lakhs for the year under review, on a consolidated basis. This was 51% higher than the previous year. The total consolidated income for the year under review stood at Rs. 11,636.16 Lakhs. The Company's performance witnessed robust growth in the first three quarters, the 4<sup>th</sup> Quarter was muted due to a slowdown in the cash market volumes. The Consolidated Net Profit for the year stood at Rs. 1,268.33 Lakhs (up from Rs. 120.62 Lakhs for the previous year) and the net profit margins increased from 1.4% in 2008-09 to 10.9% during the financial year 2009-10.

Revenues from equity broking business grew by 49% to Rs. 7,703.84 Lakhs led by increased volumes. Commodities business recorded strong growth for the year under review with a brokerage income of Rs. 1,259.29 lakhs, 165% higher than the previous year's brokerage of Rs. 474.37 Lakhs, driven by increased volumes. Your Company also obtain credit rating of P1+ from CRISIL Limited for its short term debt programme.

### OUTLOOK

After an exciting 2009-10 which saw most equity markets around the globe recover sharply from their March lows, the markets move into 2010-11 with hope of a steady global economic recovery translating into pick-up in business and investment cycles.

Corporate earnings have been good and the strong GDP growth and IIP numbers send signals that the economy is positively on revival phase. A stable government that is focused on moving ahead with the divestment process and stepping up infrastructure spending should support the recovery.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

In India, while the view is positive on equity markets over the medium term, 2010-11 promises to be an interesting year as well as a challenging one.

With this background, and having posted encouraging numbers for the year ended March 31, 2010, your company is poised for growth and expansion in 2010-11. The Company now see the need more than ever to work on the 5 pillars of our business - *Brand, Product, Distribution, Operations, Service and People* – in a focused and sustained manner. The Company plans to augment its research and product offerings to match the best in the industry. Your Company will increase its footprint mainly through business partners. However, additional branches are being added predominantly in Western and Northern India which represent a large opportunity for broking. This would also help to enhance the Company's presence in these geographies.

### **OPPORTUNITIES AND THREAT**

The key concerns across markets at this point stem from the surge in inflation and the timing of exit of the easy monetary policy by the central banks. This is the time when real assets like commodities will be in focus and all financial markets are likely to stay volatile.

The Company's operations are linked to the general market and economic conditions and any positive or negative move can impact revenues. However, the Company looks for diversification and appropriate strategies to minimize the impact.

Technology obsolescence is another area of concern in broking industry and can create impediments to growth. However, your Company continues to assess technology and other ancillary requirements on a regular basis and take investment decisions at the appropriate time.

The market conditions and the Company's plans for expansion and growth in 2010-11 are dependent on many external factors. Many of those factors will be regularly monitored as they will be the key for delivery of our desired results. The Company however continuously does a SWOT analysis, for ensuring a sustainable growth by exploring various opportunities available in the market under the applicable regulatory framework.

### **RISK AND CONCERNS**

Like in any other business your Company is no stranger to risks. The Company encounters market risk, credit risk and operational risks in its daily operations. The typical risks themes around broking business are

- Volatility in markets
- Inadequate client profiling and KYC documentation
- Failure to execute transactions in line with prescribed processes and procedures
- Technology failures

The Company's philosophy and approach to risk and its management is one of informed investing. The Company's policies, procedures and systems are built around this theme. Some of the broad guiding principles that are enumerated in the Company's Risk Management framework are as below:

- Systematic and structured risk policy framework
- Proper and informed client selection process
- Appropriate monitoring and surveillance for minimization of losses
- Pro-active handling of operational risk

### **INTERNAL CONTROL AND ADEQUACY**

The Company has adequate internal control systems appropriate for the business process having regard to efficiency of operations - systems, financial reporting and for compliance with applicable laws.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company goes through regular internal audits and all reports emanating from those audits are tabled in the Audit Committee meetings of the Board and acted upon.

### **HUMAN RESOURCES**

One of the key pillars of our business is *people*. The Company's HR policies and practices are built on Aditya Birla Group (ABG) core values of *Integrity, Passion, Speed, Commitment and Seamlessness*. While initially (post acquisition by Aditya Birla Nuvo) the challenges were around integration into the ABG system, the current challenges revolve around recruiting and providing opportunities to best talent. Your Company had 1525 employees as on March 31, 2010.

HR has been instrumental in working out the new organization structure and implementing lot of key policy decisions related to *people* over the last one year. As the Company now embarks on its growth plans, recruitment of good talent in a timely manner will be critical to deliver key results and value for the shareholders.

### **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.*



# 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 effective monitoring by the Board and above all providing value to the shareholders and its stakeholders.

## 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. As on March 31, 2010, there were six Directors on the Board, out of which two are Independent, three are Non-Executive and one is a Managing Director. The Company do not have an appointed Chairman and the same is appointed for each such Board Meetings.

None of the Directors of the Board is a member 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.

**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. Pankaj Razdan	Non-Executive Director	4	4	4	-	Yes
**Mr. Kanwar Vivek	Managing Director	4	4	2	-	Yes
Mr. P. Sudhir Rao	Independent Director	4	3	3	1	Yes
Mr. G. Vijayraghavan	Independent Director	4	4	4	-	Yes
Mr. Manoj Kedia	Non-Executive Director	4	1	3	2	No
*Mr. Sudhakar Ramasubramanian	Non-Executive Director	4	4	1	-	Yes

^ includes Membership of Audit Committees and Investor Grievance Committee as per clause 49 of the Listing Agreement.

# does not include Private and Foreign Companies and Section 25 Companies.

\*appointed as Executive Director with effect March 6, 2009. However, relinquished charge as Executive Director w.e.f January 4, 2010.

\*\* appointed as Managing Director w.e.f. January 4, 2010.

### Number of Board Meetings

The Board of Directors met four times during the year ended March 31, 2010 i.e on April 21, 2009, July 15, 2009, October 14, 2009 and January 19, 2010. The maximum gap between the two Board Meetings was not more than four months.

# CORPORATE GOVERNANCE REPORT

## Information supplied to the Board

Detailed agenda notes are sent to each Director well in advance before the Board and Committee meetings. The agenda items inter-alia include 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.

## 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](http://www.adityabirlamoney.com). All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2010. 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 various laws applicable to the Company and also the initiatives taken to improve the standards of compliance adherence.

## 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 an 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. During the year, the Audit Committee was reconstituted on January 19, 2010 and at present consists of following directors as its members.

1. Mr. P. Sudhir Rao - Chairman
2. Mr. G. Vijayraghavan - Member
3. Mr. Manoj Kedia - Member (appointed w.e.f January 19, 2010)

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 and all of them have accounting and related financial management expertise.

### Terms of Reference

The terms of reference for the Audit Committee basically flows and covers all the areas as stipulated under clause 49 of the Listing Agreement. This *inter-alia* include the following

1. Oversight of Company's financial reporting processes.
2. Reviewing the quarterly / annual financial results, financial statements before submission to the Board for approval, with particular reference to accounting policies & procedure, major accounting policies, related party transactions.

## CORPORATE GOVERNANCE REPORT

3. Recommending to the Board, the appointment / re-appointment of Statutory Auditors and Internal Auditors and fixation of audit fees.
4. Approving internal audit plan and reviewing efficacy and adequacy of internal control systems / function.
5. Discussion with internal auditors and review of internal audit reports at quarterly intervals
6. Discussions with external auditors about the scope of audit including the observations of the auditors.

### Meetings and Attendance

During the year, the Audit Committee met 4 times on April 18, 2009, July 15, 2009, October 14, 2009 and January 19, 2010. 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. Vijayraghavan	Member – Independent	4	4
3	Mr. Pankaj Razdan (resigned as member w.e.f. January 19, 2010)	Member – Non Executive	4	3
4	Mr. Manoj Kedia (appointed as member w.e.f. January 19, 2010)	Member – Non Executive	4	-

At every Audit Committee Meeting, Statutory Auditors, Internal Auditors are present and provide their presentation on the financial statements and internal audit reports. The Chief Operating Officer, Head of Finance & Accounts, Risk, Internal Audit, Compliance, Legal & Secretarial are also invited at the meeting to respond to queries and observations. The Company Secretary acts as Secretary to the Committee.

### B. REMUNERATION COMMITTEE

#### Composition

The Company has a Remuneration Committee consisting of following three Directors, two third of whom are Independent Directors, including the Chairman.

1. Mr. P. Sudhir Rao - Chairman
2. Mr. G. Vijayraghavan - Member
3. Mr. Pankaj Razdan - 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.

## CORPORATE GOVERNANCE REPORT

### Meetings and Attendance

The Remuneration Committee met once on October 14, 2009, in which all the members were present.

### Remuneration to Directors

The independent directors are paid sitting fees of Rs. 20,000/- for every 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 2009-10 are as under.

Name of director	Category	Sitting Fees Paid
Mr. G. Vijayraghavan	Independent Director	1,80,000
Mr. P. Sudhir Rao	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 do 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.

### C. SHAREHOLDERS/ INVESTOR'S GRIEVANCE COMMITTEE

The Company has constituted a Shareholders Grievance Committee to address various matters relating to investors' servicing and grievances like transfer of shares etc.

#### Composition

The Shareholders / Investor's grievance Committee consist of the following three Directors as its members.

1. Mr. Pankaj Razdan - Chairman
2. Mr. P. Sudhir Rao - Member
3. Mr. G. Vijayraghavan - Member

The Company Secretary of the Company acts as the Compliance Officer.

### D. FINANCE COMMITTEE

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

#### Composition / Attendance etc

The Finance Committee, consist of following Directors as its members:

1. Mr. Sudhakar Ramasubramanian
2. Mr. Kanwar Vivek
3. Mr. Pankaj Razdan

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 three times during the year ended March 31, 2010 i.e on September 10, 2009, November 25, 2009 and December 2, 2009.

## CORPORATE GOVERNANCE REPORT

### 4. CEO/CFO CERTIFICATION

As required under the provisions of the Clause 49 of the Listing Agreement, Mr. Kanwar Vivek, Managing Director of the Company has provided necessary certification to the Board regarding the financial statements of the Company.

### 5. SUBSIDIARY COMPANY

The Company has a wholly subsidiary company – Aditya Birla Commodities Broking Limited which is engaged in the business of Commodity Broking. However, it is not a material subsidiary company within the parameters defined under clause 49 of the Listing Agreement.

### 5. DISCLOSURES

- i. The details of Related party transactions during the year have been disclosed in Schedule 17 i.e 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 CRC submits periodic report to the Audit Committee of the Board of Directors on the issues reported to it, from time to time for its review & perusal.
- iii. Certain penalty charges were paid to the Membership department of the Stock Exchanges, arising out of routine operational matters. However, the same were not material considering the nature and quantum.
- iv. The Company has complied with mandatory requirements of Clause 49. The Company has also complied with the following non mandatory requirements as prescribed in Annexure ID 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.
  - c) The Company has implemented a Whistler Blower Policy.

#### **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 Cause 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.

#### **SHAREHOLDERS – Re-appointment of Director**

The details of Director(s) seeking appointment / re-appointment in the Annual General Meeting has been provided in the Notice of the Annual General Meeting attached with the Annual Report.

## CORPORATE GOVERNANCE REPORT

### 4. 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	Day & Date	Venue	Time
2006 – 2007	AGM	Tuesday, August 28, 2007	Music Academy, Mini Hall, New No.168, Old No.306, TTK Road, Chennai 600 014.	11.00 A.M.
2007- 2008	AGM	Monday, September 15, 2008	Music Academy, Mini Hall, New No.168, Old No.306, TTK Road, Chennai 600 014	10.15 A.M
2008 -2009*	AGM	Wednesday July 15,2009	Music Academy, Mini Hall, New No.168, Old No.306, TTK Road, Chennai 600 014	3.00 P.M

\* One special resolution was passed by the shareholders in the AGM held on July 15, 2009 for change in name of the Company from “Apollo Sindhoori Capital Investments Limited” to “Aditya Birla Money Limited”.

#### Postal Ballot

During the year, consent of the members of the Company was sought by an Ordinary resolution, through postal ballot on one occasion. The details are as under

Particulars of Postal Ballot	Date of approval of resolution by postal Ballot	Total Ballots received and are valid		Total votes for the resolution		Total votes against the Resolution		% to the total votes received for the resolution	
		No.	No. of Shares	No.	No. of Shares	No.	No. of Shares	No.	No. of Shares
Seeking Approval of Central Government for the waiver of excess Remuneration paid to erstwhile Executive Director Mr. P. B. Subramaniyan	7 <sup>th</sup> December, 2009	177	42215490	141	42189165	36	26333	99.93	99.99

Ms. B. Chandra, Practising Company Secretary was appointed as scrutinizer for conducting the postal ballot voting process for the above resolution. The postal ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

#### 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 are also published in all editions of “Business Standard” – national daily and “Makkal Kural”, regional language newspapers circulating in the district. The unaudited quarterly, half yearly and audited annual results have also been posted in the company’s website [www.adityabirlamoney.com](http://www.adityabirlamoney.com)

## CORPORATE GOVERNANCE REPORT

### 7. GENERAL SHAREHOLDERS' INFORMATION

AGM date, time and venue : Refer notice to the AGM

Financial Calendar :	1 <sup>st</sup> Quarter	1 <sup>st</sup> April to 30 <sup>th</sup> June
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> July to 30 <sup>th</sup> September
	3 <sup>rd</sup> Quarter	1 <sup>st</sup> October to 31 <sup>st</sup> December
	4 <sup>th</sup> Quarter	1 <sup>st</sup> January to 31 <sup>st</sup> March

Date of Book Closure : Refer notice to the AGM

Dividend Payment Date : N.A.

Registered Office : "Ali Towers" No. 55 Greams Road, Chennai 600 006.

Website : www.adityabirlamoney.com

#### Listing on Stock Exchanges

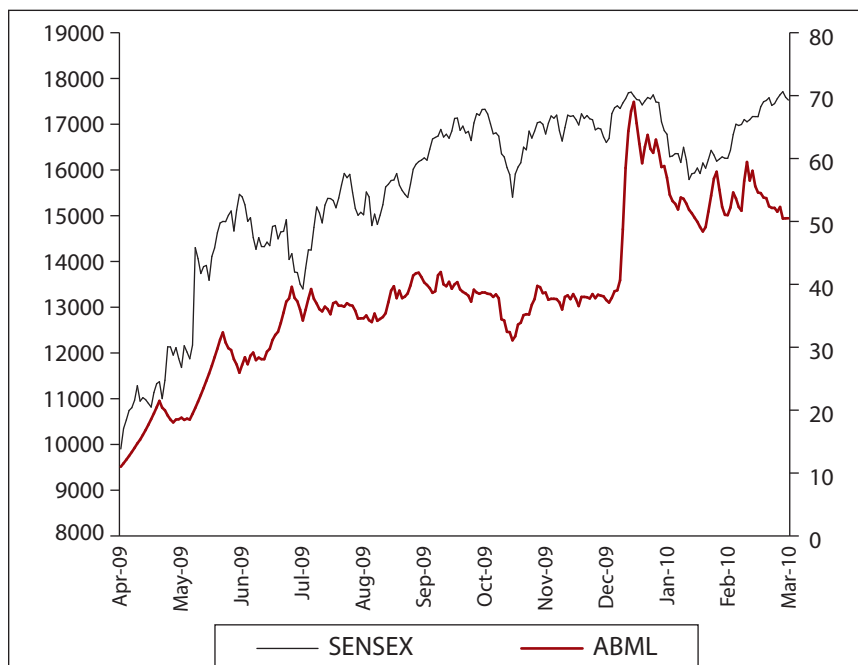
Madras Stock Exchange Limited Exchange Building, Second Line Beach, Chennai – 600001	National Stock Exchange of India Limited, "Exchange Plaza", C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Tel No: (044) 25522895	Tel No: (022) 26598100 - 8114	Tel No: (022) 22721233/1234
Fax No:(044) 25244897	Fax No:(022) 26598120.	Fax No:(022) 22721919.
Stock Code – APOSINDCAP	Stock Code – BIRLAMONEY	Stock Code – 532974/ABML

ISIN for Equity Shares (NSDL & CDSL) INE865C01022.

**Note:** Listing fees has been paid to all the Stock Exchanges as per their Schedule.

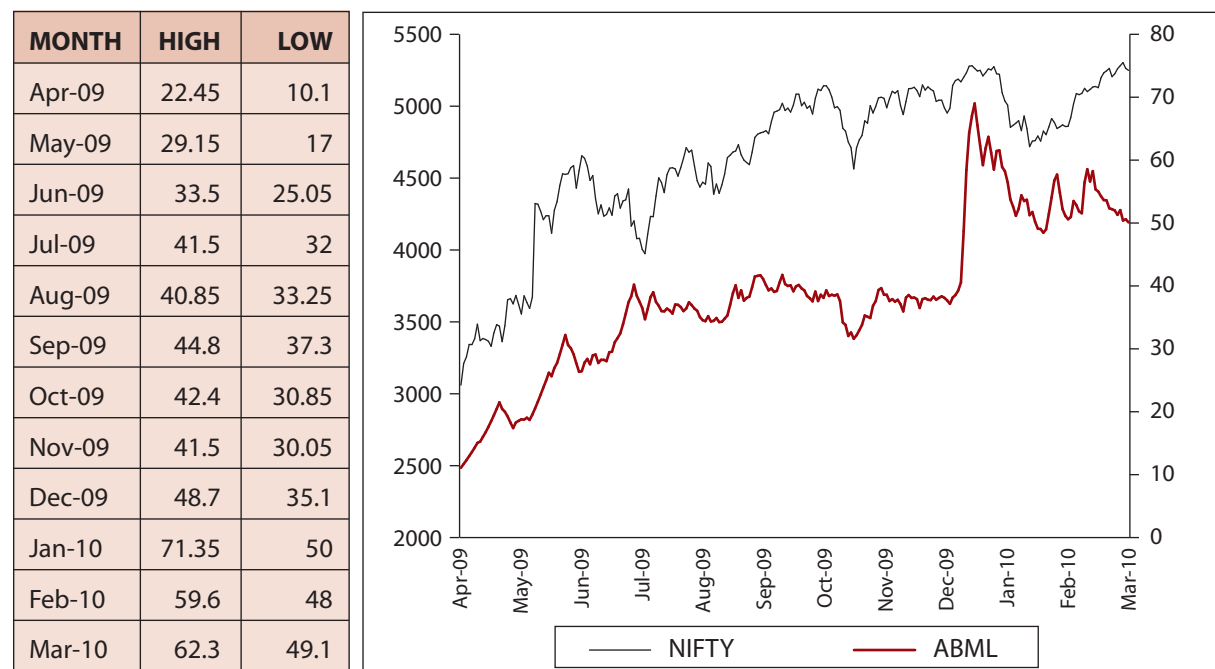
#### Stock Price data: Monthly High & Low during FY 09-10 in SENSEX

MONTH	HIGH	LOW
Apr-09	22.4	10.41
May-09	29.8	17.35
Jun-09	33.65	25.9
Jul-09	40.9	32.45
Aug-09	40.95	33.7
Sep-09	45	37.2
Oct-09	43.95	32.15
Nov-09	41.3	30.3
Dec-09	48.75	35.55
Jan-10	70.75	50.6
Feb-10	59.6	48.15
Mar-10	62.15	49.8



## CORPORATE GOVERNANCE REPORT

### ABML Stock Price data: Monthly High & Low during FY 09-10 in NIFTY



There has been no trading in the shares at MSE

#### Registrar and Share Transfer Agent

Cameo Corporate Services Limited,  
SEBI Registration No.INR000003753  
Subramaniam Building,  
No.1, Club House Road,  
Chennai – 600 002  
Ph: 044-28460390  
Fax: 044-28460129  
Email : cameo@cameoindia.com

#### Share Transfer System

The Company's shares are compulsorily traded in dematerialized form. In the case of transfer of shares in physical form, which are lodged at the Registered Office or Registrar & Share Transfer Agent's Office, are normally 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 2009 – 2010:

Nature of Complaints/Queries	No. of Complaints
Pending Queries / Complaints as on 01.04.2009	NIL
For non-receipt of dividend	1
Issue of duplicate share certificate/new share certificate / change of address/transmission of shares etc	29
Queries / Complaints redressed	30
Pending Queries / Complaints as on 31.03.2010	NIL



## CORPORATE GOVERNANCE REPORT

### Distribution of Shareholdings as on March 31, 2010.

Equity Shares	No. of Shares				No. of Shareholders			
	Physical		Electronic		Physical		Electronic	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%
<b>1 - 5000</b>	879974	1.59	2730699	4.93	1478	98.93	5807	97.14
<b>5001 - 10000</b>	70460	0.13	688617	1.24	9	0.60	87	1.46
<b>10001 - 20000</b>	86904	0.16	612447	1.11	6	0.40	43	0.72
<b>20001 - 30000</b>	22800	0.04	280800	0.51	1	0.07	11	0.18
<b>30001 - 40000</b>	0	0.00	235054	0.42	0	0.00	7	0.12
<b>40001 - 50000</b>	0	0.00	148622	0.27	0	0.00	3	0.05
<b>50001 - 100000</b>	0	0.00	526343	0.95	0	0.00	8	0.13
<b>100001 &amp; above</b>	0	0.00	49117280	88.66	0	0.00	12	0.20
<b>Total</b>	<b>1060138</b>	<b>1.91</b>	<b>54339862</b>	<b>98.09</b>	<b>1494</b>	<b>100.00</b>	<b>5978</b>	<b>100.00</b>
<b>Grand Total</b>	<b>55400000</b>				<b>7472</b>			

The Shareholding Pattern of the Company as on March 31, 2010 was as follows.

Category	No. of Shares	%
Promoter / Promoter Group	41,550,000	75.00%
Bodies Corporate	5,175,143	9.34%
Individuals – holding upto Rs. 1 lakhs	4,812,282	8.69%
Individuals – holding excess of Rs. 1 lakhs	3,537,586	6.39%
Clearing Members	65,617	0.12%
HUF	134,029	0.24%
NRI's and OCB	125,343	0.23%
<b>Total</b>	<b>55,400,000</b>	<b>100.00</b>

### Dematerialization of Shares and Liquidity

As on March 31, 2010, 98.09% of the Company's Paid-up Equity Capital was held in dematerialized form. The shares of the Company are frequently traded on BSE / NSE.

### Useful Information for Shareholders

#### Unpaid / Unclaimed Dividend

- Pursuant to Section 205A & 205C of the Companies Act, 1956 dividend upto the financial year 2000-2001 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 2001-2002 onwards, wherever declared, and which remains unpaid/unclaimed over a period 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 2002-2003 is due for transfer to IEPF in August 2010. Once the unclaimed dividend is transferred to IEPF, no claim by the shareholders shall lie thereof against IEPF or the Company.

## CORPORATE GOVERNANCE REPORT

### Other General Information

1. Shareholders holding shares in physical form are requested to notify to the Company, change in their address / PIN Code Number and Bank Account details promptly by written request under the signature of sole / first joint holder.
2. Beneficial owner of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney etc, directly to their DP.
3. 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

4. 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:

Company Secretary,  
Ali Towers, No. 55, Greams Road,  
Chennai – 600006.  
Ph No. : 044 - 3919 0000/01/02  
Fax No.: 044 - 2829 0835  
[investorgrievance@adityabirlamoney.com](mailto:investorgrievance@adityabirlamoney.com)

### DECLARATION ON CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges(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, 2010.

Place: Chennai  
Date: April 23, 2010

Kanwar Vivek  
Managing Director

### **PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

#### **To: The Shareholders of Aditya Birla Money Limited**

We have examined the compliance of conditions of corporate governance by Aditya Birla Money Limited, for the year ended on 31<sup>st</sup> March, 2010 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 in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of 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  
Dated: April 23, 2010

B CHANDRA  
PRACTISING COMPANY SECRETARY

## DIRECTORS' REPORT TO THE MEMBERS

### TO THE MEMBERS

Your Directors have pleasure in presenting the Fourteenth Annual Report of the Company together with the audited accounts for the financial year ended March 31, 2010.

### FINANCIAL RESULTS

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

(Rs. in lakhs)

	Standalone		Consolidated	
	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2009
Income from Operations	<b>9,746.79</b>	6,778.60	<b>11,045.93</b>	7,309.34
Other Income	<b>351.96</b>	304.52	<b>590.23</b>	1,357.60
Expenditure	<b>7,717.17</b>	5,937.47	<b>8,699.17</b>	7,399.84
Profit before Interest Depreciation and Taxation	<b>2,381.58</b>	1,145.65	<b>2,936.99</b>	1,267.10
Less : Interest	<b>261.38</b>	542.73	<b>283.98</b>	558.68
Profit before Depreciation and Taxation	<b>2,120.20</b>	602.92	<b>2,653.01</b>	708.42
Less : Depreciation	<b>567.44</b>	473.14	<b>600.69</b>	504.45
Profit before Taxation	<b>1,552.76</b>	129.78	<b>2,052.32</b>	203.97
Less : Provision for tax including deferred tax	<b>605.06</b>	66.28	<b>783.99</b>	83.35
Profit after Tax	<b>947.70</b>	63.50	<b>1,268.33</b>	120.62
Profit brought forward from previous year	<b>1,261.30</b>	1,197.80	<b>1,193.48</b>	1,072.86
Balance carried to Balance Sheet	<b>2,209.00</b>	1,261.31	<b>2,461.81</b>	1,193.48

### FINANCIAL PERFORMANCE

The Financial Year 2009-10 was the first full year of operation of the Company since it was acquired by the Aditya Birla Group. During the year, the stock market witnessed a smart recovery and sentiment remained bullish compared to the previous year. The equity market revived with the foreign institutional investors focused on emerging markets including India. The Sensex rallied 77% and the Nifty surged 72%. The movement was in line with the trends in other international markets. Against that backdrop, the Company continued its consolidation and growth oriented strategies. On a **Standalone basis**, the Company's total income was up by 43% at Rs. 10,098.75 Lakhs compared to Rs. 7,083.12 Lakhs during the previous year. The Income from Operations grew by 44% at Rs 9,746.79 Lakhs, compared to Rs. 6,778.60 Lakhs during the previous year. The profit before taxation was also up by 1,096% at Rs.1,552.76 Lakhs compared to Rs.129.78 Lakhs in the previous year. The Company's net profit for the year was Rs. 947.70 Lakhs, compared to Rs. 63.50 Lakhs in the previous year, a growth of 1,392% over previous year.

On a **Consolidated basis**, your Company's Income from Operations was up by 51% at Rs. 11,045.93 Lakhs, compared to Rs. 7,309.34 Lakhs in the previous year. The Consolidated Profit before taxation was Rs. 2,052.32 Lakhs compared to Rs. 203.97 Lakhs in the previous year, witnessing a growth of 906% over previous year. The Consolidated Net Profit was Rs. 1,268.33 Lakhs compared to Rs. 120.62 Lakhs in the previous year, witnessing a growth of 952% over previous year.

## DIRECTORS' REPORT TO THE MEMBERS

### **DIVIDEND**

Considering the future expansion plans and capital requirements, the Directors have decided to conserve cash flow and hence have not recommended any dividend for the year under review.

### **CHANGE IN NAME**

During the year, the name of your Company was changed to "Aditya Birla Money Limited" vide fresh certificate of incorporation, consequent upon change of name, dated August 3, 2009, issued by Registrar of Companies, Chennai. The new name of the Company reflects the new ownership / promoters of the Company.

### **INTER SE PROMOTER TRANSFER**

To enhance focus on the Financial Services business and to bring all the Financial Services activities under one single roof, Aditya Birla Nuvo Limited, on February 23, 2010 transferred its shareholding in the Company to Aditya Birla Financial Services Private Limited (ABFSPL) by way of "inter-se" promoter transfer in terms of regulation 3(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The aforesaid transfer of shares did not result in change in control or promoter group of the Company under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. With the above change, ABFSPL is now the Promoter/ Holding company of your Company .

### **CREDIT RATING**

The Company obtained credit rating of P1+ from CRISIL Limited for its short term debt programme. The rating indicates the highest degree of safety with regard to timely payment of interest and principal on the instrument.

### **FINANCE**

During the year, the Company issued Commercial Papers for an aggregate amount of Rs. 40 Crores to meet its working capital requirement. The year end outstanding was Rs. 15 Crores.

### **FIXED DEPOSITS**

The Company has not accepted any fixed deposits from the public during the year.

### **SUBSIDIARY COMPANY**

The Company has a subsidiary viz. Aditya Birla Commodities Broking Limited ("ABCBL"), which is engaged in commodity trading. The name of this Company was also changed during the year vide fresh certificate of incorporation, consequent upon change of name, dated September 29, 2009 issued by Registrar of Companies, Chennai so as to reflect the new Ownership / Promoters of the Company.

Aditya Birla Commodities Broking Limited continues to perform well and is a significant player in commodity trading, especially in gold trading. ABCBL, the subsidiary company, posted total Income of Rs.1,537.41 Lakhs compared to Rs.1,583.81 Lakhs during previous year. The net profit was up 461% at Rs. 320.65 Lakhs, compared to Rs. 57.11 Lakhs in the previous year. This was due to significant increase in the brokerage income during the year and change in revenue mix.

The Consolidated financial statements of your Company and its subsidiary Company are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India form part of the Annual Report. The statement pursuant to section 212 of the Companies Act, 1956 containing details of the subsidiary company is attached to this annual report.

Pursuant to the application made by the Company under section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs, Government of India vide its Letter No. 47/117/2010 CL-III dated 03/03/2010 granted exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and the Auditors' Report of the Subsidiary Company and other documents required to be attached under

## DIRECTORS' REPORT TO THE MEMBERS

Section 212 of the Companies Act to the Balance Sheet of your Company. In compliance with the terms of the exemption, summary financial information for the subsidiary has been also included and forms part of the Annual Report. Any shareholder / investor of the holding company or subsidiary company desirous of obtaining the annual accounts of the subsidiary company and related information may obtain the same by sending a request in writing to the Company at the registered office. These documents are also open for inspection at the registered office of the Company / subsidiary Company.

### **CORPORATE GOVERNANCE**

Your Company complies with the requirements of the Listing Agreement with the Stock Exchange where the Company's shares are listed. The report on Corporate Governance specified under clause 49 of the Listing Agreement is included as part of the Directors' Report. A Certificate from the Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this report.

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.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report as stipulated under clause 49 of the Listing Agreement is annexed to the Annual Report.

### **DIRECTORS**

During the year, Mr. Sudhakar Ramasubramanian relinquished charge as Executive Director of the Company with effect from January 4, 2010. He however, continues on the Board as a Non-executive Director. Mr. Kanwar Vivek, Director was appointed as the Managing Director of the Company with effect from January 4, 2010.

Mr. Pankaj Razdan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

### **AUDITOR & AUDITOR'S REPORT**

M/s. R. Subramanian & Company, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. R. Subramanian & Company, Chartered Accountants, expressing their unwillingness to be re-appointed as Auditors. Your Directors have therefore proposed the appointment of M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

The observations made by the Auditors in their report read with relevant notes to the Accounts are self-explanatory and do not call for any further comments under section 217(3) of the Companies Act, 1956

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm:

1. That in the preparation of Annual Accounts for the year, applicable Accounting Standards have been followed along with proper explanations relating to material departures;

## DIRECTORS' REPORT TO THE MEMBERS

2. That the Directors have selected such accounting policies and applied them consistently, and made judgements 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 and of the profit of the Company for that period;
3. That 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Annual Accounts on a going concern basis.

### **COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

In view of the nature of activities which are being carried on by the Company, the particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of Energy & Technology Absorption are not applicable to the Company. The Company does not have any foreign exchange earnings and outgo during the year.

### **PARTICULARS OF EMPLOYEES**

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 Secretary at the Registered Office of the Company.

### **ACKNOWLEDGEMENTS**

Your Directors express their sincere appreciation to the regulatory authorities, to Company's bankers, shareholders, stakeholders and clients for their continued co-operation and support. Your Directors take this opportunity to recognize and place on record their deep sense of appreciation for the commitment and contribution made by all the employees and look forward to receive the same in future.

For Aditya Birla Money Limited  
(Formerly known as Apollo Sindhoori Capital Investments Limited)

Kanwar Vivek  
Managing Director

Sudhakar Ramasubramian  
Director

P. Sudir Rao  
Director

Manoj Kedia  
Director

Place: Chennai,  
Date: April 23, 2010

## AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of **Aditya Birla Money Limited** ('the Company') as at 31<sup>st</sup> March 2010 and the Profit and Loss Account and 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227(4A) 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 in para 3 above, 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 such books;
  - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss account 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 the written representations received from Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and schedules attached thereto, 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
    - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2010,
    - ii) In the case of the Profit and Loss account, of the profit for the year ended on that date, and
    - iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No. 0041375

N. KRISHNAMURTHY  
Partner  
Membership No.19339

Place : Chennai  
Date : April 23, 2010

## AUDITORS' REPORT TO THE MEMBERS

### ANNEXURE REFERRED TO IN PARAGRAPH 3 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) During the year, the company has carried out physical verification of all the fixed assets excepting VSAT Equipments at all the branches and other premises. As a result of the verification, some of the assets have been identified either as missing or not being in use. The written down value of such assets has been written off in the accounts by treating it as loss on assets discarded.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) The clause relating to Inventory is not applicable to this 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 and accordingly, clauses 4 (iii) (b), (c) and (d) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable.
- (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 and accordingly, clauses 4 (iii) (f) and (g) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable.
- (iv) According to the information and explanations given to us –
  - (a) The Company has given loans to its wholly owned subsidiary Company. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs.7 Crores and the year-end balance is Nil.
  - (b) The rate of interest where applicable and other terms and conditions are *prima facie* not prejudicial to the interest of the company.
  - (c) The principal amounts are repayable on demand and there is no repayment schedule. The interest, where applicable, is payable on demand.
  - (d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, where applicable, there are no overdue amounts.
- (v) 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 with regard to purchase of fixed assets and rendering of services. During the course of our audit, we have not observed any major weakness in the internal control system in respect of these areas.
- (vi) According to the information and explanations provided by Management, we are of the opinion that there are no contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act during this year.
- (vii) In our opinion and according to the explanations given to us, the Company has not accepted any fixed deposits during the year requiring compliance of provisions of Section 58A, or 58AA or any other relevant provisions of the Companies Act 1956.
- (viii) In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
- (ix) 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 any of the services rendered by the Company. Accordingly, para 4 (viii) of the Order is not applicable.



## AUDITORS' REPORT TO THE MEMBERS

- (x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other statutory dues have been generally been regularly deposited during the year by the Company with the appropriate authorities
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Service tax and Cess were in arrears as at 31<sup>st</sup> March 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of dispute:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service Tax Provisions)	Service Tax	510,325	FY 2004-05	Commissioner of Service Tax, Nandanam
	Service Tax	1,650,169	FY 2005-06	
	Service Tax	2,458,217	FY 2006-07	
	Service Tax	2,106,735	FY 2007-08	
	Service Tax	557,944	FY 2008-09 (upto June 2008)	
	Service Tax	376,714	October 2004 to March 2009	
	Service Tax	5,244,772	FY 2006-07	
	Service Tax	6,778,925	FY 2007-08	
	Service Tax	1,073,878	FY 2008-09 (upto November 2008)	
	Total	20,757,679		

In addition, according to the information and explanations given to us, there are no dues of sales tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.

- (xi) The Company does not have any accumulated losses as at 31<sup>st</sup> March 2010 and has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, para 4 (x) of the Order is not applicable.
- (xii) In our opinion and according to the explanations given to us, the Company has not defaulted in the payment of dues to Financial Institutions and Banks.
- (xiii) 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 or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) 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 this company.
- (xv) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other securities and timely entries have been made therein.

## AUDITORS' REPORT TO THE MEMBERS

- (xvi) In our opinion and according to the information and explanations given to us the Company has not during the financial year, given any guarantee for any loans taken by others from banks and financial institutions. Accordingly, para 4(xv) of the Order is not applicable.
- (xvii) Based on information and explanations given to us by Management, term loans were applied for the purpose for which the loans were obtained.
- (xviii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment (fixed assets, etc.,) other than temporary deployment.
- (xix) The company has not made any preferential allotment of shares during the year to parties or companies covered in the Register maintained under section 301 of the Companies Act. Accordingly, para 4(xviii) of the Order is not applicable.
- (xx) The company has not raised money by issuing debentures during the year. Accordingly, para 4(xix) of the Order is not applicable
- (xxi) The company has not raised any money by way of public issue during the year. Accordingly, para 4(xx) of the Order is not applicable
- (xxii) 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 Management, we report that no fraud on or by the Company has been noticed or reported during the financial year.

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No. 0041375

N. KRISHNAMURTHY  
Partner  
Membership No.19339

Place : Chennai  
Date : April 23, 2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

	<u>Schedule</u>	<b>As at 31-Mar-2010 Rs.</b>	<b>As at 31-Mar-2009 Rs.</b>
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	<b>55,400,000</b>	55,400,000
Reserves And Surplus	2	<b>493,815,100</b>	399,046,229
		<b>549,215,100</b>	454,446,229
<b>LOAN FUNDS</b>			
Secured Loans	3	<b>50,000,000</b>	—
Unsecured Loans	4	<b>350,000,000</b>	50,000,000
		<b>400,000,000</b>	50,000,000
Deferred Tax Liability		<b>53,477,207</b>	41,477,207
<b>Total Funds Employed</b>		<b>1,002,692,307</b>	545,923,436
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets:</b>	5		
Gross Block (At Cost)		<b>588,499,218</b>	535,776,003
Less: Accumulated Depreciation		<b>243,377,456</b>	188,748,890
Net Block		<b>345,121,762</b>	347,027,113
Capital Work-in-Progress		<b>13,152,319</b>	1,688,335
		<b>358,274,081</b>	348,715,448
<b>Investments</b>	6	<b>20,076,000</b>	20,292,368
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	7	<b>769,650,610</b>	407,178,035
Sundry Debtors	8	<b>814,659,862</b>	275,647,207
Loans & Advances	9	<b>329,270,584</b>	249,151,170
		<b>1,913,581,056</b>	931,976,412
Less: <b>Current Liabilities and Provisions</b>	10		
Current Liabilities		<b>1,270,635,548</b>	741,427,944
Provisions		<b>18,603,282</b>	13,632,848
		<b>1,289,238,830</b>	755,060,792
<b>Net Current Assets</b>		<b>624,342,226</b>	176,915,620
<b>Total Funds Utilised</b>		<b>1,002,692,307</b>	545,923,436

Significant Accounting policies and Notes on Accounts 17  
Schedules referred to above form an integral part of the Balance Sheet  
As per our attached Report of even date

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No.0041375

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

N. Krishnamurthy  
Partner  
M. No.19339  
Chennai, April 23, 2010

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	<u>Schedule</u>	<b>Year Ended 31-Mar-2010</b>	<u>Year Ended 31-Mar-2009</u>
		<b>Rs.</b>	<b>Rs.</b>
<b>INCOME</b>			
Income from Operations	11	<b>974,678,879</b>	677,859,609
Other Income	12	<b>35,196,365</b>	30,452,538
		<b><u>1,009,875,244</u></b>	<b><u>708,312,147</u></b>
<b>EXPENDITURE</b>			
Salaries, Wages & Employee Benefits	13	<b>235,580,602</b>	179,610,052
Operating and Other Expenses	14	<b>536,136,335</b>	414,137,249
		<b><u>771,716,937</u></b>	<b><u>593,747,301</u></b>
<b>Profit Before Interest, Depreciation/Amortisation &amp; Tax</b>		<b>238,158,307</b>	114,564,846
Less: Interest and Finance Expenses	15	<b>26,138,850</b>	54,272,458
<b>Profit Before Depreciation/Amortisation</b>		<b>212,019,457</b>	60,292,388
Depreciation/Amortisation		<b>56,744,277</b>	47,313,913
<b>Profit Before Tax</b>		<b>155,275,180</b>	12,978,475
Provision for Taxation	16	<b>60,506,309</b>	6,628,000
<b>Net Profit</b>		<b>94,768,871</b>	6,350,475
Balance Brought Forward		<b>126,130,589</b>	119,780,114
Profit Available for Appropriation		<b><u>220,899,460</u></b>	<b><u>126,130,589</u></b>
<b>APPROPRIATIONS</b>			
Proposed Dividend on Equity Shares		—	—
Corporate Tax on Dividend		—	—
General Reserve		—	—
Surplus Carried to Balance Sheet		<b>220,899,460</b>	126,130,589
		<b><u>220,899,460</u></b>	<b><u>126,130,589</u></b>
Earnings Per Share (Basic and Diluted) (Face Value Re 1/- each) (Refer Note No. 3 of Schedule 17)		<b>1.71</b>	0.11
Significant Accounting Policies and Notes on Accounts form part of Profit & Loss Account	17		

As per our attached Report of even date

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No.0041375

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

N. Krishnamurthy  
Partner  
M. No.19339

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

Chennai, April 23, 2010

## SCHEDULES

	<b>As at 31-Mar-2010 Rs.</b>	<b>As at 31-Mar-2009 Rs.</b>
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized:</b>		
15,00,00,000 Equity Shares of Re.1/- each	<b>150,000,000</b>	150,000,000
1,000,000 Preference Share Capital of Rs.100/- each	<b>100,000,000</b>	100,000,000
	<b>250,000,000</b>	250,000,000
<b>Issued, Subscribed &amp; Paid Up:</b>		
5,54,00,000 Equity Shares of Re.1/- each fully paid <i>(Of the above 41,550,000 Equity shares of Re.1/-each (as at March 31, 2009 - 42,104,000 are held by Aditya Birla Nuvo Ltd) are held by Aditya Birla Financial Services Pvt. Ltd. (Holding Company)</i>	<b>55,400,000</b>	55,400,000
	<b>55,400,000</b>	55,400,000
<b>SCHEDULE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Opening Balance	<b>11,538,863</b>	11,538,863
Add: Additions during the Year	—	—
Less: Deductions/Adjustments	—	—
Closing Balance	<b>11,538,863</b>	11,538,863
<b>General Reserve</b>		
Opening Balance	<b>261,376,777</b>	264,325,695
Add: Additions during the Year	—	—
Less: Deductions/Adjustments	—	2,948,918
Closing Balance	<b>261,376,777</b>	261,376,777
<b>Surplus as per Profit Loss Account</b>		
Opening Balance	<b>126,130,589</b>	119,780,114
Add: Additions during the Year	<b>94,768,871</b>	6,350,475
Less: Deductions/Adjustments	—	—
Closing Balance	<b>220,899,460</b>	126,130,589
	<b>493,815,100</b>	399,046,229
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
HDFC Bank <i>(Secured against Pledge of Fixed Deposit)</i>	<b>50,000,000</b>	—
	<b>50,000,000</b>	—
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Commercial Paper	<b>150,000,000</b>	—
[Maximum Balance outstanding during the year Rs.40 Crs (Previous Year: Nil)]		
Inter Corporate Deposit <i>(Amount repayable within one year)</i>	<b>200,000,000</b>	50,000,000
	<b>350,000,000</b>	50,000,000

# SCHEDULES

**SCHEDULE : 5**  
**FIXED ASSETS**

Rs.

Particulars	Gross Block			Depreciation			Net Block		
	As at 01-Apr-2009	Additions	Deductions	As at 31-Mar-2010	As at 01-Apr-2009	For the Period	Deductions	As at 31-Mar-2010	As at 31-Mar-2009
<b>Tangible Asset:</b>									
Computers	153,475,860	18,808,838	1,115,318	<b>171,169,380</b>	65,935,855	22,319,657	741,056	<b>83,654,924</b>	87,540,005
V SAT Equipments	113,661,200	1,358,095	—	<b>115,019,295</b>	28,907,748	5,419,308	—	<b>80,692,239</b>	84,753,452
Office Equipments	63,793,857	4,776,075	908,923	<b>67,661,009</b>	14,177,905	4,892,768	279,383	<b>48,869,719</b>	49,615,952
Furniture & Fittings	89,240,510	1,283,289	3,675,015	<b>86,848,784</b>	24,150,196	5,450,783	1,095,272	<b>58,343,077</b>	65,090,314
Land	1,500,000	—	—	<b>1,500,000</b>	—	—	—	<b>1,500,000</b>	1,500,000
Vehicles	1,198,382	1,110,413	—	<b>2,308,795</b>	398,528	154,934	—	<b>1,755,333</b>	799,854
<b>Intangible Asset:</b>									
Computer Software	112,906,194	31,085,761	—	<b>143,991,955</b>	55,178,658	18,506,827	—	<b>70,306,470</b>	57,727,536
<b>Total</b>	<b>535,776,003</b>	<b>58,422,471</b>	<b>5,699,256</b>	<b>588,499,218</b>	<b>188,748,890</b>	<b>56,744,277</b>	<b>2,115,711</b>	<b>345,121,762</b>	<b>347,027,113</b>
Previous Year	463,101,412	75,598,973	2,924,382	535,776,003	142,813,226	47,313,913	1,378,249	347,027,113	320,288,187

## SCHEDULES

### SCHEDULE 6 IN SHARES (QUOTED - LONG TERM) AT COST

S. No	STOCKS HELD	31-Mar-2010				31-Mar-2009			
		Nos	Cost Rs.	Provision Rs.	Net Rs.	Nos	Cost Rs.	Provision Rs.	Net Rs.
1	Birla 3M Limited	—	—	—	—	100	64,670	—	64,670
2	Godfrey Philips India Limited	—	—	—	—	100	60,000	—	60,000
3	Krone Communications Limited	—	—	—	—	100	11,393	6,063	5,330
4	Larsen & Toubro Limited	—	—	—	—	50	10,175	—	10,175
5	Reliance Industries Limited	—	—	—	—	9	3,866	—	3,866
6	Satyam Computer Services Limited	—	—	—	—	100	61,375	57,540	3,835
7	State Bank of India	—	—	—	—	50	10,645	—	10,645
8	Timex Watches Limited	—	—	—	—	1350	26,358	15,980	10,378
9	United Breweries Limited	—	—	—	—	550	49,500	—	49,500
10	Vindhya Telelinks Limited	—	—	—	—	200	17,724	—	17,724
11	VST Industries Limited	—	—	—	—	300	46,245	—	46,245
	<b>Total</b>						<b>361,951</b>	<b>79,583</b>	<b>282,368</b>

### IN SHARES - (UNQUOTED - LONG TERM) AT COST

S. No	STOCKS HELD	31-Mar-2010				31-Mar-2009			
		Nos	Cost Rs.	Provision Rs.	Net Rs.	Nos	Cost Rs.	Provision Rs.	Net Rs.
12	Apollo Sindhoori Commodities Trading Limited (100% Subsidiary)	2,000,000	20,000,000	—	20,000,000	2000000	20,000,000	—	20,000,000
13	BSE Limited	130,000	10,000	—	10,000	130000	10,000	—	10,000
14	Apollo Sindhoori Hotels Limited	6,600	184,524	118,524	66,000	6600	184,524	184,524	—
15	Crest Communication Limited	—	—	—	—	100	30,311	30,311	—
16	Kerala Chemicals and Proteins Ltd	—	—	—	—	200	12,600	12,600	—
17	Mcdowell & Co. Ltd.	—	—	—	—	325	32,955	32,955	—
18	Sun Infoway Limited	—	—	—	—	300	192,435	192,435	—
19	Transmedica India Limited	—	—	—	—	2300	43,896	43,896	—
	<b>Total</b>		<b>20,194,524</b>	<b>118,524</b>	<b>20,076,000</b>		<b>20,506,721</b>	<b>496,721</b>	<b>20,010,000</b>

### SUMMARY

	31-Mar-2010				31-Mar-2009			
	Nos	Cost Rs.	Provision Rs.	Net Rs.	Nos	Cost Rs.	Provision Rs.	Net Rs.
Investments in Shares Book Value-Quoted	—	—	—	—	2909	361,951	79,583	282,368
Investments in Shares-Book Value-Unquoted	2,136,600	20,194,524	118,524	20,076,000	2139825	20,506,721	496,721	20,010,000
<b>Total</b>		<b>20,194,524</b>	<b>118,524</b>	<b>20,076,000</b>		<b>20,868,672</b>	<b>576,304</b>	<b>20,292,368</b>
Aggregate of Market Value of Quoted Investments		—	—	—		—	—	415,463

## SCHEDULES

	<b>As at 31-Mar-2010 Rs.</b>	<b>As at 31-Mar-2009 Rs.</b>
<b>SCHEDULE 7</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash & Stamps On Hand	<b>1,080,949</b>	279,137
Balances With Scheduled Banks In		
- Fixed Deposits*	<b>536,777,533</b>	268,712,246
- Current Accounts	<b>230,808,372</b>	137,203,153
- Other Accounts**	<b>983,756</b>	983,499
	<b><u>769,650,610</u></b>	<u>407,178,035</u>
*Under lien towards Bank Guarantee		
**Held towards Unclaimed dividend/Matured deposits		
<b>SCHEDULE 8</b>		
<b>SUNDRY DEBTORS (UNSECURED)</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	<b>118,671,262</b>	61,307,211
- Considered Doubtful	<b>15,668,394</b>	4,298,569
<b>Others</b>		
- Considered Good	<b>638,308,460</b>	210,034,195
	<b><u>772,648,116</u></b>	<u>275,639,975</u>
Less:Provision For Doubtful Debts	<b>15,668,394</b>	4,298,569
	<b><u>756,979,722</u></b>	<u>271,341,406</u>
<b>Lease Debtors</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	<b>4,305,801</b>	4,305,801
- Considered Doubtful	<b>318,750</b>	318,750
	<b><u>4,624,551</u></b>	<u>4,624,551</u>
Less:Provision For Doubtful Debts	<b>318,750</b>	318,750
	<b><u>4,305,801</u></b>	<u>4,305,801</u>
<b>Hire Purchase Debtors</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	—	—
- Considered Doubtful	<b>15,000</b>	15,000
	<b><u>15,000</u></b>	<u>15,000</u>
Less:Provision For Doubtful Debts	<b>15,000</b>	15,000
	<b><u>15,000</u></b>	<u>15,000</u>
<b>Settlement Dues - Exchanges</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	—	—
- Considered Doubtful	—	—
<b>Others</b>		
- Considered Good	<b>53,374,339</b>	—
	<b><u>53,374,339</u></b>	<u>—</u>
	<b><u>814,659,862</u></b>	<u>275,647,207</u>



## SCHEDULES

	<b>As at 31-Mar-2010 Rs.</b>	<b>As at 31-Mar-2009 Rs.</b>
<b>SCHEDULE 9</b>		
<b>LOANS AND ADVANCES</b>		
<b>Unsecured</b>		
- Considered Good	—	—
- Considered Doubtful	<b>48,461</b>	48,461
	<b>48,461</b>	48,461
Less: Provision For Doubtful Loans & Advances	<b>48,461</b>	48,461
Advances Recoverable In Cash or Kind or For Value To Be Received :		
Advance Others	<b>35,792,403</b>	42,626,534
Aditya Birla Commodities Broking Ltd.-100% Subsidiary	—	4,312,024
Advance Income Tax/Fringe Benefit Tax and TDS (Net of Provision)	<b>47,075,774</b>	43,312,148
Service Tax Credit	<b>1,517,280</b>	32,779
Margins	<b>171,834,555</b>	97,590,001
Prepaid Expenses	<b>19,489,592</b>	9,382,315
Deposits-others	<b>14,332,018</b>	15,931,761
Accrued Income	<b>8,248,043</b>	8,091,012
Advance to Suppliers	—	2,536,981
Rental Advances	<b>30,980,919</b>	25,335,615
	<b>329,270,584</b>	249,151,170
<b>SCHEDULE 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Trade Creditors	<b>1,154,811,330</b>	677,511,181
Balances in Current Accounts with bank (Temporarily overdrawn)	<b>55,126,988</b>	4,516,570
Outstanding Liabilities	<b>59,753,434</b>	21,297,238
Settlement Dues - Exchanges	—	37,119,456
<b>Investor Protection Fund</b>		
Unclaimed Dividend	<b>758,146</b>	797,739
Unclaimed Matured Deposits	<b>185,650</b>	185,760
	<b>1,270,635,548</b>	741,427,944
<b>Provisions For</b>		
Taxation(Net of Advance Payment)	—	—
Proposed Dividend	—	—
Corporate Tax on Dividend	—	—
Retirement Benefits	<b>18,603,282</b>	13,632,848
	<b>18,603,282</b>	13,632,848
	<b>1,289,238,830</b>	755,060,792

## SCHEDULES

	<b>As at 31-Mar-2010 Rs.</b>	As at 31-Mar-2009 Rs.
<b>SCHEDULE 11</b>		
<b>INCOME FROM OPERATIONS</b>		
Brokerage Income	<b>770,383,700</b>	517,944,086
Income from Transaction Charges	<b>44,412,505</b>	33,624,222
V-sat rent	<b>1,518,270</b>	4,647,022
Account Opening Charges	<b>8,454,561</b>	7,945,475
Income from Depository Services	<b>54,725,384</b>	49,136,352
PMS Income	—	52,501
Referral Fee	<b>161,605</b>	3,353,003
Referral Fee-Inter Company	<b>737,263</b>	—
Interest and Finance Charges	<b>94,285,591</b>	61,156,948
	<b><u>974,678,879</u></b>	<b><u>677,859,609</u></b>
<b>SCHEDULE 12</b>		
<b>OTHER INCOME</b>		
Dividends on Long Term Investments		
— Trade	<b>541,699</b>	373,160
— Subsidiaries	—	—
Profit on sale of investments	<b>1,829,218</b>	—
Interest on fixed deposit & Inter corporate loan (Gross)	<b>23,445,893</b>	29,879,704
(Tax deducted at source Rs.32,29,860/- Previous Year Rs.65,34,350/-)		
Miscellaneous Income	<b>9,379,555</b>	199,674
	<b><u>35,196,365</u></b>	<b><u>30,452,538</u></b>
<b>SCHEDULE 13</b>		
<b>SALARIES WAGES AND EMPLOYEE BENEFITS</b>		
Salaries, Allowances, Bonus & Incentive	<b>211,758,152</b>	156,887,857
Contribution to Provident Fund	<b>11,845,971</b>	11,133,067
Staff Welfare Expenses	<b>11,976,479</b>	11,589,128
	<b><u>235,580,602</u></b>	<b><u>179,610,052</u></b>

## SCHEDULES

	<b>As at 31-Mar-2010 Rs.</b>	<b>As at 31-Mar-2009 Rs.</b>
<b>SCHEDULE 14</b>		
<b>OPERATING AND OTHER EXPENSES</b>		
Advertisement & Publicity	5,143,253	6,080,780
Auditors Remuneration		
- Financial Audit	800,000	800,000
- Tax Audit	200,000	200,000
AMC Charges	23,289,599	17,998,829
Bandwidth Charges	27,368,718	20,007,617
Business Development Expenses	36,240,000	—
Director's Sitting Fees	340,000	590,000
Electricity	14,885,459	15,301,142
Insurance	5,844,962	5,434,330
Investments Write off	70,856	—
Legal & Professional Charges	12,141,730	8,437,988
Loss on Sale/Discard of Fixed Assets	3,477,845	1,229,250
Loss on Sale of Investments	—	9,550
Management Fee-Business Partners	228,495,687	168,194,949
Miscellaneous Expenses	10,038,687	14,650,167
Office Maintenance	11,412,106	9,059,771
Postage & Telegrams	20,317,288	22,950,882
Printing & Stationery	16,081,916	15,719,563
Provision for Doubtful Debts	11,369,825	4,298,569
Provision for diminution in value of Investment	118,524	220,885
Rates & Taxes	12,672,732	19,568,261
Rent	42,348,809	35,829,459
Repairs & Maintenance:		
-Computer	3,291,242	2,362,158
-Others	5,055,519	2,512,790
Telephone Expenses	15,374,811	17,786,016
Travelling & Conveyance	29,756,767	24,894,293
	<b>536,136,335</b>	<b>414,137,249</b>
<b>SCHEDULE 15</b>		
<b>INTEREST AND OTHER FINANCE EXPENSES</b>		
Bank Charges	8,416,344	13,244,877
Interest On Loans		
- Fixed Loans	—	4,582
- ICD	9,397,193	41,022,999
- Others	8,325,313	—
	<b>26,138,850</b>	<b>54,272,458</b>
<b>SCHEDULE 16</b>		
<b>PROVISION FOR TAXATION</b>		
Current Tax	48,500,000	1,428,000
Deferred Tax	12,000,000	1,800,000
Fringe Benefit Tax	—	3,400,000
Fringe Benefit Tax relating to Previous Year	6,309	—
	<b>60,506,309</b>	<b>6,628,000</b>

# SCHEDULES

## SCHEDULE 17

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31-Mar-2010

#### 1. SIGNIFICANT ACCOUNTING POLICIES:

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standard Rules, 2006 (as amended)" and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention and on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

##### 1.2 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 as 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.

##### 1.3 FIXED ASSETS, INTANGIBLE ASSET AND CAPITAL WORK IN PROGRESS

Fixed assets are stated at historical cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, 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.

##### 1.4 DEPRECIATION AND AMORTISATION

Depreciation on fixed assets is provided on Straight-line basis, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

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. Computer software cost capitalized is amortized over the estimated useful life of 6 years.

Additions to fixed 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 on purchase.

##### 1.5 IMPAIRMENT

The carrying amounts of assets are reviewed at each balance sheet date for 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 at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

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

##### 1.7 INCOME RECOGNITION

Brokerage Income and transaction charges are recognized on trade basis of National Stock Exchange of India Ltd, the Bombay Stock Exchange Ltd, Mumbai and the MCX Stock Exchange Ltd, Mumbai.

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.

## SCHEDULES

Other interest incomes are recognised on time proportion basis.

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

### **1.8 COMMERCIAL PAPER**

The liability is recognised at face value at the time of issue of commercial paper. The discount on issue of commercial paper is amortised over the tenure of the commercial paper.

### **1.9 LEASES**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals under operating leases are recognised in the profit and loss account on a straight line basis.

### **1.10 EMPLOYEE RETIREMENT BENEFITS**

- i) A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the fund.
- ii) Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is performed as per the projected unit credit method.
- iv) Actuarial gain or losses are immediately recognised in the Profit and Loss Account and are not deferred.

### **1.11 PROVISION FOR DOUBTFUL DEBTS**

Provision for doubtful debts is made based on assessment made by management taking into consideration securities / comfort available against such debts.

### **1.12 TAXES ON INCOME**

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961.

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods. 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 realized. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet, the company reassesses unrecognized deferred tax assets. It recognizes deferred tax asset to the extent that it has become virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **1.13 CONTINGENT LIABILITIES AND PROVISIONS**

Contingent Liabilities are possible but not probable obligations as on the balance sheet date based on the available evidence. Provisions are recognised when there is 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 determined based on best estimate required to settle the obligation at the balance sheet date.

### **1.14 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.

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

## SCHEDULES

### 2. NOTES ON ACCOUNTS

#### 2.1 CONTINGENT LIABILITY:

(Rs.in lacs)

PARTICULARS	31-Mar-2010	31-Mar-2009
<b>2.1 Disputed tax liability not provided for:</b>		
Income Tax	269	182
Service Tax	219	—
<b>2.2 Contingent Liability not provided for on account of:</b>		
(a) Disputed Claim of SEBI towards turnover fees contested before Supreme Court.	261	261
(b) Claims against the company not acknowledged as debts	394	195
<b>Total</b>	<b>1,143</b>	638

#### 2.2 CHANGE IN HOLDING COMPANY

During the year 2009-10, Aditya Birla Financial Services Private Limited have on 23<sup>rd</sup> February 2010 acquired 4,15,50,000 shares of Re.1/- each fully paid up representing 75% of total Paid up Share Capital of the Company from Aditya Birla Nuvo Limited ( *inter-se* promoter transfer under Regulation 3(4) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1996. Necessary disclosure under SEBI (SAST) Regulations, 1997 and SEBI (Prohibition of Insider Trading), Regulations, 1992 have been made on 24<sup>th</sup> February 2010 to the Exchanges.

#### 2.3 EMPLOYEE RETIREMENT BENEFITS

The company has a defined Gratuity Plan. The table below summarise the components of net benefit expense recognised in the Profit and Loss Account and amounts recognised in the Balance Sheet for the respective plan.

(Rs. In Lacs)

a) The Details of the company's defined benefit plans for its employees are given below:	Year ended 31-Mar-2010	Year ended 31-Mar-2009
Amounts recognised in the Balance Sheet in respect of gratuity (un-funded by the company)		
Present Value of unfunded Defined benefit obligation at the end of the period	121.57	88.61
Fair Value of plan assets	—	—
<b>Net Liability/(Asset)</b>	<b>121.57</b>	88.61
Amounts Recognised in Salary, Wages and Employees Benefits in the Profit and Loss Account in respect of gratuity (Non funded by the company)		
Current Service Cost	19.00	22.84
Interest on Defined Benefit Obligations	5.88	6.60
Expected Return on Plan Assets	—	—
Net Actuarial (Gain)/Loss recognized during the Period	17.27	(21.58)
<b>Net Gratuity Cost</b>	<b>42.15</b>	7.86
Actual Return on Plan Assets:		
Expected Return on Plan Assets	—	—
Actuarial Gain/(Loss) on Plan Assets	—	—

## SCHEDULES

(Rs. In Lacs)

a) The Details of the company's defined benefit plans for its employees are given below:	Year ended 31-Mar-2010	Year ended 31-Mar-2009
Actual Return on Plan Assets:	—	—
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Opening Defined Benefit Obligation	<b>88.60</b>	88.51
Current Service Cost	<b>19.00</b>	0.00
Interest Cost	<b>5.88</b>	0.00
Actuarial (Gain)/Loss	<b>17.27</b>	21.58
Liability assumed on Amalgamation	—	—
Benefits Paid	<b>(9.18)</b>	(7.76)
<b>Closing Defined Benefit Obligation</b>	<b>121.57</b>	102.33
Change in Fair Value Plan Assets:		
Opening Fair Value of the Plan Assets	—	—
Expected Return of Plan Assets	—	—
Actuarial Gain/(Loss)	—	—
Assets acquired on Amalgamation	—	—
Contributions by the Employer	<b>9.18</b>	7.76
Benefits Paid	<b>(9.18)</b>	(7.76)
<b>Closing Fair Value of the Plan Assets</b>	—	—
Experience Adjustment		
Defined Benefit Obligation	<b>121.57</b>	88.61
Experience Adjustment	<b>(20.81)</b>	(0.13)
<b>b) Defined Contribution Plans: -</b>		
Contribution to Provident Funds	<b>86.52</b>	76.43
Contribution to Superannuation Funds	—	—
Contribution to ESI	<b>26.97</b>	25.29
Principal Actuarial Assumptions at the Balance Sheet date:		
Discount Rate	<b>7.40%</b>	7.00%
Estimated Rate of Return on Plan Assets	—	—

### 2.4 RELATED PARTY TRANSACTIONS

As per AS-18 on "Related Party Disclosures" issued by the ICAI, the disclosures of transactions with the related parties of the company are as follows:

#### A) LIST OF RELATED PARTIES AND THEIR RELATIONSHIP

##### (A) HOLDING COMPANY

ADITYA BIRLA NUVO LTD (upto February 23, 2010),  
ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED (ABFSPL) (w.e.f. February 23, 2010)

##### (B) SUBSIDIARY COMPANY

Aditya Birla Commodities Broking Limited (ABCBL) (formerly known as Apollo Sindhoori Commodities Trading Limited) (100% Subsidiary of ABML) (w.e.f. April 2, 2004)

## SCHEDULES

### (C) FELLOW SUSIDIARY COMPANY (W.E.F. MARCH 6, 2009)

Aditya Birla Capital Advisors Private Limited (ABCAPL) (Subsidiary of ABFSPL) (w.e.f. November 4, 2008)

Aditya Birla Customers Services Private Limited (ABC SPL) (Subsidiary of ABFSPL) (w.e.f. December 11, 2008)

Aditya Birla Securities Private Limited (ABSPL) (Subsidiary of ABFSPL) (w.e.f. November 4, 2008 and ceased to be a subsidiary w.e.f. March 13, 2009)

Aditya Birla Trustee Company Private Limited (ABTCPL) (Subsidiary of ABFSPL) (w.e.f. November 28, 2008)

Aditya Birla Financial Shared Services Limited (ABFSSL) (Subsidiary of ABFSPL)(w.e.f. June 19, 2008 )

Aditya Birla Money Mart Limited(ABMML) (formerly known as Birla Sun Life Distribution Company Limited) (Subsidiary of ABFSPL) (w.e.f. March 31, 2009)

BSDL Insurance Advisory Services Limited (100 % Subsidiary of ABMML)

Aditya Birla Minacs Worldwide Limited.(ABMWL)

TransWorks Inc (TW Inc) (100% Subsidiary of ABMWL)

Aditya Birla Minacs Philippines Inc. (ABMPI) (100 % Subsidiary of ABMWL)

AV TransWorks Limited. (AVTL) (100 % Subsidiary of ABMWL)

Aditya Birla Minacs Worldwide Inc. (ABMWI) (100 % Subsidiary of AVTL) ( formerly known as Minacs Worldwide Inc.)

Compass BPO Limited, U.K. (w.e.f. March 9, 2010 )

Compass BPO, Inc, U.S.A (w.e.f. March 9, 2010)

Compass Business Process outsourcing Ltd, India (w.e.f. March 9, 2010 )

Compass BPO FZE, U.A.E (w.e.f. March 9, 2010)

Minacs Worldwide SA de CV (100 % Subsidiary of ABMWI)

Minacs Group(USA) Inc. (100% Subsidiary of ABMWI)

Minacs Limited (100 % Subsidiary of ABMWI)

Minacs Worldwide GmbH (100 % Subsidiary of Minacs Limited)

Minacs Worldwide Kft. (100 % Subsidiary of Minacs GmbH)

Aditya Vikram Global Trading House Limited (AVGTHL)

Aditya Birla Finance Limited (ABFL) (formerly known as Birla Global Finance Company Limited (BGFCL))

Birla Insurance Advisory & Broking Services Limited. (BIABSL) (50.01% Subsidiary of BGCFFPL upto March 30, 2009 and of ABFL w.e.f March 31, 2009)

Birla Sun Life Insurance Company Limited (BSLICL)

Aditya Birla Capital Limited (ABCL) ( formerly known as Laxminarayan Investment Limited)

Madura Garments International Brand Company Limited (MGIBCL) (on becoming Associate, ceased to be an subsidiary w.e.f. November 27, 2009)

LIL Investment Limited (w.e.f. July 27, 2009 and on becoming Associate, ceased to be an subsidiary w.e.f. November 27, 2009)

Madura Garments Exports Limited (MGEL) (merged with the Company w.e.f. January 1, 2010)

Madura Garments Exports US, Inc. (ceased to be a Subsidiary from February 09, 2010)

Madura Garments Lifestyle Retail Company Limited. (MGLRCL)

MG Lifestyle Clothing Company Private Limited (MGCCPL) (merged with the Company w.e.f. January 1, 2010)

Peter England Fashions and Retail Company Limited. (PEFRL)

Aditya Birla Minacs IT Services Limited(ABMITS) ( formerly known as PSI Data Systems Limited)

Birla Technologies Limited (100 % Subsidiary of ABMITS)

### (D) Key Management Personnel

Mr.Sudhakar Ramasubramanian, Executive Director (upto January 04, 2010)

Mr. Kanwar Vivek, Managing Director (w.e.f. January 04, 2010)



## SCHEDULES

**B) During the year the following transactions were carried out with Related Parties in the ordinary course of Business:**

(Rs. In Lacs)

Sr. No.	Particulars	Closing Balance 31-Mar-2010	Closing Balance 31-Mar-2009	Value of Transaction	
				2009-2010	2008-2009
1	<b>Aditya Birla Commodities Broking Ltd</b>				
	- Inter corporate loan given including interest	—	—	700.00	—
	- Employee payments	—	—	120.00	100.00
	- Others	—	43.12	152.20	825.00
2	<b>Aditya Birla Nuvo Ltd</b>				
	- Inter corporate loan received	—	—	12,500.00	—
	- Inter corporate loan repaid	2,000.00	—	10,500.00	—
	- Interest on Inter corporate loan	1.32	—	53.94	—
	Tax on Interest Rs.13,151/-	—	—	31.59	—
	- Rent payment	—	—	3.25	—
	- Service on rent payment	—	—	—	—
3	<b>Aditya Birla Finance Ltd</b>				
	- Inter corporate loan received	—	500.00	—	500.00
	- Inter corporate loan repaid	—	—	500.00	—
	- Interest on Inter corporate loan	—	0.85	30.99	0.85
	- Syndication fee payment	0.57	—	0.57	—
	- Service Tax on Syndication fee payment (TDS on Syndication Fee Rs.6,283/-)	0.06	—	0.06	—
4	<b>Birla Sun Life Insurance Co Ltd</b>				
	- Brokerage earned	6.66	—	144.02	9.46
	- Referral fees earned	—	8.83	7.37	8.83
	- Other income	5.16	—	7.15	—
5	<b>Aditya Birla Money Mart Limited</b>				
	- Business development fee payment (Tax on Business development expenses Rs.5,60,000/-)	56.00	—	362.40	—
	- Service tax on Business development fee payment (Tax on Business development expenses Service tax Rs.57,680/-)	5.77	—	37.33	—
6	<b>Birla Sun Life Asset Management Co. Ltd</b>				
	- Brokerage earned (TDS receivable on PMS Brokerage Rs.5,350/-)	0.54	—	0.54	—
	- Employee settlement receivable	14.23	—	14.23	—
	- other payable	28.57	—	28.57	—
7	<b>Aditya Birla Capital Limited</b>				
	- Inter corporate loan received	—	—	1,850.00	—
	- Inter corporate loan repaid	—	—	1,850.00	—
	- Interest on Inter corporate loan	—	—	9.05	—
8	<b>PCR Investments Ltd</b>				
	- Inter corporate loan taken	—	—	—	7,500.00
9	<b>Apollo Hospitals Enterprise Ltd</b>				
	- Inter corporate loan taken	—	—	—	2,200.00
10	<b>Remuneration paid Key Managerial Personnel</b> (erstwhile Executive Director Mr.PB.Subramaniyan)	—	—	—	54.41

## SCHEDULES

### 2.5 MANAGERIAL REMUNERATION

**2.5.1** The Company has made an application to Central Government under section 309 (5B) of the Companies Act, 1956 for seeking waiver of excess managerial remuneration amounting to Rs.30,94,634/- (Excluding statutory contribution to PF, Gratuity and leave encashment which are exempted under schedule XIII) paid to Mr. P. B. Subramaniyan, the erstwhile Whole-time Director (Executive Director) of the Company for the period from 1<sup>st</sup> April 2008 to 6<sup>th</sup> March 2009.

**2.5.2** The Company has appointed Mr.Sudhakar Ramasubramanian, as Executive Director, who relinquished charge as Executive Director with effect from 4<sup>th</sup> January 2010. Mr.Kanwar Vivek was appointed as Managing Director for a period of 3 years, with effect from 4<sup>th</sup> January 2010. No remuneration was payable to them.

### 2.6 SEGMENT REPORTING

The Company is principally engaged in the business of Stock Broking and related activities. Accordingly, there are no reportable segments as per Accounting Standard 17 issued by The Institute of Chartered Accountants of India.

### 2.7 DEFERRED TAXATION

Deferred Tax Liability / (Asset) at the year end comprise timing differences on account of:

		(Rs In Lacs)	
	Particulars	2009-10	2008-09
a)	Depreciation	<b>650.38</b>	589.15
b)	Incremental Asset on transitional provision relating to gratuity & leave encashment at the beginning of the year	—	(15.18)
c)	On account of unpaid Gratuity and Leave Encashment outstanding at the end of the year	<b>(63.23)</b>	—
d)	Expenditure/Provisions Allowable	<b>(52.38)</b>	(159.20)
	<b>Total</b>	<b>534.77</b>	414.77

### 2.8 OPERATING LEASE

Lease rentals in respect of premises taken on operating lease during the year ended 31<sup>st</sup> March 2010 amounts to Rs.423.48 Lacs (Previous Year Rs.358.29 Lacs).

Future obligations towards lease rentals under the lease agreements as on 31<sup>st</sup> March 2010 amounts to Rs.527.41 Lacs (Previous Year Rs.412.60 Lacs). Details of Lease Rentals payable within one year and thereafter are as under:

		(Rs In Lacs)	
	Particulars	2009-10	2008-09
	Within One Year	<b>54.56</b>	81.28
	Later than one year and not later than five year	<b>455.81</b>	308.26
	Later than five years	<b>17.04</b>	23.06

Future obligations are before recovery of expenses.

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.

### 3. EARNINGS PER SHARE (EPS) IS CALCULATED AS UNDER

		(Rs. In Lacs except for EPS)	
	PARTICULARS	2009-10	2008-09
	Net Profit as disclosed in the Profit Loss Account - (A)	<b>947.68</b>	63.50
	Number of Equity shares for calculation of Basic & Diluted Earnings Per Share - (B)	<b>554.00</b>	554.00
	Earnings Per Share Rs. (Basic & Diluted) - A / B	<b>1.71</b>	0.11

**4.** Estimated amount of capital contracts remaining to be executed on capital account (net of advances) and not provided for is Rs.110.53 Lacs (Previous Year Rs. 15.50 Lacs)

## SCHEDULES

### 5. FOREIGN EXCHANGE TRANSACTIONS

The company has not entered into any foreign exchange transactions during the year.

6. Amounts shown under Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation from the parties concerned. However, in the opinion of the Board of Directors of the Company, the current assets, loans and advances have a value on realization, not less than the amounts at which they are stated in the Balance Sheet.
7. 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

a)	(i) Principal amount remaining unpaid to any supplier at the end of accounting year.	NIL
	(ii) Interest due on above.	NIL
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	NIL
c)	Amounts of interest accrued and remaining unpaid at the end of financial year	NIL
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.	NIL
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.	NIL

8. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to this year's classification.
9. Figures have been rounded off to the nearest rupee.

As Per Our attached Report of even date

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No.0041375

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

N. Krishnamurthy  
Partner  
M. No.19339

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

Chennai, April 23, 2010

# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## I Registration Details

Registration No. 32118 State Code 18

Balance Sheet Date 31 03 2010

Date      Month      Year

## II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue
<span style="border: 1px solid black; padding: 2px;">N</span> <span style="border: 1px solid black; padding: 2px;">I</span> <span style="border: 1px solid black; padding: 2px;">L</span>	<span style="border: 1px solid black; padding: 2px;">N</span> <span style="border: 1px solid black; padding: 2px;">I</span> <span style="border: 1px solid black; padding: 2px;">L</span>
Bonus Issue	Private Placement
<span style="border: 1px solid black; padding: 2px;">N</span> <span style="border: 1px solid black; padding: 2px;">I</span> <span style="border: 1px solid black; padding: 2px;">L</span>	<span style="border: 1px solid black; padding: 2px;">N</span> <span style="border: 1px solid black; padding: 2px;">I</span> <span style="border: 1px solid black; padding: 2px;">L</span>

## III Position of Mobilization and Development of Fund (Amount in Rs. Thousands)

	Total Liabilities		Total Assets
	<span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">2</span> <span style="border: 1px solid black; padding: 2px;">6</span> <span style="border: 1px solid black; padding: 2px;">9</span> <span style="border: 1px solid black; padding: 2px;">2</span>		<span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">2</span> <span style="border: 1px solid black; padding: 2px;">6</span> <span style="border: 1px solid black; padding: 2px;">9</span> <span style="border: 1px solid black; padding: 2px;">2</span>
<b>Source of Funds</b>	Paid-up Capital		Reserves & Surplus
	<span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span>		<span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">9</span> <span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">8</span> <span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">5</span>
	Secured Loans		Unsecured Loans
	<span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span>		<span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span>
	Deferred Tax		
	<span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">7</span> <span style="border: 1px solid black; padding: 2px;">7</span>		
<b>Application of Funds</b>	Net Fixed Assets		Investments
	<span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">8</span> <span style="border: 1px solid black; padding: 2px;">2</span> <span style="border: 1px solid black; padding: 2px;">7</span> <span style="border: 1px solid black; padding: 2px;">4</span>		<span style="border: 1px solid black; padding: 2px;">2</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">7</span> <span style="border: 1px solid black; padding: 2px;">6</span>
	Net Current Assets		Misc. Expenditure
	<span style="border: 1px solid black; padding: 2px;">6</span> <span style="border: 1px solid black; padding: 2px;">2</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">2</span>		<span style="border: 1px solid black; padding: 2px;">N</span> <span style="border: 1px solid black; padding: 2px;">I</span> <span style="border: 1px solid black; padding: 2px;">L</span>

## IV Performance of Company (Amount in Rs. Thousands)

	Total Income		Total Expenditure
	<span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">9</span> <span style="border: 1px solid black; padding: 2px;">8</span> <span style="border: 1px solid black; padding: 2px;">7</span> <span style="border: 1px solid black; padding: 2px;">5</span>		<span style="border: 1px solid black; padding: 2px;">8</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">6</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">0</span>
	Profit / Loss Before Tax		Profit After Tax
	<span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">2</span> <span style="border: 1px solid black; padding: 2px;">7</span> <span style="border: 1px solid black; padding: 2px;">5</span>		<span style="border: 1px solid black; padding: 2px;">9</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">7</span> <span style="border: 1px solid black; padding: 2px;">6</span> <span style="border: 1px solid black; padding: 2px;">8</span>
	Earning per Share Rs.		Dividend Rate %
	<span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">.</span> <span style="border: 1px solid black; padding: 2px;">7</span> <span style="border: 1px solid black; padding: 2px;">1</span>		<span style="border: 1px solid black; padding: 2px;">N</span> <span style="border: 1px solid black; padding: 2px;">I</span> <span style="border: 1px solid black; padding: 2px;">L</span>

## V Generic Names of Principal Products/Services of Company (as per Monetary Terms)

Item Code No. (ITC Code)	Product Description
<span style="border: 1px solid black; padding: 2px;">N</span> <span style="border: 1px solid black; padding: 2px;">I</span> <span style="border: 1px solid black; padding: 2px;">L</span>	Stock Broking

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

Chennai, April 23, 2010

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees

PARTICULARS	31-Mar-2010	31-Mar-09
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	155,275,180	12,978,475
Adjustments for :		
Depreciation	54,628,566	47,313,913
Provision for bad & doubtful debts & advances(Net)	11,412,106	6,008,874
Diminution in Value of Investments	118,524	220,885
Interest Expenses	26,138,850	41,027,581
Interest Income	(23,445,893)	(30,252,864)
(Profit) / Loss on Sale of Fixed Assets & Discarded	3,477,845	1,229,250
(Profit) / Loss on Sale of Investments	(1,884,542)	9,550
Dividend Income	(541,699)	—
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>225,178,937</b>	<b>78,535,664</b>
Decrease / (Increase) in trade and other receivables	(896,569,237)	455,191,037
Increase / (Decrease) in trade and other payables	534,233,933 (362,335,304)	(805,062,857) (349,871,820)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(137,156,367)</b>	<b>(271,336,156)</b>
Income Taxes Paid	(48,433,766)	(17,500,000)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(185,590,133)</b>	<b>(288,836,156)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Fixed Assets	3,477,845	201,707
Purchase of Fixed Assets	(71,142,889)	(75,598,973)
Interest Received	21,408,480	30,252,864
Dividend Received	541,699	—
Sale of Investments	853,910	15,000
Purchase of Mutual Fund	(780,000,000)	—
Sale of Mutual Fund	781,128,476	—
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(43,732,479)</b>	<b>(45,129,402)</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees

PARTICULARS	31-Mar-2010	31-Mar-09
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inter Corporate Deposits	150,000,000	50,000,000
Commercial Paper Placed	400,000,000	—
Commercial Paper Redeemed	(250,000,000)	—
Proceeds from Secured Loans	50,000,000	—
Repayment of Borrowings (Lease & Asset Loan)	—	(485,191)
Dividends paid (including tax thereon)	—	(6,481,523)
Interest and Finance Charges paid	(26,270,357)	(41,027,581)
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>323,729,643</b>	<b>2,005,705</b>
NET INCREASE IN CASH AND EQUIVALENTS	94,407,031	(331,959,853)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	137,482,290	469,442,143
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	231,889,321	137,482,290
<b>Notes:</b>		
1) <b>Cash and cash equivalents include:</b>		
Cash, cheque in hand and remittance in transit	1,080,949	279,137
Balance with Banks	230,808,372	137,203,153
	<b>231,889,321</b>	<b>137,482,290</b>

2) Previous year'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 R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No.0041375

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

N. Krishnamurthy  
Partner  
M. No.19339

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

Chennai, April 23, 2010

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956, RELATING TO THE SUBSIDIARY COMPANIES**

Name of the Subsidiary Company	Financial year of the Subsidiary ended on	Number of Equity Shares held by Aditya Birla Money Limited (ABML) as on March 31, 2010	Extent of interest of ABML in the Capital of the Subsidiary (%)	Net aggregate amount of Profits / (Losses) of the Subsidiary so far as it concerns the Members of ABML and is not dealt with in the Accounts of ABML		Net aggregate amount of Profits / (Losses) of the Subsidiary so far as it concerns the Members of ABML dealt with or provided for in the Accounts of ABML		Additional Information under section 212(5)
				for the financial year ended on March 31, 2010	for the previous financial years of the subsidiary since it became a subsidiary	for the financial year ended on March 31, 2010	for the previous financial years of the subsidiary since it became a subsidiary	
				Rs.	Rs.	Rs.	Rs.	
Aditya Birla Commodities Broking Limited	March 31, 2010	2000000	100%	32,064,637	(6,783,463)	Nil	Nil	NA

For and on Behalf of the Board of the Directors  
For ADITYA BIRLA MONEY LIMITED  
(Formerly Known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Director: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

Chennai, April 23, 2010

Particulars of Subsidiary Company as required by the order No. 47/117/2010-CL-III dated 03/03/2010 of Ministry of Corporate Affairs, Government of India, issued under section 212(8) of the Companies Act, 1956 for the financial year ended 31st March 2010.

**Aditya Birla Commodities Broking Limited**

(formerly known as Apollo Sindhoori Commodities Trading Limited)

Particulars		31-03-2010	31-03-2009
		Amount (Rs.)	Amount (Rs.)
a.	Capital	<b>20,000,000</b>	20,000,000
b.	Reserves	<b>25,281,174</b>	(67,83,463)
c.	Total Assets	<b>48,556,233</b>	15,789,594
d.	Total Liabilities	<b>48,556,233</b>	15,789,594
e.	Investments	<b>NIL</b>	NIL
f.	Total Income	<b>153,740,695</b>	158,381,765
g.	Profit Before Taxation	<b>49,957,195</b>	74,17,814
h.	Provision for Taxation	<b>17,892,558</b>	17,06,709
i.	Profit After Taxation	<b>32,064,637</b>	57,11,105
j.	Proposed Dividend	<b>NIL</b>	NIL

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of **Aditya Birla Money Limited** ('the Company') as at 31st March 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.
2. 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.
3. We report that the Consolidated Financial Statements ("CFS") have been prepared by the Company based on the audited financial statement of the subsidiary Aditya Birla Commodities Broking Limited which has also been audited by us and in accordance with the requirements of Accounting Standards ("AS") 21 Consolidated financial statements issued by the Institute of Chartered Accountants of India.
4. 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 and its subsidiary, as at 31st March 2010.
  - (b) in the case of the Consolidated Profit and Loss account, 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.

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No. 0041375

N.Krishnamurthy  
Partner  
Membership.No.19339

Place : Chennai  
Date : April 23, 2010



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	<u>Schedule</u>	<u>As at</u> <b>31-Mar-2010</b> Rs.	<u>As at</u> <u>31-Mar-2009</u> Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	55,400,000	55,400,000
Reserves And Surplus	2	519,096,274	392,262,766
		<b>574,496,274</b>	447,662,766
<b>LOAN FUNDS</b>			
Secured Loans	3	50,000,000	—
Unsecured Loans	4	350,000,000	50,000,000
		<b>400,000,000</b>	50,000,000
Deferred Tax Liabilities (vide Note No. 2.7 of Schedule 19)		56,752,266	44,050,264
<b>Total Funds Employed</b>		<b>1,031,248,540</b>	541,713,030
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets:</b>			
Gross Block (At Cost)	5	613,251,679	558,685,737
Less:Accumulated Depreciation		254,908,175	196,955,358
Net Block		<b>358,343,504</b>	361,730,379
Capital Work-in-Progress		13,185,399	1,688,335
		<b>371,528,903</b>	363,418,714
<b>Investments</b>	6	<b>76,000</b>	292,368
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	—	996,246
Cash & Bank Balances	8	913,151,742	498,473,497
Sundry Debtors	9	827,793,597	281,341,985
Loans & Advances	10	507,343,253	272,754,312
		<b>2,248,288,592</b>	1,053,566,040
<b>Less:Current Liabilities and Provisions</b>	11		
Current Liabilities		1,570,041,673	861,931,244
Provisions		18,603,282	13,632,848
		<b>1,588,644,955</b>	875,564,092
<b>Net Current Assets</b>		<b>659,643,637</b>	178,001,948
<b>Total Funds Utilised</b>		<b>1,031,248,540</b>	541,713,030
Significant Accounting policies and Notes on Accounts	19		

Schedules referred to above form an integral part of the Balance Sheet

As per our attached Report of even date

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No.0041375

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

N. Krishnamurthy  
Partner  
M. No. 19339  
Chennai, April 23, 2010

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year Ended 31-Mar-2010 Rs.	Year Ended 31-Mar-2009 Rs.
<b>INCOME</b>			
Income From Operations	12	1,104,592,682	730,934,012
Sale of Gold		19,114,731	102,058,571
Other Income	13	39,908,526	33,701,329
		<u>1,163,615,939</u>	<u>866,693,912</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Stocks	14	996,246	2,335,914
Purchase of Gold		17,816,422	102,396,905
Salaries, Wages & Employee Benefits	15	251,370,029	193,539,722
Operating and Other Expenses	16	599,734,595	441,711,843
		<u>869,917,292</u>	<u>739,984,384</u>
<b>Profit Before Interest, Depreciation/Amortisation &amp; Tax</b>		<b>293,698,647</b>	126,709,528
Less: Interest and Finance Expenses	17	28,397,744	55,867,891
<b>Profit Before Depreciation/Amortisation</b>		<b>265,300,903</b>	70,841,637
Depreciation/Amortisation		60,068,528	50,445,348
<b>Profit Before Tax</b>		<b>205,232,375</b>	20,396,289
Provision For Taxation	18	78,398,867	8,334,709
<b>Net Profit</b>		<b>126,833,508</b>	12,061,580
Balance Brought Forward		119,347,126	107,285,546
Profit Available for Appropriation		<u>246,180,634</u>	<u>119,347,126</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend on Equity Shares		—	—
Corporate tax on Dividend		—	—
General Reserve		—	—
Surplus Carried to Balance Sheet		<u>246,180,634</u>	119,347,126
		<u>246,180,634</u>	<u>119,347,126</u>
Earnings Per Share (Basic and Diluted) (Face Value Re 1/- each) (Refer Note No. 3 of Schedule 19)		2.29	0.22
Significant Accounting Policies and Notes on accounts form part of Profit & Loss account	19		
As per our attached Report of even date			
For R. SUBRAMANIAN AND COMPANY Chartered Accountants Firm Registration No.0041375		For ADITYA BIRLA MONEY LIMITED (Formerly known as Apollo Sindhoori Capital Investments Ltd)	
	Kanwar Vivek Managing Director	Directors: Sudhakar Ramasubramanian Manoj Kedia P. Sudhir Rao	
N. Krishnamurthy Partner M. No. 19339 Chennai, April 23, 2010	Ravishankar Gopalan Chief Operating Officer	Nithya Pasupathy Company Secretary	

## SCHEDULES

	As at <u>31-Mar-2010</u>	As at <u>31-Mar-2009</u>
	Rs.	Rs.
<b>SHARE CAPITAL</b>		
<b>Authorized</b>		
15,00,00,000 Equity Shares of Re.1/- Each	<b>150,000,000</b>	150,000,000
1,000,000 Preference Share Capital of Rs.100/- each	<b>100,000,000</b>	100,000,000
	<b>250,000,000</b>	250,000,000
<b>Issued, Subscribed &amp; Paid Up</b>		
5,54,00,000 Equity Shares of Re.1/- Each fully paid	<b>55,400,000</b>	55,400,000
<i>(Of the above 41,550,000 Equity shares of Re.1/-each (as at March 31, 2009 - 42,104,000 are held by Aditya Birla Nuvo Ltd are held by Aditya Birla Financial Services Pvt. Ltd. (Holding Company)</i>		
	<b>55,400,000</b>	55,400,000
<b>SCHEDULE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve		
Opening Balance	<b>11,538,863</b>	11,538,863
Add: Additions During the Year	—	—
Less: Deductions/Adjustments	—	—
Closing Balance	<b>11,538,863</b>	11,538,863
General Reserve		
Opening Balance	<b>261,376,777</b>	264,325,695
Add: Additions During the Year	—	—
Less: Deductions/Adjustments	—	2,948,918
Closing Balance	<b>261,376,777</b>	261,376,777
Surplus as per Profit Loss Account		
Opening Balance	<b>119,347,126</b>	112,996,651
Add: Additions During the Year	<b>126,833,508</b>	6,350,475
Less: Deductions/Adjustments	—	—
Closing Balance	<b>246,180,634</b>	119,347,126
	<b>519,096,274</b>	392,262,766
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
HDFC Bank	<b>50,000,000</b>	—
<i>(Secured against Pledge of Fixed Deposit)</i>		
	<b>50,000,000</b>	—
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Commercial Paper	<b>150,000,000</b>	—
[Maximum Balance outstanding during the year Rs.40 Crs (Previous Year: Nil)]		
Inter Corporate Deposit	<b>200,000,000</b>	50,000,000
<i>(Amount repayable within one year)</i>		
	<b>350,000,000</b>	50,000,000

# SCHEDULES

## SCHEDULE : 5 FIXED ASSETS

Rs.

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	As at 01.04.2009	For the Period	Deductions	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
<b>TANGIBLE ASSET:</b>										
Computers	153,600,850	18,808,838	1,115,318	<b>171,294,370</b>	66,013,117	22,337,740	741,056	<b>87,609,801</b>	<b>83,684,569</b>	87,587,733
V SAT Equipments	113,945,182	1,358,095	—	<b>115,303,277</b>	28,992,779	5,432,797	—	<b>34,425,576</b>	<b>80,877,701</b>	84,952,403
Office Equipments	63,914,013	4,776,075	908,923	<b>67,781,165</b>	14,215,841	4,897,038	279,383	<b>18,833,496</b>	<b>48,947,669</b>	49,698,172
Furniture & Fittings	89,874,979	1,283,289	3,675,015	<b>87,483,253</b>	24,333,175	5,482,034	1,095,272	<b>28,719,937</b>	<b>58,763,316</b>	65,541,804
Land	1,500,000	—	—	<b>1,500,000</b>	—	—	—	—	<b>1,500,000</b>	1,500,000
Vehicles	1,198,382	1,110,413	—	<b>2,308,795</b>	398,528	154,934	—	<b>553,462</b>	<b>1,755,333</b>	799,854
<b>INTANGIBLE ASSET:</b>										
Computer Software	134,652,331	32,928,488	—	<b>167,580,819</b>	63,001,918	21,763,985	—	<b>84,765,903</b>	<b>82,814,916</b>	71,650,413
<b>Total</b>	<b>558,685,737</b>	<b>60,265,198</b>	<b>5,699,256</b>	<b>613,251,679</b>	<b>196,955,358</b>	<b>60,068,528</b>	<b>2,115,711</b>	<b>254,908,175</b>	<b>358,343,504</b>	<b>361,730,379</b>
Previous Year	482,643,687	78,966,432	2,924,382	558,685,737	147,888,256	50,445,348	1,378,246	196,955,358	361,730,379	334,755,432

## SCHEDULES

### SCHEDULE 6

IN SHARES (QUOTED-LONG TERM) AT COST		31-Mar-2010				31-Mar-2009			
S.No	STOCKS HELD	Nos	Cost Rs.	Provision Rs.	Net Rs.	Nos	Cost Rs.	Provision Rs.	Net Rs.
1	Birla 3M Limited	—	—	—	—	100	64,670	—	64,670
2	Godfrey Philips India Limited	—	—	—	—	100	60,000	—	60,000
3	Krone Communications Limited	—	—	—	—	100	11,393	6,063	5,330
4	Larsen & Toubro Limited	—	—	—	—	50	10,175	—	10,175
5	Reliance Industries Limited	—	—	—	—	9	3,866	—	3,866
6	Satyam Computer Services Limited	—	—	—	—	100	61,375	57,540	3,835
7	State Bank of India	—	—	—	—	50	10,645	—	10,645
8	Timex Watches Limited	—	—	—	—	1350	26,358	15,980	10,378
9	United Breweries Limited	—	—	—	—	550	49,500	—	49,500
10	Vindhya Telelinks Limited	—	—	—	—	200	17,724	—	17,724
11	VST Industries Limited	—	—	—	—	300	46,245	—	46,245
<b>Total</b>			—	—	—		361,951	79,583	282,368

IN SHARES - (UNQUOTED-LONG TERM) AT COST		31-Mar-2010				31-Mar-2009			
S.No	STOCKS HELD	Nos	Cost Rs.	Provision Rs.	Net Rs.	Nos	Cost Rs.	Provision Rs.	Net Rs.
12	BSE Limited	130,000	10,000	—	10,000	130000	10,000	—	10,000
13	Apollo Sindhoori Hotels Limited	6,600	184,524	118,524	66,000	6600	184,524	184,524	—
14	Crest Communication Limited	—	—	—	—	100	30,311	30,311	—
15	Kerala Chemicals and Proteins Ltd	—	—	—	—	200	12,600	12,600	—
16	Mcdowell & Co. Ltd.	—	—	—	—	325	32,955	32,955	—
17	Sun Infoway Limited	—	—	—	—	300	192,435	192,435	—
18	Transmedica India Limited	—	—	—	—	2300	43,896	43,896	—
<b>Total</b>			194,524	118,524	76,000		506,721	496,721	10,000

SUMMARY		31-Mar-2010				31-Mar-2009			
		Nos	Cost Rs.	Provision Rs.	Net Rs.	Nos	Cost Rs.	Provision Rs.	Net Rs.
Investments in Shares Book Value-Quoted		—	—	—	—	2909	361,951	79,583	282,368
Investments in Shares-Book Value-Unquoted		136,600	194,524	118,524	76,000	139825	506,721	496,721	10,000
<b>Total</b>			194,524	118,524	76,000		868,672	576,304	292,368
Aggregate of Market Value of Quoted Investments			—	—	—		—	—	415,463

## SCHEDULES

	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 Rs.
<b>SCHEDULE 7</b>		
<b>INVENTORIES</b>		
Stock of Gold	—	996,246
	—	996,246
<b>SCHEDULE 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash & Stamps On Hand	1,080,949	279,137
Balances With Scheduled Banks In		
- Fixed Deposits*	592,152,533	323,712,246
- Current Accounts	318,934,504	173,498,615
- Other Accounts**	983,756	983,499
	913,151,742	498,473,497
*Under lien towards Bank Guarantee		
**Held towards Unclaimed dividend/Matured deposits		
<b>SCHEDULE 9</b>		
<b>SUNDRY DEBTORS (UNSECURED)</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	122,436,705	64,288,688
- Considered Doubtful	15,668,394	4,298,569
<b>Others</b>		
- Considered Good	641,608,957	212,183,678
	779,714,056	280,770,935
Less:Provision For Doubtful Debts	15,668,394	4,298,569
	764,045,662	276,472,366
<b>Lease Debtors</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	4,305,801	4,305,801
- Considered Doubtful	318,750	318,750
	4,624,551	4,624,551
Less:Provision For Doubtful Debts	318,750	318,750
	4,305,801	4,305,801
<b>Hire Purchase Debtors</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	—	—
- Considered Doubtful	15,000	15,000
	15,000	15,000
Less:Provision For Doubtful Debts	15,000	15,000
	—	—
<b>Settlement Dues - Exchanges</b>		
<b>Outstanding for more than Six Months</b>		
- Considered Good	—	—
- Considered Doubtful	—	—
<b>Others</b>		
- Considered Good	59,442,134	563,818
	59,442,134	563,818
	827,793,597	281,341,985

## SCHEDULES

	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 Rs.
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES:</b>		
<b>Unsecured</b>		
- Considered Good	—	—
- Considered Doubtful	48,461	48,461
	<u>48,461</u>	<u>48,461</u>
Less: Provision For Doubtful Loans & Advances	48,461	48,461
	<u>48,461</u>	<u>48,461</u>
<b>Advances Recoverable In Cash or Kind or For Value To Be Received</b>		
Advance Others	36,760,364	42,639,387
Advance Income Tax/FBT and TDS (Net of Provision)	45,026,839	43,651,695
Service Tax Credit	2,280,095	736,756
Margins	343,513,400	119,290,002
Prepaid Expenses	20,650,636	10,406,015
Deposits	17,398,411	18,868,654
Accrued Income	10,732,589	9,289,207
Advance to Suppliers	—	2,536,981
Rental Advances	30,980,919	25,335,615
	<u>507,343,253</u>	<u>272,754,312</u>
<b>SCHEDULE 11</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Trade Creditors	1,449,911,227	782,929,881
Balances in current accounts with bank (Temporarily overdrawn)	56,190,109	16,442,514
Outstanding Liabilities	62,996,541	23,542,353
Settlement Dues - Exchanges	—	38,032,997
<b>Investor Protection Fund</b>		
Unclaimed Dividend	758,146	797,739
Unclaimed Matured deposits	185,650	185,760
	<u>1,570,041,673</u>	<u>861,931,244</u>
<b>Provisions For</b>		
Taxation(Net of Advance Payment)	—	—
Proposed Dividend	—	—
Corporate Tax on Dividend	—	—
Retirement Benefits	18,603,282	13,632,848
	<u>18,603,282</u>	<u>13,632,848</u>
	<u>1,588,644,955</u>	<u>875,564,092</u>

## SCHEDULES

	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 Rs.
<b>SCHEDULE 12</b>		
<b>INCOME FROM OPERATIONS</b>		
Brokerage Income	896,313,556	565,381,756
Income from Transaction Charges	48,083,669	35,884,846
V-sat Rent	1,831,053	4,957,022
Account Opening Charges	8,454,561	7,945,475
Income from Depository Services	54,725,384	49,136,352
PMS Income	—	52,501
Referral Fee	161,605	3,353,003
Referral Fee-Inter Company	737,263	—
Interest and Finance Charges	94,285,591	64,223,057
	<u>1,104,592,682</u>	<u>730,934,012</u>
<b>SCHEDULE 13</b>		
<b>OTHER INCOME</b>		
Dividends on Long Term Investments		
Trade	541,699	373,160
Subsidiaries	—	—
Profit on sale of investments	1,829,218	—
Interest on fixed deposit & Inter corporate loan (Gross)	28,151,875	33,128,495
(Tax deducted at source Rs.37,62,348/- Previous Year Rs.72,60,624/-)		
Miscellaneous Income	9,385,734	199,674
	<u>39,908,526</u>	<u>33,701,329</u>
<b>SCHEDULE 14</b>		
<b>(INCREASE)/DECREASE IN STOCKS</b>		
Closing Stocks		
Stock of Gold	—	996,246
	—	996,246
Less: Opening Stocks		
Stock of Gold	996,246	3,332,160
	<u>996,246</u>	<u>3,332,160</u>
(Increase)/Decrease	<u>996,246</u>	<u>2,335,914</u>
<b>SCHEDULE 15</b>		
<b>SALARIES WAGES AND EMPLOYEE BENEFITS</b>		
Salaries, Allowances, Bonus & Incentive	227,541,725	170,817,527
Contribution to Provident Fund	11,845,971	11,133,067
Staff Welfare Expenses	11,982,333	11,589,128
	<u>251,370,029</u>	<u>193,539,722</u>



## SCHEDULES

	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 Rs.
<b>SCHEDULE 16</b>		
<b>OPERATING AND OTHER EXPENSES</b>		
Advertisement & Publicity	5,155,753	8,888,883
Auditors remuneration		
- Financial Audit	900,000	900,000
- Tax Audit	200,000	200,000
AMC Charges	29,072,436	24,503,443
Bandwidth Charges	27,662,985	20,251,957
Business Development Expenses	71,800,000	—
Director's Sitting Fees	340,000	590,000
Electricity	14,885,459	15,301,142
Insurance	5,998,143	5,467,968
Investments written off	70,856	—
Legal & Professional Charges	12,876,628	8,671,738
Loss on Sale/Discard of Fixed Assets	3,477,845	1,229,250
Loss on Sale of Investments	—	9,550
Management Fee-Business Partners	245,678,923	180,749,702
Miscellaneous Expenses	10,650,254	16,236,742
Office Maintenance	11,412,106	9,059,771
Postage & Telegrams	20,317,288	22,950,882
Printing & Stationery	17,205,378	16,523,273
Provision for Doubtful Debts	11,369,825	4,298,569
Provision for Diminution in value of Investment	118,524	220,885
Rates & Taxes	14,473,589	21,857,972
Rent	42,348,809	35,829,459
Repairs & Maintenance		
-Computer	3,328,507	2,475,338
-Others	5,055,519	2,512,790
Telephone Expenses	15,376,810	17,788,489
Travelling & Conveyance	29,958,958	25,194,040
	<u>599,734,595</u>	<u>441,711,843</u>
<b>SCHEDULE 17</b>		
<b>INTEREST AND OTHER FINANCE EXPENSES</b>		
Bank Charges	9,866,774	14,413,154
Interest On Loans		
- Fixed Loans	—	4,582
- ICD	10,205,657	41,450,155
- Others	8,325,313	—
	<u>28,397,744</u>	<u>55,867,891</u>
<b>SCHEDULE 18</b>		
<b>PROVISION FOR TAXATION</b>		
Current Tax	65,400,000	1,905,450
Deferred Tax	12,702,000	2,998,659
Fringe Benefit Tax	—	3,430,600
Income Tax & FBT relating to Previous Year	296,867	—
	<u>78,398,867</u>	<u>8,334,709</u>

## SCHEDULES

### SCHEDULE-19

#### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR CONSOLIDATED FINANCIAL STATEMENTS OF ADITYA BIRLA MONEY LIMITED AND IT'S SUBSIDIARY.**

##### **1. SIGNIFICANT ACCOUNTING POLICIES:**

###### **1.1 BASIS OF PREPARATION**

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies Accounting Standard Rules, 2006 (as amended)" and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention and on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

The Financial statements of the Parent and its Subsidiary have been combined on a line-by-line basis by adding together the book value of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealized profits and losses. The financial statements of the Subsidiary is drawn upto the same reporting date of that of the Parent i.e., 31-03-2010.

###### **1.2 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 as 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.

###### **1.3 PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements have been prepared in accordance with (Accounting Standard 21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

###### **1.4 FIXED ASSETS, INTANGIBLE ASSET AND CAPITAL WORK IN PROGRESS**

Fixed assets are stated at historical cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, 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.

###### **1.5 DEPRECIATION AND AMORTISATION**

Depreciation on fixed assets is provided on Straight-line basis, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

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. Computer software cost capitalized is amortized over the estimated useful life of 6 years.

Additions to fixed 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 on purchase.

###### **1.6 IMPAIRMENT**

The carrying amounts of assets are reviewed at each balance sheet date for 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 at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

###### **1.7 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. Current investments

## SCHEDULES

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

### **1.8 INCOME RECOGNITION**

Brokerage Income and transaction charges of the parent company are recognized on trade basis of National Stock Exchange of India Ltd, the Bombay Stock Exchange Ltd, Mumbai and the MCX Stock Exchange Ltd, Mumbai.

Brokerage Income of the subsidiary company is recognized on trade basis on Multi Commodities Exchange and National Commodity and Derivative Exchange of India Ltd. Profit or loss on gold trading is recognized and accounted on accrual basis.

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 recognised on time proportion basis.

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

### **1.9 VALUATION OF INVENTORY**

Inventories are stated at the lower of cost and net realizable value. Cost includes all expenses incurred in bringing the inventory to its present location and condition and is determined on a first-in-first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### **1.10 COMMERCIAL PAPER**

The liability is recognised at face value at the time of issue of commercial paper. The discount on issue of commercial paper is amortised over the tenure of the commercial paper.

### **1.11 LEASES**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals under operating leases are recognised in the profit and loss account on a straight line basis.

### **1.12 EMPLOYEE RETIREMENT BENEFITS**

- i) A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the fund.
- ii) Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is performed as per the projected unit credit method.
- iv) Actuarial gain or losses are immediately recognised in the Profit and Loss Account and are not deferred.

### **1.13 PROVISION FOR DOUBTFUL DEBTS**

Provision for doubtful debts is made based on assessment made by management taking into consideration securities / comfort available against such debts.

### **1.14 TAXES ON INCOME**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961.

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods. 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 realized. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet, the company reassesses unrecognized deferred tax assets. It recognises deferred tax asset to the extent that it has become virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## SCHEDULES

### 1.15 CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on the balance sheet date based on the available evidence. Provisions are recognised when there is 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 determined based on best estimate required to settle the obligation at the balance sheet date.

### 1.16 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.

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

## 2. NOTES ON ACCOUNTS

### 2.1 CONTINGENT LIABILITY

(Rs.in lacs)

PARTICULARS	31.03.2010	31.03.2009
<b>2.1 Disputed tax liability not provided for:</b>		
(a) Income Tax matters in respect of which appeals are pending	269	182
(b) Service tax matters in respect of which show cause demand notices have been received. These are being disputed by the Company and hence not provided for.	227	—
<b>2.2 Contingent Liability not provided for on account of:</b>		
(a) Disputed Claim of SEBI towards turnover fees contested before Supreme Court.	261	261
(b) Claims against the company not acknowledged as debts	394	195
<b>Total</b>	<b>1,151</b>	638

### 2.2 CHANGE IN HOLDING COMPANY

During the year 2009-10, Aditya Birla Financial Services Private Limited have on 23<sup>rd</sup> February 2010 acquired 4,15,50,000 shares of Re.1/- each fully paid up representing 75% of total Paid up Share Capital of the Company from Aditya Birla Nuvo Limited (inter se promoter transfer under Regulation 3(4) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1996. Necessary disclosure under SEBI (SAST) Regulations, 1997 and SEBI (Prohibition of Insider Trading), Regulations, 1992 have been made on 24<sup>th</sup> February 2010 to the Exchanges.

### 2.3 EMPLOYEE RETIREMENT BENEFITS

The company has a defined Gratuity Plan. The table below summarise the components of net benefit expense recognised in the Profit and Loss Account and amounts recognised in the Balance Sheet for the respective plan.

(Rs. In Lacs)

a)	The Details of the company's defined benefit plans for its employees are given below:	Year ended March 31, 2010	Year ended March 31, 2009
	<b>Amounts recognised in the Balance Sheet in respect of gratuity (un-funded by the company)</b>		
	Present Value of unfunded Defined benefit obligation at the end of the period	121.57	88.61
	Fair Value of plan assets	—	—
	<b>Net Liability/(Asset)</b>	<b>121.57</b>	88.61

## SCHEDULES

(Rs. In Lacs)

a)	The Details of the company's defined benefit plans for its employees are given below:	Year ended March 31, 2010	Year ended March 31, 2009
	<b>Amounts Recognised in Salary, Wages and Employees Benefits in the Profit and Loss Account in respect of gratuity (Non funded by the company)</b>		
	Current Service Cost	19.00	22.84
	Interest on Defined Benefit Obligations	5.88	6.60
	Expected Return on Plan Assets	—	—
	Net Actuarial (Gain)/Loss recognized during the Period	17.27	(21.58)
	<b>Net Gratuity Cost</b>	<b>42.15</b>	<b>7.86</b>
	<b>Actual Return on Plan Assets:</b>		
	Expected Return on Plan Assets	—	—
	Actuarial Gain/(Loss) on Plan Assets	—	—
	<b>Actual Return on Plan Assets:</b>	—	—
	<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>		
	Opening Defined Benefit Obligation	88.60	88.51
	Current Service Cost	19.00	0.00
	Interest Cost	5.88	0.00
	Actuarial (Gain)/Loss	17.27	21.58
	Liability assumed on Amalgamation	—	—
	Benefits Paid	(9.18)	(7.76)
	<b>Closing Defined Benefit Obligation</b>	<b>121.57</b>	<b>102.33</b>
	<b>Change in Fair Value Plan Assets:</b>		
	Opening Fair Value of the Plan Assets	—	—
	Expected Return of Plan Assets	—	—
	Actuarial Gain/(Loss)	—	—
	Assets acquired on Amalgamation	—	—
	Contributions by the Employer	9.18	7.76
	Benefits Paid	(9.18)	(7.76)
	<b>Closing Fair Value of the Plan Assets</b>	<b>—</b>	<b>—</b>
	<b>Experience Adjustment</b>		
	Defined Benefit Obligation	121.57	88.61
	Experience Adjustment	(20.81)	(0.13)
b)	<b>Defined Contribution Plans: -</b>		
	Contribution to Provident Funds	86.52	76.43
	Contribution to Superannuation Funds	—	—
	Contribution to ESI	26.97	25.29
	<b>Principal Actuarial Assumptions at the Balance Sheet date:</b>		
	Discount Rate	7.40%	7.00%
	Estimated Rate of Return on Plan Assets	—	—

## SCHEDULES

### 2.4 RELATED PARTY TRANSACTIONS

As per AS-18 on "Related Party Disclosures" issued by the ICAI, the disclosures of transactions with the related parties of the company are as follows:

#### A) LIST OF RELATED PARTIES AND THEIR RELATIONSHIP

##### (A) HOLDING COMPANY

ADITYA BIRLA NUVO LTD (upto February 23, 2010)

ADITYA BIRLA FINANCIAL SERVICES PRIVATE LIMITED (ABFSPL) (w.e.f. February 23, 2010)

##### (B) Fellow Subsidiary Company (w.e.f. March 6, 2009)

Aditya Birla Capital Advisors Private Limited (ABCAPL) (Subsidiary of ABFSPL) (w.e.f. November 4, 2008)

Aditya Birla Customers Services Private Limited (ABCSP) (Subsidiary of ABFSPL) (w.e.f. December 11, 2008)

Aditya Birla Securities Private Limited (ABSPL) (Subsidiary of ABFSPL) (w.e.f. November 4, 2008 and ceased to be a subsidiary w.e.f. March 13, 2009)

Aditya Birla Trustee Company Private Limited (ABTCPL) (Subsidiary of ABFSPL) (w.e.f. November 28, 2008)

Aditya Birla Financial Shared Services Limited (ABFSSL) (Subsidiary of ABFSPL) (w.e.f. June 19, 2008 )

Aditya Birla Money Mart Limited(ABMML) (formerly known as Birla Sun Life Distribution Company Limited) (Subsidiary of ABFSPL) (w.e.f. March 31, 2009)

BSDL Insurance Advisory Services Limited (100 % Subsidiary of ABMML)

Aditya Birla Minacs Worldwide Limited.(ABMWL)

TransWorks Inc (TW Inc) (100% Subsidiary of ABMWL)

Aditya Birla Minacs Philippines Inc. (ABMPI) (100 % Subsidiary of ABMWL)

AV TransWorks Limited. (AVTL) (100 % Subsidiary of ABMWL)

Aditya Birla Minacs Worldwide Inc. (ABMWI) (100 % Subsidiary of AVTL) ( formerly known as Minacs Worldwide Inc.)

Compass BPO Limited, U.K. (w.e.f. March 9, 2010 )

Compass BPO, Inc, U.S.A (w.e.f. March 9, 2010 )

Compass Business Process outsourcing Ltd, India (w.e.f. March 9, 2010 )

Compass BPO FZE, U.A.E (w.e.f. March 9, 2010 )

Minacs Worldwide SA de CV (100 % Subsidiary of ABMWI)

Minacs Group(USA) Inc. (100% Subsidiary of ABMWI)

Minacs Limited (100 % Subsidiary of ABMWI)

Minacs Worldwide GmbH (100 % Subsidiary of Minacs Limited)

Minacs Worldwide Kft. (100 % Subsidiary of Minacs GmbH)

Aditya Vikram Global Trading House Limited (AVGTHL)

Aditya Birla Finance Limited (ABFL) (formerly known as Birla Global Finance Company Limited (BGFCL))

Birla Insurance Advisory & Broking Services Limited. (BIABSL) (50.01% Subsidiary of BGCFPL upto March 30, 2009 and of ABFL w.e.f March 31, 2009)

Birla Sun Life Insurance Company Limited (BSLICL)

Aditya Birla Capital Limited (ABCL) ( formerly known as Laxminarayan Investment Limited)

Madura Garments International Brand Company Limited (MGIBCL) (on becoming Associate, ceased to be an subsidiary w.e.f. November 27, 2009)

LIL Investment Limited (w.e.f. July 27, 2009 and on becoming Associate, ceased to be an subsidiary w.e.f. November 27, 2009)

Madura Garments Exports Limited (MGEL) (merged with the Company w.e.f. January 1, 2010)

Madura Garments Exports US, Inc. (ceased to be a Subsidiary from February 09, 2010)

Madura Garments Lifestyle Retail Company Limited. (MGLRCL)

MG Lifestyle Clothing Company Private Limited (MGCCPL) (merged with the Company w.e.f. January 1, 2010)

Peter England Fashions and Retail Company Limited. (PEFRL)

Aditya Birla Minacs IT Services Limited(ABMITS) ( formerly known as PSI Data Systems Limited)

Birla Technologies Limited (100 % Subsidiary of ABMITS)

##### (C) Key Management Personnel

Mr. Sudhakar Ramasubramanian, Executive Director (upto January 04, 2010)

Mr. Kanwar Vivek, Managing Director (w.e.f. January 04, 2010)

## SCHEDULES

**B) During the year the following transactions were carried out with Related Parties in the ordinary course of Business:**

(Rs. In Lacs)

Sr. No.	Particulars	Closing Balance 31st Mar 2010	Closing Balance 31st Mar 2009	Value of Transaction	
				2009- 2010	2008- 2009
1	<b>Aditya Birla Nuvo Ltd</b>				
	- Inter corporate loan received	—	—	12,500.00	—
	- Inter corporate loan repaid	2,000.00	—	10,500.00	—
	- Interest on Inter corporate loan	1.32	—	53.94	—
	Tax on Interest Rs.13,151/-				
	- Rent payment	—	—	31.59	—
	- Service on rent payment	—	—	3.25	—
2	<b>Aditya Birla Finance Ltd</b>				
	- Inter corporate loan received	—	500.00	—	500.00
	- Inter corporate loan repaid	—	—	500.00	—
	- Interest on Inter corporate loan	—	0.85	30.99	0.85
	- Syndication fee payment	0.57	—	0.57	—
	- Service Tax on Syndication fee payment (TDS on Syndication Fee Rs.6,283/-)	0.06	—	0.06	—
3	<b>Birla Sun Life Insurance Co Ltd</b>				
	- Brokerage earned	6.66	—	144.02	9.46
	- Referral fees earned	—	8.83	7.37	8.83
	- Other income	5.16	—	7.15	—
4	<b>Aditya Birla Money Mart Limited</b>				
	- Business development fee payment (Tax on Business development expenses Rs.5,60,000/-)	56.00	—	718.00	—
	- Service tax on Business development fee payment (Tax on Business development expenses Service tax Rs.57,680/-)	5.77	—	73.95	—
5	<b>Birla Sun Life Asset Management Co Ltd</b>				
	- Brokerage earned	0.54	—	0.54	—
	TDS receivable on PMS Brokerage Rs.5,350/-				
	- Employee settlement receivable	14.23	—	14.23	—
	- other payable	28.57	—	28.57	—
6	<b>Aditya Birla Capital Limited</b>				
	- Inter corporate loan received	—	—	1,850.00	—
	- Inter corporate loan repaid	—	—	1,850.00	—
	- Interest on Inter corporate loan	—	—	9.05	—
7	<b>PCR Investments Ltd</b>				
	- Inter corporate loan taken	—	—	—	7,500.00
8	<b>Apollo Hospitals Enterprise Ltd</b>				
	- Inter corporate loan taken	—	—	—	2,200.00
9	<b>Remuneration paid Key Managerial Personnel</b> (erstwhile Executive Director Mr.P.B.Subramaniyan)	—	—	—	54.41

## SCHEDULES

### 2.5 MANAGERIAL REMUNERATION

**2.5.1** The Company has made an application to Central Government under section 309 (5B) of the Companies Act, 1956 for seeking waiver of excess managerial remuneration amounting to Rs.30,94,634/- (Excluding statutory contribution to PF, Gratuity and leave encashment which are exempted under schedule XIII) paid to Mr. P. B. Subramaniyan, the erstwhile Whole-time Director (Executive Director) of the Company for the period from 1<sup>st</sup> April 2008 to 6<sup>th</sup> March 2009.

**2.5.2** The Company has appointed Mr. Sudhakar Ramasubramanian, as Executive Director, who relinquished charge as Executive Director with effect from 4<sup>th</sup> January 2010. Mr. Kanwar Vivek was appointed as Managing Director for a period of 3 years, with effect from 4<sup>th</sup> January 2010. No remuneration was payable to them.

### 2.6 SEGMENT REPORTING

The Company is principally engaged in the business of Stock Broking and related activities. Accordingly, there are no reportable segments as per Accounting Standard 17 issued by The Institute of Chartered Accountants of India.

### 2.7 DEFERRED TAXATION

Deferred Tax Liability / (Asset) at the year end comprise timing differences on account of:

		(Rs In Lacs)	
Particulars		31-03-2010	31-03-2009
a)	Depreciation	683.13	615.61
b)	Incremental Asset on transitional provision relating to gratuity & leave encashment at the beginning of the year	—	(15.18)
c)	On account of unpaid Gratuity and Leave Encashment outstanding at the end of the year	(63.23)	—
d)	Expenditure/Provisions Allowable	(52.38)	(159.93)
<b>TOTAL</b>		<b>567.52</b>	440.50

### 2.8 OPERATING LEASE

Lease rentals in respect of premises taken on operating lease during the year ended 31<sup>st</sup> March 2010 amounts to Rs.423.48 Lacs (Previous Year Rs.358.29 Lacs). Future obligations towards lease rentals under the lease agreements as on 31<sup>st</sup> March 2010 amounts to Rs.527.41 Lacs (Previous Year Rs.412.60 Lacs). Details of Lease Rentals payable within one year and thereafter are as under:

		(Rs In Lacs)	
Particulars		2009-10	2008-09
Within One Year		54.56	81.28
Later than one year and not later than five year		455.81	308.26
Later than five years		17.04	23.06

Future obligations are before recovery of expenses.

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.

### 3. EARNINGS PER SHARE (EPS) IS CALCULATED AS UNDER

		(Rs. In Lacs except EPS)	
Particulars		2009-10	2008-09
Net Profit as disclosed in the Profit Loss Account - (A)		1268.33	120.62
Number of Equity shares for calculation of Basic & Diluted Earnings Per Share - (B)		554.00	554.00
Earnings Per Share Rs.(Basic & Diluted) - A / B		2.29	0.22



## SCHEDULES

4. Estimated amount of capital contracts remaining to be executed on capital account (net of advances) and not provided for is Rs.110.53 Lacs (Previous Year Rs. 15.50 Lacs)

**5. FOREIGN EXCHANGE TRANSACTIONS**

The Company has not entered into any foreign exchange transactions during the year.

6. Amounts shown under Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation from the parties concerned. However, in the opinion of the Board of Directors of the Company, the current assets, loans and advances have a value on realization, not less than the amounts at which they are stated in the Balance Sheet.

7. 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

a)	(i) Principal amount remaining unpaid to any supplier at the end of accounting year.	NIL
	(ii) Interest due on above.	NIL
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	NIL
c)	Amounts of interest accrued and remaining unpaid at the end of financial year	NIL
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.	NIL
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.	NIL

8. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to this year's classification.

9. Figures have been rounded off to the nearest rupee.

As per our attached report of even date

For R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No.0041375

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

N. Krishnamurthy  
Partner  
M. No.19339

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary

Chennai, April 23, 2010

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees

PARTICULARS	31-Mar-2010	31-Mar-09
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	<b>205,232,375</b>	20,396,289
Adjustments for :		
Depreciation	<b>57,952,817</b>	50,445,348
Provision for bad & doubtful debts & advances(Net)	<b>11,412,106</b>	6,508,265
Diminiution in Value of Investments	<b>118,524</b>	220,885
Interest Expenses	<b>26,947,314</b>	41,454,737
Interest Income	<b>(28,151,875)</b>	(33,501,655)
(Profit) / Loss on Fixed Assets Discarded	<b>3,477,845</b>	1,229,250
(Profit) / Loss on Sale of Investments	<b>(1,884,542)</b>	9,550
Dividend Income	<b>(541,699)</b>	—
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>274,562,865</b>	<b>86,762,669</b>
Decrease / (Increase) in trade and other receivables	<b>(1,056,589,632)</b>	436,890,752
Increase / (Decrease) in trade and other payables	<b>707,883,113 (348,706,519)</b>	(784,488,666) (347,597,914)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(74,143,654)</b>	(260,835,245)
Income Taxes Paid	<b>(62,633,766)</b>	(17,977,502)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(136,777,420)</b>	<b>(278,812,747)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Fixed Assets	<b>3,477,845</b>	201,707
Purchase of Fixed Assets	<b>(73,018,696)</b>	(78,966,432)
Interest Received	<b>26,114,462</b>	33,221,874
Dividend Received	<b>541,699</b>	—
Sale of investments	<b>853,910</b>	15,000
Purchase of Mutual Fund	<b>(780,000,000)</b>	—
Sale of Mutual Fund	<b>781,128,476</b>	—
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(40,902,304)</b>	<b>(45,527,851)</b>

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rupees

PARTICULARS	31-Mar-2010	31-Mar-09
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inter Corporate Deposits	<b>150,000,000</b>	50,000,000
Commercial Paper Placed	<b>400,000,000</b>	—
Commercial Paper Redeemed	<b>(250,000,000)</b>	—
Proceeds from Secured Loans	<b>50,000,000</b>	—
Repayment of Borrowings (Lease & Asset Loan)	—	(485,191)
Dividends paid (including tax thereon)	—	(6,481,523)
Interest and Finance Charges paid	<b>(27,078,821)</b>	(41,454,737)
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>322,921,179</b>	<b>1,578,549</b>
NET INCREASE IN CASH AND EQUIVALENTS	<b>145,241,455</b>	(322,762,049)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	<b>174,773,998</b>	497,536,047
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	<b>320,015,453</b>	174,773,998

**Notes:**

1) **Cash and cash equivalents include:**

Cash, cheque in hand and remittance in transit	<b>1,080,949</b>	279,137
Balance with Banks	<b>318,934,504</b>	174,494,861
	<b>320,015,453</b>	<b>174,773,998</b>

2) Previous year'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 R. SUBRAMANIAN AND COMPANY  
Chartered Accountants  
Firm Registration No.0041375

For ADITYA BIRLA MONEY LIMITED  
(Formerly known as Apollo Sindhoori Capital Investments Ltd)

Kanwar Vivek  
Managing Director

Directors: Sudhakar Ramasubramanian  
Manoj Kedia  
P. Sudhir Rao

N. Krishnamurthy  
Partner  
M. No. 19339  
Chennai, April 23, 2010

Ravishankar Gopalan  
Chief Operating Officer

Nithya Pasupathy  
Company Secretary





